HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

FIRST SESSION—THIRTY-THIRD PARLIAMENT

34 Elizabeth II

VOLUME VI, 1985

COMPRISING THE PERIOD FROM THE TWENTY-EIGHT DAY OF OCTOBER, 1985
TO THE TWENTIETH DAY OF DECEMBER, 1985

INDEX ISSUED IN A SEPARATE VOLUME

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

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

HOUSE OF COMMONS

Monday, October 28, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed, from Thursday, October 24, consideration of the motion of Mrs. McDougall that Bill C-80, an Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof be read the second time and referred to a legislative committee.

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I am pleased to have the opportunity this morning to speak on Bill C-80 which relates to the Budget delivered on May 23 of this year. That Budget has had very detrimental effects on low and middle-income people in this country. It has had a very retrogressive influence on the Canadian economy and on its prospects for the future.

This morning I would particularly like to discuss matters relating to the Budget as they in turn relate to energy. The Budget stipulated that the excise tax on gasoline be increased by two cents per litre on September 3 and another cent per litre on January 1 of 1987. There will be a further increase in taxes as a result of the Government backing away from the partial deindexation of old age pensions. Although we are very pleased that the Government backed away from that policy, we feel that it is very unfair to make up for it through the price of oil. It seems that the Government believes in give and take and this belief is costing consumers a bundle of money. The Government believes in giving lots of money to the major oil companies through such vehicles as the Western Accord and the Gulf tax deal. The Government can give millions of dollars to bail out banks which failed due to a multitude of bad loans and bad management. However, the Government can only take from consumers.

Since the new Government came into power the consumer has had to face more and more tax increases. The Government tried to take money away from senior citizens and when it backed away from that policy the consumer, rather than big business, ended up paying for it through an increase in the price of gasoline. The consumer ends up paying through the nose because it seems that the Government cannot see beyond the end of its nose. The Government promised that the consumer would benefit under deregulation. The consumer has not benefited one bit from deregulated prices. Oil prices are falling everywhere except in Canada. Thanks to the generosity of spirit which the Government is displaying the consumer in Canada is experiencing more and more tax increases.

I would like to point out the inconsistency, the ambivalence, and the complete disregard shown by the Government by referring to some of the things it said and some of the indications it has given to the people of Canada. After a meeting with Ministers of Energy in late January it was agreed that companies operating in Canada be allowed to negotiate their own deals with U.S. importers without having to wait for federal approval of export prices. At that time, the Minister of Energy, Mines and Resources (Miss Carney) said that this move by the federal Government in realizing export pricing controls is an important step toward ultimate deregulation of Canadian crude oil prices and marketing procedures. She went on to say that it was impossible to project what effect a new energy pricing policy would have on consumer prices. She was prepared to go ahead with this program of deregulation without any idea what effect it would have on energy prices in Canada. At no subsequent time did the Government give any indication of concern about what would happen to energy prices here. Why did the Minister agree to deregulation if she did not have any idea of what effect it would have? It does not make any sense that she would have agreed to that.

• (1110)

In April, an energy expert with the Consumer's Association of Canada said that consumers can expect very significant increases in gasoline prices after June 1, the time of deregulation. That expert was Bruce Wilson, the association's energy committee chairman. The Government and the Minister of Energy, Mines and Resources were told that oil company officials reluctantly admitted that tax cuts will not mean cheaper prices at the pumps.

Austin Torrell, of Gulf Canada Products said that gas prices are largely contingent on the price producers pay for their crude oil. He said: "As a refiner and marketer of petroleum products, we see no change in the price consumers will pay for gas as a result of these cuts unless there is a change in crude oil prices". There has been a change in crude oil prices internationally. There has been a reduction of oil prices to consumers everywhere but Canada.

Why has that happened? Why have oil companies not passed those reduced costs of oil to consumers in this country? It is obvious that the producers believe they have the support of the Tory Government in Ottawa and that there will not be any ripple effect if the people in this country are charged as

much as the market can bear. This is an extremely callous, unfortunate and self-defeating action by the Government, as it is realizing today.

The Government has taken away consumer programs such as the Canadian Home Insulation Program and the Canadian Oil Substitution Program. Just in case consumers save money by insulating their own homes, the Government decided to tax insulation materials that consumers would have to buy as a result of the elimination of this program. Furthermore, if consumers try to save money on fuel tax by heating their homes with wood, the Government decided to tax wood stoves as well. Apparently the Government is attempting to tax consumers from every angle. First, it eliminated the program, then it taxed insulation products, and finally it taxed wood stoves when consumers tried to go off oil. The Government is making an incredibly lethal attack on consumers in this country.

It has told Petro-Canada to make profits, beginning by decreasing competition so that consumers will not benefit from any price war that may occur. Rather than worry about consumers in the future, the Government is encouraging us to become more dependent on foreign imported oil so that consumers will be left scrambling when the price sky-rockets. It will guarantee our reliance on foreign oil by cancelling the incentive program which provided incentive to find future oil and gas supplies. The Government has not given any thought to a replacement program for the Petroleum Incentive Program. This is devastating to frontier exploration, including offshore exploration in this country.

Let us see how these facts relate to the attitude of the Minister of Energy, Mines and Resources and the Government. When the Minister was speaking at an energy conference on March 8 in Vancouver, she described deregulation as much better for Canadian consumers. This is especially true in today's world of falling international oil prices because we cannot expect and be complacent about the fact that lower prices will continue over a long term. Therefore, we have to do two things. The first is to build in-protection for consumers should international prices surge. The second, is to get on with the job of conservation. The Minister said on March 8 that we have to protect our security of supply and that we have to get on with the job of conservation.

• (1115)

Let us deal with the second point first, that of getting on the with job of conservation. The Minister said this on March 8 and on March 31 the Canadian Oil Substitution Program was terminated and she cut back on the Canadian Home Insulation Program. The final blow in the heart of the Canadian Home Insulation Program will be dealt with in March, 1986. She is talking about conservation and at the same time she is doing away with the conservation program. She is saying: "We do not need to give financial incentives. We do not need to have this sort of program. We are going to give people information so that the conservation program will continue". That conservation program will not continue to the same degree because the Government has stabbed the program in the back. Dollar for dollar the Government and the country got more benefit from energy spending on conservation than it did from any other energy expenditure which it instituted.

Let us look at number one. The Minister has said that first we must build in a protection for consumers should international prices surge. She is saying that we have to develop our energy sources. This is the same Minister who today is saying that we are working on a replacement for the Petroleum Incentive Program. On March 8 she said we must build a protection for consumers should international prices surge. Last November she said that her objective was to prevent a lull in offshore activity. How do you reconcile the statements of last November and the statement on March 8 with what this Minister is doing to the Petroleum Incentive Program, taking away the incentive for offshore, taking away the incentive to develop the energy sources off Nova Scotia and Newfoundland and in the Beaufort Sea, Mr. Speaker? Not only that, the Minister just recently postponed the bi-provincial Husky upgrader project. The former Liberal Government has promised a loan guarantee of $780 million plus a $50 million grant to cover construction costs. The Minister has completely gone against what she has been saying. It is incredible that she says one thing and does another.

The Government has no regard for what it is saying. It has no regard for matching what it says to what it does. It is insulting to people, not to mention its absolute devastation of our energy program. The whole this is ludicrous and it gets wilder and wilder.

The Government is now toying with natural gas pricing. It is bad enough that the Government did not come up with something in the Western Accord last spring. The Government said: "We are going to provide a natural gas pricing arrangement by November 1". To begin with, November 1 was not a good date. It should have been September 1 or even October 1. November 1 is the beginning of the contractual year for natural gas contracts. What she is saying is, "At best we are going to give you an arrangement on the very day you must enter into your contract for the next contractual energy year. It is ludicrous to wait that long, but anyway the Minister gave the date of November 1.

The Government has had plenty of time to reach an agreement but we still do not have an agreement on natural gas prices. The whole picture on natural gas pricing and exporting, the whole structure of natural gas commerce is in a state of limbo. November 1, is next Friday, which is four days away. Why has the Minister placed this very important aspect of our economy in a complete state of limbo and confusion? Natural gas exports mean $4 billion per year to Canada. She is taking a $4 billion benefit to the country and throwing it into a complete state of confusion.

• (1120)

I should like to talk for a moment about the offshore, the replacement of the petroleum incentive program and the amendments to the Canada-Nova Scotia agreement. After the

signing of the Western Accord, the Minister of Energy was asked about a new agreement for Nova Scotia, and she said: "Give me a weekend to rest". Boy, was she tired? That was months and months ago, and still we do not have anything from the Minister or from the Government. It seems that Nova Scotia, and perhaps Newfoundland, if this complete inadvertence and disregard continue, will suffer tremendous problems as a result of the lack of a fiscal regime on the part of the Government. Once again the words of the Minister are not followed by action. Her words do not mean anything to her. I tell Hon. Members of the House that her words mean an awful lot to the people of Canada. They are not positive, but they are starting to realize that the Government just does not care about the country. It does not care what it says, and it does not care whether what it says is followed by action. It believes it need not do what it says it will do.

When the Western Accord was announced, the Minister said that offshore projects were protected; we all remember that. Also she said that she had received assurances of a reinvestment of $800 million per year from companies working in the Atlantic offshore and that removing five different taxes meant that they will invest more money in the East Coast. My, oh my, if they are investing more money in the East Coast, it has to be the best kept secret in the country. Last year, there were 10 rigs drilling off the shore of Nova Scotia. Now there are two. Companies are leaving Halifax and Dartmouth in droves. The whole offshore is crumbling because the Government has refused to put in place a fiscal regime which would indicate that it is giving any support at all to the Venture project in Nova Scotia.

On March 29, the Minister said: "The companies involved in the drilling ventures told me personally that the removal of the PGRT, which is a revenue tax, would be one of the greatest incentives to continue drilling in the Scotia Shelf". Imagine, imagine! Are those not just yummy words? Then, when referring to the Leader of the Opposition (Mr. Turner), she said: "I can assure him that there is nothing in the Accord that does any damage at all to Newfoundland and Nova Scotia".

This Government, which was practically paranoid about the reduction of the deficit last spring and according to its own terms, supposedly reduced it by $2 billion, has completely done away with that reduction. In fact, the removal of the PGRT, which is a gift to multinational oil companies, and the bail-out of the banks, each meaning $1 billion to the taxpayers of the country, have completely wiped out any reduction which may have taken place in the deficit.

The Government made some decisions on energy which it felt it could make and from which it could gain some political points. If it was a easy decision, the Minister of Energy and the Government made it. They did not have any regard for consumers or for what increased prices would result. They felt that if they could get some political points from it, they would do it.

It seems that the energy decisions are a little more difficult now. Perhaps the pressure groups are not all on one side or the other. It is not clear-cut. There will be a down side and an up side. The Government is frozen at the switch, and Canadians are paying the price as consumers and they are paying the price by the reduction of impetus and confidence in our energy program.

• (1125)

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, there is no tax that is a good tax. All taxes are in some sense a drain on the productive end of the economy, to pay the expenses of Government. So it is easy to argue that tax increases, such as proposed in this Bill, to some extent can cut back on economic activity.

The problem of course is that bills have to be paid. The expenses of Government go on. The deficit of the Government is massive. It is to that issue that I intend to address the House this morning.

This Bill really is a three-part Bill. It increases the general sales tax from 10 per cent to 11 per cent and the tax on building materials and products of that nature from 6 per cent to 7 per cent, commencing at the beginning of the new year. It increases the tax on alcohol to 14 per cent. It imposes some new taxes and broadens the base of our tax system to include a number of products that were not heretofore taxed. To that extent the broadening of the tax base is to increase the revenue to the Government in the period commencing on January 1, 1986, for that year, by $510 million.

The tax also deals with the excise tax on motor fuels. You will recall that the effect of the Budget was to remove the Canadian ownership special charge. That was the tax that was designed and imposed on all consumers of all petroleum products in order to pay for Petro-Canada's purchase of Petrofina. That tax was 1.3 cents a litre and it covered home heating oil, natural gas and all forms of fuel, not just motor fuel. The effect of the change in the excise tax is really not to change the gross revenue of the Government at all because what the Budget has done is to remove the Canadian ownership special charge that applied right across the board and replace it with a tax deliberately and specifically focused on motor fuels. So while we removed a 1.3 cent a litre tax, which included home heating oil, we now have a tax of 2 cents a litre, but that is strictly on motor fuels.

It has been the view of the Government, indeed the view of this Party, that the cost of heat in a man's home should not be taxed. This is a pretty cold country and it is a pretty callous Government which would tax the cost of heat on homes. So we took the tax off that item, but we added tax to the cost of motor fuel because the Government needs the revenue. It would be a sensible Parliament that would applaud that effort.

The total effect of the taxes is to increase the burden on the economy by roughly $1.6 billion in the next fiscal year, and that revenue is absolutely essential if we are going to come to grips with the problem that this Parliament faces, indeed that the country faces, in returning our economy to a certain stability.

Recently the figures for the period ending on July 31, the first four months of this fiscal year, were released by the Minister of Finance (Mr. Wilson). Those figures were disastrous. I remind you that the deficit at the end of July of last year was $11.3 billion. The deficit for the end of July of this year is $11.5 billion. In other words, despite what we have done, the deficit has crept up by $200 million.

● (1130)

Our expenditures are up. Our revenues are up. However, so is the deficit. For every $100 the Government spends, it is only able to collect in taxes $63. That means that it has to find $37 either by borrowing it or by taking it out of other funds such as pension accounts and the like. In other words, we have to beg, borrow or steal $37 for every $100 spent.

When Members of Parliament and Ministers ask for spending increases, for new programs and for better programs, they must remember that only 63 cents of every $1 comes from the taxpayer and that 37 per cent of that is a burden on our children and our children's children. It goes on and on sapping away at the life-blood of our economy and the future of our nation.

Dramatic efforts have been made by the Government this year to cut back on expenditures. In the figures ending in July, many Departments have shown that they are spending considerably less than they had spent in previous years. Expenditures in the Department of Agriculture, for example, are down $8 million or $9 million despite the fact that there has been a drought, despite the fact that there have been problems in the agricultural community and despite the fact that we still have an inflation rate of 4 per cent. The same can be said of one Department after another. Indeed, the only Departments of Government that show any increase are those Departments which make specific transfers like transfers on pensions, transfers on EPF and transfers to the provinces. These are transfers that have to be made because they have defined programs of payments. Of course, the costs of two other items have risen. The cost of national defence has gone up as we try to do those things that were left undone through so many years of mismanagement. As well, the thing that has really risen is interest. The cost of carrying the national debt in this four-month period was $8,275,000,000. Last year we spent $6,954,000,000 in four months to carry the national debt. The cost of carrying the debt went up by $1.3 billion.

I have already mentioned that this Bill will raise $1.6 billion. However, the interest cost alone charged to the Government in a four-month period would take care of nearly all the revenue this Bill will raise. Opposition Members must tell us where we will get the money to pay the bills if we do not get it from the taxpayers.

Departmental Estimates have been cut way back. For example, the Estimates of the Department of Transport have been cut back by $250 million in this four-month period alone. Where do we get the money we need if we do not take it in taxes? How do we come to grips with an over-burdening debt if we do not raise taxes? It is totally unrealistic for opposition Members to oppose this Bill in any way because this Bill is an attempt to come to grips with the inherent problems with which the Government was left after so many years of profligate management.

As I said, the taxes we receive account for only 63 cents out of every $1 spent, and the other 37 cents have to be taken from the economy by borrowing. This borrowing burden presses up interest rates, cuts back on other expenditures that could be made and is the problem which seriously impairs our ability to come to grips with reducing the deficit and eventually getting the country on a sound footing.

It should be pointed out in this debate that the Government has been eminently successful over the past year in reducing interest rates. Interest rates are now lower than they have been for some seven and a half years. The interest factor is such that we were able on Thursday of last week to put 90-day T-bills at an interest rate of 8.51 per cent. We hope to be successful in borrowing on Canada Savings Bonds this year at 8.5 per cent. By the way, that is a pretty good rate of return for those who invest in Canada Savings Bonds because I do not know where else one would be able to get a bond or certificate cashable at any time that would yield 8.5 per cent.

Interest rates are being pressed down and they are being pressed down because we are coming to grips with the problems of the country and because we appear to the community to be responsible. Interest rates are being pressed down because the community realizes that we all have to face the music and pay the additional levy that we must impose upon ourselves in order to come to grips with our debt problems.

If we refuse to pass this Bill, if we refuse to pay attention to the cost of carryign the debt and if we refuse to pay some attention to the realities of our budgetary process, our interest rates will go up to the moon because no one will trust our currency any more than the currencies of Mexico, Argentina and Brazil are trusted. If we were to carry on the policies advocated by members of the Liberal and New Democratic Parties, that is exactly what would happen to our economy. We were in serious danger of having that happen to the economy throughout the years the former Government was in power. Interest rates have dropped at least 3 per cent since the previous Government was defeated.

Most importantly, Sir, I would like to speak today about how we may come to grips with these problems. Members of Parliament are elected to do things for their constituents who expect them to represent their interests in the House of Commons and before Ministers of the Crown. If there are programs that could be made available to assist Members' constituents, the Members want to make sure that those programs are put in place. However, Members of Parliament have an overriding responsibility and that is the responsibility of being legislators for the entire of Canada and of guiding the future of Canada not only for the short-term benefit of their constituents but for the long-term benefit of all of Canada.

I spoke of the need for some parliamentary review of the ways and means by which taxes are raised and expended. At the present time, the Government produces a "blue book"

which contains a breakdown of the Government's estimate of spending for each Department. There is no parliamentary input on the Estimates before they are prepared. The only thing we can do is to object to an Estimate. Members will recall that on the last Supply day in the spring term there was a series of votes whereby a Member objected to an Estimate, put it before the House, and the Government moved to have the Estimate reinstated. I do not know of a method less effective than that by which Parliament is supposed to come to grips with government expenditures.

● (1140)

Under the present system the Government is totally responsible for the budgetary and tax measures. Until now it has refused to let Parliament really become involved in how taxes are raised and how expenditures are given priority. If you have so many dollars you can spend on the environment, where do you spent it? Do you spend it on a park, on protecting wildlife, or on cleaning up improper waste disposal? Where do those priorities fit in with pension, transportation or job training expenditures? It should be Parliament that decides on those priorities, but our present system does not permit Parliament to do so. Presumably the priorities are determined somewhere in the Treasury Board or Cabinet. Perhaps they are not determined at all. Perhaps Budgets are determined on the basis of what was spent the year before and you add 4 per cent.

Clearly, Mr. Speaker, we must have a better system in order to come to grips with our expenditure program. Clearly we need a method whereby parliamentarians, in committee, can go over Government priorities and determine among themselves, from a zero base, how much ought to be awarded to one envelope or another. Until we are prepared to do that, the system will be without a budgetary control mechanism because at no time under our present system do Members of Parliament ever get together and go over the whole Budget and determine priorities on the basis of available funds.

Sir, I have made these suggestions before the committee which is studying new procedures for the House. I say to you that unless we are prepared to take this kind of action, we will be faced with one little Bill after another coming before us. This particular Bill taxes various economic activities at varying rates, 14 per cent, 7 per cent, 11 per cent. However, there is no relationship between how this Bill raises money and how the money is spent, whether it be on retraining programs or defence programs or anything else. It is a Bill to raise money, but there is no relationship between it and the needs and demands of our constituents and their children. Therefore, we need a committee of this House which will look at the total revenue raising potential in co-ordination with the necessary expenditures. Then we will have a handle on where we are going, because at present we have no such handle. Unless we as parliamentarians do this and do it fairly quickly, we are going to continue to receive great, big, thick blue books with all sorts of Estimate breakdowns which do not help us and do not give us any idea of expenditure priorities. They are all presented as equally important and therefore we will vote for them. The tax measures which come in will be equally important, as will the borrowing requirements, but there will be no co-ordination between tax and expenditure. That is why I say it is important that this Parliament comes to grips with our problem generally.

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, it is a pleasure for me to rise and join in the debate on Bill C-80. Previous speakers have emphasized at considerable length that this Bill represents a large part of the income side of the Budget and that its primary purpose is without a doubt to raise money. At the outset I want to say everything good which can be said about this Bill, and I know Government Members will endorse that. I will then spend the other 19 and a half minutes pointing out what is wrong with Bill C-80.

It is my belief that the introduction of the search and seizure provisions, similar to those proposed for the Income Tax Act and which have been instituted in the system, is indeed a step long overdue. The idea that taxpayers may at least have some possibility of being considered innocent until found guilty is worthy of incorporation in the income tax system, and I am glad to see those principles extended to the Excise Tax Act through Bill C-80. It seems to me that the institution of provisions which will allow the taxpayer to exhaust his, her or their appeal remedies before the tax becomes due and payable is inherently fair and much more in accord with principles of natural justice than the previous regime of pay up now and we will settle whether you owe us anything later.

As has been said, the rate of the federal sales tax is increasing by 1 per cent. For the record, that will mean that from now on a 7 per cent tax will be payable on construction materials. I do not intend to enumerate all the items subject to increased taxes but I want to look at the larger items. One of the measures in this Bill which I see as most pernicious, the one most worthy of opposition from this side and, indeed, from that side of the House, if there are any Members who care to do so, is the introduction of the federal sales tax on a wide range of what we might call near-food items. Specifically, the sales tax exemption for candy and confectionery has been repealed, along with those for soft drinks, pet foods and certain health goods. I would like to concentrate on those two categories and see what sort of effect this has on Canadian consumption patterns and, by extension, on Canadian society.

● (1150)

It bothers me to see a measure coming in which taxes these near-food items, because there is only a very fine line remaining between those near-food items and items which are genuinely and legitimately part of people's every-day diets. In fact, I would go so far as to say that many items covered in the exemptions that are being repealed are legitimate parts of the every-day diets of Canadians today. We all know of people whose workstyles and lifestyles are run at such a pace and in such a manner that they do depend on snacking between meals to supplement their nutritional intake. I would say that in spite of the many legitimate things that have been said about the near-food items such as candy and confectionary, there are

many such items which are legitimately nutritious, which have reasonable nutritional content for the price demanded, and which can legitimately be included in a proper nutritional diet.

I wonder if a spokesman for the Government would tell us at which point cereals become confectionary. Over the past few years we have seen the rising popularity of granola which has translated into products known as granola bars which are highly nutritious and of which I, in my travels, consume a fair number. One must wonder whether there is a line and whether the Government is planning to make a wider range of food products subject to the federal sales tax. I hear one of the Members opposite who represents a farming constituency making a comment. I would point out to him that when the consumption patterns of foods are changed, it is not necessarily Canadian farmers who benefit.

Similarly, with regard to what are to be classed as soft drinks, there is a very fine line to be drawn. There are products on the market today which are compounded of real juices, artificial flavourings and carbonated water. In passing a measure such as this, we have to ask whether this represents the thin edge of a wedge for the Government. Is it a measure which is being tried out to see what the public reaction will be? Is it some sort of kite flying to see whether a wider range of products could not be subjected to the federal sales tax in the future?

The subject of pet foods has not been adequately addressed in the debate to this point in time. It is unfortunate that there are some Canadians who consume pet food as part of their own diet. I do not point that out in an attempt to exploit it for its emotional value, but merely to state it as a fact. With regard to the question of health goods, let us look at the likely effect of the institution of the federal sales tax on medical substances and devices that were not previously subject to the federal sales tax. My impression, Mr. Speaker, is that in at least a marginal way, if not a wider way, it is going to impact on the operations of our health care system. Will it not lead to people paying more visits to the doctor, which visits are not entirely necessary, because the prices of the remedies which they have come to know, use, and trust in the past are now rising in price by 10, 15, or 20 per cent, depending on what happens between the manufacturer and the retailer? They may find, particularly with drug insurance that is available to many Canadians, although unfortunately not to all, that they can get these items virtually free by visiting the doctor rather than getting them on their own.

I would like to discuss the effect that the increase in taxes on fuels will have on the more remote northern parts of Canada which depend on transportation systems for all the major inputs of life. They depend on transportation systems for personal movement and for the transportation into the community of most of the goods consumed there. This situation can only be described as one of double taxation. For example, an airline operator in a community such as Big Trout Lake in my riding has to fly in large amounts of gasoline, preferably during the winter, in order to run his operation throughout the year. Therefore, the impact of the tax is in essence ratcheted. It is subject to a gearing factor, and the consumer is going to see far more than the pro-rated effect by the time it reaches the price of an airline ticket or the price of freight rate for bulk commodities. This is, of course, because tax is being paid on the gasoline used to transport the taxable gasoline for future use.

That is hitting at a community which is one of the lower consumers of the support services provided by the federal Department of Transport. I know that the Hon. Minister of State for Transport (Mrs. Blais-Grenier) will be very pleased to confirm that for any Member of the House who may ask her. In fact, there are parts of this country where there are no federally maintained airports, runways, or control towers. While these areas can get weather forecasts, they are made for a larger area and cannot be relied upon too much for the smaller areas and shorter trips that these planes are making. There are planes, after all, Mr. Speaker, that serve their entire lives without ever touching a federally assisted runway because they are always operated on floats and skis. While it is not easy, obviously, to relate the actual cost of the services that those operations do consume, I think that the Government would be willing to acknowledge that, on a per airplane basis, the consumption of those services and, therefore, the impact on the budget of the federal Department of Transport is lower than that of those aircraft that are using airports and of those airlines that are using the wide range of services which provide such a safe and efficient transportation system throughout southern Canada.

The impact on prices in communities where all commodities must be brought in by air is not going to be of the same percentage order as the actual increase in taxation because it, too, will be ratcheted by the effect of using that tax paid fuel to get the product to the distribution centre, from the distribution centre to the jump-off airport where it will be flown north, to fly it north and finally to distribute it throughout smaller communities.

I would like to turn now to the so-called sin taxes, Mr. Speaker. I think that we should acknowledge that although we may not ourselves sin in all the ways that are taxed, there are very few of us who sin in none of the ways that are taxed. The Government, which in its Throne Speech offered something for everyone, is now getting something from everyone. I would like to look particularly at the effect of excise taxes on alcohol in Canada's tourist industry. It is my belief that many factors are being ignored in the imposition of that additional tax. It is not simply a question of what the final effect would be on the price of a drink in a given bar. Rather, it is a question of the way in which the market perceives it, the way in which people who are coming to Canada look at what is happening. There are, after all, price points in every form of service. Let us, for a moment, imagine the situation of someone saying to his neighbour in the United States that he went to Canada and it cost him $3.65 for a martini. Let us also remember that generally speaking, the effect of the very large exchange premium tends to go completely by the listener on first examination. They think of where they were when they last saw a martini

advertised at that price. It is probably one of the most expensive places that they ever visited. They equate the range of prices for all of those other tourist products, including hospitality, meals, transportation and excursions by gearing them to the price of alcohol. There is a spill-over effect, if you like, and a negative perception permeates the way in which other tourism products are perceived. This is undoubtedly a contributory factor to the declining share that Canada commands in world tourism receipts.

• (1200)

I think the kindest and perhaps most sensible comment I could make on the increase of 25 cents for a package of 25 cigarettes is that it is an adequate increase. Of course, I was warned by my colleagues, as a known avid anti-smoker, that taxation is not necessarily the best way of stamping out that very expensive and dangerous habit. I will restrain myself by saying that I am glad to see that there was at least some raise imposed in that particular area.

Finally, let me set the excise tax increases within the context of Canada's over-all taxation system. It is in the over-all context that one should judge how Canadians would perceive these tax increases. The point has already been made many times but does not seem to have been fully absorbed by the Government that sales taxes are a regressive form of taxation. These taxes take a larger proportion of the income of low-income consumers. I am reminded of complaints against monopolies in Great Britain during the reign of King James I of England—the sixth of Scotland. It is somewhat similar about the complaint that was voiced about monopolies: "They sleep in our beds, they sup in our cups". Indeed, that is the effect of these sales taxes and it has a far greater relative impact on the poorer person than on those who are more comfortable or wealthy.

Let us look at the excise and sales tax increases within the framework of the rapidly declining contribution to Canada's tax revenues that is made by the corporate income tax. Let us look at the progress—I use that word with my tongue well in my cheek because it is indeed a regress—in the percentage of taxation collected from the corporate income tax over the last few years. In the 1950s, the corporations were paying approximately half of the income tax in Canada. In 1960, they brought it down to 42 per cent; down to 36 per cent in 1970 and by 1980, down to 30 per cent. Indications are that the corporate share of income tax in Canada will fall to the 20 per cent range, given the incentives, breaks, loopholes and boondoggles, frankly, that have become available to corporations in Canada.

The 1984 annual review of the Economic Council of Canada pointed out that the forgone tax revenue on corporate tax and expenditures was approximately $30 billion to $50 billion a year. This is at a time when taxes on individuals are predicted to go up by over a billion dollars in 1986, a year in which it is expected that the corporate tax share will drop by $500 million.

During this debate we have heard much from the Government side about the Government's record on interest rates and job creation. While I will not condemn the Government record outright, I merely want to suggest that the reason there are so many speeches being made in the House praising the Government on job creation and interest rates is that there are so very few economic journalists and economists in the country who really believe that the definite improvements that have taken place are a result of the Government's action in this field.

I want to commend the Hon. Member for Mississauga South (Mr. Blenkarn). While I depart from him on most points of ideology, he is known and respected as one of the best technicians in terms of the budgetary process. Using the time he took to explain potential improvements was very worthwhile for the record in this debate. Over-all, however, C-80 is a game of winners and losers. We know who are the winners, and we know that the losers are the ordinary people of this country.

Mr. Blenkarn: Mr. Speaker, the Hon. Member will know that the tax on alcohol spirits was to have risen by 4 per cent on September 1 in accordance with the cost-of-living arrangements and the current taxing system that is in effect. He will also know that this was abandoned and replaced by a 2 per cent increase.

I must agree with him that the price of alcoholic beverages in Canada is a serious detriment to our tourist industry but he should point out to the House that the Government recognized this to some extent and allowed that tax to rise only by half of what was proposed. I think it is important for people to understand that.

Mr. Parry: Mr. Speaker, I certainly have no problem acknowledging that fact. I thank the Hon. Member for putting that on the record because I believe it is worth-while.

In the over-all context of taxation policy, it is a good principle to untie the major commodity taxes from a simple inflation adjustment because I believe that tax rates on such prime taxable items as alcohol, tobacco and gasoline should be reviewed every year as a matter of taxation policy and part of the budgeting process. I am sure that the Hon. Member for Mississauga South would endorse that point of view.

The Hon. Member is correct that the rate increase is half of what would otherwise have taken effect. I believe that the gasoline tax increases should have been handled as sensitively because that is also a substantial component in the mix of tourism expenditures in Canada. This is of particular concern to tourist operators in my riding because of the unusually long distances people must travel to get to their area. Since a large proportion of the route travelled to get to their area is in Canada, they have considerable concern about the impact of those gasoline tax increases on the tourism industry in Canada generally.

Mr. Blenkarn: I appreciate the Hon. Member's understanding of the Government's policy with respect to the liquor tax.

With respect to gasoline, the revenue between what would be received from the 1.3 per cent a litre Petrofina tax is approximately the same as the revenue from the 2 cent a litre tax on motor fuels.

While I am also very concerned that our gasoline prices are considerably higher than those in the United States as a result of this tax on motor fuels, I would rather have the tax on motor fuels than on home-heating oil. I am sure the Hon. Member will appreciate that, coming as he does from a constituency where many people are required to use home-heating oil to heat their homes. The amount of revenue collected from this tax is the same as what would have been collected with the Canadian ownership special charge. While it obviously increases the cost for those who drive vehicles, it reduces the cost for those who use home-heating oil. Perhaps he will agree that the effect is awash in the economy, even though the total burden of tax is regressive.

• (1210)

Mr. Parry: Mr. Speaker, I thank the Hon. Member for that comment. I think the elimination of the tax on home heating fuel is a sound measure. But it is worth saying that, by and large, the home heating oil tax has affected people at the lower end of the income scale even more than does taxation on gasoline.

I would like to thank the Hon. Member for his understanding of the way in which the tax on gasoline used for motor vehicles impacts on people who live in the more remote areas. Gasoline which they purchase has already been subjected to "up charges" because of the transportation distance for the refinery. The distances people must drive in remote areas tend to be greater than the distances people in major centres have to drive for whatever cause or reason. I see more higher mileage vehicles throughout my riding than I do around the City of Ottawa.

We ought to bear in mind, and it is worth having on the record, that that tax is one that tends to fall disproportionately on people who live in remote areas.

Mr. Morrissey Johnson (Bonavista-Trinity-Conception): Mr. Speaker, I rise to support Bill C-80, not because I think it is a fantastic piece of legislation but because I think it is necessary and that it is a fair Bill which will help to bring our staggering deficit under control.

The Bill before us to amend the Excise Tax Act and the Excise Act will raise badly needed revenues from the commodity tax system, badly needed revenues which will assist the Government in achieving its goals of economic renewal and sustained economic growth.

While it would surely be easier, Mr. Speaker, for the Government to avoid such difficult measures as tax increases, uncontrolled increases in the deficit and debt would not only hamper economic growth but would jeopardize Government programs and services which people require.

Hon. Members from the opposition Parties who have spoken on Bill C-80 so far oppose the responsible action the Government is taking in this Bill, despite the fact that the interest on the deficit is fully one-third of total spending and that debt charges threaten social programs targeted at the needy.

Controlling the deficit is a condition of assisting the needy. This is a fact which should motivate all Hon. Members in this Chamber to give their full support to this Bill and to ensure its speedy passage through the House.

As the Minister of State for Finance (Mrs. McDougall) and my other colleagues outlined in debate last week, Bill C-80 concentrates on controlling the national debt through a number of revenue raising measures. Substantial new revenues will be raised by broadening the base of federal taxes and increasing rates of tax.

None of us like tax increases, Mr. Speaker. However, putting people back to work is going to require sacrifices and hard work by all of us. I believe Canadians are willing to give a little to help those who are less fortunate. It is important to consider this Bill in a broader context in relation to other measures which the Government has also taken. The Government has balanced these increases in taxes with a reduction in its expenditures. Measures have been introduced to increase private initiative and investment in the country's economy. Civility has been restored to federal-provincial relations. The Western Accord is presently contributing to economic renewal in that part of the country after its economy had been devasted by the former Government's national energy policy.

In my own Province of Newfoundland, after a decade of long battle with the former Government over control of our province's offshore resources, the Government has fulfilled its election promise and brought an early agreement after just five months in office.

The Atlantic Accord is a shining example of what can be achieved when a spirit of co-operation and fairness exists between two Governments. Just as the Atlantic Accord will help to achieve economic prosperity for Newfoundlanders, the measures in Bill C-80 will assist in creating economic growth throughout the country.

Some Hon. Members have stated that this Bill will have a dampening effect on the economy. It is well known that since 1984, 305,000 new jobs have been created and that today's rate of unemployment is the lowest it has been in three years. It is not low enough by any means, but our Government will continue its successful efforts in order to keep this decline continuing in the jobless rate. As well, interests have fallen since the Government was elected a year ago and are at the lowest level in seven years.

A recent Statistics Canada survey found that business investment intentions for 1985 are up 12 per cent over last year's level. This increased capital spending will create jobs, of that there is no doubt. Inflation remains steady. At 4 per cent it is at its lowest rate since October 1971.

After only a little over a year in office, the policies of the Government have brought about these positive results. I am amazed that opposition Members, which saw the deficit go from $17 billion to $200 billion while the former Government

was in office, can stand in this House and criticize the responsible actions of Bill C-80.

The economic indicators which I have cited show we are on the right course, Mr. Speaker. The difficult measures contained in Bill C-80 clearly reflect the Government's commitment to the people to achieve economic renewal and jobs.

• (1220)

I believe that the Government is on the right course. The difficult measures contained in Bill C-80 clearly reflect the Government's commitment to the people of the country, to achieve economic renewal and to create new jobs.

Some Hon. Members: Hear, hear!

Mr. Cassidy: Mr. Speaker, I appreciate the comments of the Hon. Member for Bonavista-Trinity-Conception (Mr. Johnson). He has spoken favourably and said that it was good to contribute by this means, that his constituents should pay more for liquor, gasoline and all types of goods and services which in fact will suffer an increase in sales tax under Bill C-80. He is saying that that kind of sacrifice is something which is worth while. Of course, the question which comes to my mind is: To what extent will his constituents benefit, or for that matter the people of Newfoundland?

I suggest that the people of Newfoundland will not benefit, if benefits arise, in nearly the way the people in central Canada will benefit. Quite simply, the private sector in an area like Bonavista-Trinity-Conception is not particularly strong. There are very few high-rollers in that part of the country who stand to make $500,000 in capital gains which will be sheltered from tax, according to the measures put forward by the Government. At the same time, there are large numbers of unemployed workers or people in the fishing industry who are now being driven to the wall by the decision of the Conservative Government to allow the Department of National Revenue to go after fishermen for back taxes to the point where they will be driven out of business, if they are still in business at all. They are suffering from the worst catch in many years in that particular part of the country.

I ask myself the following question: If a Government wanted to make all people suffer to some extent by means of increases in regressive taxes in order to turn around and create jobs in disadvantaged parts of the country, that might be at least a defensible strategy. However, is it really defensible to take money from regions with high unemployment or little economic opportunity in order to put it into the pockets of people who benefit from capital gains on investments in apartments in Manhattan, in works of art, or in condominiums in Florida or Palm Springs, Arizona?

Perhaps the Hon. Member would be able to enlighten the House as to how many of his constituents will in fact be in positions to benefit from the capital gains exemption on such matters as foreign real estate investments, and what he thinks that will do in terms of job creation in his region about which I know he is terribly concerned. Perhaps he could enlighten us in terms of the provision of jobs for young people, married women and workers in general in Bonavista-Trinity-Conception.

Mr. Johnson: Mr. Speaker, I thank the Hon. Member for his comments and for his question. I am sure he is well aware that I said at the outset of my remarks that it was not a Bill about which to be jubilant, but that I thought it was a necessary and fair act.

While the people in my riding may not benefit from all measures contained in the Bill, with the vastness of the country from Newfoundland to British Columbia, we would be sitting in the House year round, day after day, for many years to come, if we had wanted to introduce legislation which would perfectly meet the requirements and the needs of all people in the country. I am well aware of the hardships in Bonavista-Trinity-Conception. Some of the taxes collected from the more prosperous areas of Canada will help to pay the $9.5 million which the Hon. Minister of Employment and Immigration (Miss MacDonald) had announced today in Newfoundland to help fishermen and plant workers who were not fortunate enough this summer, through their endeavours in trying to earn a decent living, to have acquired enough fish or work to qualify for unemployment insurance. A lot of people look upon unemployment insurance as a supplement to their income in the part of the country from which I come. It is not because they are proud to tell people that they are receiving unemployment insurance benefits. It is because they do not live in a manufacturing area and they can only find seasonal work. They have to depend upon the prosperity of other parts of Canada. That is what Confederation is all about; it is the sharing of the wealth of one part of the country with the poor in other parts of the country.

Mr. Cassidy: Mr. Speaker, again I appreciate the Hon. Member's comments, but I should like to suggest to him that perhaps the long-established practice of the sharing of wealth among different regions of the country has been reversed, now that the new Government is in power. Traditionally, those areas which were the most prosperous, including southern Ontario and Alberta, for a time, in fact contributed to regions of Canada, including Newfoundland, which were less prosperous. Surely the Hon. Member must know that a sales tax increase is a regressive tax. It hits people in low-income brackets harder than it hits people in upper-income brackets.

The Hon. Member stated that the people in his riding may not all benefit from these particular measures. It seems to me that the redistribution of wealth which will take place with Bill C-80 is that money will be taken from the people of Bonavista-Trinity-Conception. They are the ones who are being hit in order to provide financing for the high-rollers in Toronto, Montreal, perhaps Ottawa and other parts of the country, who will benefit from the $500,000 exemption on capital gains tax. I am told those high-rollers all drive BMWs, but I have as yet to hear about a BMW being made in Canada by automobile workers even in southern Ontario. They are made in West Germany.

Does the Hon. Member really feel that he can go back to his constituents? The Government has announced a program to allow some completion of unemployment insurance entitlement for his constituents, and that is welcome, but it has yet to pull back on saying to the same fishermen, who could not even reach the point where they could receive unemployment insurance, that they will have to pay more than 25 per cent of their income this past year toward paying off tax liabilities from previous years with National Revenue. If the Government were really concerned, it would be doing something about that as well, but it is not taking place. What kind of Government does the Hon. Member find himself a part of which in fact robs the poor in order to benefit the rich? It is a kind of reverse Robin Hood tactic, and the Newfoundlanders whom I know do not stand for that kind of reverse tactic.

Mr. Johnson: Mr. Speaker, I am glad the Hon. Member decided to sit down and make a little time available to me in which to respond to him. The grass is always greener on the other side of the fence. I am sure his colleagues in Ontario thought that when they formed a coalition with the provincial Liberal Government. In order to provide the services which people want, they found it necessary to increase taxes. I am sure the Premier of Ontario was not happy to have his Finance Minister do that.

When I made reference to the Atlantic Accord, I did not say that the Government of Canada was putting in $225 million for the training of people to work on oil rigs and in the developmental stages of Hibernia. That is a substantial amount of money. People are grateful that a Government in which they believe could come to an agreement with a provincial Government in just five months in office. I am proud to be part of that Government, even though there will be times when I have to take part in decision-making that I do not fully agree with but, as I have already said, that will be necessary if we are to continue to govern and give the needy of the country the things they deserve and to which they are entitled.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the debate today takes place in rather unusual circumstances, provoked by the publication of public opinion polls this morning whereby it would appear that there has been a sudden drop in Progressive Conservative support across the country. It is a sudden drop that reflects the political reality where the federal Conservatives seem to be holding only a six point lead over the Liberals and trailing the Liberal Party in every region except in the West. According to this poll also, the Conservative losses have occurred in every region and demographic group and they are the greatest in Ontario, especially in Toronto.

• (1230)

[*Translation*]

Mr. Lanthier: Mr. Speaker, on point of order.

Mr. Deputy Speaker: The Hon. Member for LaSalle, on a point of order.

Mr. Lanthier: Mr. Speaker, I was waiting to see whether I could find some relevance to the debate. You asked the House a while ago to resume debate on Bill C-80. I have the Bill here, and although I have looked everywhere, I fail to see any connection with the points the Hon. Member is trying to make.

[*English*]

Mr. Deputy Speaker: The Hon. Member for Davenport (Mr. Caccia) has the floor and is an experienced parliamentarian, and of course he will speak to the Bill.

[*Translation*]

Mr. Caccia: Mr. Speaker, if the Hon. Member for LaSalle (Mr. Lanthier) would give me a few minutes, I would be delighted to demonstrate the relevance of this poll to Bill C-80.

[*English*]

In continuing with this background to this debate it would appear that middle-aged Canadians, professionals, executives and union members have also deserted the Tory Party in large numbers. In Ontario the federal Liberals have moved ahead for the first time since June, 1984.

Mrs. Mailly: The Bill isn't passed yet. This is not relevant.

Mr. Caccia: Exactly. That is an interesting point. I will take it into account in a short moment. In Quebec the Conservatives are slightly—

Mr. Blenkarn: That is what happened to you. You believed the polls last June.

Mr. Caccia: —trailing the Liberals.

Mr. Deputy Speaker: That is no doubt interesting but could the Member please get to the Bill shortly. I understand that he wants to make a preamble, which is fine, but I would ask him to come to the Bill, please.

Mr. Caccia: Yes, Mr. Speaker. I will certainly heed your advice. I was getting there by also reviewing Atlantic Canada, but your urging brings me to raise the question: is this because of these budget measures and the Ways and Means measures in Bill C-80? That question, of course, is being answered by those of us in the Official Opposition by opposing the measures contained in Bill C-80 and in having for months and months—

[*Translation*]

Mrs. Mailly: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Gatineau, on a point of order.

Mrs. Mailly: Mr. Speaker . . . Yes, well, the Hon. Member for Bourassa (Mr. Rossi) just left the House after addressing some comments to me. He remarked a while ago that I was always the first to complain about people asking questions while I was speaking. I want to point out to him that my

complaint against him was not about a Member putting questions to another Member while he is speaking. Actually, what he does is make audible comments when he is not even in his seat, and then leave the House. Mr. Speaker, I wish you would remind him of the ruling you handed down several months ago, when he was acting in a way that was not acceptable in this House.

Mr. Rossi: On the same point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Bourassa (Mr. Rossi), on the same point of order.

Mr. Rossi: I would say that it is not up to the Hon. Member but up to the Chair to decide. She complains all the time . . . You see, what she is doing is just talk for the sake of talking, as usual. She does not want anyone to ask questions when she is speaking, and she goes and complains behind the curtains to the Speaker as soon as any one does, Mr. Speaker.

Mr. Deputy Speaker: I would ask the Hon. Member to listen to what the Hon. Member for Davenport (Mr. Caccia) has to say.

[*English*]

Mr. Caccia: Thank you, Mr. Speaker. I hope that this latest exchange and the time involved will not be counted against the time allocated to me. The points that I am trying to get across to this evidently nervous group of Tories across the aisle who are, as you can see by their faces, extremely unhappy about the result of the polls, is that if they had listened to our advice and comments since the Budget was announced when we told them that this Budget had a number of weak points and a number of wrong decisions in it, maybe the polls today would not have been so unfavourable as their present result.

There are a number of measures in this Budget that are going to come into effect once the Bill is approved, which we object to. There is, for instance, a 6 per cent tax that became effective on the day of the budget that affects insulation materials, heat pumps, solar heaters, panels and furnaces, wood-burning stoves, wind deflectors, wind generators and windmills and other such energy saving types of equipment and material.

In addition to that, we are debating a measure that involves tax increases on gas of 2 cents per litre as of September of this year, and that will impose 1 cent per litre in January of 1987; a tax that has already been imposed on many categories of construction materials; and a tax on equipment and construction materials using energy conservation; a tax on candy, soft drinks and pet foods; a tax on a wide range of health care products on which we on this side of the House have commented on a number of occasions before, and I would not be surprised if it is also one of the components that has led Canadians to lose their confidence in the Progressive Conservative Party to govern them, as shown in the poll published today. An increase in federal sales taxes across the board from 10 per cent to 11 per cent will become effective on January 1, 1986.

If we look at 1990-1991, what we see is a picture where consumers will pay some $2.6 billion more as a result of these tax changes while at the same time corporations will enjoy a $2.2 billion decrease in taxes. The capital gains tax break alone will reduce the taxes of wealthy Canadians by some $1.25 billion. I ask, where is the equity in the long term of this kind of taxation measures?

To increase sales taxes is damaging to the purchasing powers of consumers, as we know. The increase in higher fuel costs will affect also the cost of transportation and it will affect also the competitiveness of Canadian truckers *vis-à-vis* their U.S. competitors. Hundreds of small and medium-sized construction companies will see their profit margins cut to the bone as they are forced to absorb the new 6 per cent tax on construction materials because of the existence of many fixed-price contracts in this sector, which as you know characterize the construction industry, and which are of a nature that cannot be modified just overnight.

We made suggestions, and I thought they were practical, on our side of the House, that this tax on construction companies be phased in to take into consideration fixed-price contracts, but these suggestions have been ignored by the Government. The list goes on and on. What we object to are the details of the measures as well as the direction that is being taken on behalf of Canadians.

I would say in summary that the new taxes discourage energy conservation and they erode the progress made in permetting an increased capacity on the part of the Canadians to exert their purchasing power and, therefore, they erode the purchasing power and lower and middle-income Canadians. In the time available today I would like to speak about a specific measure whereby a specific tax rate will be imposed on unleaded gasoline, a .35 cents per litre tax as compare to .32 cents per litre on regular gasoline. In bringing this to the attention of Hon. Members and the Government, I regretfully conclude that the Minister of Finance (Mr. Wilson) made a serious political mistake, particularly in environmental terms. I will explain this mistake as briefly as I can.

• (1240)

It is well recognized that leaded fuels contribute to environmental degradation, and this occurs in two ways. First, lead emissions pose serious environmental threats in and of themselves, particularly in large urban areas. This has led to legislative reductions in allowable gasoline lead content. The desire to control emissions of substances like CO, HC and NOx has led to tough emissions standards requiring the installation of expensive catalytic converters on new automobiles. These converters are very sensitive to lead in fuels and lead to relatively high rates of misfuelling, which render the converters impotent, thus sabotaging the cause of good, sound, tough environmental standards.

Approximately one-half of the misfuelling that takes place in our country today has been encouraged by the price advan-

tage enjoyed by those who use leaded gasoline. From an environmental point of view, it is undesirable to sell leaded gasoline at prices lower than those charged for comparable unleaded gasoline. On the one hand, this increases the demand for automobiles running on leaded gasoline relative to the demand for automobiles running and unleaded gasoline. On the other hand, it provides an incentive for the misfuelling of automobiles designed to run on unleaded fuel. This price advantage, therefore, leads to increases in lead pollution and acid-rain-causing emissions. It is thus desirable, I submit, to use the federal commodity tax system to eliminate the price advantage.

I propose that the price differential be eliminated through changes to the structure of the federal sales tax on motor fuels. I will explain this briefly. I apologize in advance for the fact that this will mean putting on record some technical data and figures. Nevertheless, it is necessary.

Let me first explain that as of June 1 of this year, the sales tax on motor fuels has been charged at specific rates according to the following formula: (*a*) gasoline, regular leaded, a tax of .32 cents per litre; (*b*) gasoline, regular unleaded, a tax of .35 cents per litre; (*c*) gasoline, premium leaded or unleaded, a tax of .36 cents per litre; and (*d*) diesel fuel, a tax of .29 cents per litre. These tax rates will increase by 10 per cent on January 1 of next year. In addition, the excise tax on gasoline and diesel fuel increased by 2 cents per litre as of September, 1985, as we all know.

The sales tax on motor fuels was converted by the recent Budget to a specific tax from an *ad valorem* tax. The respective rates of taxation thus reflect relative gasoline prices and therefore the tax on regular leaded gasoline is lower than the tax on unleaded or premium gasolines.

On May 29, 1985, a small survey of retail gasoline prices was conducted. I am told that the price of regular unleaded gasoline was found to be consistently higher than the price of regular leaded gasoline by some 2.5 cents per litre. Only a small fraction of retailers sell premium leaded gasoline, and those who do said that they charged the same price as for premium unleaded gasoline.

I would propose that the formula used for setting the federal sales tax on motor fuels be altered and that two new categories, premium leaded gasoline and premium unleaded gasoline, replace the present category of premium leaded or unleaded gasoline. Following the terminology of the notice of Ways and Means motion to amend the Excise Tax Act, the formula for calculating the sales tax on motor fuels should be changed to read as follows:

That the specific rate of sales tax imposed on the following petroleum products be determined as:

(*a*) gasoline, regular leaded	.57 cents per litre;
(*b*) gasoline, regular unleaded	.35 cents per litre;
(*c*) gasoline, premium leaded	.36 cents per litre;
(*d*) gasoline, premium unleaded	.36 cents per litre;
(*e*) diesel fuel	.29 cents per litre;

multiplied by the ad valorem rate of consumption or sales tax expressed as a decimal number and multiplied by one hundred, which applies to goods other than wines and goods on which a duty of excise is imposed under the Excise Act and goods enumerated in Schedule V of the Act.

This is the technical text, as I understand it, that should be applied in order to achieve the desired goal of reducing the differential in price that exists and which is likely to increase in future between leaded and unleaded gasoline.

What this convoluted piece of language means—and I apologize for it but it is infernally complex—is that as of June 5, 1985, the sales tax on gasoline would be the same as indicated earlier except for regular leaded gasoline which would have a tax of .57 cents per litre; namely, an increase of .25 cents per litre from the .32 cents per litre which the tax is to be according to the formula to which I referred earlier.

As of January 1 of next year, if this proposed amendment to the Ways and Means were to be adopted, we would then have the following tax structure: (*a*) gasoline, regular leaded, a tax of .63 cents per litre; (*b*) gasoline, regular unleaded, and note the difference, a tax of .39 cents per litre; (*c*) gasoline, premium leaded, a tax of .40 cents per litre; (*d*) gasoline, premium unleaded, a tax of .40 cents per litre; and (*e*) diesel fuel, a tax of .32 cents per litre. These taxes would then be based upon the current differential between leaded and unleaded gasoline of 2.5 cents per litre. In the meantime, as I learned from *The Globe and Mail* of Thursday, October 17, in an article by Nicholas Hunter, this spread unfortunately has increased to 3 cents per litre and therefore these figures will have to be slightly adjusted in light of that development.

This very serious situation leads me to say that had the Government thought in environmental terms, it would not have proceeded by recommending a .35 cents per litre tax on unleaded fuels and a .32 cents per litre tax on regular fuels but would have adopted the kind of schedule I proposed a few moments ago.

• (1250)

This adjustment, Mr. Speaker, would of course require from time to time a survey of retail gasoline prices. However, this new formula will not completely eliminate the price differential between leaded and unleaded gasoline. This is for two reasons. In the first place, there is always a time lag in its imposition. Market conditions which generated some differential in one quarter may change so as to generate another differential in the next quarter. Second, the taxes are based on the average differential; regional variations, as we all know, may exist. Having said that, it is quite evident that the spread between the price of leaded and unleaded gasoline tends to be much more stable than the actual price of gasoline which can vary significantly over time and from place to place.

Therefore, even though the sales tax structure I propose will not completely eliminate this price spread, it would eliminate most of the price advantage currently enjoyed by leaded gasoline. I can imagine the thinking on the part of Members representing farmers and fishermen. They will be a bit edgy about this proposal as it affects both the farm and the fishery. To meet that understandable concern, I propose that those two groups be made eligible for a rebate equal to the difference

between the sales tax on leaded gasoline and its unleaded counterpart, multiplied by the volume of leaded gasoline purchases. This rebate would be delivered to farmers and fishermen in the same manner as the current 1.5-cent a litre tax refund is delivered. The same eligibility rules would apply and therefore no restrictions would be made between on and off highway use.

It is important that when we approach the taxation of gasoline from now on that we have a political concern for the damage caused by acid rain and that we reflect that concern in our taxation structure. This is a departure from practice because what I have put on record today requires a calculation which so far has not emerged. My conclusion is that by proposing a tax rate for unleaded gasolien which is higher than for regular gasoline we are making a serious environmental mistake. If we want to redress that mistake we should therefore restructure the proposed tax rates. It would be to our long-term benefit if we can find ways through the price structure in the market-place to make unleaded gasoline available to the consumer at the same price as leaded gasoline. In doing so we will reduce lead emissions and the concomitant health dangers, particularly in the heavily built-up areas, as well as reducing the emissions of NOx which find their way into the atmosphere and come back to us in the form of acid rain. It is with this in mind that I would like to conclude and I thank you for your patience.

Mr. Deputy Speaker: Questions and comments?

Mr. Lewis: Mr. Speaker, if I did not know the rules of this House I would be tempted to ask the Hon. Member what effect he thinks the massive sales tax increases brought in by the NDP-Liberal Government in Ontario will have on the polls. I would also be tempted to ask him what effect he thinks the vicious behind-the-scenes leadership campaign being waged by the Hon. Member for Saint-Maurice (Mr. Chrétien) will have on the Liberal Party. However, I will not do that. What I would like to ask him is this. In view of the fact that he was a Minister of the Environment in the former Liberal Government and has given us a very interesting discourse on what steps we should take with respect to taxing unleaded and leaded gasolien, what steps was he successful in having previous Liberal Cabinet Ministers take specifically on these proposed taxes when he was Minister of the Environment?

Mr. Caccia: Mr. Speaker, I want to thank the Hon. Member for asking two questions to which he does not want an answer and then focusing on the third one which is as interesting as the other two. This price spread and its widening is something which has emerged only very recently. It is on the path towards becoming wider as time goes by. As I mentioned earlier, it was 2.5-cents in the spring. It is now 3 cents. The application of this specific tax rate as recommended in Bill C-80 is likely to increase this spread in the future because it applies unevenly. On unleaded gasoline the tax will be .35-cents per litre but on regular it is .32-cents. This is, to the best of my knowledge, a new policy development in the taxation process adopted in this country. Therefore, it is obviously my duty to bring it to the attention of the Government and to underline the environmental consequences of this particular tax measure, small as it may appear to be in the immensity of the Ways and Means Bill in which it is buried. I am not saying it is buried deliberately, but it is a measure which may go by unnoticed by anyone who is not sensitized to the environmental impact caused by leaded versus unleaded gasoline.

I am sure the Hon. Member comes from an area where the question of acid rain is perceived by people in a particularly strong manner. I am sure he knows that in addition to acid rain the question of lead in gasoline has been one of concern to people who follow its effect on health and connect it with the content of lead in human blood. If that is the case, I imagine that I would have in the Hon. Member a very keen ally in making representations to the Minister of Finance on this issue because he would approach the matter in a way very similar to mine. He would want to ensure that leaded gasoline usage goes down and unleaded goes up.

Finally, in answer to the Hon. Member as to what I did in my term, I would bring to his attention—

Mr. Lewis: You have just about enough time to tell me, 30 seconds.

Mr. Caccia: —the fact that we did set in motion a reduction of lead in gasoline in Canada. The present standard of .77 milligrams per litre is gradually being reduced to .29 milligrams, bringing our standards in line, by 1988 I believe, with the standards in place and enforced in the United States.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 22

[*English*]

MEMBERS OF PARLIAMENT

REPRESENTATION OF COCHRANE-SUPERIOR—STATEMENT ATTRIBUTED TO MR. GERVAIS

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I wish to advise the House of my wish to dissolve a partnership, a partnership to which I never gave consent in the first place. The Progressive Conservative Member of Parliament for Timmins-Chapleau (Mr. Gervais), not having enough work to do in his own constituency, has announced to a handful of PCs in Kapuskasing that he is now in partnership with me to serve my riding. He told a small gathering of the Party faithful: "It is

quicker to gain the ear of Cabinet through a Government Member rather than an opposition MP". The curious aspect of this claim, Mr. Speaker, is that there is hardly a Cabinet Minister who even knows who the Member for Timmins-Chapleau is.

Mr. Boudria: Who is he anyway?

Mr. Penner: As far as the House of Commons is concerned, he is somewhat akin to H. G. Wells' *The Invisible Man.* Where was the Hon. Member for Timmins-Chapleau when the opposition Parties were fighting back attempts to reduce senior citizens' pensions? Where was he when we protested the cuts to family allowances? What has he said here in the House or to his constituents about the billion dollar bank failure fiasco, or rotten tuna on supermarket shelves? He said nothing.

No, Mr. Speaker, such a partner as that I do not want under any circumstances. To the House, to the people of Cochrane-Superior and to the people of Timmins-Chapleau I want to say that this never was partnership will never, never be.

* * *

THE HUMANITIES AND SOCIAL SCIENCES

INCREASED FUNDING URGED FOR RESEARCH

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, Canadian social scientists and humanities scholars feel discriminated against by the federal Government. They have watched support for the Medical Research Council and the Natural Sciences and Engineering Research Council increase by over one-third in real dollars since 1978-79. The federal Government's support for the Social Sciences and Humanities Research Council, however, has kept pace only with inflation and has not increased at all in real value since 1978-79.

Medical, natural science, and engineering research is undoubtedly important to Canada. Pure research requires federal Government support even while corporations fund a great deal of applied scientific research. Scholars in the social sciences and humanities are primarily dependent on government support for research funding. The limited funding by the Government of such research could lead them to infer that this research is not important to our country, but that is surely not true. If the Government has become largely economic and requires the best possible understanding of how our economy functions, such areas of policy as multiculturalism also require a research basis for their development.

We should all be deeply grateful to the scholars who have clarified ethnic development over the years in our country. Their research points us toward a fuller appreciation of how ethnic interaction created the Canadian society of our day. National development, Mr. Speaker, requires a substantial increase in federal funding of the social sciences and humanities.

[*Translation*]

ADMINISTRATION OF JUSTICE

REINSTATEMENT OF CAPITAL PUNISHMENT

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, today I want to join all Canadians in deploring the murder of policewoman Jacinthe Fyfe, 25 years old, who had been with the Montreal Urban Community Police Force for nearly five years and, while she was making a routine call, was shot down by an unsavory character.

Mr. Speaker, this time it was a policewoman. Two weeks ago, it was Mr. Frank Shoofey, a well-known Montreal lawyer and one of my constituents, who was killed in cold blood at his office while he was at work. A few months ago, an elderly lady, the mother-in-law of Tex Lecor, a well-known Quebec performer, was strangled and hanged in her apartment, for the sake of a few articles worth $50. And there are many more cases I could name.

Mr. Speaker, it is high time our Government tabled in this House a Bill aimed at reinstating capital punishment in Canada, since 25 or 35 years in prison do not seem to be a sufficient deterrent.

Mr. Speaker, now that every week Canadians are constantly hearing about gratuitous killings and murders, it seems to me that Parliament can hardly remain unmoved.

I understand that Crime Prevention Week will be held from November 3 to 9, a very laudable decision on the part of our Government, but it is not enough. The time has come, and this is what most Canadians and most people in my constituency want, to allow this House to speak out and hold a free vote on the reinstatement of capital punishment.

* * *

[*English*]

APARTHEID

COMMONWEALTH ACCORD—PRIME MINISTER'S LEADERSHIP

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, as someone who spent many years living and working in east and central Africa, and who has been to South Africa three times, I am proud to be finally a part of a Government that is showing strong Commonwealth leadership to dismantle apartheid in South Africa. The Commonwealth countries, with Canada leading the way, have opted to take a series of economic sanctions against South Africa that were announced in the recent Commonwealth Accord. No more Government loans will be extended to South Africa. Trade delegations will no longer be funded, organized, sanctioned or endorsed. There will be a ban on the importation of krugerrands. The freedom of Nelson Mandella is demanded, and more, Mr. Speaker.

In his address to the U.N. last week the Prime Minister (Mr. Mulroney) said: "My Government has said to Canadians that if there are not fundamental changes in South Africa, we

are prepared to invoke total sanctions against that country and its repressive regime. If there is no progress in the dismantling of apartheid, our relations with South Africa may have to be servered absolutely". That's leadership, Mr. Speaker—great leadership.

Some Hon. Members: Hear, hear!

* * *

UNEMPLOYMENT INSURANCE

COMPUTATION OF SEVERANCE PAY IN DETERMINING ELIGIBILITY FOR BENEFITS

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, the Minister of Employment and Immigration (Miss MacDonald) has been told once again that changes to rules concerning unemployment insurance eligibility are a step backward in coming to terms with the problems of unemployed workers in their forties and fifties. This time the warnings came not from the opposition benches as they have so often in the past, but from counsel she appointed to advise her. Yet it appears that even their thoughtful consideration of the issue failed to sway the Government from its plan to add to the enormous social and financial problems of older Canadians who find their jobs disappearing, most often because of the Conservatives' economic policy.

The Minister has been persistently warned that changing the rules for unemployment insurance eligibility for workers who received severance pay or company pension payments until their funds are exhausted could present serious problems. I would be remiss, however, if I failed to note that the Minister partially returned to her senses last year when, under heavy pressure from unions and the Members on this side of the House, she decided to delay the revisions. Although the show of compassion was short-lived, those changes affecting severance pay are now in place and *The Globe and Mail* quotes a ministerial spokesman as saying that there will be no delay to the senseless imposition of hardships on the unemployed who receive company pension payments. To quote the commission's report: "A large number of older workers are faced with economic and social problems which range from severe to desperate. They see their hopes for a safe and secure economic future for which they have worked many years disappearing. They feel that employers, the community, Government and society have abandoned them and they cannot understand why this is happening".

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

S.O. 22

CHARTER OF RIGHTS

EQUALITY FOR ALL REPORT RECOMMENDATIONS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, Canadians can be proud of the parliamentary committee on equality rights which held hearings across Canada and came to an all-Party consensus on progressive changes that are needed to remove discrimination from our laws and enforce our Charter of Rights. The *Equality for All* recommendations, which must be implemented, will affect parents, persons over 65 who wish to continue working, homosexuals, immigrants, religious minorities, native people, visible minorities, and the physically and mentally disabled.

Discriminatory practices against Canadian women have been given special consideration in recommendations that also respect the rights of men. The committee recommends shared parental leave, protection in common law relationships, equal treatment of women in the Armed Forces, prorated benefits for part-time workers, and much stronger enforcement of employment equity than is proposed in current Government legislation.

We call on the Government to prepare legislation immediately to implement these recommendations and remove discrimination. Bill C-62 should be redrafted as a first step. Action must replace words to achieve true equality.

* * *

THE COMMONWEALTH

SUCCESS IN REACHING ACCORD ON APARTHEID

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, upon the return to Canada of the Prime Minister (Mr. Mulroney) following the successful meeting of the Commonwealth leaders, we have heard nothing from the Opposition about the success of the Commonwealth Conference. Surely the Liberala and others in the House would have been able to set aside their jaundiced opposition mentality just this once to give credit where credit is due.

The Commonwealth Accord was signed in Nassau by all 49 Commonwealth representatives. This agreement, which calls on South Africa to dismantle apartheid, was largely due to the work of our nation's Prime Minister. The Prime Minister and Mr. Gandhi of India successfully convinced Commonwealth leaders to call on South Africa to end apartheid, end the state of emergency, and initiate real and meaningful dialogue. In addition to these terms, the Commonwealth Accord calls on South Africa to release Nelson Mandella and lift the ban on the African National Congress. Included in the Accord is a serious commitment of measures toward reform. These measures are sensible and compelling. This unanimous accord adds more credence to the Commonwealth and its leadership, among whom our Prime Minister ranks highly.

S.O. 22

● (1410)

THE COMMONWEALTH

ROLE OF PRIME MINISTER

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, the Commonwealth is a vital institution in Canada's external affairs program and the manner in which it interfaces in the solution of world problems. Each Commonwealth Conference has addressed significant world problems. The last Commonwealth Conference was no exception.

Our Prime Minister (Mr. Mulroney) used this forum to announce an immunization program for persons in Third World countries.

The Prime Minister was also instrumental in bringing the Commonwealth leaders to agreement, to finding a middle ground on anti-aparthied sanctions against South Africa. The Commonwealth Accord was signed at the conference in Nassau by all of the 49 Commonwealth countries. It allowed the Commonwealth to remain united, to remain intact and to find a solution to a problem of concern to all.

Prime Minister Diefenbaker returned to Canada triumphant from a Commonwealth Conference some years ago. The Prime Minister returned in a similar manner last Friday. All Canadians are proud of his leadership, his contributions, and his accomplishments.

* * *

THE ADMINISTRATION

PUBLIC OPINION POLL

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, the area near the West Door of the House of Commons looked like a used car lot again this morning, with Cabinet Ministers' limousines all over the place. Undoubtedly, the Cabinet was in session discussing the latest public opinion poll.

The poll that was released today shows that there is growing dissatisfaction with the Tory Government and a resurgence of Liberal fortunes. The people of Canada knew that they made a mistake when they elected the Government over a year ago. The jaw that walks like a man is making a mess of things. Even Charlie Star-Kist, the Tuna, will vouch for that.

What a glorious record the Government had in September. The tainted tuna scandal, the failing of two Canadians banks, the gifts to oil companies, the resignation of two Cabinet Ministers, and the awarding of lucrative contracts to Tory friends.

Ministers, Members, and staff from the Prime Minister's Office, and the Tory Party executive are retracting their statements because what the "great one" says is the truth, nothing but the truth, so help us God. Some even claim not to be astute. What does November have in store for us? More resignations, more scandals, more broken promises and more retractions? Who knows.

It is rumoured that the Prime Minister (Mr. Mulroney) will end this Session and start afresh in the spring. I say to him: "Don't wait for spring, Brian. Do it now".

* * *

EXTERNAL AID

IMMUNIZATION PROGRAM FOR THIRD WORLD CHILDREN

Mr. Bill Attewell (Don Valley East): Mr. Speaker, on the eve of the recent Commonwealth Conference the Prime Minister (Mr. Mulroney) announced that Canada will give $25 million for immunization of Third World children during the next five years.

In 1984 CIDA provided assistance to 45 Commonwealth countries. Forty per cent of our bilateral official aid goes to develop Commonwealth countries. The immunization program of $5 million a year can save 700,000 children a year from certain death. Vaccines, equipment, and technical assistance will go to Commonwealth countries such as India and Nigeria, which have recently begun infant immunization programs.

Diseases claim about 2 million infants a year in Commonwealth countries alone.

October 16, 1985, marked the tenth anniversary of the elimination of smallpox. Other diseases will be eliminated through the generous funding of research by countries such as Canada. The $25 million immunization program is another major step by Canada, and all Canadians should be proud to be part of this generous preventive program.

* * *

CHILDREN

RESPONSIBILITY FOR PROTECTION AGAINST SEXUAL ABUSE

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, sexual abuse of children is a concern of all Canadians and it must now become a concern of all Members of the House of Commons. I do not know whether there are more cases or whether incidents are more disgusting, more sickening, more reprehensible and, therefore, being reported more frequently, or both, but the protection of children is a responsibility of each and every citizen.

The funds must be found now to meet the challenges of this crime. It has been over a year since the Badgley Report was filed with the House of Commons and still there has been little, if any, action taken. The parents, friends, and others who inflict their perverted lust on children must be stopped. The House of Commons must make dealing with this matter an urgent priority.

ORAL QUESTION PERIOD

[*English*]

BANKS AND BANKING

CANADIAN COMMERCIAL BANK—SIZE OF BAIL-OUT PACKAGE

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Prime Minister. During his absence from the country we learned that last March 24, the day after the Prime Minister made his decision to rescue the Canadian Commercial Bank, the Government had information from its own officials that the bail-out package was at least $116 million short of what was required. In other words, the Government knew that that bail-out package was doomed to fail.

Why did the Prime Minister and his Ministers continue to assure the House, the banks, and the depositors that the bail-out would succeed? Why did the Government not take steps at once to amend the bail-out package to take into account this shortfall of at least $116 million?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, this question has been discussed in the House on a number of occasions. I want to draw a distinction for the Hon. Member that there is a difference between the loan losses that the bank was suffering at the time and the need for a capital injection. Those can be two different amounts.

I believe the Hon. Member is totally wrong when he says that we believed that this support package was doomed to failure right from the start. That is not the case and that is not want I have said. That is not what the Minister of State has said. He knows that that is incorrect, yet he persists in using that misinformation.

Mr. Gray (Windsor West): The Minister of Finance is simply contradicting a senior official of his own Department, Mr. Grant, who identified the $116 million shortfall.

PRIME MINISTER'S INFORMATION

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to ask another question of the Prime Minister. We learned from the Estey Commission hearings that on March 23 the Prime Minister ordered his Minister of State for Finance to proceed with a bail-out of the Canadian Commercial Bank despite her own opposition to this bail-out. She was the lead Minister whom the Prime Minister himself appointed to look into this matter and make recommendations. Will he tell the House what information he had to justify his overruling the Minister of State for Finance on this important matter?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the imagination of the Hon. Member is running wild again. We have said on a number of occasions that the Government looked at a number of options and considered all of the pros and cons of each of those options. It was on the basis of that range of information that a decision was made. That was a decision taken by the Government. It is a Government decision and all Ministers stand by that decision.

Mr. Gray (Windsor West): Obviously the Prime Minister did not have a good reason to overrule his Minister of State for Finance, unless, perhaps, he did not want to rain on his own Economic Summit.

ESTEY COMMISSION—REQUEST FOR APPEARANCE BY PRIME MINISTER

Hon. Herb Gray (Windsor West): Mr. Speaker, in view of the Prime Minister's totally unjustifiable lack of willingness to speak to the House of Commons and come clean with the House, will he at least agree to appear before the Estey Commission forthwith to explain and justify his personal role in this bank fiasco?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, contrary to our Liberal friends, when there was a legitimate controversy this Government did not try to cover anything up. We appointed the Estey Commission to investigate all of the circumstances of it.

I think Canadians expect us to put the full light on all of the circumstances surrounding this important matter and to allow someone of the integrity and ability of Mr. Justice Estey to make a value judgment in regard thereto, unfettered by other considerations. That is why he was appointed, and I assume that all Members of the House will want to allow him to continue to do his job.

BAIL-OUT ESTIMATE

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. It concerns his March 23 decision to rescue the Canadian Commercial Bank. The Government had information that the CCB's bail-out estimate was far short of what was actually required. Why was this information not shared with the Government's partners in the bail-out, the chartered banks, the Province of Alberta and the Province of British Columbia?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, again this is a question that has been answered in the House on a number of occasions last week. The Hon. Member is drawing information based on statements that have been made by people before the Estey Commission. She forgets that the whole purpose of that Commission is to assess these different points of view, draw conclusions from them and present those conclusions in its final report. The Government will wait until that final report is available. At that time we will be able to address the various options open to us on how we deal with this problem.

● (1420)

REVIEW OF BANK'S ASSETS

Miss Aideen Nicholson (Trinity): Mr. Speaker, investigations on March 19, 20 and 24 showed that the CCB had

seriously underestimated its loan losses. Why then did the Government wait until May, having formally guaranteed the bank's solvency in April and paid over the money, before starting a complete review of the bank's assets?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the office of the Inspector General of Banks had been in before the rescue package was put together, as well as after.

An Hon. Member: They told you before it was flawed.

Mr. Wilson (Etobicoke Centre): There were a considerable number of discussions also during that period of time what steps should be taken in connection with the Canadian Commerical Bank. Unfortunately, the result was not something we were happy to see happen.

The bank did enter into a number of loans that, according to one of the witnesses at the Commission, were bad loans the minute they were written. Those were the things that contributed to the undoing of the bank, and were things beyond the control of the Government. We believe we took the appropriate steps both on the weekend of March 22-23 as well as later on when the bank was put into liquidation.

INFORMATION AVAILABLE TO INSPECTOR GENERAL OF BANKS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister which I hope he will answer. He has been away from the House on important business with which the whole country agrees.

Some Hon. Members: Hear, hear!

Mr. Broadbent: But he is now back after two weeks and I hope he will answer the questions.

We now know that the Inspector of Banks made available to Ottawa information on the Sunday, before the decision was announced to bail out the Bank, that the package was going to cost at least $100 million more than we were told in the House of Commons on the Monday.

Either the Government, when it took its decision on Saturday, did not have this information—in which case it was acting irresponsibly with the taxpayers' money before it looked at its own report—or the Government had the information and the House was misinformed on Monday about the extent of the cost. My question to the Prime Minister is: which is it?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): I think I responded to this very question—

Mr. Broadbent: No.

Mr. Wilson (Etobicoke Centre): —from the Hon. Member last week. Again, I repeat to him, he is drawing conclusions based on testimony that has been put before the Estey Commission. That is the responsibility of the Mr. Justice Estey.

At this point in time we are not going to comment on the range of views that will be put before the Commission—

Mr. Gauthier: Come on.

Mr. Wilson (Etobicoke Centre): —but await the results of the report and comment at that time, if it is appropriate.

TIMING OF GOVERNMENT DECISION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, before this matter went to the Estey Commission, the Government made it clear it would be prepared to answer for ministerial responsibility in this House.

Some Hon. Members: Hear, hear!

Mr. Broadbent: That is what the Government should be doing today.

[*Translation*]

I have a question for the Right Hon. Prime Minister. The Government made the decision on the weekend, before a report by a very important public servant was presented Sunday evening.

My question to the Prime Minister is as follows: Was his decision made before the report, yes or no?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member is confusing certain statements that were made with reports that appeared in the media.

The important matter of the bank situation was submitted to a commission of inquiry chaired by Mr. Justice Estey of the Supreme Court, so that he could judge all the facts objectively and clearly. And that is what we are doing. We set up this commission of inquiry so that it could find out all the facts and make conclusions on the basis of those facts. It would not be my place to comment on the speculative notions or reports of third parties.

[*English*]

PRIME MINISTER'S INFORMATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is not about speculations or opinions, it concerns the information the Government had or ought to have had before it made its decision on the weekend.

I would like to ask the Prime Minister, as the person who was chairing the important meeting attended by the Minister of Finance and by the Governor of the Bank of Canada, to tell the House when he met on that weekend, specifically on the Saturday, whether he had the information that the cost of the package was going to be $100 million greater than the Minister of State responsible for Finance told the House on the

Monday morning. Surely the Prime Minister can answer that question now, and he ought to.

An Hon. Member: Yes or no.

An Hon. Member: The whole truth.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member knows that it is not the practice of this Government, or any other Government, to say these are the various things that were discussed in a confidential meeting.

An Hon. Member: That is outrageous.

Mr. Wilson (Etobicoke Centre): What is important is the decision that was taken by the Government—

Mr. Frith: You misled the House on Monday.

Mr. Wilson (Etobicoke Centre): —is well known to the Hon. Member and to other Hon. Members. That decision was based on the range of information we had at the time. It was based on the results of discussions that we had had both with officials as well as the banking community. It was the best decision we could have taken based on the information that was available.

REQUEST THAT MINISTERS APPEAR BEFORE ESTEY COMMISSION

Mr. George Baker (Gander-Twillingate): Mr. Speaker, this country deserves—

An Hon. Member: A question.

Some Hon. Members: Oh, oh!

Mr. Baker: —a thorough explanation of the Government's decision to bail out a bank against the advice of the Minister responsible, the Minister of State for Finance, who says she will not answer any questions concerning the matter while the Commission is having its hearings.

My question, in her absence, is directed to the Minister of Finance. Will he and the Minister of State for Finance appear before the Commission and explain how they can defend, in Parliament, a decision of the Prime Minister with which the Minister of State for Finance did not agree?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the preamble, as well as the question itself, are totally false. When the Hon. Member has a question that is sound in substance, then we will answer the question.

An Hon. Member: What are you hiding, Mike?

Mr. Speaker: Order.

GOVERNMENT DECISION

Mr. George Baker (Gander-Twillingate): Mr. Speaker, on September 17 in this Chamber the Prime Minister said:

The Leader of the Opposition makes statements like: "The Prime Minister didn't know the facts".

The Prime Minister knew all of the facts available at the time.

My supplementary question is for the Prime Minister or the Minister of Finance. Is the Minister of Finance saying in the House today that the Prime Minister made a bad decision because he did not have the facts available at that time? Is that what he is saying?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me advise the Hon. Member that the information available to us was the information we needed to make the decision. That decision was made by the Government. That decision stands.

I do not quite understand what the Hon. Member is trying to get at with the misleading things he is putting into the preamble to his question.

• (1430)

[*Translation*]

SITUATION OF CANADIAN COMMERCIAL BANK—INFORMATION GIVEN BY BANK INSPECTOR

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I would like to direct my question to the Prime Minister. Everyone knows by now that bank auditors examined the Canadian Commercial Bank loan portfolio on Sunday March 24 and discovered that the amount outstanding was $100 million more than what the Government had thought.

My question is this, Mr. Speaker: Had the bank auditors conveyed that information to the Prime Minister and the Government when the Prime Minister made his decision on Monday, March 25?

• (1430)

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not know whether there are any rules in the House, but that is exactly the question which was asked a little earlier in this Question Period and was asked on two or three occasions last week. I could give the Hon. Member the same answer, but I do not want to take up the time of the House. The answer which I gave last week and earlier today still stands.

[*Translation*]

ORIGIN OF INFORMATION RECEIVED BY MINISTER

Mr. Lorne Nystrom (Yorkton-Melville): I have a supplementary, Mr. Speaker.

I asked a very direct question. Did the Government, did the Minister of Finance have that information from the Inspector General of Banks when it was decided to give $250 million to the Canadian Commercial Bank?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am going to answer this question one more time, and that's it.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): The answer to the question is—

Mr. Blackburn (Brant): That is a contempt of Parliament.

Mr. Broadbent: Answer the question.

Mr. Wilson (Etobicoke Centre): If Hon. Members wish to listen to the answer, the answer to the question is that the Hon. Member is drawing conclusions based upon things which were put before the Estey Commission last week. They are the conclusions which he is drawing from it. The whole purpose of the Estey Commission is for Mr. Justice Estey to draw these conclusions, so that he can present a report to the House and to the people of Canada which asserts his judgment of the various points of view that entered into the decisions which were taken surrounding the demise of those two banks.

Mr. Nystrom: What did you know?

Mr. Wilson (Etobicoke Centre): Until Mr. Justice Estey brings forward his report, I am not going to make any furhter comments.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

PRIME MINISTER'S ACCESS TO INFORMATION

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, it sounds like the Government is about to make its case for shutting down the House, because it does not intend to answer the most important questions before the nation.

Some Hon. Members: Order.

Mr. Tobin: I welcome the Prime Minister back from the Commonwealth meeting. I hope he has learned a lesson from the British Prime Minister. I hope he is prepared to move a little out of his seat and answer some questions.

Some Hon. Members: Order.

Mr. Tobin: I want to ask him the question which was asked by the Opposition House Leader that he deliberately chose not to answer. What information did the Prime Minister have which caused him to overrule the Minister he selected and appointed to oversee the entire matter, to overrule her decision and her judgment that this—

Mr. Speaker: I am in some difficulty. The House knows that our practices have been to allow Members to put the questions they wish to put. However, the House also knows that we have a tradition of not simply repeating, repeating, and repeating the same question. May I, therefore, ask the Hon. Member to come immediately to a question which perhaps has not been asked and already answered?

Mr. Tobin: Did the Prime Minister have access to any information which was not available to other Members of his Cabinet who were part of the decision to allow the bail-out package to go ahead? Did he have any information which was not available to other Ministers?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member should realize that this is a government decision. It is a decision taken by the Government at that time. The basis for the decision is not subject to a wide-ranging debate in the House of Commons as to who knew what and who did what during that time.

Mr. Gray (Windsor West): Why not?

Mr. Wilson (Etobicoke Centre): Because the—

Mr. Rossi: It looks fishy.

Mr. Andre: Have you heard of responsible Government and responsible Ministers?

Mr. Gray (Windsor West): What are you afraid of?

Mr. Wilson (Etobicoke Centre): If Hon. Members would let me complete my answer, I will give them an answer. This is a collective decision taken by the Government. What individual Ministers felt and what individual Ministers brought forward what information to the decision are subject to Cabinet confidences. The result is a collective decision; the result is a Government decision.

MINISTER'S MARCH STATEMENT

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, that is an admission that there were differences among the Cabinet.

Some Hon. Members: Oh, oh!

Mr. Tobin: I have a supplementary question. Can the Minister of Finance tell us why, on March 29, the Minister of State for Finance told the House that $255 million was sufficient, when we know that she knew on the twenty-fourth that the package was flawed by $116 million? How could she make that statement and mislead the House?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think that what the Hon. Member has added to that question is totally wrong. The decision was taken by the Government based on the information which we had at that time. The information which we had was sufficient for us to make the judgment—

Mr. Tobin: What information did you have?

Mr. Wilson (Etobicoke Centre): —that the rescue package would be successful.

NATIONAL REVENUE

GULF TAKEOVER—TAX RULING

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Prime Minister. During his absence the former Deputy Minister of Finance stated that in the Olympia & York-Gulf-PetroCan deal, which came before the P and P Committee of Cabinet on a number of occasions, the matter was discussed during the time the negotiations were progressing. Why did the Prime Minister not move during that period to close the tax loophole which will allow $500 million to $1 billion of taxpayers' money to be paid out? Why did he not close it when he knew it was going to happen?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, with regard to this, the company, O&Y, exercised the right of all citizens, including corporate citizens, under the Act to seek a ruling. The ruling was made objectively by officers of the Crown in the Department of National Revenue, and presumably it became part of a package which allowed that company to make an offer. That transpired in the normal course of business, and it was not for Cabinet, retroactively or at any time in those circumstances, to place judgments upon legislation which had passed the House in, I believe, 1971.

GOVERNMENT POSITION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, we all understand that it was Liberal legislation and that it had been used maybe five or six times. However, I am concerned about the following. Why did the Government, knowing that it would cost taxpayers between $500 million and $1 billion, not move during the time the negotiations were being proceeded with, in advance of the deal being consummated, to close that particular tax provision to ensure that Canadian taxpayers would not be ripped off further?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I responded fully in that regard. Canadian citizens or Canadian corporations, under the laws which govern our jurisdiction in tax matters, have the right to address themselves directly to the Department of National Revenue to seek a tax ruling. That is what transpired.

* * *

BANKS AND BANKING

CANADIAN COMMERCIAL BANK—ANSWERING OF QUESTIONS IN PARLIAMENT

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Minister of Finance. I find it to be terribly offensive, and I ask the Minister of Finance to clarify for Members of Parliament whether it is a decision of his and the Prime Minister that they will not answer questions with regard to that subject matter until the Estey Commission reports? Is that what the Minister of Finance is telling the House, thereby in fact resigning from his responsibilities?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I was referring to the specific question which has been posed, probably have a dozen times, and in many cases using exactly the same words. I do not think that it is an appropriate use of the time of the House.

Mr. Tobin: That is not for you to judge.

Mr. Wilson (Etobicoke Centre): Nor, with respect, do I believe that it is in line with the rules of the House that I should have continually to answer the same question, time and time again, because Hon. Members cannot get it into their heads.

Mr. Dingwall: Mr. Speaker, the Minister of Finance has not answered the question repeatedly. I charge that the Minister of Finance is involved in a cover-up, and he is refusing—

Mr. Speaker: Order, please. Is there a question?

Mr. Dingwall: Will the Minister of Finance tell the House if he knew in detail about the $116 million difference? Will he tell the House whether he knew about that particular difference?

An Hon. Member: Yes or no.

Mr. Speaker: Order, please.

Mr. Andre: Same question.

Mr. Rossi: Harvey, you are not the Speaker; go back to sleep.

An Hon. Member: We all heard that.

Mr. Speaker: I think it is clear, since we have been told, that the question being repeated will result in the answer being repeated. It does not seem to me to be in the interest of the House simply to keep repeating the same question and the same answer; it just does not seem to me to make much sense.

* * *

● (1440)

[*Translation*]

EMPLOYMENT

IMPACT ON QUEBEC OF FREE TRADE AGREEMENT WITH UNITED STATES

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Prime Minister. Is the Prime Minister aware of the fact that according to figures released by his Minister for External Trade, about 200,000 jobs in the

manufacturing sector in Quebec will be threatened as a result of a free trade treaty with the United States? Since many of these jobs are in industries that are particularly vulnerable such as textiles, clothing and footwear, what assurance can he offer that a free trade agreement with the United States would not cost Quebec more than it would gain in terms of jobs?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member is asking a hypothetical question, but I can inform him that despite his preamble about the job priorities he mentioned, last week I spoke directly to President Reagan about these issues in connection with certain initiatives that may be taken by the U.S. Congress and which may have a disastrous effect on production in Quebec or elsewhere. I received the assurance that the President of the United States would intervene vigorously to support certain changes or free trade between our countries, to ensure that we would not lose jobs in Quebec or the rest of Canada, pending negotiations if any.

* * *

TEXTILE INDUSTRY

IMPACT OF IMPORTS ON QUEBEC—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, does the Prime Minister realize that the textile industry in Quebec is losing jobs at this very moment as a result of imports, and if the President is going to intervene in the United States, will the Prime Minister and his Government intervene here in Canada to guarantee that at least half of the Canadian textile market will be reserved for Canadians and Canadian manufacturers?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, what the Hon. Member forgot to mention is that in our first year, 304,000 new jobs were created, because the Conservative Government came to power; that the unemployment rate is the lowest it has been since three years; that youth unemployment has dropped 2.2 per cent in twelve months; and that interest rates are at their lowest level in seven years here in Canada. That is an extraordinary record of economic expansion.

Furthermore, Mr. Speaker, we have a positive policy in that we do not blame our neighbours. We know that we Canadians are able to do a lot when we work together, and 300,000 new jobs are a dramatic indication of what we are capable of achieving in our economy.

[*English*]

PUBLIC SERVICE

PENSION INDEXATION—POSITION OF PENSIONERS

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, I have two questions for the President of the Treasury Board and, with your generosity, I will have a chance to ask both of them.

The first is to request, on behalf of the many thousands of superannuates in Canada, the status of negotiations concerning the indexation of the pensions that they paid for.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, further to my answer to the Hon. Member on September 26 last, I can inform him that we have received, on the management side and on the employee side, the reports of our actuarial consultants. Reports have been exchanged between the two groups, they are under study at the moment, and will lead to discussions within the next week to ten days to come to, as I mentioned at that time, a fair and equitable resolution to the issue, putting the pension fund of employees on a sound financial basis and in line with the commitments of this Party and the Government.

[*Translation*]

PUBLIC SERVANTS' PENSIONS—GOVERNMENT POSITION

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, I have a supplementary question for the same Minister. I would like to know what you intend to do to restore the base of public service pensions which was eroded as a result of the unacceptable Bill C-133?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, this question has been raised many times by associations of employees and pensioners. They want the Government to review closely the very negative impact which that unilateral decision of the previous administration may have had on public service employees and pensioners.

The matter is indeed the subject of discussions with the groups involved and a decision will be made which I hope will be acceptable to all parties concerned.

* * *

[*English*]

ENERGY

PRICE OF NATURAL GAS

Mr. Russell MacLellan (Cape Breton-The Sydneys): My question is directed to the Minister of Energy, Mines and Resources who will remember speaking at Jasper last June when she said: "There are more than two million households out there on natural gas and they will be looking for a fair deal this November."

Can the Minister assure the consumers of Canada that they will be getting a fair deal, including a cut in natural gas prices, by November 1?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, as I have said before, this is a matter that is under negotiation. Our officials are meeting again today, as we have met constantly over the last two weeks. I am meeting again with the western Ministers tomorrow, and I do not discuss details of these negotiations until they are concluded.

PLEDGE ATTRIBUTED TO MINISTER

Mr. Russell MacLellan (Cape Breton-The Sydneys): The Minister of Energy, Mines and Resources pledged, Mr. Speaker, that Canadians would never have to pay more for Canadian natural gas than Americans do. Is it the attention of the Minister to live up to this pledge?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I have already indicated to the Hon. Member that I will not discuss details of these negotiations in public until they are concluded. I can assure him that all Parties are trying very hard to come up with a conclusion which is fair to both consumers and producers.

* * *

BANKS AND BANKING

ESTEY COMMISSION—MINISTERIAL RESPONSIBILITY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question directed to the Prime Minister. The Prime Minister knows well the meaning of ministerial responsibility. He also knows that the Estey Commission's terms of reference are such that it may not deal in the slightest way with ministerial responsibility.

Considering that the Minister of Finance just a few moments ago said that he refused to answer questions on the subject matter before the Estey Commission indefinitely into the future—

Mr. Wilson (Etobicoke Centre): On that particular issue.

Mr. Broadbent: —even if it is dealing with ministerial responsibility, my question to the Prime Minister is simply this. Does he agree with this complete abdication of responsibility by the Minister of Finance?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I understood the Minister of Finance to say that he was disinclined to answer the same question repeated time and time again. He was quite open of course, as he is obliged to be, to respond to any other question at any time submitted by any Members of the House.

One of the Hon. Members referred to the Prime Minister of Great Britain. The Prime Minister of Great Britain would be very surprised to see the extent to which the Canadian Prime Minister and all Ministers are here. We try to be here every day to respond fully to the questions from Hon. Members.

BANK BAIL-OUT—INFORMATION AVAILABLE TO PRIME MINISTER

Hon. Edward Broadbent (Oshawa): Considering that the Prime Minister, by his answer, has agreed that ministerial responsibility questions will be answered by the Government, I would like to ask him, considering that the Minister of State for Finance came into the House one Monday in March, gave an estimate of cost that was $100 million less than the Inspector of Banks conveyed to Ottawa on the Sunday night, will he as Prime Minister answer for his responsibility and tell the House did he or did he not have this information on the weekend. Please answer.

Right Hon. Brian Mulroney (Prime Minister): The Hon. Member does well—he always does well until he adopts the Clarence Darrow pose. In point of fact the response of the Minister of State for Finance has been full and complete.

An Hon. Member: Yes or no?

Mr. Mulroney: The Hon. Member yells yes or no. One of the reasons that we responded with a commission of inquiry was pursuant to strong suggestions made by the NDP who indicated in the House of Commons that the only manner in which this matter could properly be handled would be by a commission of inquiry. We sought out someone we thought was the most distinguished person in Canada in terms of independence to conduct this commission of inquiry, and we want to let him get on with the job, and do it.

* * *

EXTERNAL AFFAIRS

U.S.S.R.—EMIGRATION OF JEWS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is directed to the Secretary of State of External Affairs but in his absence I will direct it to the Parliamentary Secretary. There was encouraging news out of Israel last week that thousands of Soviet Jews may receive permission to emigrate to Israel. I know the Parliamentary Secretary was with the secretary of State in Moscow earlier this year when the plight of refusniks was forcefully discussed. Is this encouraging news valid? Will the Jews in Russia be given freedom to emigrate, and freedom from social and religious harassment and imprisonment?

● (1450)

Mr. Gerry Weiner (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I know the Hon. Member for Don Valley East has been very concerned about the plight of Soviet Jewry. The Government is closely monitoring the situation of Soviet Jews but regretfully sees no

improvement in their predicament. Emigration remains statistically insignificant. There were only 268 exit visas authorized by the Soviet Union in the last three months, about the same as the low figures of last year.

The Government is also concerned about reports of continued cultural and religious difficulties experienced by the Jewish community. Canada is calling upon the Soviet Union to adhere to internationally recognized and fundamental human rights, which include the freedoms of religion, cultural expression, and emigration. We will continue to press Soviet authorities to permit increased Jewish emigration.

Mr. Speaker: Order, please.

Some Hon. Members: Hear, hear!

* * *

INDIAN AFFAIRS

PROPOSED ECONOMIC SUMMIT AND TRADE SHOW

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. Is the Minister able to confirm to the House that he plans to spend more than $1 million on a native economic summit and trade show in Toronto next June, and is it the case that Argyle Productions, a firm headed by the Minister's good friend and political organizer, Mr. Bill Marshall, will receive over half a million dollars to put on this show?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I think I can confirm the first part of the Hon. Member's question and certainly reject the second part of it.

GOVERNMENT POLICY

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, in confirming that expenditure, does the Minister really feel comfortable using such a large amount of money from the Indian Community Development Program, which is not very substantial to begin with, to finance a hyped-up media event, at the same time as the people of Lubicon Lake are looking to the Minister for help and have been looking to him for quite some time in their struggle for survival?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am very disappointed that the Hon. Member would suggest that it is somehow a hyped-up media event, particularly when the event has not yet been described. Certainly he has no knowledge whatsoever about it.

Mr. Penner: What about the program?

Mr. Crombie: No, there is no program so there is no way the Hon. Member would have any understanding of it.

Am I comfortable with using funds to create jobs for Indian people? You bet. The only thing that has been done for 15 years is to give them the sickness of more welfare dollars and no money to get them into business so that they can create jobs for themselves. That is why I am comfortable with that.

Some Hon. Members: Hear, hear!

* * *

CHARTER OF RIGHTS

SUBCOMMITTEE RECOMMENDATIONS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the Prime Minister. On Friday the Subcommittee on Equality Rights tabled a unanimous report calling for sweeping changes in federal laws and policies affecting women, the disabled, gays and lesbians, visible minorities, and the elderly, amont others. In view of the many statements made in the past by the Prime Minister calling for tolerance and respect for an full protection of minority rights, will the Prime Minister assure the House that the Government will take early action to implement these unanimous recommendations for real equality for all Canadians?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in my absence I believe the Minister of Justice indicated that there would be a response from the Government at a reasonably early moment and I believe he indicated a time frame which would give us the time to analyse very carefully some of the very significant recommendations that have been made. That response will be provided as quickly as possible. My hon. friend can be assured that it is my hope that nothing in that response will be a variance with our belief that minority rights are indeed fundamental and very important in Canada.

[*Translation*]

SEXUAL DISCRIMINATION—GOVERNMENT POSITION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my supplementary question is also directed to the Prime Minister. Does the Prime Minister agree with the recommendation of the Sub-committee on Equality Rights—echoed as well by the Canadian Human Rights Commission and endorsed by his colleague the Minister of Energy, Mines and Resources—that discrimination based on sexual orientation must be barred by his Government, the federal Government?

Right Hon. Brian Mulroney (Prime Minister): In my opinion, Mr. Speaker, that would be part of the comprehensive response the Government is expected to submit to the House. I suspect the Hon. Member will not be surprised to learn that I am against any kind of discrimination whatsoever. Our imperfections notwithstanding, we are trying to build a more tolerant and equitable society in Canada and, with great difficulty, we will succeed, I am sure.

PETROLEUM INDUSTRY

ACQUISITION OF GULF CANADA—TAX CONCESSIONS—CABINET'S ROLE

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I have a question for the Right Hon. Prime Minister. Considering the answer he gave earlier to the New Democratic Party House Leader, could he give the House the assurance that at no time was the administrative decision concerning Olympia and York and Gulf Canada discussed in Cabinet, neither before nor after it became effective?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, perhaps the Hon. Member could explain what decisions he is talking about.

Mr. Chrétien: The decision he made to allow Olympia and York a tax exemption worth between $500 million and one billion dollars. Was the administrative decision made by departmental officials discussed in Cabinet, yes or no, before or after the officials made their decision?

[*English*]

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, at the risk of being repetitive, I have to tell my hon. friend opposite, who knows these things very well, that this particular ruling was discussed in the proper way by the officials of National Revenue. The Hon. Member also knows, as I have mentioned to the House before, that, contrary to some opinions that have been expressed, the taxpayers in question could have gone ahead with this particular transaction without any ruling at all. The fact that they asked for comfort, for a ruling, does not necessarily mean that this transaction was solely dependent on such a ruling.

[*Translation*]

TIMING OF CABINET'S DICUSSION OF DECISION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I shall make my question even more specific, either for the Minister or the Prime Minister.

I would like to know whether the administrative decision by officials of the Department of National Revenue was discussed in Cabinet or in a Cabinet committee, before or after it was made by these officials. That is what we want to know, because if the decision made by these officials was discussed by Cabinet or a Cabinet committee, it is then no longer an administrative decision but a political decision.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member knows perfectly well that I cannot do that nor would he want me to break the confidentiality of what is discussed in Cabinet. However, I think I have already answered the main question, which is that the decision was made by National Revenue officials on the basis of objective criteria that apply to all taxpayers, corporate or otherwise.

[*English*]

PUBLIC SERVICE

RESIGNATION OF WOMAN MANAGER

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my question is for the Prime Minister who will know that Isobel Goligher was the first woman to achieve a senior managerial position with the federal Government in the Department of Supply and Services in London, Ontario, and that within a year of her obtaining this promotion she resigned under duress. Would the Prime Minister establish an independent inquiry to look into the circumstances surrounding her resignation and to ensure that justice be done in the case of Isobel Goligher?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, on behalf of the Minister responsible for the status of women, I will take that question as notice and see that it is brought to his attention.

REQUEST FOR INDEPENDENT INQUIRY

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I had a letter delivered to the Prime Minister today advising him of this matter. The request has been longstanding in his office. The only means of redress are those at his level.

Mr. Speaker: Order, please. Is there a question?

Ms. McDonald: Will the Prime Minister agree to establish an independent inquiry since there are no further means of redress? Will he keep the word that he gave us when he agreed, as Leader of the Opposition, that an independent inquiry was the only means of redress for a person in this situation?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will certainly take a look quickly at the suggestion raised by my hon. friend. One of the main objectives of the Government on which we have acted effectively—not perfectly but effectively and well—has been to increase the number of women in senior responsible positions in the Public Service of Canada. We have done so dramatically, and we want to ensure that that process continues at all times and is not inhibited by the kind of alleged injustice raised by the Hon. Member. If that is the case, I will get on to it right away, and I thank the Hon. Member for raising this matter.

* * *

• (1500)

ENVIRONMENTAL AFFAIRS

UNLEADED GASOLINE TAX

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of the Environment who undoubtedly knows that his colleague, the Minister of Finance, is proposing a tax measure to impose a greater tax on unleaded

gasoline than on leaded gasoline. Would the Minister tell the House what steps he intends to take to stop this anti-environmental measure which, in essence, rewards the polluter and runs counter to the acid rain policy which the Minister is applying at the present time?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, as the Hon. Member may know, tomorrow at three o'clock p.m. the Royal Society of Canada will be releasing a major report, undertaken for my Department, on a broad range of issues, relating to the item to which the Hon. Member refers. At that time I myself will make a public statement. I ask for the Hon. Member's indulgence and patience until I am prepared to make the statement.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of two, presented by Hon. Members on Friday, October 25, 1985, meet the requirements of the Standing Orders as to form.

Certain petitions presented by the Hon. Member for Ottawa Centre (Mr. Cassidy) do not meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

OFFICIAL LANGUAGES POLICY AND PROGRAM—GOVERNMENT RESPONSE TO SECOND REPORT OF STANDING JOINT COMMITTEE—CORRECTION OF ENGLISH TEXT

Mrs. Monique Landry (Parliamentary Secretary to Secretary of State): Mr. Speaker, on Friday, October 25 of this year, the Hon. Member for Ottawa-Vanier (Mr. Gauthier) pointed out a discrepancy between the English and French versions of the Government Response to the Second Report of the Standing Joint Committee on Official Languages Policy and Programs.

Mr. Speaker, in the absence of the Secretary of State (Mr. Bouchard), I wish to table today, on behalf of the Committee, a duly corrected copy of page 7 of the English version.

[*English*]

EXTERNAL AFFAIRS

COMMONWEALTH CONFERENCE AND UN GENERAL ASSEMBLY MEETING—STATEMENT OF PRIME MINISTER

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I would like to report to the House this afternoon on the events of the past two weeks. During that period I have had the opportunity of representing Canada at the Commonwealth heads of Government meeting at Nassau, making my first address to the General Assembly of the UN, meeting with leaders of the western industrialized nations in anticipation of the upcoming summit between President Reagan and General Secretary Gorbachev, and holding a number of bilateral meetings with leaders both in New York and in Nassau.

This morning I was able to provide Her Excellency, the Governor General, with a full briefing on these activities.

The Commonwealth heads of Government met in Nassau against a backdrop of continuing violence in South Africa and increasing international condemnation of that country's repressive policy of apartheid. Before the Nassau meeting convened, each Commonwealth country had, in its own way, taken action to express its repugnance for the intransigance of the regime in Pretoria towards the aspirations of the vast majority of South Africans—their simple desire to be free and to participate fully and responsibly in the national life of their country.

Each Government, however, was fully aware that at Nassau we would face the challenge of finding a consensus on the collective and unanimous message which needed to be sent to President Botha and the Government in South Africa.

While Commonwealth leaders began the meeting united in the belief that apartheid must end, we did not all arrive in the Bahamas agreed that economic measures were the best or even the appropriate way to signal our determination to see an end brought to systematic racial discrimination in South Africa.

In my opening statement at the conference, on behalf of all Canadians, I tried to stress the unanimity of resolve I felt existed amont Commonwealth leaders, each of whom had clearly expressed his or her abhorrence for apartheid. I also confirmed the view of Canadians that this resolve must find expression in a common program of action to enable Commonwealth countries to signal to Pretoria, clearly and without exception, that world-wide pressure against South Africa will be sustained, and must be sustained, until such time as apartheid comes to an end.

Some Hon. Members: Hear, hear!

Mr. Mulroney: The discussions among leaders, which ultimately produced the Commonwealth Accord on South Africa, were long, arduous and not without some difficulties. At the same time, I thought they were characterized by a degree of good will and civility which I understand is typical of Commonwealth meetings and which contributes to what I found to be the very special nature of this forum. But no matter how challenging the negotiations, all participants readily agreed on the urgency of the situation in Souch Africa, the rightness of

the struggle against apartheid and the need for a common and united front.

The Accord articulates a unanimous call for the authorities in Pretoria to declare that the system of apartheid will be dismantled and specific and meaningful action taken in fulfilment of that intent; to terminate the existing state of emergency; to release immediately and unconditionally Nelson Mandela and all others imprisoned and detained for their opposition to apartheid—

Some Hon. Members: Hear, hear!

Mr. Mulroney: —to establish political freedom and unconditionally lift the existing ban on the African National Congress and other political Parties; and initiate, in the context of a suspension of violence on all sides, a process of dialogue across the lines of colour, politics and religion, with a view, finally, to establishing a non-racial and representative Government in South Africa.

[*Translation*]

On the basis on these principles, Commonwealth heads of Government also agreed to joint measures aimed at making the Government of South Africa understand the urgency of dismantling apartheid and establishing the structures of a truly representative Government in that country.

In addition to reiterating Commonwealth support for rigorous implementation of the compulsory embargo on arms sales to South Africa and to reaffirming their approval of the Gleneagles Accord of 1977 to discourage sports encounters with that country, Commonwealth leaders have agreed to apply the following joint economic sanctions against South Africa:

—ban all new public loans to the Government of South Africa and its agencies;

—be prepared to act unilaterally to take any measures judged appropriate to ban the importation of krugerrands;

—cease all public financing for missions to South Africa as well as participation in exhibits and trade fairs in that country;

—ban the sales and exports of any computer equipment likely to be used by the South African military, police or security forces;

—ban new contracts for sales and exports of nuclear products, materials and technology to South Africa;

—ban the sales and exports of oil to South Africa;

—impose a strict and rigorously controlled embargo on imports of arms, munitions, military vehicles and paramilitary equipment from South Africa;

—impose an embargo on all military co-operation with South Africa;

—discourage all cultural and scientific events, with the exception of those contributing to the elimination of apartheid or not likely to promote it.

Mr. Speaker, all these measures have already been adopted, in some guise or other, by the Government of Canada. Some have been applied recently by the Reagan Administration and some of course had been previously approved by the British Government. Some of these measures, such as the ban on granting new loans, will have significant repercussions in South Africa.

In addition to these joint measures, heads of Government have agreed to give a restricted group of prominent Commonwealth figures a mandate to "encourage in every possible way the progress of the indispensable process of political dialogue to contribute to peaceful change and turn away the terrible threat of conflagration looming over this country".

Mr. Speaker, I am pleased to inform the House that I got in touch with the Right Hon. Pierre Elliott Trudeau last Monday and asked him to consider the possibility of becoming a member of this important contact group. I had the pleasure of formally submitting Mr. Trudeau's name and the Secretary General of the Commonwealth will go over the matter in more detail with Mr. Trudeau within a few days.

Finally, Mr. Speaker, along with the President of Zambia and the Prime Ministers of Australia, the Bahamas, India, the United Kingdom and Zimbabwe, I was selected as member of a co-ordination group responsible for steering the activities of the group of leading personalities and monitoring progress in efforts made to cause the breakdown of apartheid.

We will be meeting within six months to review the situation in South Africa.

• (1510)

Mr. Speaker, I think that Canada and all Canadians should feel some pride about the conclusion of the Commonwealth Accord.

During the many talks which finally led to the accord, I stressed, on behalf of Canadians, the importance of conveying clearly to the Government of Pretoria that the people and the States of the Commonwealth were determined to unite their efforts to breakdown apartheid.

We reached the objective, which was to organize common action. We are now waiting to know the reaction of South Africa.

Should the reaction be positive, we will monitor the situation very closely to assess the nature of the reform measures and the tempo of their implementation. Should it be negative, our only avenue will be to consider increasing sanctions against South Africa, either with other Commonwealth countries or alone.

[*English*]

The Commonwealth leaders' meeting in Nassau also addressed in some detail the current international economic situation and Canada was honoured to make the lead statement in this discussion. I was pleased to be able to report to Commonwealth leaders that at the recent World Bank-IMF meeting in Seoul, Canada was successful in maintaining preferential lending conditions under the International Development Association for smaller Commonwealth Caribbean countries. During the economic discussions in Nassau Canada ensured that increased Commonwealth resources will be applied to activities aimed at integrating women's concerns with all of the organization's activities. I also advised Commonwealth leaders that Canada will contribute $50 million over the next three years to the Commonwealth fund for technical co-operation.

Finally, the meeting in Nasseau provided a welcome opportunity for me to meet with a group of leaders of countries with which Canada has a special relationship, the Commonwealth Caribbean. When I last met with leaders of these countries in Jamaica in February they asked, as they had asked over a number of years, for Canada's co-operation and for a special degree of understanding and comprehension of their problems in this hemisphere, and we have discussed this in the House, in dealing with a wide variety of trade problems. In Nassau, at a special meeting with them, I was pleased to advise the Caribbean leaders that Canada is responding with a wide variety of practical and concrete measures. These include the establishment of a one-way duty-free trade arrangement, which will cover 99 per cent of Caribbean exports to Canada; an amendment to Canadian legislation, which will permit the bottling of unblended rum in Canada; the development of a sourcing directory of Commonwealth Caribbean manufacturing and export capacity to assist Caribbean exports to Canada; the establishment of a system to enable Caribbean trade commissioners access to DRIE offices; and 50 new scholarships in Canada for students from the Commonwealth Caribbean area. In addition, air agreements were signed between Canada and the Governments of Jamaica, Barbados, and St. Kitts-Nevis. This was an illustration of a special responsibility that Canada has and accepts with regard to special areas of focus in the Commonwealth. We accepted that responsibility on behalf of all Members of the House, and I am delighted to report to all Members the satisfaction with which Canadian intervention in these vital areas was received by fellow Commonwealth members in the Caribbean.

The success of the Commonwealth Conference in Nassau itself, Mr. Speaker, was for me a first experience and a moving reaffirmation of the value of this very unique and special international organization. At the close of the Conference I extended Canada's invitation for the Commonwealth heads of Government to hold their next meeting in Canada in 1987, and I am pleased to announce that we expect this important meeting will be held in Vancouver, British Columbia.

Some Hon. Members: Hear, hear!

Mr. Mulroney: It was a choice between Vancouver and Manicouagan.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Mr. Speaker, in my speech to the United Nations' General Assembly last Wednesday I addressed briefly five key issues of great importance to Canadians. I reconfirmed on behalf of all Members of Parliament the central role of both multilateral diplomacy and the United Nations in Canadian foreign policy. On behalf of all Canadians I expressed the hope that the upcoming Geneva talks between President Reagan and General Secretary Gorbachev will indeed set the world on the road towards a significant reduction in the nuclear arsenals on both sides. I reported briefly to the General Assembly on the conclusions reached at Nassau amongst Commonwealth heads of Government on a program of common action aimed at putting an end to apartheid. In light of continuing incidents of international terrorism, which has again been discussed in this House, I called for strong and co-operative action among nations to deal with this bane to the existence of civilized societies.

Finally, both in my address to the UN and later, in a separate UNICEF ceremony, I confirmed that Canada has committed an additional $25 million as our contribution to the UN target of world-wide universal immunization by 1990. If that target is reached the lives of as many as five million infants and children will be saved every year.

Some Hon. Members: Hear, hear!

Mr. Mulroney: This is another indication of the unglamourous work which UN agencies do and do not always get recognition for. It was an important oportunity to draw attention to that magnificent work performed by so many people on behalf of those who sometimes do not have Parliaments, Members of Parliament and Cabinet Ministers to speak for them.

In New York I had meetings as well with Israeli Prime Minister Shimon Peres and Prime Minister Nakasone of Japan. With Mr. Peres I discussed possible joint co-operation with Israel in civilian research and development projects. Mr. Peres outlined for me his current efforts to restore momentum to the Middle East peace process. Despite recent events in the region I am heartened by the sustained commitment of both Prime Minister Peres and King Hussein to the pursuit of a just and fair-minded negotiated peace settlement. I assured Mr. Peres that this process has Canada's strong and unwavering support.

The meeting with Mr. Nakasone, our third in eight months, enabled us to deepen our already excellent personal relationship to explore the particular perspective each of us brings to the principal economic and political issues of the moment. I outlined the Government's objectives in seeking a comprehensive trade agreement with the United States and I assured him that such an agreement, if indeed it comes to pass, would be fully consistent with our GATT obligations and would in no way diminish our excellent and growing relationships with

Japan and Pacific Rim nations. At the conclusion of our discussion in New York, Mr. Nakasone invited me to make an official visit to Japan following the Economic Summit meeting in Tokyo next spring and I was pleased to accept.

[*Translation*]

Last Thursday I had a private conversation with President Reagan during which we discussed a few questions of common interest.

With respect to preliminary talks on the possibility of concluding an over-all trade agreement between Canada and the United States, I expressed the hope that, in these delicate times when we are getting ready for future negotiations, neither country will let isolated trade tension factors disrupt the climate required for achieving an agreement.

In that respect I pointed out to the President that we were experiencing difficulties in certain sectors such as resinous lumber, pork, potatoes, textiles and fish.

We agreed to do the utmost so as to prevent protectionist pressures in any such sector from jeopardizing negotiations on the kind of over-all agreement we both have in mind.

For his part, the President assured me that he strongly favours a climate of free and open discussions, and that he is adamantly opposed to the various protectionist propositions originating from the Congress.

● (1520)

[*English*]

More specifically, in response to a direct question put by me, Mr. Reagan suggested to me that legislative measures designed to stop the flow of Canadian goods into the U.S. would encounter his vigorous opposition.

Some Hon. Members: Hear, hear!

Mr. Mulroney: The President and I agreed that our next bilateral meeting involving questions essentially of simply Canadian-American interests, although not exclusively, should take place in Washington on March 18. At that meeting we both look forward to receiving the report being prepared by Bill Davis and Drew Lewis, our special envoys on acid rain. In this regard I stressed that the search for a solution to the problem of acid rain should remain at the very top of our agenda for that meeting next March.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Mr. Speaker, many heads of state and heads of Government had come to New York on the occasion of the 40th anniversary of the United Nations. President Reagan took advantage of that rather unique situation and gathering to initiate discussions with the leaders of five of the principal allies of the United States of America, including Canada. The purpose was to exchange views about the forthcoming meeting between the President and General Secretary Gorbachev in Geneva. I had already conveyed some of my views on this subject to President Reagan in private correspondence and telephone conservations.

The President was surely right to have taken this initiative. The first meeting between the Soviet and United States leaders at the summit in six years would be a crucial event, whatever the circumstances. But it is all the more so now—it is all the more important. The Soviet Union has an impressive new leader and the United States has an experienced President who enjoys massive public support in his own country. That is so important because of the requirement of an American President to submit whatever is agreed to the Senate for ratification. As we met in New York, the six western leaders recognized that these circumstances represented perhaps a historic opportunity to set relations between the United States and the Soviet Union on a new and constructive course.

Our talks I think, Mr. Speaker, fully justified the unprecedented time devoted to them. In two sessions lasting more than five hours the President was able to present his own ideas at length and to take the views of others. The degree of mutual understanding was impressive. The President knows that he carries with him to Geneva the hopes and expectations not only of his own people, but those of all the western countries. He knows he has their full support. He understands and agrees that progress in arms control and disarmament is central and vital. But equally, he shares the view that, if progress is to be made on the central issue, all other issues that bear upon it will have to be considered, among them human rights, trade and cultural relations and regional issues. The leaders agreed that it would be unreasonable to presume bad faith on the part of the new Soviet leadership. If an honourable agreement is possible at all, we shall seek to conclude one.

In New York we agreed that it would be extremely useful if the President could provide NATO members with a full debriefing immediately following the Geneva summit. As a result, Mr. Speaker, I am pleased to tell the House today that NATO heads of Government will gather in Brussels on Thursday, November 21, to hear President Reagan's impressions of his meeting with Mr. Gorbachev.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Mulroney: Over the past two weeks, Mr. Speaker, I have had an opportunity to reassert certain major principles of our international policy and, more specifically, to reiterate our strong commitment towards the Commonwealth, the United Nations and the Western Alliance.

I know that at the close of the Nassau meeting none of the other delegations entertained any doubt whatsoever about the seriousness of the measures this Government will take to put a quick end to systematic racial discrimination in South Africa and pave the way for a total ban on apartheid.

Of course, speaking for Canada, we alone cannot achieve that, but we are proud of the fact that the Commonwealth did rise to the momentous challenge confronting it.

We hope that the Nassau message has been received not only in Pretoria but also in the entire community of nations, for the world will not wait indefinitely for Pretoria authorities to come to their senses.

[*English*]

Canadians take special pride in the significant contributions that they have made over the years to the United Nations and its many associated bodies and agencies. Distinguished Canadians such as the Right Hon. Lester B. Pearson are intimately associated in the public mind with important successes of the United Nations. It was a pleasure for me to reassert our commitment to the U.N. All Canadian Governments and all Canadian political Parties, irrespective of political allegiance, I think have held this view of the U.N. as a vital world body.

We are aware of the deficiencies and limitations of the U.N., but we continue to believe that what nations can accomplish by working together will always be greater than what any one nation can accomplish by going it alone. In this regard I take particular satisfaction from the strength, unity and vitality of the western alliance. When the leaders of the United Kingdom, Japan, Italy, West Germany and Canada met with President Reagan to discuss the forthcoming summit, the strength of cohesion of our common purpose was strongly evident. We are all deeply committed to the alliance and the principles it represents. We were also agreed that every reasonable avenue must be explored and every thoughtful attempt made to reduce tensions and promote co-operation between the two superpowers.

I encountered no disagreement, Mr. Speaker, when, on behalf of all Canadians, I urged President Reagan to go that extra mile to seek a just agreement, to presume that Mr. Gorbachev is no less interested in a secure peace. These are the ingredients that Canadians view as indispensable to the conclusion of a fair and verifiable accord. The quest for peace is everyone's business, Mr. Speaker. While Canada will not be present at the table in Geneva, our interests will. We shall remain vigilant to ensure that they continue to be defended effectively and well.

Some Hon. Members: Hear, hear!

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, on behalf of all Members of Parliament, I would like to welcome the Prime Minister (Mr. Mulroney) back to Canada. Especially those of us on the opposition benches are very happy to see him back. I am not sure that he is that happy to be with us, but he is smiling and I think it is all right. I would like to raise a question of procedure, Mr. Speaker. This statement was delivered to my office ten minutes before Question Period. There may have been an error somewhere, and I know that was not the desire of the Prime Minister, but I am just reporting that fact. If it is an accident, it is an accident.

We welcome the Prime Minister back and we realize that over the years the survival of the Commonwealth was always related to one or more crises. The apartheid crisis was a great danger for the Commonwealth due to the great division of views among the participants. I am glad that this problem has been somewhat resolved by the participants. Of course, we wish that Prime Minister Thatcher had moved more than a little bit, but under the circumstances I think it was better to take what was offered than to have this great association broken on this problem.

I am happy with the report that there is an agreement and there will be some sanctions put forward. I do think that the new ones are marginal. I think the most significant point is that there was an agreement, and the second most significant point is that there will be another meeting in six months. I hope that there will be progress made during that period of time. I hope that the group which has been selected to work on these problems because of their past experience in international affairs will be successful.

• (1530)

[*Translation*]

And I hope that under these circumstances, the Right Hon. Pierre Trudeau, our former Prime Minister, will accept to play the part the Right Hon. Prime Minister has asked him to play, and I am sure that he could make himself useful in this process and that his experience in the area of international relations would be much appreciated by the other members of the committee, and we all wish for the committee the best possible success.

I have also noted, perhaps with even more pleasure, the speech which the Prime Minister has made before the United Nations, more specifically his reference to the situation in South Africa. I feel that if both statements could be combined, we could make considerable progress, for I think we should set a time limit for the South African Government to abolish apartheid which all Canadians find abominable. Such a time limit should be clear and final.

And when the Prime Minister stated in New York that Canada would go as far as breaking off relations with South Africa unless enough progress were made within a certain time, he would have been well advised to do as the House had suggested, that is, to set a time limit, clearly indicating to that Government that if not enough progress had been made by, say, July 1, 1986, Canada would not only impose global economic sanctions against that country, but demonstrate unequivocally our disagreement by severing our diplomatic ties with it. As a matter of fact, Canada is one of the last countries of the world still with diplomatic ties with that country.

I can understand the Prime Minister's willingness to allow President Botha a certain time to operate politically within his country, considering the difficult situation which now exists in South Africa, the election which is to be held there, and Parliament which is scheduled to reconvene in early 1986. However, if in the spring or early summer of 1986, no progress has been made, I think the Prime Minister should act within six months, during the meeting which is to take place as a

follow up to the Bahamas meeting, and announce that Canada would severe its diplomatic ties with South Africa within a couple of months of that meeting.

As the Prime Minister said himself, the House unanimously condemns the apartheid system anyway. We are not very far apart as far as means are concerned, and I believe that the major and most important difference of opinion at this time is related to the fact that the Prime Minister has still not decided that he can set a target date after which our relations with South Africa must be severed. However, I know that he will consider the suggestion made by the Opposition and that we can continue to have a non-partisan policy in this regard.

I also want to refer to the Commonwealth Conference as the Prime Minister spoke about external aid. We are all very happy that a few minor changes have been made to create a relatively favourable impression, but it still remains, and other countries should clearly know this, that our policy has unfortunately been changed and that the objective of allocating 0.7 per cent of our gross national product to external aid has been set aside by this Government, that it has simply reduced the total amount which we had promised to provide to developing countries in external aid and that the commitment of Canada for external aid amounts to less than it did previously. However, the changes proposed here are obviously welcome even though, as a whole, they do not improve the image created by the Government when it imposed cutbacks in this regard last November.

[*English*]

Let me turn to the issue of world peace and nuclear disarmament which is a great preoccupation of all Canadians and the world. As the Right Hon. Prime Minister knows, the meeting between the leaders of the superpowers next month will be a great occasion. I believe we all want those two leaders to have the great wisdom to be able to find a common ground during this extremely important meeting.

I had the privilege in May and June to travel across Canada and witness the deep concern felt by Canadians about this problem. There has been great participation by Canadians on this issue, because since January the summit in Quebec left the impression that the Government would support the star wars program. After the storm that was created, and reflecting opinions throughout Canada, we are happy that the Prime Minister and the Government decided to accept the point of view of Canadians and of the two opposition Parties. We are grateful for that.

I am somewhat disappointed that the Prime Minister did not include in his statement an attempt to put pressure on the American Government to include the star wars program or the SDI Program on the agenda. The American administration, when dealing with Canadian problems, insists that everything be on the table when negotiating free trade. However, when negotiating peace in the world, nuclear disarmament and nuclear control, not all the issues are on the table. I believe that is very inconsistent. While there may be a secret which cannot be shared with the House of Commons, basically we must believe what we see. However, when it comes to world peace we should make it clear to the Americans that human survival should not be negotiated secretly but with our greatest skill and logic. When talking about a reduction of deadly nuclear weapons in the world, we must ensure that we do not move into a new area involving nuclear weapons in space. That is why it is so disappointing that this new escalation is left out of the equation completely. We must insist that there not be an escalation of confrontation in the universe but that there should be instead a concentration on the reduction of nuclear arms on the earth and in the sea in order to make progress toward global peace.

I hope that the meeting in Geneva in November will not be distracted as a result of too many people filling the agenda with too many other problems that will prevent the consideration of the fundamental problem of nuclear disarmament. The fudamental problem concerns nuclear disarmament and preventing the increase of stockpiling of nuclear arms to the detriment of world peace and resulting in the creation of more hunger in the world. All the money that is spent to build these deadly weapons and develop the star war concept could be better used to feed the poor and educate the weak of the world.

I believe that we all want to remain as non-partisan as possible about these problems. When the Prime Minister travels in the near future I hope he will convey these messages from the Canadian public.

The Prime Minister referred to free trade and other matters. I want to tell the Prime Minister and I repeat to Canadians that the problem is a very, very delicate one. When I see the Prime Minister of Japan preoccupied about the global negotiations with the Americans on trade, it means we have to be careful.

● (1540)

In January last year I travelled in Japan. Many people were afraid about the new trend, that of the Canadian administration moving closer to the American administration. The Japanese see Canada as an international partner that can make its own decisions. They hope that Canada will remain a partner that can be relied upon as a secure supplier.

On of the fundamental problems of the Japanese Government and the Japanese businessmen, because they do not have these resources inland, is that they have to go around the world to get what they require from different countries. Up to now the Japanese have always looked upon Canada as an independent country that makes its own decisions.

If ever there were a crisis between the United States and Japan, they want to be sure that they could still come to Canada as they go to Brazil, Australia, Malaysia and so on because Canada has always been a secure supplier of goods. I am not surprised that Prime Minister Nakasone was preoccupied about the global negotiations. He must wonder why a country like Canada, having a surplus of $21 billion, wants to get into global negotiations. Canada is not going to these negotiations in a strong position, but in a week position. We

are the ones with the surplus. It is the other side wanting to reduce the surplus. I would rather see the Government going, perhaps less spectacularly, but much more efficiently, on a one to one, problem by problem basis into these negotiations. The method used over the last 20 years has resulted in a large surplus for Canada and unfortunately for America, a large deficit for that country.

I am happy to have this occasion to welcome back the Prime Minister. After the glory of world travelling, I think that he will now deal daily with the banks, the tunas and so on—

Some Hon. Members: Oh, oh!

Mr. Chrétien: —and we will make sure that the Prime Minister has as good a time in Canada as he had abroad.

Some Hon. Members: Hear, hear!

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I too join in welcoming back the Prime Minister (Mr. Mulroney). At the outset, I want to commend him on behalf of members of my Party for the generally quite constructive approach he took at his meetings while outside of our country representing the people of Canada.

Some Hon. Members: Hear, hear!

Mr. Broadbent: The Prime Minister dealt with many important subject matters in his statement to the House. He talked about the United Nations as an organization, the Commonwealth, the IMF meetings in Seoul, trade discussions with the United States, and the importance of dealing efficiently and promptly with the acid rain problem among other matters.

Like the Prime Minister I want to concentrate on, and indeed in my case restrict my comments to, two important matters that he dealt with at greater length than he allocated to other subject matters. Specifically I shall speak about the situation in South Africa, the Commonweath response to that, and the forthcoming meeting between President Reagan and and the Secretary General of the Communist Party of the Soviet Union, Mr. Gorbachev.

First, I want to say something about the situation in South Africa. Without belabouring the points in terms of rhetoric, I do want to say that I share totally, as do the overwhelming majority of Canadians, the noble sentiments expressed by the Prime Minister in his address to the United Nations about the moral abomination of apartheid. Whatever one may say about other regimes in the world, and there are many for which Canadians have no high regard in terms of what they do to civil liberties in particular, there is no other regime in the globe of which I am aware that divides human beings in terms of their rights on the basis of race. Opposition to racism is something that ought to have, by this point in human history, united all men and women, however else they may differ in political and econonomic policy matters, in attempting to rid the world of it. I commend the approach which the Prime Minister took in his statement at the United Nations on this important question.

I understand the important situation of the Prime Minister as head of a key Government in the Commonwealth and the difficult situation with which he was confronted in trying to work toward building a consensus among Commonwealth nations on this important issue, and the fact that a consensus was achieved at all is a positive sign. Given the importance of the Commonwealth continuing in the future, it was an understandable top priority goal of the Prime Minister.

At the same time, any consensus that includes Margaret Thatcher on this important question has to be a consensus, in my judgment, that is not likely to be very effective. I say that frankly. I suspect perhaps that the Prime Minister, if he could say so publicly, might even agree with what I have just said. His task was to work for a consensus, which the Commonwealth obviously ended up producing. It would have been good to see Commonwealth leaders, perhaps in some kind of circumstance and in some kind of way, openly taking on Margaret Thatcher in this issue. I am not, of course, doubting Margaret Thatcher's opposition to racism. That is not the issue. I do not think her credentials in that regard are any worse or any better than those of anyone in this House or any worse than those of other members of the Commonwealth. I totally deplore her unwillingness in policy matters to take the kind of tough action that ought to have been taken. Had she moved, I am sure the rest of the Commonwealth nations would have been prepared to accept her move. I regret that. We now have the consensus that has been produced, and we will be looking to see what will happen with it.

The real test, as everyone in the House knows, as the people in South Africa know and particularly the black majority in South Africa knows, will come after watching the regime in South Africa over the next six months to see if there is a response that is constructive, positive and that moves in the direction of removing apartheid. The initial response by the Government of South Africa has not been encouraging. It has said, rather like the Soviet Union when such matters are being discussed, that discussion of fundamental rights and human liberties is an internal matter.

One of the great accomplishments that began somewhere in the seventeenth century and has gradually evolved in the thinking of most politicians and most people in most states is that fundamental rights are not matters to be restricted to particular nation-state Governments. Fundamental rights are human rights and they ought to concern us all. We have a moral right to be discussing them, not only as they affect our citizens, but as they affect human beings anywhere in the globe.

Some Hon. Members: Hear, hear!

Mr. Prud'homme: And not to be selective.

Mr. Broadbent: Of course not to be selective. The Government of South Africa has already responded to the Commonwealth declaration by saying that, in effect, it was not going to take the declaration seriously because it was an infringement on the rights of the South African Government to deny

fundamental rights to the majority of the people. Violence in South Africa has continued since the statement produced by the Commonwealth leaders.

We look, as I say, with interest and with—how can I put it—qualified optimism or qualified pessimism about the efficacy of the declaration in getting the Government of South Africa to change its policy in the next six months.

● (1550)

[*Translation*]

Unfortunately, party policies continue to be applied. Canadian men and women would like the Prime Minister (Mr. Mulroney) to answer the following questions: First, what specific criteria does our Government intend to use to monitor the situation in South Africa and determine whether changes are occuring?

Second, what kind of contingency plans have our Government and those of other Commonwealth countries prepared in case South Africa pursues its apartheid policy?

[*English*]

I would now like to move on to the other subject of great interest and concern to people throughout the world, that is, the general problem of disarmament, the particular problem of nuclear disarmament and, more particular still, the meeting which will take place next month between President Reagan and Mr. Gorbachev.

[*Translation*]

The meeting between President Reagan and Secretary General Gorbachev next month in Geneva could be a critical junction point in human history. The world is at a turning point in the fight to slow down the arms race, especially where nuclear weapons are concerned.

Today, Mr. Speaker, the nations of this globe spend as a whole $1 billion a year for armaments. That would be sufficient to cancel the debt of all Third World countries. It is time to change our priorities.

The Prime Minister (Mr. Mulroney) has stated that the Geneva Summit represents a unique opportunity which must not be ruined in the search for world peace. He is quite right. He also said that it is time for the United States and the Soviet Union to go a step further.

All Canadian men and women support this statement wholeheartedly. Mr. Speaker, Canada is well-known for its ability to have frank discussions with both superpowers. It is a tradition that we must continue to nourish and cherish. However, it is better cherished and nourished by practical and specific gestures.

I would like the Prime Minister himself to make this further step.

[*English*]

During the summer months I had occasion to visit both Moscow and Washington and to have discussions with the chief negotiator of the Soviet Union at the Geneva Talks which took place recently and, back to back with that meeting, to meet with his American equivalent in Washington. While the Prime Minister was meeting with the Commonwealth heads in the Caribbean, I had occasion to take part in an important disarmament meeting in Vienna, attended by a number of Prime Ministers, as well as Party leaders in the Social Democratic movement.

I say to the Prime Minister and to other people in the nation that it seems to me that a framework of agreement is possible. There is an extra concrete step which, I say to the Prime Minister, he could be and should be taking right now. If there is a conclusion which I have drawn from my own meetings in Washington and in Moscow, and from the meetings last week in Vienna, it is that the two superpowers are maintaining for themselves a certain rigidity in two key areas, one for each of them. If it were forcefully presented, with minimal rhetoric, by a number of nations, whether or not they are in the NATO Alliance, there is at least a greater chance an agreement could be reached.

The framework which seems very clear includes the following points. The first is one which the two superpowers ought to share in common, that is, to make an agreement that we now not only have a freeze on the development of more nuclear weapons but that each of them reduce some of their nuclear weaponry. The two superpowers know that the Soviet Union has an advantage in its strike force capacity into certain areas and that the United States has an advantage in certain other areas. They both know—and they have an expertise which we in this country lack—what needs to be done to have a balanced reduction on the part of the United States in certain areas, on the one hand, and on the part of the Soviet Union in other areas, on the other hand. That is to what they have to agree in common. It is not very much, I say, for people with common sense as well as expertise to say at this point in human history that they have to agree to that.

There were two other points repeated in private talks in Washington, Moscow and Vienna. First, the Soviet Union has an obligation, at long last in the history of the discussions of these matters, to say that it will accept on site verification for any announced changes leading to a de-escalation in existing levels of armaments and a commitment not to construct more. The Soviet Union must move from its historic position. Sometimes in the past it has talked about this, but it has been greatly reluctant, to understate it, to accept that kind of verification. Given its strong opposition to the great escalation in spending on star wars, the Soviet Union may well be prepared now to move on that. The Soviets have to be prepared to do that. Second, I say that the United States has to make a specific concession which the Reagan administration has been reluctant to do, that is, as has already been said in the House, to put star wars on the agenda for discussion. What kind of a discussion can there be when one of those coming to the bargaining table says: "We want you to discuss everything, but there is one thing we want left out"?

I ask the Prime Minister to take some action on this publicly and to continue with the Canadian tradition which has been a non-partisan one. Mr. Trudeau, whom he invited to play a role in the Commonwealth, has a distinguished reputation in this field which all Canadians recognize. All Canadians, of whatever Party, recognize that Canada has played a constructive role, not simply by going along in a pre-established consensus among western countries in these matter, but from time to time speaking out in fair and clear terms to both superpowers. If we want some movement to take place on the part of both of them at Geneva next month, I say simply to the Prime Minister that time is short. Just as he called for the superpowers themselves to take that extra setp, I ask him to take that extra step himself and put before the superpowers the necessity of moving within the framework of the framework about which I have just talked.

Time is short. If we do not move in this kind of direction soon, if nations around the world do not join in on putting pressure on both the superpowers, and if we do not move on this important matter now to take that extra step for once, it may be perfectly correct to say that tomorrow will be too late.

I conclude by welcoming the Prime Minister back and by welcoming his constructive efforts at the UN and in the Commonwealth. I hope that he, too, will take that extra step which he is calling upon Washington and Moscow to take.

Some Hon. Members: Hear, hear!

* * *

PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCE PROGRAM

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have the honour to present a petition from a number of residents of my riding in Winnipeg. They call upon the Government to withdraw its plan to deindex family allowances in light of the fact that those changes in family benefits will hurt the poorest and middle-income families. They call upon the Government to take action quickly on this matter.

• (1600)

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a petition signed by a number of my constituents in Ottawa Centre and a number of residents of the Province of Quebec who object to the Government's plan to deindex family allowances, who point out that families who are poor will be worse off financially, that money is being diverted from children and families into the deficit and call upon this House of Commons to reinstate full indexation of the universal family allowance and to rescind the unfair tax increases.

QUESTIONS ON THE ORDER PAPER

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

Mr. Speaker: On a point of order, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria).

Mr. Boudria: Mr. Speaker, I have a question for the Parliamentary Secretary. I want to ask him when the Government will answer Question No. 285 that I placed on the Order Paper on February 28 and Question No. 287 that I placed on the Order Paper on March 6. I also want to ask the Parliamentary Secretary when the Government intends to reply to Question No. 313 of March 28. These are all very simple, straightforward questions, for instance, the costs of renovating cabinet Ministers' offices. As well, Question No. 319 that I put on the Order Paper on April 1 involving the cost of the Quebec City conference.

Mr. Dick: I imagine, Mr. Speaker, that those questions will be answered soon.

Mr. Gauthier: Mr. Speaker, I want to ask the Parliamentary Secretary a question with regard to Question No. 386 which was asked on May 31, 1985. That question deals with a pertinent subject that was the object of a question by a member of his own Party to the Minister concerning pensions of superannuates in the Public Service of Canada.

I think it would be very useful to us on the Opposition side if the figures requested, which are not that difficult to answer, were given generously by the Parliamentary Secretary, in an answer soon to be forthcoming or in whatever term he wants to use, but for God's sake, let's get this thing out.

Mr. Dick: I shall pass on the Hon. Member's representations.

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of the motion of Mrs. McDougall that Bill C-80, an Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof, be read a second time and referred to a legislative committee.

Mr. Speaker: May I inform the House that prior to the resumption of debate because of the ministerial statement consideration of Government Orders will be extended by 57 minutes this day. Therefore Private Members' Hour will begin at 5.57 o'clock.

An Hon. Member: On my duty day.

Mr. Speaker: On the duty day of the Hon. Member, yes, and he knows where to take his complaint.

Resuming debate, please.

Mr. Cassidy: Questions and comments.

An Hon. Member: There are two minutes left—

Mr. Speaker: This is a good time for me to make my point. The Hon. Member wishes to complete a period of time for questions and comments which would remain were the Hon. Member present who had spoken. The fact that he is not here, in my view, when the House resumes debate after a normal interruption like lunch or overnight or a week means that the time dies.

Mr. Gauthier: On a point of order—

Mr. Speaker: That is a ruling.

Mr. Prud'homme: Mr. Speaker, I make it a point of privilege.

Mr. Speaker: Let me withdraw. I appreciate that hon. Members want to make some comments. What I will do for the moment is I will indicate to Members that that is certainly my intention and those who wish to communicate with me on this matter are free to do so. I think it more properly may be a matter for some conversation as opposed to a point of order structure here. Therefore, I invite the Hon. Member for Saint-Denis (Mr. Prud'homme) and the Hon. Member for Ottawa-Vanier (Mr. Gauthier) to come and see me on this question. Resuming debate.

Mr. Prud'homme: A question of privilege, if you would allow, not on your first point, but on your last point.

Mr. Speaker: Yes.

Mr. Prud'homme: I would like to bring to the attention of Your Honour that I am getting a little bit, not annoyed, not suspicious, but concerned about these private discussions that could take place between Members and Your Honour outside of the framework of the House. It has happened a few times and we have a very good point—

Mr. Speaker: The Hon. Member is making his point but it is not a question of privilege. If the Hon. Member would like me to rule, I will rule.

Mr. Prud'homme: Mr. Speaker, I don't want you to rule, but—

Mr. Speaker: Exactly. I take it that the Hon. Member did not wish me to rule. I am therefore simply resuming debate.

Mr. Gauthier: Mr. Speaker, just on that same point because I think I misunderstood you. Did you say that you had rules on this question or that you were reserving your ruling?

Mr. Speaker: I thought I was very clear. Let me make it clear to Members now. The report that brought in the proposal for questions and comments is absolutely clear on this point that the purpose of the question and comment period is to question or to have back and forth comments—

Mr. Prud'homme: No.

Mr. Speaker: Yes, it is. The report is absolutely clear on this point.

Mr. Prud'homme: I don't agree.

Mr. Speaker: Yes, it is. Would someone please bring me the report. It is at the Table. I have had it waiting for this purpose. If Hon. Members wish to push me on this I am perfectly prepared to cope with it right now. I quote from the report:

> The ten minutes set aside following a member's speech should be used to question the Member or to comment briefly on the speech in a manner strictly relevant to the content of that speech.

I will find the next quote:

> "Your Committee envisages that the exchanges that would take place would be sharp and short.

The quote continues:

> Furthermore, the Chair should control the interventions to promote a series of exchanges to enliven the debate.

I took it on reading that that it was dead clear that the intention of the 10-minute period was to allow a back and forth relationship between a person who had made the speech and those who wished to question and comment thereafter.

An Hon. Member: Agreed.

Mr. Speaker: Order. Therefore, it is to me not sensible when a debate has been adjourned for a normal period of time, overnight or a lunch period or a week or whatever, to allow the questions and the comments to continue in the unavoidable absence of the Member who made the speech.

Mr. Prud'homme: But any Member can leave the House and there can be no questions.

Mr. Speaker: Order. Therefore, I rule that questions—

Mr. Prud'homme: You may rule, that doesn't mean we agree.

Mr. Speaker: That is absolutely historically true for every Speaker. Resuming debate. The Hon. Member for Nepean-Carleton (Mr. Tupper).

On a point of order, the Hon. Member for Ottawa Centre (Mr. Cassidy).

Mr. Cassidy: Since I was the Member who wished to comment, I will indicate to you that according to your ruling refusing me the right to speak that I will not seek to intervene at this time on that particular question. I do appreciate that it will be—

Mr. Speaker: The Hon. Member merely needs not to rise. To rise on a point of order to make the point is to make the point, with respect. Does the Hon. Member have a point of order?

Mr. Cassidy: There is a grave danger that you leave it open to an Hon. Member to withdraw after having made a speech and therefore to cut off the period of questions and comments.

Mr. Speaker: Order. The Hon. Member might read precisely what I said to the House a few minutes ago. I said quite precisely to the House that when a normal period of interruptions such as a lunch period, overnight period or adjournment of the debate has caused a problem then it seemed to me to be unreasonable or to be against the spirit of what was intended by the Report to allow the question and comment period to continue in the unavoidable absence of the Member.

If the Hon. Member is interpreting from that that he thinks that I believe that the question and comment period can be obviated by a Member making a speech and leaving the chamber then he has not interpreted me correctly.

Resumption of debate. The Hon. Member for Nepean-Carleton (Mr. Tupper).

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, I welcome the opportunity to rise this afternoon on behalf of my constituents of Nepean-Carleton to provide an analysis of Bill C-80 during debate on second reading. This Bill will implement the Budget proposal relating to federal sales and excise taxes and excise duties announced by the Minister of Finance (Mr. Wilson) on May 23, 1985.

● (1610)

This Bill complements or forms part of the Budget which had a number of components. One of the major initiatives of the Budget was the aspect of economic renewal which included items to stimulate the economy and, perhaps most important to all Canadians, to create jobs. Another aspect of the Budget was fiscal responsibility or the reduction of the deficit. It provided that we reduce the deficit partly by cutting expenditures on the one hand and by increasing revenues on the other in an equitable way.

No member of a legislature is totally comfortable with initiating legislation that creates new taxes. However, all Governments must provide leadership and certainly all progressive Governments must create new initiatives and in doing so must be equitable in their endeavours.

The Budget to which I referred has been in place for a number of months. We have already begun to see its results. We recognize that some 300,000 new jobs have been created in the past year and that the prime interest rate is down by 2.75 per cent, the lowest it has been since September, 1978. The inflation rate is steady at 4 per cent, the lowest it has been since 1971. Business investment is up by about 12 per cent over last year and business confidence is at a very high level. Housing starts and automobile manufacturing are all increasing.

Statistics Canada and DRIE surveys indicate that investment growth will be considerably greater this year. Business fixed income in the second quarter and third quarter of the year is up substantially. In the past 10 days, we have seen the report of the Federation of Independent Businesses which indicates that that sector of the economy alone created something like 250,000 new jobs in the first half of the year. The delightful thing about the report was that it indicated that those trends would continue on into the last half of the year. Furthermore, four out of 10 small businessmen who replied to the Federation's questionnaire indicated that they were going to expand their businesses in the second half of the year, and five out of 10 of them indicated that they were going to incease investments in their businesses. All of the trends from the small business community indicate an atmosphere of confidence and growth. That was expanded upon in the past week by the Economic Council of Canada which indicated that Canada's Gross National Product and its employment rate were going to grow in the coming months.

It is against that background that this Bill has been introduced. The Bill contains four main thrusts. First, consistent with the recommendations of the Nielsen Task Force, the Bill proposes to broaden the sales tax base reversing the trend which has left only 30 per cent of potential commodities within the sales tax base. The federal sales tax is a general revenue which applies to most goods manufactured in Canada or imported for use in Canada. The tax is a major source of revenue generating some $8 billion in the 1984-85 fiscal year. However, over the years, the list of products which are exempt from this tax has grown significantly.

The Government and the Ministerial task force on program review have re-examined many of these exemptions and concluded that some of them should be repealed. In some cases, the original rationale on which the exemption was based is no longer valid. In others, serious administrative and compliance problems have developed. All of the exemptions contribute to the serious deficit problems now faced by the Government. Even where the exemptions provide a valid benefit to some groups, it is necessary to carefully examine whether or not this benefit is truly required, properly targeted and reasonable in relation to the cost to government revenues.

In response to these concerns and in an effort to spread the burden of reducing the deficit over a broad range of products and consumers, the Government proposed that a number of federal sales tax exemptions be repealed. Effective July 1, 1985, a 10 per cent rate of federal sales tax was imposed on candy and confectionery products, soft drinks, pet foods and certain health goods and surgical and dental instruments. In addition, the 6 per cent tax rate applying to construction

materials has been extended to apply to insulation materials, heat pumps and solar furnaces.

The sales tax is normally levied on the manufacturer's sale price in the case of domestically produced goods and on the duty paid value of imported goods. However, in the case of certain domestically produced construction goods, special provisions allowed manufacturers to pay taxes on the costs of raw materials used in producing the goods rather than on the sale prices. These provisions were introduced in 1963, more than 20 years ago, following the imposition of sales tax on construction materials. The measure was initially intended to address a disparity affecting concrete basements but was later expanded to cover certain metal and wooden structural products and precast concrete shapes. It also applied to ready-mix concrete.

Recent reviews of the relative burdens upon concrete, steel and wooden prefabricated products indicate, however, that the provisions available for these classes of goods actually cause competing products to bear significantly different tax burdens. Furthermore, there were disparities between those goods and other manufactured building products such as windows, doors, shingles, et cetera.

Extensive research into the issue concluded that the only fair way to tax construction goods was to impose the tax on all building components calculated on their sale price at the time of shipment by the manufacturer to the job site. The federal sales tax does not apply to the sale price of erected buildings but rather applies only to the components which are delivered to the job site for erection or incorporation into the structure.

Second, the Bill implements an element of the Government's deficit reduction strategy by increasing the rate of federal sales tax. The rate of federal sales tax will be increased by 1 percentage point effective January 1, 1986. The new rates will be 7 per cent on construction materials and cable and pay-television services, 14 per cent on alcoholic beverages and tobacco products and 11 per cent on other taxable goods.

The excise tax on gasoline and aviation fuels will be increased by 2 cents per litre and a new excise tax of 2 cents per litre has been imposed on diesel fuel and aviation fuel effective Septembre 3, 1985. These excise taxes will be increased by an additional 1 per cent per litre effective January 1, 1987. It is important to note that the latter relates to the indexation of pensions for senior residents.

Offset against these increases are the tax cuts which flow from the elimination of the Canadian Ownership Special Charge and the Oil Import Charge. The first of these substantially offsets the fiscal impact of the motive funds taxe increase while the latter is a reflection of oil price de-control.

Third, the Bill implements the campaign promise to end the automatic indexation of alcohol and tobacco taxation. In past years, these levies have been increased automatically each year on September 1. Initially the rate changes were made according to changes in the alcoholic and tobacco products subcomponents of the Consumer Price Index but following complaints from the industry and following a joint government-industry study, the indexing system was adjusted to track the full Consumer Price Index. This Government believes that automatically increasing the levies on alcohol and tobacco products in accordance with a rigid formula is not appropriate. Rather, such changes in tax rates should be considered and approved by Parliament. Thus, this Bill will eliminate the provisions in the Excise Tax Act and the Excise Act which automatically index these levies.

• (1620)

In place of the past system of automatic indexing, this Bill will implement modest increases in the excise levies on alcoholic beverages and a substantial increase in the levies on tobacco products. Effective May 24, the excise taxes on wines and the excise duties on beer and distilled spirits will be increased by 2 per cent. This is approximately half the size of the increase which would otherwise have occurred in the levies on these products under the automatic indexing system.

The taxes on cigarettes are being increased by 25 cents per package of 25 effective May 23, 1985. This is a substantial increase, but the serious health hazards associated with these products, the costs to society in general of smoking, and the need to raise significant amounts of new revenues, led to the conclusion that such an increase is approximate at this time.

The Bill also repeals—and I am delighted the Hon. Member for Ottawa Centre (Mr. Cassidy) is present—the constraints on persons who make home-brewed beer for non-commercial use for themselves and their friends. I believe the Hon. Member for Ottawa Centre has raised this question in the House previously.

Mr. Cassidy: It's the one enlightening thing this Government has done.

Mr. Tupper: Home-brewers of beer will now be treated in a similar way to persons who produce wine for personal consumption.

Finally, the Bill introduces a comprehensive system of assessments, objections and appeals into the Excise Tax Act. This system is similar to the current system under the Income Tax Act and incorporates the recent improvements to that statute in the areas of search and seizure and the "presumption of innocence" which defers collection action until the taxpayer has had an opportunity to resolve any disputes arising with respect to his tax liability.

While addressing the inequities in the tax system is always an important objective, I want to emphasize the twin goals of the Budget again, namely to bring the deficit under control and to achieve economic renewal. With revenues covering less than two thirds of our outlays last year, with a national debt approaching $200 billion and growing rapidly, and with annual interest charges of $25.5 billion, it is essential to get our financial affairs in order.

This Bill contains, as the Minister noted last Thursday, many tough measures, including the repeal of certain sales tax exemptions and increases in the rates of tax, in addition to the

modest changes in the taxation of construction materials. The size of the deficit is such that we must establish priorities and can no longer target the Government's limited resources to provide preferential treatment to certain products.

I urge the House to endorse this Bill at second reading and move it on to committee for detailed examination.

Mr. Deputy Speaker: Questions or comments? Resuming debate.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, it is a pleasure to participate in this debate on Bill C-80, although it is not a pleasure to have to consider it in view of the regressive nature of the taxation within it, and in view of the fact that many of the measures in Bill C-80 are precisely the kinds of measures to which the Progressive Conservatives were opposed when they were in opposition just over a year and a half ago. I can recall that before the 1984 election, the Progressive Conservative Party opposed a sales tax increase, but after it took power it implemented the same increase to which it was opposed. The Government has now compounded that turnaround by imposing a further increase in the sales tax, a 1 per cent increase, which will amount to a total cost to the Canadian consumer of just under $1 billion in 1986-87.

I believe everyone should know just who is getting hit in this particular regard and where the costs are particularly the greatest.

[*Translation*]

The costs of this sales tax increase are incurred mainly by small and moderate income people. The most affluent in our society are the least affected by the sales tax increase, and it can be said that this is typical in my view after one year in power of the Progressive Conservative Government, that the most affluent should profit from this Government, and small and middle-income people will have to pay.

Mr. Speaker, I will remind the taxpayers that the $1 billion to be paid by them following the 1 per cent sales tax increase effective January 1st, 1986, is almost equal to what will be paid by this Government to people who had deposits of over $60,000 with the Canadian Commercial Bank and the Northland Bank, the two Western banks that went belly-up recently.

Mr. Speaker, those large depositors were uninsured, they had made those deposits having in mind interest rates higher than those available at the larger, respectable chartered banks or trust companies in this country. Interest rates at those two banks were higher than those at chartered banks. Although the Canadian Commercial Bank and the Northland Bank made high-risk loans, although those large depositors made deposits for business reasons, to earn slightly larger interests, although they had uninsured deposits, without the Canadian Government's guarantee, they will be getting in 1985-86 the exact amount of money that will be paid under the 1 per cent sales tax increase that is being put forth by this Government.

Now, in his May Budget, the Minister of Finance (Mr. Wilson) said it was essential to increase the sales tax. Why? To help him cover the budget deficit. Now everyone is concerned about the budget deficit. But, in fact, instead of using the funds to cover the deficit, instead of using the funds collected by way of the sales tax to create jobs or to help people in need, the Government is extorting the money from the small taxpayers, who will be paying for the tax increase, and giving it to large corporations, large depositors. And, in addition, there are $200 million or so that will be paid to foreign banks. Mr. Speaker, this is something I cannot understand.

Also, in view of the fact that the sales tax is regressive, its burden falls on low-income people. If your income is $15,000 a year, the sales tax increase proposed in Bill C-80 will cost you $140 a year. If your income is $20,000 a year, the cost will be $282 per year. If your income is $40,000, your tax incease will be $361 a year. This means that, instead of a progressive tax that would get heavier the more your income increased, we have a situation where the tax burden becomes lighter the more your income increases.

Mr. Speaker, it must also be noted that throughout the budget, and not only under the provisions of Bill C-80, the same sort of equity pervades everything. Individuals will pay tax increases under the budget to the tune of about $1 billion.

Families earning less than $40,000 will pay $490 million in tax increase because of the repeal of the federal tax reduction.

People with cars will pay $930 million in extra fuel tax. Today, Mr. Speaker, I went to a service station and I paid $35 to fill up my tank. Being a Member of Parliament, I can afford it. But for many people their automobile is an essential means of transportation. They need it to earn their living, to commute, and now they will be paying more. Why? As I said, they will be paying more to allow the Government to give money to big corporations, to the most affluent in our society.

The Hon. Member for Bonavista-Trinity-Conception (Mr. Johnson), who just contributed to the debate, said that even though he did not agree with the provisions of Bill C-80, he accepted them because they were needed so that something could be done to find the required revenues. What he failed to see is the fact, for instance, that the benefits arising out of the budget will flow mainly to individuals and corporations that are the most well off, like big oil corporations which will be saving $900 million following the removal of the oil and natural gas revenue tax. A $900 million gift to big oil corporations.

Mr. Speaker, people with fair income and owning RRSP will be earning thousands of dollars by way of tax concessions for fiscal year 1986, while low income people will pay for a sales tax increase.

According to our assessment, corporate income tax will in effect be reduced by $500 million. And, Mr. Speaker, what is

most unfair, people who speculate, people who invest in Florida condominiums, in jewels, in art that is bought and sold on the New York, London or Paris art markets, those people who make capital gains and often contribute nothing to our society, who make no contribution in terms of job creation, those people get the windfall, they pay no tax on their first $500,000 of capital gains.

Mr. Speaker, this means that those who have enough money to afford a summer cottage or a ski chalet in addition to their city home have to pay taxes on these cottages as they are considered a second residence and a luxury, because it is obviously not necessary or essential to have a cottage in the country. This is why it has been decided that the gains on these recreational second residences should be taxed as capital gains. However, in the future, Mr. Speaker, those who are wealthy enough to afford a cottage or to make profits from real estate speculation in Canada or elsewhere will no longer have to pay taxes on these profits.

● (1630)

[*English*]

As I have been saying in French, it seems extremely unjust that the series of very complex taxes presented in this Bill as a means of raising revenue to combat the deficit turn out to be a way of raising money to pay off the depositors in the CCB and Northland Banks as well as the cost of the tax gimmicks used by Olympia & York in the Gulf deal. They entered into a phoney partnership with Norcen Resources in order to make a tax saving of $500 million to $1 billion. As was evident today in Question Period, this move was not simply made without the Government of Canada being aware of what was going on. These people were not prepared to take the kind of risk the free enterprisers like to talk about. No, they went to the Government and the Minister of National Revenue (Mr. MacKay) and asked for a ruling. They wanted to know in advance that they could save the money. They were letting the Government know that this loophole, which it inherited from the Liberals, was there and they were going to use it. The people in the Department of National Revenue, quite properly, saw that this matter was too big for them to handle. It was not a small taxpayer looking for a modest and routine kind of ruling. Therefore, the matter eventually found its way into the Priorities and Planning Committee of Cabinet. The Prime Minister (Mr. Mulroney) was told. If he was not told that $500 million was floating out the window because of these tax arrangements, he certainly should have been. The Minister of Finance (Mr. Wilson) knew about it. The Deputy Minister of Finance, in an action which I think was definitely improper, tried to pretend that he would have nothing to do with it because he knew all he needed to do was pick up a telephone and he would have a job at double his present salary working for Olympia & York. He has now taken that job. The kind of intimate relationships which were involved to the cost of the little taxpayer of this country is absolutely outrageous. Yet that is the situation in which this new Government, the tribunes of the people, those who promised change when Canadians were looking for change on September 4, 1984, have put Canadians.

I want to comment on a couple of specific issues. As my friend from Nepean-Carleton (Mr. Tupper) points out, not everything the new Government has done is to be criticized. I said on a number of occasions that I thought Canadians wanted and voted for change. Realistically, in the Province of Quebec, for example, where our Party is on the verge of winning seats, but is not yet there, the people of Quebec voted to throw the Liberals out by voting for Conservatives. But what they expected to have—

[*Translation*]

What we wanted in Quebec were real changes which would benefit ordinary people and not only the rich in our society and the big businesses which have traditionally been the friends of the Progessive Conservative Party.

We did not change the reds for the blues simply to have the same red policies, but with a blue tint. In fact, this is what we are getting. People wanted a real change, but they are not getting it.

[*English*]

One thing I would like to mention, and my friend from Nepean-Carleton already mentioned it, is that there is a group of people, of whom I am one, who are concerned about the quality of the beer we drink in this country. You will know that I had the temerity to break the laws of this country by offering to journalists and other interested parties some home-brewed beer in my office in the Wellington Building a few months ago. I did this in order to dramatize the fact that the present laws were unjust. They forced people who simply wanted to make some very pleasant brew in their cellar or in their recreation room or in their bathtub to break the laws of Canada. That has been changed or will be changed according to one of the provisions in this Bill. I note as well that this weekend the Ontario Government has decided to allow brew pubs in the Province of Ontario. That is something for which I worked when I was an MPP. My friend, Mr. Nick Wallen, who is a resident of my constituency, fought for both these measures and I remind him that it was the NDP, long before the Liberals tuned in, who fought for the rights of beer drinkers across the country. We are delighted to see this particular measure in the Budget.

It is not enough, however, to compensate for the other problems in the Budget. I would also like to bring to the attention of the Parliamentary Secretary and his Minister that at the time of the Budget last year a specific concern was raised with the Government not only over the taxing of supplies for diabetics but also over the taxing of an essential product for blind people who have guide-dogs, and that is the food they have to feed to the dogs. I have a number of guide-dog users in my riding. They now have a Canadian Association of Guide-Dog Users. When they raised the issue of the tax on pet food applying to them they did not get a satisfactory answer from the Government. Guide-dogs allow blind people the chance to function independently. They can

do certain jobs that people with sight presently do. However, to tax blind people further is to jeopardize the necessary service which guide-dogs provide and reduce their employment opportunities which are already extremely slim. It has been suggested by the Canadian Association of Guide-Dog Users that there be a tax rebate for blind people if they supply Revenue Canada with receipts for guide-dog expenses. This would be similar to a sales tax, rent, or property tax rebate given to people under Ontario tax law. The Minister of Finance responded by saying that he thought a tax reduction would be more appropriate. The problem is that 80 per cent of blind people cannot work or do not have jobs. If you do not have a job it is pretty tough to pay tax and therefore pretty tough to get a tax reduction. I suggest that although this is a small point with a limited number of people involved, it is symptomatic of a lack of regard by the Government for people who are poor.

• (1640)

[*Translation*]

I would like to say about the deficit generally that, last August, the Government prepared a study on the cost of tax concessions given to corporations and individual taxpayers.

Mr. Speaker, the amount is about $30 billion to $50 billion, according to the report tabled by the Minister of Finance in the Clark Government, when the Conservatives were in office. Curiously and interestingly enough, the tax relief to taxpayers—mostly rich ones—is roughly equal to Canada's deficit. If our tax system were really fair, we would not grant the same tax relief to major companies, multinationals, wealthy people, and foreign controlled corporations. We would give such tax relief only to selected groups and, Mr. Speaker, that is how we would begin to build a truly fair tax system. As an example, Mr. Speaker, I would quote a statement from the Minister of Finance to the Canadian Textile Foundation: "The average corporate tax rate in Canada is about 15 per cent instead of 36 per cent." Those are tax incentives, tax relief, that is what they did.

Mr. Speaker, I note that young girls and women who work in our chartered banks pay an average tax rate which is higher than the tax rate paid by their employers despite the fact that Canada's chartered banks have assets ranging all the way up to $200 billion, $300 billion and $400 billion, that they are big corporations with a lot of financial clout. Yet ordinary people who work for the banks pay higher tax rates than their employers do. Mr. Speaker, there is something definitely unfair in that situation. Now, these small taxpayers with a yearly income of $15,000 will have to pay $140 more because of the increased sales tax which is provided for by this bill.

That is why, as members of the New Democratic Party, we are concerned about the Government's priorities. We question the priorities of any Government that believes it will create more jobs and improve the unemployment situation by giving corporations major tax breaks. That was the approach favoured for the past 15 years by the Liberals, the Conservatives, the Quebec Liberals and the Parti Québécois. Quebec has made the same experience and it is not working, as unemployment remains extremely high. Governments will not accept our ideas and our efforts to make sure that low income people are not penalized by our tax system but benefit from it, and to set up a tax system which is fair, and not outright unfair as this one is for low income people.

Mr. Deputy Speaker: Questions and comments. The Parliamentary Secretary to the Minister of Finance (Mr. Lanthier).

Mr. Lanthier: Mr. Speaker, I feel quite indignant. Normally, we would not bother responding to the mass of fallacious reasoning we were served up here today, but I believe I ought to raise a few points because this week, I realized that people were watching the proceedings on television. In fact, they are doing so in all ridings in Canada, and especially in wonderful LaSalle. The people of LaSalle and Ville Émard are watching the proceedings of the House.

So I would like to raise a few points and first of all, I would advise New Democratic Party Members to let Quebecers get on with their election. We can take care of ourselves, we don't need any outside help, and I would advise them to mind their own business. The references they made to the election in Quebec—this is a matter that concerns Quebecers and does not concern Ontarians or the rest of Canada. So I would advise these people to please mind their own affairs since it is none of their business.

Second, Mr. Speaker, in referring to the little guy, the New Democratic Party seems to forget the taxation restructuring that was done in the last Budget. In fact, there are two specific points I would like to mention. First of all, please notice that in the remarks made by the Hon. Member for Ottawa-Centre (Mr. Cassidy), there was no reference to the minimum tax levied on people with high incomes. It is rather unusual that this particular tax was not mentioned. Throughout these comments on the little guy, it does come as a surprise that this particular item was not referred to. An oversight, no doubt. After all, they can hardly be expected to enumerate or criticize every single item.

Second, earlier there was also a reference to a potential loss, because they were talking about a loss; mind you, potential loss and loss are not the same . . . and this was in connection with tax restructuring and the child tax credit. They also forgot that in the last Budget, there was an element of unfairness because there were people earning between $23,000 and $26,000 who were paying less taxes than people earning between $18,000 and $23,000. What we did was restructure the tax system to make taxes progressive instead of regressive. At the time, there were all kinds of bandaid solutions introduced by the party then in power, which took away an allowance here and added a tax rebate there, and when it was

all added up, it made no sense at all. The Government has now straightened out the mess.

I would also advise people to be careful where the tax on alcoholic beverages is concerned. Mr. Speaker, as you know, I have some experience in this field. It would be very dangerous for the moral health of Canadians to decontrol completely the sale of alcoholic beverages. We got rid of that situation in 1900. We are not going to revert to a procedure or a system for the sale of alcoholic beverages that had proved to be disastrous when it was abolished in 1900. Please understand that a certain amount of regulation in the sale of alcoholic beverages is necessary, and when I hear people bragging about breaking the law to serve illicit alcohol, well, I get very angry, because it is very dangerous, and it is a dangerous precedent, whether we are talking about beer, wine or pure alcohol or spirits.

Mr. Speaker, these are the points I wanted to clear up somewhat since I felt they had been overlooked.

Mr. Cassidy: Mr. Speaker, in reply to my friend the Hon. Member for LaSalle (Mr. Lanthier), whom I hold in high esteem, I suggest that his attitude toward the Government's action seems to me to be somewhat on the defensive, and understandably so. He clearly disregards the fact that in my remarks I criticized the policy of the Federal Government. The reason I spoke French is that I represent a bilingual riding and that I am an elected representative for the whole of Canada. He should not exclude Quebec from Canada, even though some of his supporters might work for the Parti Québécois during the forthcoming provincial election, I do not know. But what I deplore both at the federal and provincial levels, Mr. Speaker, is that there are two major parties in Alberta, British Columbia and in Canada, and even in Quebec there are two parties, the Liberals and the P.Q., which are leaning to the right and not paying attention to ordinary people. They disregard their problems, just as the Federal Government does. That is something the Minister chooses to ignore.

The Minister blamed me for forgetting the minimum tax. It is very difficult to forget something that does not exist. No specific step has been taken by the Government in this direction. One could read in last weekend's newpapers that the Government is considering ending this session in December and beginning a new one in February with a Speech from the Throne, instead of trying to solve the problems of unemployment, regional inequalities, as well as those concerning women and young people. We have a long list of problems to be solved, including the minimum tax, Mr. Speaker. But I should like to remind the Parliamentary Secretary that the Minister has failed so far to introduced a bill calling for a minimum tax, and it seems that this Conservative Government will do everything in its power not to levy such a minimum tax.

• (1650)

[*English*]

Mr. Johnson: Mr. Speaker, I am certainly glad that constituents in the riding of the Hon. Member for LaSalle (Mr. Lanthier) had the opportunity to watch the proceedings of this Chamber. I wish that I could say that all of my constituents have the same opportunity. I say that because I want to refer to a comment made by the Hon. Member for Ottawa Centre (Mr. Cassidy) when referring to my remarks this morning. He said that he was glad to know that I said that I did not agree with all that was in Bill C-80. The people in my riding do not want to watch the proceedings of the House to make sure that I will always speak the truth when I rise. If there is something in a Government Bill with which I do not agree I will not be ashamed to say it. They expect no less of me than that.

However, I want to take some exception to the fact that the Hon. Member for Ottawa Centre can get up in this Chamber, where the laws of the land are made, and proudly boast about the fact that he broke the laws of this country. I resent that and I believe it would be remiss of me if I did not rise to make that point.

Mr. Cassidy: Mr. Speaker, with an unjust law, there are times when one is compelled to—

Some Hon. Members: Oh, oh!

Mr. Cassidy: I hope the Hon. Member will recognize that my violation of the law was perhaps a bit light-hearted but also designed in order to prove a point that there was an unjust law. While it was not as unjust as some laws that exist in this country and certainly many others, it should have been changed. In fact, it was the pressure which came from CAMRA, the Campaign for Real Ale in Canada, which I supported, that helped persuade the Government that it was time that that unjust law be changed.

I hope that some of the other unjust laws in our country which discriminate against women, young people and poor people will also be changed by the Government.

[*Translation*]

Mr. Deputy Speaker: The period for questions and comments has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon.

Member for York East (Mr. Redway)—Law Reform—Imposition of prison sentences; the Hon. Member for Ottawa-Vanier (Mr. Gauthier)—Public Service (a) Request that documents signed with unions be tabled. (b) Pensions; the Hon. Member for Broadview-Greenwood (Ms. McDonald) (a) Social Security Coalition of women for family allowances—Government position. (b) Election debate.

We will now proceed with the debate. The Hon. Member for Quebec East (Mr. Tremblay).

GOVERNMENT ORDERS

[*Translation*]

EXCISE TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of the motion of Mrs. McDougall that Bill C-80, an Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Marcel R. Tremblay (Quebec East): Before beginning my remarks, Mr. Speaker, I would like to make a brief comment. You know how fast the situation can change here in Ottawa, and we have to revise our priorities on a regular basis. I want to commend our staff for the oustanding work they do to enable us to deliver the goods when we need them. I express my sincere appreciation to our legislative and secretarial staff for their unrelenting support and assistance.

As you may recall, Mr. Speaker, Hon. Members were eager to comment on the Budget presented by the Minister of Finance (Mr. Wilson) last May 23. I am just as pleased and honoured to take the floor today to speak to the Bill to amend the Excise Tax Act and the Excise Act. If I remember correctly, the Bill was given first reading on October 18.

As I said in a speech I delivered in this House nearly five months ago this day, the Wilson Budget is fair and equitable, realistic and productive. Mr. Speaker, I am glad to see that you remember what I said five months ago.

While Members of the Opposition do their utmost to claim that the measures are too harsh, they pretend to be tax experts and economists to say how surprised they were that the Budget was not even more drastic. The Canadian people also support the steps taken by this Government to reduce the deficit. Last September 4, they told us loudly and unanimously: Get rid of those leaders who behave like all-powerful deities and take pleasure in spending as if there were no tomorrow. I would almost dare say they were showing their irresponsibility to the people who had put their faith in them for so long.

Last May 23, Mr. Speaker, all Canadians were expecting to hear at long last the voice of reason tell them to tighten their belts in a spirit of fairness and justice for all since no group would be favoured in relation to any other. The Government even backed down in full knowledge of the facts when senior citizens protested about the deindexing of old age security pensions.

We listen to the population when it calls for our help. We do not let the public agonize under a mountain of tax inequities.

The Budget of May 23 announced three major objectives which I will not comment today. I shall simply say that the first two already seem nearer as action has been taken to promote private enterprise and improve the management of public finances.

Mr. Speaker, how can we slow and eventually stop the increase of our national debt, which has now reached $200 billion? How can we correct a situation where, in the last three years, our national debt has increased by 75 per cent while our economic growth was only 25 per cent? As one of my colleagues just pointed out, the previous Government literally left us in the red, Mr. Speaker.

Massive borrowings were needed to make ends meet. The Canadian public is well aware that one third of each dollar goes to pay the interests incurred while, ten years ago, servicing the debt represented only one eighth of each dollar. Mr. Speaker, the situation faced by our Government was an aberration.

It had to try to find additional funds to prevent our country from sinking in a slump which was paralyzing all our population and even the Government itself.

Our Government got to work and decided, not to take very rigorous action to control our increasing yearly deficit, but rather to take a more cautious, a more conservative approach. We have chosen an approach which can solve, or at least reduce our debt problem given time. This is why public revenues and expenditures had to be rationalized.

Mr. Speaker, I shall now deal more directly with Bill C-80, which is especially concerned with the obtention of public revenues. I cannot overemphasize the fact that three quarters of the initiatives taken by our Government to this date to control the deficit aim at reducing expenditures rather than at increasing public revenues. This increase in the revenue produced by consumer taxes is only one more step which will guarantee to the Canadian people that our Government is keeping its promises and proving one more time that it is worthy of their confidence as concerns its management of the Canadian economy.

Our initiatives have already begun to show results. As my colleague for Nepean-Carleton (Mr. Tupper) mentioned earlier, the creation of at least 300,000 jobs has considerably reduced the unemployment rate. Inflation is going down and these tendencies should continue for a while.

I have found out in my discussions with my Quebec East constituents that my fellow citizens understand the need for the Government to control its expenditures and reduce the national debt by increasing revenue first, so as to reduce the interests which much be paid daily on our debt.

The future economic growth of this country depends on our being able to take our financial situation in hand immediately. Our measures will ensure a progressive and considerable reduction of the deficit.

The Government announced an increase in the excise tax on tobacco in the Budget speech. This has now been done. The tax increase of 1 per cent per cigarette also reflects the concern of our Government about the dangers of tobacco for all Canadians, especially our youth. It is true that the tax increase is substantial, especially as concerns tobacco. The harmful effects of the use of tobacco cause incalculable Government expenditures. This provision compares to that aimed more specifically at alcohol, except that in this case we only have a moderate increase. There is a 2 per cent tax increase on alcoholic beverages, instead of a 4 per cent increase that would have resulted from an indexed increase. We all know the federal sales tax was due for a 1 per cent increase starting from January 1st, 1986.

● (1700)

When deciding to maintain the indexation of old age security pensions, this Government not only showed how attentive it was to Canadians, but also showed how the deficit problem may be resolved without any negative impact on any one particular group of Canadians. For this reason, and because of the understanding of the situation shared by all our citizens, people will be treated fairly and the burden—let us make no bones about it, this is a burden we have to face—will be shared fairly by all Canadians across the land.

In order to have its revenues increased, as I said, this Government aims at reducing the interests we have to pay on all our borrowing debts. There will be a one percent tax increase on fuel effective January 1st, 1987. This will affect us all, but we know it is a necessary thing. It is aimed at no region or no group of people in particular.

Without getting into details, Mr. Speaker, I must concede the repeal of sales tax exemptions on a large number of goods will reverse the current situation. Let me explain this. By maintaining the prices of those products at the current level, we would be maintaining artificial prices. The price differentials were distorting the interaction of supply and demand. Standardizing will let market forces play their role. These rates will also eliminate the administration problems that existed to determine which items were taxable and which were not. As you know, Mr. Speaker, some companies employed people whose only job was to go through the numerous pages of literation on various kinds of products to know whether they were taxable or not.

This Bill is fair and just, Mr. Speaker, despite what the Opposition may think or suggest.

Also, this Government is not in any way forgetting our concern for economic recovery in the process. My colleague, the Hon. Member for Lévis (Mr. Fontaine), made a speech on October 24, 1985, on Bill C-80. He raised the increasing problem of inflation as it affects our exports, excluding our natural resources. The Government will deal with this by exempting exports from the excise tax. Also, all tourist literature published by any one of the three levels of Government will be exempted from the federal sales tax. Again, the Government will also foster foreign investment in Canada, while increasing its fiscal revenues.

Not only that, Mr. Speaker, but Bill C-80 introduces a comprehensive system of assessment and appeals similar to that provided under the income tax system, including the right not to pay amounts in dispute until the issue has been settled by the courts. Whatever the critics may say, Mr. Speaker, our legislation is consistently fair and equitable and organized in such a way that all Canadians are helped to bear a fiscal burden that in the long term, and for generations to come, will always be lighter than it was in the past.

I shall, if I may, reiterate the four broad principles of this Bill, Mr. Speaker, and I would say that the first one which is aimed at broadening the base of our federal sales tax will help increase Government revenues. It is a first step towards reducing the interest the Canadian Government has to pay on its loans.

The second principle embodies one of the elements of the Government's strategy to reduce the deficit by raising the federal sales tax. Increases in the excise tax on gas and fuel will compensate for the tax cuts that followed the repeal of the special "Canadianization" tax—quite a mouthful, even after one year, but Mr. Speaker, you may be assured that in time, people should be able to pronounce it without any trouble—and the tax on petroleum imports. Once again, these are measures that will affect all Canadians, and we will all have to tighten our belts together.

The third principle arises from an election promise to eliminate automatic indexation of excise taxes on alcohol and tobacco. Thus, the end of automatic indexation puts an end to future automatic revenue increases without parliamentary approval.

The fourth principle is aimed at producing a comprehensive system of assessments, objections and appeals in connection with the Excise Tax Act. The Government is not a monolith, Mr. Speaker, intent on crushing its subjects. These changes include the principle of "presumption of innocence", thus prohibiting seizure until the taxpayer has a chance to clear up any dispute regarding fiscal responsibility.

Briefly, Mr. Speaker, Bill C-80 is one more in a series of spending restraint programs implemented by this Government.

This particular program faces up to the situation and takes the bull by the horns. Yes, we will have to increase certain taxes, but the increases are being imposed fairly. In this way, we will be able to control the Government's finances and remedy a situation that we and all other Canadians with us inherited.

Mr. Keeper: Mr. Speaker, the Hon. Member has stated that the measures to reduce the tax rate which the Government has taken are fair. How can he justify a measure which will reduce the tax rate on capital gains while increasing the sales tax? How can he say that a measure which will make the rich richer and the poor poorer is fair?

Mr. Tremblay (Quebec East): When the House dealt with the Government's plan to deindex Old Age Security Pensions, Mr. Speaker, I asked, as an experiment, a number of senior citizens in my riding to write down $200 billion, a very large figure indeed with a great many zeros. Most of them left out three zeros, Mr. Speaker, and now that they realize what a large figure it, is, they are a little sorry the Government went along with their request and they are willing to pay their share of the debt, for it is necessary to write $200,000,000,000 to realize what a huge figure that is. To reply to my hon. colleague, may I say that it is by helping those who are willing to take calculated risks risk-takers are born, not made, Mr. Speaker and to reinvest the profits they make in forever larger investments that we will replenish the coffers of the State and increase the NGP.

Mr. Deputy Speaker: The Hon. Member for Winnipeg North Centre, a supplementary question?

Mr. Keeper: Yes, Mr. Speaker. The Hon. Member has indicated that the measure to reduce the tax rate on capital gains would yield economic benefits. I wonder if the Hon. Member is aware that nearly all economists in this country agree that it will yield no economic benefits.

Mr. Tremblay (Quebec East): Mr. Speaker, because I meet regularly the businessmen in my riding, including people involved in real estate, lenders or stockbrokers, I can tell you there is in Canada renewed confidence, so that these fine people are looking forward to investing more, increasing their share of the market and, therefore, their purchasing power, with a great many spinoffs for each and every Canadian in their everyday lives.

• (1710)

[*English*]

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am pleased to participate in the debate today on Bill C-80. It has been said that happiness is never having to say that you are Tory. I can understand why people feel that way, especially after listening to those who are in favour of Bill C-80, an Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof. That is as it is known in parliamentary language. It would be far better and far easier for a majority of Canadians to understand if the Bill were entitled an Act to take from the poor and give to the rich. That would probably reflect much more of the reality of what the Bill does.

What does the Act to take away from the poor and give to rich do? It raises the tax on television programming from 6 per cent to 7 per cent. It increases excise tax on wine. It repeals a section of the Excise Tax, the effect of which is to impose sales tax on certain building components and materials. It increases the federal sales tax from 10 per cent to 11 per cent. It increases the gas tax by two cents per litre on September 3, 1985 and one cent per litre on January 1, 1987. It increases the excise tax on cigarettes, tobacco and cigars. It imposes sales tax on carbonated beverages, candy, confections and pet foods. It also puts sales tax on certain health foods. Of course there has been a back-pedalling by the Minister of Finance (Mr. Wilson) on this particular measure, but it also imposes sales tax on energy conservation equipment, thereby indicating the bias of the Government against energy conservation. It imposes sales tax on previously exempted construction and building materials. That is what the Bill does.

I was interested in hearing the last Conservative Member who spoke on this matter. He said that he was in favour of all those hideous things. I want to record to show just what the previous speaking was in favour of. Now you can understand, Mr. Speaker, why the Bill should be named an Act to take from the poor and give to the rich, as I previously described.

Why do we need to have sales tax increases? How much money will be generated by them? I have a confidential table which was leaked from a cabinet document to which reference has been made before in the House of Commons. It talks about the fact that $174 million more will be generated this year as a result of the Bill, $1.2 billion next year, and $4.5 billion in 1990-91. I draw the attention of the House to the boondoggles or mistakes of the Conservative Government of the last few months, coupled with giveaways to its friends, which will cost a similar amount to the taxpayers of Canada.

[*Translation*]

As a specific example, Mr. Speaker, I should point out that Canadian taxpayers will have to pay over $1 billion to finance the Gulf deal. All this will be done with the good wishes and compliments of the Minister of Finance (Mr. Wilson), the Minister of National Revenue (Mr. MacKay) and the other members of Cabinet.

Then, Mr. Speaker, Canadian taxpayers will have to pay about $2 billion for the Northland Bank and Canadian Commercial Bank disasters. Once again, this will be done not to bail-out a financial institution, but to save the credibility of the Prime Minister of Canada (Mr. Mulroney) because he was attending a conference and did not want to be embarrassed by the failure of a bank.

Third, Mr. Speaker, there is another Government fiasco which will cost a number of jobs in Canada, even though its

effects will not be felt for a while yet, and I am speaking of course about the Star-Kist tuna fiasco at the New Brunswick plant.

If we had all these major and even monumental mistakes of the Conservative Government, we can understand why the Conservatives need more money than they now have.

[*English*]

Also, the Conservatives made many promises to Canadians. As I have indicated previously on a couple of occasions, at least, they are all in the document entitled *338 Tory Promises*. Since then most of them have been broken. All Canadians are welcome to have a copy of this document if they telephone my office. However, in it there are 113 promises to spend more money, 5 promises to spend less, 2 promises to increase revenues, and 26 promises to decrease revenues. Then we wonder why the Tories need more money! Had they not become involved in fiascos, they would still need more money in an attempt to live up to one or two of the promises in *338 Tory Promises*. Beyond that, they have made a considerable mess of things and require further funds.

Let us look at the effect of some of the tax measures. I have received letters from constituents concerning some of the taxation measures in Bill C-80. One such letter is from the Cumberland Ready Mix company in my riding, a good employer who provides many jobs. The owner, Mr. J. B. Brazeau, wrote as follows:

> We wish to make known our strong objections to the 6 per cent federal tax proposed in the Budget of May 23, 1985, on Ready Mix Concrete.
>
> We feel the levying of this tax, at this time, is unfair. Prices have already been quoted, and contracts signed for the year.
>
> We hereby request that if this tax must be levied it should at least be postponed until January 1, 1986.
>
> Any assistance you may give us in obtaining at least a postponement would be greatly appreciated.

To most of us that would seem logical. One would think that if a contract was signed in April or May to provide concrete for the whole year and there was an increase in taxes, this small-businessman would have to absorb that tax.

An Hon. Member: That is all right.

Mr. Boudria: I hear a Conservative Member across the way saying that that is all right. Maybe Tories are of the view that eliminating small businesses from the map is all right, but we in the Liberal Party do not feel that way. I want the record to show that we will speak in favour of small businesses, even when the Conservatives are against them.

I have a similar letter from Denis Brisbois Contractor Ltd., a contractor involved in cement and in my constituency. That company provides many jobs for the people I represent in the House of Commons. He objects to the same things as Mr. Brazeau of Cumberland Ready Mix. There are other similar employers—Centennial Constructions, Vars Concrete and so forth. They have made similar objections. The result will be a loss of jobs in my constituency, notwithstanding the fact that an Hon. Member across the way said that that was all right.

● (1720)

Well, Mr. Speaker, let me tell you what the Minister of Finance replied when I wrote to him. Most of us would understand this logically; but then again most of us are not Tories. Most of us would understand this. I read in part of the letter from the Minister of Finance:

> As you know, the federal sales tax is a general tax which applies to many goods produced in or imported into Canada.

I will let you, Mr. Speaker, decide how relevant that particular sentence is to the whole discussion at hand. The letter continues:

> It is, in fact, the third largest source of federal revenue next only to personal and corporate income taxes.

I am sure that my constituents would be glad to hear this as well. The letter continues:

> The tax is normally levied on the manufacturer's sale price in the case of domestically produced goods and on the duty-paid value of imported goods.
>
> However, in the case of ready mix concrete and a number of other construction goods, special provisions existed which allowed the manufacturer to pay the tax on only the cost of the raw materials used in producing the goods.

That is what he had to answer to my constituent.

There are about two and a half pages of similar irrelevancies in the letter. The Minister of Finance finally concludes:

> Finally, may I point out the efforts made by this Government to keep interest rates down, which is ultimately the best help it can provide to the construction industry. Indeed, interest rates have fallen by almost 3 percentage points since September 1984 to their lowest level in seven years.

Then he goes on to describe the number of housing starts and says:

> I regret that my reply could not have been more favourable.

Mr. Speaker, if you were a small contractor in my riding who had been treated unfairly by this tax and will lose money everty time you sell another ready mix truckload of concrete, what difference would receiving this kind of irrelevant answer from an insensitive Minister of Finance make? I suggest absolutely none. This is a clear example of a mistake. None of us even asked that the tax be removed, only postponed so the current contracts could expire. It made sense to most of us, but not to the Tory Government.

Last August 29 and August 30 I had the honour and the privilege to chair the national Liberal forum on the Budget. I was asked to do so by my Leader and I gladly accepted. We heard two days of testimony from various groups, many of them national groups. Let me summarize what some of them had to say to us.

We heard from the Canadian Automobile Association, certainly a very non-partisan group representing a large number of people in this country. I understand that their membership is over two million people. Here is what they had to say, and I am summarizing from the report that I have in front of me. I quote from his submission:

> —the CAA believes that by addressing the deficit in the manner they have, the Government has treated the Canadian motorist unfairly and at the same time introduced measures which are counterproductive to both deficit reduction and employment growth.

That is an organization representing 2.2 million people. That is what they had to say about this Budget. They said also that they found it unusual that since this Government had been elected, and we all remember that date, as unfortunate as it was, up until May 23 gas prices increased in this country by 18 cents a gallon.

Remember what happened to the Tories the last time they tried to increase gas prices by 18 cents a gallon? Remember what Canadians did to them? That is what they would do to them now if there was any way that we could have an election, but unfortuantely we are stuck with them. When I say we I mean not only myself as an opposition Member but all Canadians are stuck with them for the next four years. Thank God time does go by fast, not fast enough, but we will be rid of them four years from now. That is what the Canadian Automobile Association had to say about the Tory Budget and specifically about the price increases we are talking about in Bill C-80.

The Canadian Federation of Municipalities also made representations to the national Liberal forum and here is what it had to say:

The largest part of increased municipal costs is due to the removal of the tax exempt status for asphalt and ready-mix concrete. Local Governments are the primary consumers of asphalt products in Canada.

Many Hon. Members on all sides of the House have had the opportunity to sit in municipal offices in the past. I have; I sat for three terms on Cumberland Township Councils. Once the mill rate is struck that is all the mony there is for the current year. One cannot change the rate of municipal taxes once it is levied and one cannot deficit in an election year. In Ontario, this is an election year so what do the municipalities have to do? On May 23 most of them have struck their budget and have sent out their notices for municipal taxes. The municipalities have to cut back on projects, cut back on many things they want to do because this Government imposed those taxes, not on January 1 of next year so that municipalities, the largest consumers of asphalt and concrete, could plan ahead, but they did it right away, again a very regressive and completely idiotic measure on the part of the Government, which should have thought of this and subsequently modified its plan.

We also received testimoney at the national Liberal forum on the Budget from the Retail Council of Canada, and again, the groups that I am enumerating here, are certainly not partisan groups.

An Hon. Member: Not much!

Mr. Boudria: They are non-partisan. I see the Hon. Member across seems to disagree. Let the record show that he does not think that the Canadian Automobile Association, the Federation of Municipalities and the Retail Council of Canada are non-partisan. Perhaps he thinks otherwise. I am sure that the membership of those organizations will be glad to hear his comments to that effect.

The Retail Council of Canada said:

The Council recognized that food and drugs could be exempted from increases and extension of the federal sales tax—

That is their view, Mr. Speaker. It said:

We regret the need to modify the personal income tax indexation provisions because we feel strongly that Government should not appear to benefit from inflation. We accept the need, at least on a temporary basis, until the deficit is under control.

They recognized that but at the same time they were saying that other things were unreasonable. They gave a balanced view but this group was quite adamant that some measures were wrong. Did the Government listen? No, Mr. Speaker.

Finally, I have two more issues I want to raise. The Association of Concerned Citizens for Preventive Medicine also addressed us, Mr. Speaker, and this group, a very worthwhile agency, a very good group, said to us that the actions of this Government in placing taxes on health care products was wrong-headed and it was to the detriment of good health care in this country. We saw the Government backtrack slightly on some of it but the issue was still strong.

Finally, I just want to draw to your attention, Mr. Speaker, recognizing the very limited time that I have, unfortunately, to the fact that a large number of my constituents are quite concerned by the fact that this Government decided in the Budget of May 23 that UIC benefits and other pension benefits cannot be used to buy spousal Registered Retirement Savings Plans. This measure goes against the women of Canada. There are many instances of people using funds from pensions and the like to buy spousal Registered Retirement Savings Plans. This has now been disallowed. In the case of an older and younger partner in a marriage, it is important to be able to transfer those funds in order to benefit the younger person, most often the woman, who will be staying alone for many years after her husband has passed on. This measure is unfair and it is one about which many people from my constituency have written to complain.

• (1730)

[*Translation*]

Mr. Speaker, I shall be pleased to reply to the questions Hon. Members may wish to ask about my speech this afternoon.

Mr. Deputy Speaker: The Hon. Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Hudon).

Mr. Hudon: Mr. Speaker, I did not really intend to ask questions or make comments, but when I heard the Hon. Member talk about the price of oil and gasoline and the proposed increase of 18 cents a gallon, I felt that I had to remind him about what happened eight months later when his party regained power and by how much they increased taxes on gasoline in Canada.

Mr. Speaker, I can understand that the Hon. Member may have received letters from manufacturers or concrete processing firms, but generally, when a law or a regulation is changed, there can be some confusion during the transition period. However, I believe that people are satisfied and even quite

happy, at least in my region, that interest rates are now lower than they have been for the past seven years and that this has an impact on mortgage rates. They are happy because this stimulates the building industry. For a young couple with a $50,000 mortgage, current lower interest rates represent $5,000 over five years. This is important and it will stimulate the building industry.

We have made an effort to improve the economy generally. There is now some confidence in our economy, as evidenced by the fact that the consumption of goods has increased by 10 per cent since last year. Car purchases have increased by 23 per cent. These are obvious signs that Canadians have stopped investing their money in mere savings to take part in the economic development of our country. This will have an impact on concrete manufacturers and people in the building industry as it will affect both interest rates and the sale of consumer goods. We must be able to see both sides of an issue. If we ask someone in the building industry or with some education whether he prefers present market conditions or those which existed three years ago when interest rates were around 20 and 21 per cent, I am sure that he would choose the situation today because it is more likely to provide a better future for Canadians than was the case three or four years ago.

Mr. Deputy Speaker: The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria).

Mr. Boudria: Mr. Speaker, I do not know whether it is worth the trouble answering, but let me try just the same to live up to the situation.

The Hon. Member for Beauharnois-Salaberry (Mr. Hudon) is referring to the interest rate as it was three years ago. I am pleased he did so, and I wonder if he is going in his next supplementary question to perhaps take credit for the sunrise or perhaps tonight's moonlight, or something else which his Government had absolutely nothing to do with. I also ask him whether he wants to take credit for the fact that interest rates also declined in the United States. It would make just as much sense, Mr. Speaker. The level of logic would be almost the same.

Second, concerning the construction rate, I would like to remind the Hon. Member opposite . . . He says that over the next five years, due to low interest rates—for which he is taking credit but for which I refuse to give him that credit—anyway he says that over the next five years, a person would save $5,000. I wonder whether he is aware that construction groups in Canada have expressed the view that because of the budget brought forward by the Minister of Finance (Mr. Wilson) and also the statement of November 8, 1984, the cost of a home in Canada will increase by some $2,000, because of this Government's policies, and whether he is aware that by increasing the cost of approval, Canada Mortgage and Housing Corporation insurance premiums, the costs of building materials, concrete, they are jacking up the cost of building a house by $2,000 or so a year.

Does he think this is a fair provision, when we are in the process of promoting construction, when a city like Ottawa has a vacancy rate that is so low that people have nowhere to live, and this Conservative Government is striking at people who are trying to buy a home? Does he think that this is fair, Mr. Speaker? We, in the Liberal Party, do not share the view that this is fair and just.

[*English*]

Mr. Brisco: Mr. Speaker, I listened to my colleague, a member of the Liberal Party, with interest and I listened to his comments about the contracts that were signed for a year in advance held by the various ready-mix concrete companies in his riding. I need only observe how very fortunate they are to have those contracts in their pockets.

There are parts of Canada including my constituency in which contracts for a year in advance are unheard of by virtue of the economy which has developed over the past four years and to which there has been a response which is slow in some areas and faster in others. One only need drive around Ottawa to see the nature of the construction industry here. I found it to be a most startling sight when I came to Ottawa in the aftermath of the last federal election. I compare my constituency as it is today to Ottawa as it is today. I can only say that the cement contractors in the Hon. Member's riding are fortunate indeed.

In fact, ready-mix cement contractors from Kootenay West have approached me as well. They see nothing wrong with the levying of this tax. The concern they do advance is about the manner in which it is being levied. They suggest, and I think perhaps rightly so, that that tax would be better levied at the manufacturers' level. They argue that because of winter conditions, there are certain additives that have to be put into the ready-mix to delay the action of the cement and there are certain concerns about distances that have to be driven when a ready-mix delivery may take place 60 or 80 miles away from the plant because of the nature of my constituency in which communities are spread many miles apart. It is the concern of the contractors that the driver of the delivery truck must then make the tax interpretation based on distance driven, the additives and the cost of the product when the driver may not have the education to make those kinds of calculations. Mistakes may be made either in favour of or against the consumer. Those kinds of things do present a problem.

In conclusion, I would only ask that before my colleague comments on all of these taxes, he consider that the Ontario Liberal Government has levied some $700 million in tax increases on the very items to which he has referred including gasoline, tobacco, beer and wine, alcoholic products and personal income tax. I think the Hon. Member must recognize that if the hat fits, and I realize he requires a large one, he should then wear it.

Mr. Boudria: Mr. Speaker, regarding the size of the hat, I suppose the size of one's hat is the size that is required to hold what is inside.

Mr. Gormley: All kinds of air.

Mr. Boudria: I would like to respond to the more substantive comments made by the Hon. Member. First, he said that he had listened very closely to my remarks and he indicated that the contractors in my riding have contracts signed for a year in advance. Of course that is not what I said. I said that the contractors of my riding have contracts signed to the end of the season and, of course, the construction season will end a few weeks from now after which time one will not be able to pour large amounts of concrete. Some construction still goes on in the winter but not as much as in the summer months. The prices which were quoted were at the beginning of the season for the construction season. That does not mean they have contracts for a year in advance. That is not the case. Perhaps some of them do but it had nothing to do with what I talked about in this House today.

● (1740)

What I talked about is a policy which is unfair. If the Hon. Member opposite is saying that the whole issue of raising that tax is unfair, that is fine, I will agree. However, I did not even go that far in asking it to be removed. I only asked that it be delayed until January 1 of next year so as not to harm the small business people of my constituency. However, I will go along with the Hon. Member's version. Let us remove it completely.

Mr. Brisco: Read the "blues".

Mr. Boudria: The Hon. Member opposite tells me to read *Hansard* later. Perhaps he should do that also and he would get straight what I said.

The Hon. Member opposite talks about the fact that the Province of Ontario has been put into debt by the provincial Tories. It is not my fault that the Tory Government of Ontario spent some $650 million of money it did not have in order to buy 25 per cent of Suncor. The Liberals are now trying to fix up the mess which Frank Miller and his friends left behind, and they will succeed.

Mr. Deputy Speaker: Resuming debate.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, we have in front of us another piece of the Tory edifice being built, another brick in the wall of tax increases which we believe will lead to a severe blockage of the economic progress of this country. This particular Bill has in front of it the whole omnibus itself. We have the rates increased on federal sales taxes. We have a broadening of federal sales taxes to a whole new set of absolutely crucial items to our economy like candy, soft drinks and pet food. That shows the certain desperation of a Government when it decides that those targets somehow deserve to be taxed extra. We also have with this piece of legislation the increase in excise taxes on gasoline by two cents per litre. Farmers, incidentally, are also going to have to pay the extra two cents per litre tax, thereby contradicting one of the promises which this Government made before its election that it would take all fuel taxes off fuel for the farm.

Mr. Thacker: Not all.

Mr. Langdon: That is what was said and that is what this tax contradicts.

What this legislation also does is increase the per unit taxes on different categories of alcohol by 2 per cent and, of course, a package of cigarettes is increased by 25 cents for a package of 25. All of these increases, when one adds them together, represent a colossal drain on the economy of individuals. The federal sales tax increase takes $990 million out of the economy and away from people. The cost to Canadian consumers from broadening the federal sales tax is $785 million. The total cost of the excise tax increase for gasoline is $1.325 billion. We then add on the tax increases on alcohol and on cigarettes, which makes a total excise tax increase of $1.765 billion, and the total package, the total gap in consumer spending, which will result from just this part of the Budget, is $3.54 billion. I predicted, if you recall, Mr. Speaker, when the Budget debate took place in principle last May and June, that the consequence of this massive shift of money out of the pockets of people would be to slow down the economy as compared to what would take place, and to lead as a result not to a lower deficit as was predicted, but instead to a higher deficit. What is fascinating, Mr. Speaker, is that the evidence is now proving that to be the case. The deficit is increasing rather than decreasing because the growth rate is not moving ahead with the kind of buoyancy which is required.

Mrs. Mailly: It's better than the United States.

Mr. Langdon: It is better than the United States but let me tell the Hon. Member that that is not good enough. We have to accelerate growth in this country if we are going to bring down the deficit. By taking $3.54 billion out of the pockets of Canadian consumers, we are doing exactly the opposite. We are slowing down growth and cutting the capacity of the farmers, workers, small business people in my constituency, and in Conservative consituencies, to go out and buy the products which will get our people back to work and get our economy producing once more. This Bill, I believe, is particularly obnoxious in the mechanisms it uses because the tax burden from these kinds of increases falls upon people for what they purchase not for what they earn. The consequence is that the increased tax burden, as a percentage, can be greater on families making little money than on families making a great deal of money. For example, a family earning $20,000 is going to pay a 1.4 percentage point increase in tax burden as a result of these various measures. A family earning $40,000 will have to pay an increase of less than 1 per cent. Therefore, what this proposal does is take a higher proportion of money from the poorer people.

That is a particular contrast with the tax decreases in the Budget package. Those tax decreases, of course, are going to

people who have large incomes. The $500,000 lifetime capital gains exemption is going to go preponderantly to those who are quite well off in our society. If we take the last available statistics, for instance, 1982, we find that in that year 63 per cent of the value of net taxable capital gains went to persons with incomes over $50,000 per year. Those are the people who are going to gain the greatest benefits from the capital gains tax exemption. At the same time, corporate taxes are falling dramtically. I would like to refer to the speech of the Minister of Finance (Mr. Wilson) to the Canadian Tax Foundation in November of 1984. He said recent figures indicate that the effect of tax incentives has been to reduce the average federal corporate income tax rate from 36 per cent cut to 15 per cent. That is a great deal more than a 50 per cent cut in the form of some exceedingly dubious corporate tax expenditures such as accelerated depreciation which costs us $2 billion to $3 billion a year, as well as write-offs for corporate takeovers which are anything but productive. Here we have dramatically demonstrated a Bill which will unfairly remove from the pockets of ordinary taxpayers a total of $3.5 billion. At the same time this country has, over the past 10 years, put an extra $21 billion into the pockets of corporations.

• (1750)

If it had worked, Mr. Speaker, if as a result of all these corporate tax breaks we had a massive upswing in our economic fortunes, then as a good pragmatist I might have to sit back and say that despite what I expected success has arrived. However, every study done of this crazy, skewed-up, mixed-up, messed-up approach to tax equity shows that we did not get the extra jobs promised. We did not even get the extra investment. Yet we persist in giving more benefits and more giveaways at the same time we hit the poor consumer over the head with a total of $3.5 billion in taxes in this Bill.

That is that macro-cost of this approach, but there is a micro-cost, too. For example, in my constituency, the liquor industry, companies such as Hiram Walker and Seagram, used to employ almost 2,000 people. The massive increase in excise taxes on liquor products has devastated that industry. At this stage those companies are down to a total employment of perhaps 600 people. Again and again and again they have made a serious economic case to Government that an unfair burden is being placed on them. The workers in that industry are being asked to carry an unfair share of the load. They have explained the direct impact on the tourist industry which arises out of these higher taxes but the only consequence is another $447 million loaded on their backs by this legislation. We do not have to talk only about large industrial companies like Hiram Walker, let us talk about the small construction companies, most of which are the backbone of the Conservative Party in my constituency, a backbone which is weakening. There are companies like Scofan, Bondy Trucking and McIntosh Paving. They came to me this summer and said: "Look, we don't object to the tax being put on us for the future. All we say is that it is crazy to put that tax into effect as of July 1 when we have contracts set up throughout the summer". Nine out of 10 of the contracts in Essex County had no escalation clause to take into account the possibility that the Government might suddenly and arbitrarily throw a new tax on asphalt and concrete paving. These people are reasonable. They went to their Government, they wrote letters. Their construction association approached the Minister of Finance. He wrote back and said that he chose to delay the imposition of the tax until July 1 in order to provide time for manufacturers to accommodate the levy. Of course, he provided much more flexibility for other manufacturers. Gasoline did not go up until September 11, 1985. However, he would not take into account the very specific way in which these people were going to be badly damaged, not because the tax was going into effect, but because of the arbitrary nature of its timing. This Government is not only making serious economic mistakes at the macro level by taking money out of the pockets of consumers, it is not only being unfair in the way it levies taxes, but it is shooting itself and its supporters in the foot by not permitting a little flexibility with respect to when these taxes are effective.

Mr. Deputy Speaker: It being six o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

CRIMINAL CODE

AMENDMENTS RESPECTING ABORTION PROVISIONS

Mr. Svend J. Robinson (Burnaby) moved that Bill C-238, an Act to amend the Criminal Code (abortion), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I am pleased to rise today to speak in support of Bill C-238, an Act to amend the Criminal Code to repeal those provisions dealing with abortion. I realize that this subject has given rise to a great deal of controversy and provoked strong feelings and emotions among Canadians. However, I believe it is most important that we as parliamentarians not shirk our responsibility to speak out on fundamental questions affecting the rights of all Canadians. As a member of the special parliamentary subcommittee on equality rights I had the honour to travel across this country and hear from Canadians from coast to coast representing literally millions as they outlined their concerns about issues of equality, whether they be representatives of women, the disabled, visible minorities or other minorities. One of the very serious illustrations of inequality in Canada today was brought to our attention as being the unequal provisions of the Criminal Code dealing with abortion. The effect of my Private Members' Bill would be to repeal the sections of the Criminal Code dealing with abortion and allow a women to make this very important decision herself in consultation with her doctor. This is the

policy of the Canadian Medical Association. I want to read from a policy summary which was prepared by the Canadian Medical Association on the question of abortion. Their policy is as follows:

● (1800)

The Canadian Medical Association recognizes that there is justification for abortion on medical and non-medical socio-economic grounds and that such an elective surgical procedure should be decided upon by the patient and the physician(*s*) concerned. Ideally the service should be available to all women on an equitable basis across Canada. The Association has recommended the removal of all references to hospital therapeutic abortion committees as outlined in the Criminal Code of Canada. The Criminal Code would then apply only to the performance of abortion by persons other than qualified physicians or in facilities other than an approved or accredited hospital. The Canadian Medical Association is opposed to abortion on demand or the use of the procedure as a method of birth control emphasizing the importance of counselling services, family planning facilities and services, and access to contraceptive information.

That, Mr. Speaker, is the policy of the Canadian Medical Association which clearly calls for repeal of these provisions of the Criminal Code. Why do I advocate freedom of choice, and why is this not only my position but, as well, the official policy of the federal New Democratic Party? Before coming to the grounds for this, Mr. Speaker, I would like to read that policy as reaffirmed at the federal convention of the New Democratic Party in Regina in 1983. The policy reads as follows.

WHEREAS the NDP recognizes that it is a basic right for every woman to make her own decisions about maternity,

THEREFORE BE IT RESOLVED that the NDP reaffirm the existing Family Planning Resolution (1971) which asserts that an NDP government would:

(*a*) remove Sections 251 and 252 from the Criminal Code;

(*b*) pardon all qualified medical practitioners convicted under Sections 251 and 252 of the Criminal Code of Canada and drop prosecutions under these sections;

(*c*) provide adequate facilities in hospitals or special clinics for sterilization and abortion procedures; and

BE IT FURTHER RESOLVED that the NDP act on this resolution by supporting campaigns launched by coalitions in Manitoba, Ontario and other provinces to establish free-standing medical clinics providing a wide range of gynaecological services including birth control counselling and abortions, fully covered by provincial health insurance plans.

What is the current law in this area, Mr. Speaker? As it stands now, the law provides that abortion is legal in Canada only when a hospital abortion committee certifies that a woman's life or health is likely to be endangered by continuation of the pregnancy. The Criminal Code provisions require that abortions be performed only in an approved or accredited hospital which has a therapeutic abortion committee of at least three doctors. The committee has to rule on these applications for abortions and none of the doctors on the committee are allowed to perform the operation. There are a number of very serious shortcomings in this law as it now stands, Mr. Speaker. First of all, no hospital, even though it may be publicly financed, is required to establish a therapeutic abortion committee. Thus, even though there are over 1,300 hospitals in Canada, only approximately 250 of those hospitals have indeed established therapeutic abortion committees.

Access to safe therapeutic abortion varies widely depending on where a woman lives in Canada. In the Province of Prince Edward Island, for example, there is no access whatsoever to safe therapeutic abortion and women in that province who are seeking abortions must travel to other parts of Canada or, indeed, to the United States. Over 70 per cent of abortions in Canada are in fact performed by a very small number of large urban teaching hospitals. This effectively denies access to abortions to women in many parts of Canada including rural communities and other communities in which there are not therapeutic abortion committees.

As well, Mr. Speaker, even though a hospital may have established a therapeutic abortion committee, that commitee is not in fact required to grant and perform any operations at all. Some 20 per cent of hospitals which have established therapeutic abortion committees in fact perform no abortions at all. No provision whatsoever is made for the many hospitals outside major cities which cannot find the means to staff such committees and perform abortions. A woman who is applying for an abortion is not allowed to appear before the therapeutic abortion committee and there is no right of appeal allowed whatsoever when a woman's application for an abortion is denied.

Back in the early 1970s a special committee chaired by Dr. Robin Badgley studied the existing provisions in the Criminal Code dealing with abortion. The Badgley Commission clearly documented what it described as sharp disparities in the distribution and accessibility of therapeutic abortion services, a continuous exodus of Canadian women to the United States to obtain this operation and delays in women obtaining induced abortion in Canada. There has been no effective action taken since the report of the Badgley Commission in 1977 to ensure that safe access is made available.

I would point out as well that the effect of the current provisions of the Criminal Code is to delay, in many cases, access to safe therapeutic abortions. It has been very clearly demonstrated that delays in this area can in fact result in the increased possibility of complications for the woman seeking an abortion. The bureaucratic hurdles which currently face a woman seeking a legal abortion result, on average, in a delay of some eight weeks from the time she first visits her doctor until the time the abortion is performed. As I said, the medical risks arising from these delays increase as the pregnancy advances. Thus, the current provisions of the Code do have an adverse impact on women.

Unfortunately, many of the women who seek abortions in Canada today are adolescents. In fact, one-third of those seeking legal abortions in 1976 were below the age of 20. I would strongly urge the Government to recognize that the most effective way of reducing the number of abortions in Canada is to promote access to safe contraceptives, to promote access to family planning counselling, to promote greater awareness of sex education in our schools, and to provide more money, not less, for research into effective forms of contraceptives, not just for women, but for men as well.

Those are the kinds of steps that can be taken to reduce the number of abortions in Canada, but instead of taking those steps the federal Government has cut back on funding to the Planned Parenthood Federation of Canada. The theory in this

cut-back of funding to the Planned Parenthood Federation was that the provinces would pick up the slack. Well, in fact, the provinces have not picked up the slack and we have seen a very serious erosion in the provision of information about family planning, contraception and, of course, in sex education as well. This erosion is in direct contradiction to the spirit of the 1969 amendments to the Criminal Code.

That is a particularly serious problem in certain jurisdictions such as the Province of Saskatchewan where the provincial Conservative Government is actively promoting the removal of birth control information from the shelves of health centres. In fact, one of the pamphlets that the Conservative Government of Saskatchewan has removed was produced by the federal Department of National Health and Welfare. While that Government purports to be trying to reduce the number of abortions, by reducing access to information about sex education and family planning it is increasing the likelihood that there will be more abortions, particularly among young girls.

I want to speak for a moment as well, Mr. Speaker, about an individual whom I consider to be one of the most courageous men in Canada in the struggle for full freedom of choice, that is, Dr. Henry Morgentaler. Dr. Henry Morgentaler has been acquitted now by four juries and yet the injustice goes on, the trials continue. I want to stand here in the House today and say that Dr. Henry Morgentaler has done a tremendous service for Canadian women by being prepared to offer safe therapeutic abortions, in many cases to women who would have no access were his service not available. I am proud of the fact that Canadian jurists have been prepared to recognize the contribution that he has made. Of course, the legal battle—the struggle which costs so much—continues. But Dr. Henry Morgentaler, in his fight for safe therapeutic abortions, I believe should be commended. His fight for the right of women to have the choice for safe medical abortions without committees, without judgments and without delays is an objective which I share. I believe Dr. Morgentaler should be commended for assisting Canadian women in trying to achieve that important objective.

● (1810)

I would note as well that the provisions of the Criminal Code which allow for an appeal from an acquittal by a jury should be overturned by the Government. Both in the United States and Britain, there is no possibility whatsoever of this kind of harrassment through the judicial system. In fact, if an individual is acquitted then that acquittal stands. They are not put through the difficulty and expense of another jury trial.

The position that I have taken in support of freedom of choice is one which is shared by many Canadians. I would hope that the Government would be prepared to recognize the fact that in the most recent Gallop poll in 1982, some 72 per cent of Canadians called upon the Government to ensure access to safe therapeutic abortions. While I do not believe that Governments should run by Gallop poll, in this particular case I think it would be of some assistance to the Government.

[*Translation*]

I would like to emphasize, Mr. Speaker, that even though in the Province of Quebec there are clinics set up by Dr. Morgentaler, Quebec women perhaps have better access to abortion services than their other Canadian sisters, but they still are far from enjoying the right to a free abortion. For instance, in many Quebec areas, services are not available, and the Quebec Federation of Family Planning has emphasized that the law should be changed so that women could have access to safe abortions. Also, some hospitals still refuse abortions to married women or women who are not on the pill or do not use the IUD.

I have to wonder, Mr. Speaker, what the impact will be if there is a change of Government in Quebec, if for instance the New Democratic Party does not win the elections or if by a stroke of luck the Quebec Liberal Party wins the elections. We must ask ourselves whether such a Government would respect the right of Quebec women to have access to safe abortions.

[*English*]

This is a difficult issue. It is an issue which has divided many communities and one on which Members of all Parties can express very strong convictions. However, let me close by quoting from a lecturer from the Toronto School of Theology, who speaks about the very difficult ethical questions in this area of abortion. He says:

> The overall ethical thrust of the Bible is on the side of personal responsibility and the freedom to shape one's life as an adult rather than as a child living in enforced dependency. It is opposed to any and all forms of coercion.
>
> Theologically speaking, God has given us the right and duty to follow our own conscience. This means, ultimately, having the right to be (what others may regard as) wrong.
>
> It is easy for commentators and preachers—most of whom are male and many of whom are celibate—to label women who seek an abortion as selfish, hedonistic, or lacking a certain "generosity of spirit." Some may well be. Most are not. They are painfully choosing the lesser of two evils and it is cruel, in pious phrases, to add guilt to their distress.
>
> This position is not "pro-abortion"—nobody in their right mind waves a banner urging anyone to promote this route and it only muddies the issue to cling to any of the cliched slogans of either side in this debate. It is, however, pro-compassion, pro-freedom, pro a fully moral, fully human life for the women of Canada and of the world.

That is from Tom Harpur who is a freelance writer and broadcaster who lectures at the Toronto School of Theology.

In closing, I want to briefly underline the reasons for my support of this Bill and support of freedom of choice. The present law is unworkable. It is unevenly and unfairly applied. Even if we were to adopt the suggestions of some and in fact return to the days when all abortions were illegal, this would simply ensure that abortions continued but would take place at the hands of the back-street butchers or at the hands of desperate women themselves. That certainly has been shown to be the case very clearly in jurisdictions such as Portugal where abortions are illegal today. Yet, they continue in conditions of very serious risk to the women involved.

I note as well that at present there is no contraceptive that is 100 per cent safe and 100 per cent effective. Human beings are not infallible and safe legal abortion is essential as a back

up. I would note as well that in many cases those who would not allow abortion have also opposed the right of men and women to contraception. That is the case in too many areas. I suggest that the most effective way of reducing the number of abortions in Canada is by increasing the funding to the Planned Parenthood Federation of Canada and similar provincial organizations, not cutting it as the Government is doing, and ensuring that there is access to contraception and sex education in our schools.

I hope that the Government would be prepared to adopt this measure and ensure freedom of choice for Canadian women.

Mr. Jim Jepson (London East): Mr. Speaker, I am very happy to speak to this Bill which concerns one of the most important issues facing our country. I am even more happy, however, to have the expectation that this Bill will not receive the approval of the House.

This Private Member's Bill, presented by the Hon. Member for Burnaby (Mr. Robinson), is designed with the intention of fully legalizing abortion. It reflects the view that neither society nor the state has any business in interfering with a woman's right to make decisions fundamentally concerning herself, her body and the question of reproductive choice.

The position of the Member for Burnaby is that the option of abortion must always be open to Canadian women and that such a choice, made in consultation with a physician, must be reserved for the woman who is directly concerned. In a sense, I would like to thank the Member for bringing this motion before the House. I am very optimistic that if we co-operate we can settle this abortion debate once and for all tonight.

It seems that this is not the first time that the traditional terms of this issue have been set before the House for debate. I will be encouraging the Government, as some point, to bring forth amendments to the Criminal Code that will have the opposite effect to the Bill we see today. I believe that both public opinion and the general leanings of Parliament would support such an initiative. In any case, maybe Hon. Members present today can use the occasion of today's debate to demonstrate to the House and leaders of the Government that the great preponderance of support on this issue would encourage changes to decisively reduce the incidence of abortion.

The primary problem with abortion is simply that women have them performed. They are performed with disturbing and totally unacceptable frequency. The second problem relating to abortion is that people find themselves in a position where they are brought to see abortion as a legitimate alternative.

I believe this is more than just a statement of philosphy. It relates to the strength of a nation, the economic future of Canada and the position Canada holds for human rights around the world. It is because of a deep personal conviction that I have risen in the House today to condemn what I believe is totally irresponsible Bill. To accept this Bill today would be to abandon the moral mandate given our Government.

The sad thing with this Bill is that it will allow and even encourage women to have abortions. Moreover, it will encourage them to continue to get into positions where they will see abortion as an easy way out. It is my understanding that the pro-choice or pro-abortion faction is pressuring, more or less, for an amendment of this type. Since this Bill neither discourages abortion nor discourages women from getting into circumstances of an unintended or unexpected pregnancy, it seems that some people are content with a sky-rocketing abortion rate. I believe that will be precisely the effect of this Bill.

Can a responsible Government consider this as an alternative? It is obvious to me that, all moral convictions aside, this Bill is quite simply bad policy. An abortion is a traumatic and emotionally difficult event, regardless of the conviction of women who choose to undergo the ordeal. This Bill is badly designed policy. It increases the frequency of these events, regardless of what other goals are aimed at in the process.

● (1820)

The vocal minority calling for abortion on demand is infecting our society like a degenerative disease. When I say this, I do not apologize for using words that might be considered harsh or blunt. It is common for people in favour of abortion on demand to say that I am being insensitive to the needs of problems of people who find themselves facing difficult and complex moral decisions. Unfortunately, it has become popular to define sensitive as an inclination to pass over what people see as moral or even as in their best interest and to dwell on what people want. It is now considered insensitive to insist that people might just have to put up with certain difficulties.

The disease that is infecting our entire political system is most evident in the abortion debate. This hinges on the prevalent view that Canadians are neither required nor wish to be held accountable for their actions. People are insisting on rights without acknowledging responsibilities. The Hon. Member for Burnaby and his whole Party seemingly are not willing to tell Canadians that there is a bottom line of accountability. This set of attitudes, primarily characterized by the theme of no accountability and no responsibility, can explain equally well why we have both a burgeoning abortion rate and a spiralling federal deficit.

Tonight this House has an opportunity not only to repudiate abortion on demand, but at the same time to indicate that Canadians as a whole believe there are more constructive ways to deal with the pressures encountered through life than by giving in to them.

The laws of a society must reflect its highest moral aspirations. The Bill before the House involves a practical compromise with a growing tendency. When laws are changed to accommodate unacceptable practices, invariably those practices become acceptable conventions and create new norms. As legislators, Mr. Speaker, we must accept the challenge to make laws that will have the best possible effect on Canada and Canadians.

Dr. Harley Smyth is an eminent physician at the Hospital for Sick Children in Toronto. He is well respected for his sensitivity, compassion and defence of medical ethics. I would

like to support my remarks today with some of his which, I believe, communicate a basic principle that should underlie decisions, like this one that will, without a doubt, dramatically influence social attitudes and practices:

> This half of the twentieth century is witness, on a virtually global scale, to a new creed about man—that the life of man is a biological accident—that man was made not for justice, nor for eternity, but for nothing in particular. A creature whose very decisions are, by definition, meaningless. There is a relentless pressure on governments to govern, and physicians to practise on the principles of pure utility. In this view, what is good is not what is just or what is right, but what is useful. Who is strong will survive. Who is wanted will be welcome, but the only really welcome people might be those whose minds and whose bodies will ensure high rating on a computerized cost/efficiency ledger.

When the abortion issue becomes a question of respect for human life, and it always does, that not only refers to the lives of unborn children, it also refers to our own lives. When making our own decisions on this issue, it says something about our own lives, our human dignity and the purpose of our society. Laws that freely allow abortion repudiate any possibility of a higher human purpose.

Everyone will admit to having a basic sense of what is right and wrong, and it is this sense that, I believe, provides everyone with an intuitive bias against abortion. As a Government, we can sometimes be in danger of inadvertently extinguishing any feelings of personal obligation to oneself or to a moral standard. Abortion legislation is a clear example of this. I hope Members will join me in voting against this Bill.

So far I have dwelt mainly on the philosophical objections to abortion. I think they stand by themselves and prevail over the abortionist arguments favouring a woman's right to reproductive choice. It is obvious to me that by the time a woman is pregnant, she has already made her choice. I will stick to that view even though there are those who would prefer to see an unintended pregnancy as an inconvenience that is easily done away with. In any case, I would like to present to the House some figures that will help people to understand the scope of the problem with which we are trying to deal.

The most staggering figure I could cite is the number of abortions performed. In 1982, there were 66,000 therapeutic abortions performed for women resident in Canada. It is obvious that a pregnancy terminated by an abortion is not an exceptional case. It is not extraordinary. It is not unusual. The number of abortions performed has been constantly growing. In 1981, the City of Toronto released figures stating that 8,300 abortions were performed while there were only 7,600 live births. When abortions are more popular than live births, I think things are getting out of control. There are still some people who claim they are denied freedom of choice.

If their freedom of choice continues to lower the birth rate and raise the abortion rate, I think that reflects an abusive freedom, and a repudiation of responsibility. When the abortion rate is as high as it is now, you can be sure that the whole question has become a decision that is taken very lightly, Mr. Speaker. Through the negligence of Parliament, abortion has become acceptable in the sense that a great number of women are making casual decisions about reproductive choice and exploiting the latitude provided by the way current laws are enforced.

Why, in 1982, over 11,000 women had an abortion for the second time. Over 2,000 had one for the third or fourth time. When people try to defend the practice of abortion, they always create extreme circumstances surrounding the event. They might say the mother's life was threatened or that it was a pregnancy due to rape or that the person was particularly young and unequipped emotionally. This convinces some people that there might be justifications for abortion.

When over 11,000 women had their second abortion in one year there are going to be among that number a great many people who have been irresponsible and who have made the wrong choice. For this irresponsibility, 60,000 unborn children are killed each year. The tragic thing is that with permissive laws, and they are already too permissive, these decisions are taken out of the moral context. Pro-abortion groups say that if a woman chooses to have an abortion, she must be correct to exercise that right.

I have never heard a group in favour of choice ever say that, in some cases, it is better to go through with the pregnancy. This disturbs me because abortion is in the process of ceasing to be a difficult moral question for those who have had one. I am personally opposed to them on any grounds. Not everyone is, but I would hope that most people would still admit that there is no justification for the majority of abortions.

The private Members' Bill under consideration today makes no recognition of the fact that most Canadians see abortion as something that should be positively avoided, even if they might condone it in some circumstances. I hope that we will never pass a Bill like this that would make abortion a casual personal decision or just another form of birth control.

The issue of abortion has given the medical community a much more uncomfortable time than it has presented to the pro-choice movement, who do not see it as nearly so difficult. That is probably because it is the doctors themselves who are given the ultimate responsibility for performing abortions. Many doctors refuse to perform abortions, and I have a great deal of respect for them for upholding their professional standards. Doctors are dedicated to a code of medical ethics, the point of which is to guide human action so that they will be consistent with social values.

Canadians believe that life is worth protecting. In 1982, they spent $30 billion or 8.4 per cent of our Gross National Product because they believed that life is the greatest gift we can be given. It seems ironic to me that Canadians take life so seriously, while some people believe killing should be legalized, killing for no reason other than convenience most of the time.

Maybe the Hon. Member for Burnaby believes that you have to be able to fight for your share of that $30 billion pie. Maybe medical treatment and health protection is not a right at all, but rather something you earn yourself. In this case society might be justified in turning its back on unborn children. Since Canadians spend $1 out of every $10 protect-

ing and saving lives, it tells me that they cherish their own lives, the lives of their families and of their friends.

● (1830)

It is precisely the function of an institution such as Parliament to correct failures in our country's equation of social and political justice. A key part of this is recognizing and promoting rights of underprivileged or deprived minorities. The Government has committed itself to championing the causes of women, ethnic minorities and the handicapped, three groups fitting this description. I hope we will take up the challenge with equal enthusiasm of defending the interests of the most defenceless group of all—the unborn children of Canada.

There is a final point which I should like to make that always emphasizes the senselessness and tragedy of the frequency of abortion in our country. The futility of the situation we have today is emphasized by the currency of the term "unwanted pregnancy". No greater insensitivity is shown than by people who persist in using this term.

There is an unlimited number of families in Ontario alone who would treasure an "unwanted pregnancy" and welcome an adopted child into their home. In Ontario, in 1969, official agencies processed the adoption of 5,400 children. In 1979, this figure had fallen to 1,248. By 1984, last year, 862 children were adopted through provincial agencies in Ontario. People have not lost interest in adoption. As much as ever, some couples are incapable of producing children. Maybe the fact that abortions have increased over 600 per cent in the same time span has something to do with it. The term "unwanted pregnancy" loses some of its meaning when one finds out that there is a five-year waiting period for adoptions in Ontario.

Passing this legislation would legitimize the "unwanted pregnancy" as one that can be properly aborted. When this is used as a justification for abortion, it is a selfish and thoughtless treatment of not only the unborn child but of the thousands of people who would do anything to give that baby a home.

Before closing, I think it is important for the people of Canada to be totally aware of how abortions are carried out, the procedures involved. There is the D & C or the dilatation and curettage abortion. This method is most often used in the first 13 weeks of pregnancy. A tiny hoe-like instrument, the curette, is inserted into the womb through the dilated cervix, its natural gateway. The abortionist then scrapes the wall of the uterus, cutting the baby's body to pieces. This is now used less frequently than suction.

The second procedure is suction abortion, the most commonly used method for early pregnancies. The principle is the same as in the D & C. In this technique, which was pioneered in Communist China, a powerful suction tube is inserted through the cervix into the womb. The body of the developing baby and placenta are torn to pieces and sucked into a jar.

The third is salt poisoning, or hyper-natremic abortion. This method is generally used after 13 weeks of pregnancy. A long needle is inserted through the mother's abdomen and a strong salt solution is injected directly into the amniotic fluid which surrounds the child. The salt is swallowed and "breathed" and slowly poisons the baby, burning his or her skin as well. The mother goes into labour about a day later and expels a dead, grotesque, shriveled baby. Some babies have survived the "salting out" and were born alive.

These are just some of the forms of abortion which are carried out today. However, I should like to conclude by simply requesting that all Hon. Members seriously consider the implications of the abortion question. The time has come that the majority of Canadians who clearly oppose the senseless killing of infants receive their rightful voice in this matter, and silence once and for all the voice of the vocal minority of Canada.

Some Hon. Members: Hear, hear!

Mr. John Oostrom (Willowdale): Mr. Speaker, I welcome the opportunity to speak to the Bill introduced by the Hon. Member for Burnaby (Mr. Robinson). Abortion is an issue on which fundamentally differing and opposing views are strongly and genuinely held by many Canadians. I recognize the underlying reasons and feelings which have prompted my hon. colleague to introduce the proposed amendment to the Criminal Code. However, because there is a lack of consensus for major change in the abortion law, and because I believe that the existing law strikes a somewhat fair balance for Canadians who hold opposing views, it would be premature to bring forth such an amendment. In short, further study and consultation with church, medical and community groups are required. Nonetheless, I believe it would be useful to have a discussion on this very important issue, so that we can increase our knowledge of the many questions involved. In this regard, I propose to take the next few minutes of my time to place the Canadian situation in respect of abortion into an international context.

The debate over abortion rages in Canada as in many, if not most, countries of the world. Perhaps no other issue raises so many fundamental legal, medical, social, political, philosophical and religious questions as does the issue of who shall dictate the future of a human being about to be born—the state, the mother or the father. At one extreme, the state determines the status of a human being by criminalization of the abortion procedure and imposition of governmental sanctions, for example, imprisonment, fine or other penalty, upon those engaged either in performing the operation or having the operation performed upon them. At the other extreme, by permitting the potential mother or father to decide whether or not to have the child, the state removes itself completely from the decision-making process and places the choice entirely in the hands of future parents.

Most societies have opted for an intermediate position and allow abortions to be performed when certain legally formulated indications are present. As with other medical procedures, the state reserves the right to regulate the competence of those performing the operation. The intermediate position has been created by attenuating the criminal sanctions imposed upon violators of the penal code through legislative

action, judicial interpretation, or simply by choosing not to prosecute blatant evasions of the law.

The harshest restrictions on abortion exist in such countries as Ireland, Portugal, the Philippines and Spain, where no exemption from the absolute prohibition against abortion is permitted, not even for the narrow purpose of saving the mother's life.

Less restrictive nations permit abortion for medical indications. For example, exemptions are allowed when abortion is necessary for health reasons. These are the most common abortion statutes. As exceptions to a penal code prohibiting abortion, these exemptions are widely favoured because they can be interpreted as narrowly or as liberally as the courts and legislatures of the various nations desire. Interpretations range from a literal definition of health, protecting the life of the mother, to an expansive view which includes preserving the physical or mental well-being of the pregnant woman. More liberal laws allow for the termination of pregnancy on evidence that the child will be mentally or physically deformed if the pregnancy goes to term, or that manifestation of an hereditary disease will be prevented by permitting a legal abortion. Ethical or legal indications laws permit abortions for most women whose pregnancies result from rape or incest. Laws setting forth medico-socio or social indications conclude the list of exemptions by permitting legal abortions to be performed for a wide variety of medical and non-medical reasons. Such minimally restrictive abortion laws are found in Japan, the United Kingdom, the Scandinavian nations and the countries of eastern Europe. There, abortions are legally performed for such reasons as difficult domestic situations such as too many other children, financial hardship, unmarried status or ill health of other family members. However, these social reasons are generally disallowed, as they should be, in most countries of western and southern Europe, Latin American, Asia Africa and here in North America. In short, most of the world has approved the rights of the unborn. If Bill C-238 is adopted in the House, the rights of the unborn would not be protected, as the Hon. Member for London East (Mr. Jepson) has so ably pointed out a few minutes ago.

● (1840)

The least restrictive type of abortion law permits abortions "upon demand", although usually within a limited period. These laws allow a woman, after consultation with her physician, to choose to terminate a pregnancy without the need to offer an officially sanctioned justification. The distinction between this type of liberal abortion policy and the medico-social indications policy is that with the latter the woman is still required to convince a doctor, a hospital, or a committee of medical or psychiatric personnel of the validity of the indication.

By January, 1974, only seven countries legally permitted abortion at the unconditional request of the woman: the People's Republic of China, Denmark, the German Democratic Republic, Tunisia, the Soviet Union, the Democratic Republic of Vietnam and the United States. By 1977, France, Austria and Sweden joined this group. Even such nations, however, maintained restrictions upon personnel or facilities used for the operation.

Most of the attempted changes in abortion policy have taken place in Western Europe. Italy's—one of the most recent—liberalization of abortion laws in May, 1978 allowed women over 18 years old to opt for termination of their pregnancy during the first three months for physical or mental health reasons, ethical considerations, or socio-medical indications such as economic deprivation or family pressures. France adopted a liberal abortion policy in 1975 by removing penal sanctions from abortions performed in the first ten weeks of pregnancy.

The UK Parliament enacted a liberal abortion statute in 1967, authorizing abortion upon certification by two physicians that the pregnancy would involve greater injury to the physical or mental health of the women or their existing children than if the pregnancy were terminated. Furthermore, a woman's "total environment" may be considered in this decision as well as eugenic and ethical considerations.

The 1967 statute restated the British position on abortion originally formulated in the Offences Against the Person Act 1861 which made an abortion a felony punishable by life imprisonment. The Infant Life (Preservation) Act 1929 had amended the 1861 Act to provide that the abortion would not be regarded as a felony if the Act were carried out in good faith for the sole purpose of saving the mother's life. This exception was expanded by common law interpretation in the 1938 case of *R. V. Bourne* in which a physician illegally performed an abortion upon a 14-year-old girl who became pregnant after being raped by two of the King's soldiers. The judge in that case, Mr. Justice MacNaghten, loosely interpreted the exception for the life-saving necessity to include preservation of physical and mental health and thus Dr. Bourne was acquitted.

Abortion reform was achieved in the United States through constitutional adjudication in 1973. In *Roe v. Wade* the U.S. Supreme Court struck down state legislation prohibiting abortion under most circumstances and allowing only limited exceptions to these prohibitions. The Supreme Court decided the issue on due process grounds and, in a far-reaching opinion, held that States could not prohibit abortions at all during the first trimester of a pregnancy, could only restrict it to save the life of the mother during the second trimester, and could proscribe it almost entirely during the last trimester.

Many nations of the world have thus created changes in abortion regulations within the last two decades; indeed most have done so within the last few years.

The Hon. Members may wish to compare these developments in other countries with the evolution of the abortion law in Canada. Until 1969 the law in Canada relating to abortion had changed little since 1892, and generally provided that it was an indictable offence, for which one could be sentenced to imprisonment for life, to procure the miscarriage of any woman. In 1969 the Criminal Code was amended to provide an exception to the offence of procuring an abortion. It was

not an offence if the abortion had been approved by the therapeutic abortion committee of an approved or accredited hospital. The ground for approving an abortion was that the continuation of the pregnancy would likely endanger the life and health of the mother, which in most cases is a rarity.

With modern technology such as imaging, created by ultrasound vibrations, new medical evidence has emerged. The evidence indicates that life occurs at conception. If such is the case, then any abortion which is performed is an attack on a human entity. Our charter, Section 15, protects all life. Thus if this entity is life we are actually contravening our laws as well as our morality.

Thus if this Bill, Mr. Speaker, were allowed to pass we would be violating the rights of a defenceless human being being protected by a mother's womb, whereas that individual would receive total protection if mechanical means such as incubators were used to afford it real protection.

As I have stated earlier, Mr. Speaker, the debate in Private Members' hour may touch on some of the issues and give us a better idea of what is involved. It is not the place to solve one of the most complex social issues facing Canada today. We must be sure that when we do move to change our laws on abortion that the defenceless of our society must and will be fully protected.

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I wish to speak against this Bill. The protection of the unborn is really of the utmost importance. As legislators we may deal with a number of financial Bills and other issues, but it is a Bill like this that really cause one to speak from conscience, speak from the heart on issues such as this.

I find in my own riding of Don Valley East, in talking to so many people, that they obviously are not of one mind on this issue. There are many pro choice people who have their own strong reasons for their view on this most important topic, and there are many pro life people. This topic arises at town hall meetings as well as at other meetings of all types, and I find that very few people are swayed by the logic and the reasons we have individually. They seem to have taken a point of view in most cases well thought our in terms of their own background and experience. But this is one of those issues that I do not believe can be answered by taking a poll. I think these issues are answered best by, as I said earlier, speaking from the heart, which requires a very personal decision.

In my own family we have four children ranging in ages from 18 to 26, two boys and two girls. We chose to adopt our fourth child when he was 11 months old. He is now over 18 years. My wife and I have often thought what might have happened to that life—he came from a disadvantaged family—if in 1967 abortion had been easily accessible. I do not think that young man would not be living today. I am simply sharing a personal experience. Mine is a moral and religious point of view from which I cannot be dissuaded. I have a strong conviction about how important life is.

• (1850)

On another personal note, if I may be permitted, just this last July my wife and I became grandparents for the first time. On July 18, a young boy, Kyle William Strolenberg, was brought into this world by our younger daughter. We saw the magic of life begin within hours. When we saw our grandchild, we were speechless and in wonderment over the creation of life that we witnessed. I know people do take a different point of view but I simply do not know how they can deny how early life starts and how that life can be snuffed out through the abortion process.

In all conscience, I do support abortion if a mother's life is in danger, but not otherwise. There are many Canadian families who would dearly love to adopt a child. This is a country rich in so many ways. In certain cases where, for financial or other reasons, children cannot be looked after by their natural families I am sure we can find homes for those children. We in Canada are a collective family that will look after such children.

Some of my colleagues have already mentioned the statistics. The statistics are of concern when one is reminded that in 1982 there were over 66,000 legal abortions. As my colleague said, statistics show that the number of women who are having second abortions and sometimes third abortions is increasing. Regarding second abortions, I am advised that the statistics have gone from 2,850 second abortions in 1974 to over 9,500 in the year 1982.

The abortion law as it appears in Section 251 of the Criminal Code does permit an abortion where a hospital abortion committee thinks the pregnancy threatens the mother's life or health. As I mentioned, I am very much in support of abortion in that one particular instance. However, I do think we need to study some problems that arise in that particular area. I am told that some places in Canada are not in a position to have a hospital review committee made reasonably accessible to the woman who may be seeking the committee's assistance. As the Hon. Member who introduced this Bill said, something like 75 per cent of abortions are performed by a relatively small number of hospitals. I cannot believe that we are making this service as fairly and justly as we should to all parts of the country. This is an area at which we should look.

An issue like abortion is not one at which we should look with reams and reams of statistical data or with intense medical advice. While we as legislators need to have all the facts available, the issue is one about which many people have a point of view that is well thought out and thought out with sensitivity. I have talked at length to men and women who represent both sides of this divisive issue, not only during the election campaign but since that time. I have not spoken to one person who has indicated that he or she held a particular point of view but, after intensive discussions, had been persuaded to change his or her mind. It seems that the die has already been cast regarding how people feel about this issue. It goes right back to family and church life and to how people's views, disciplines and beliefs in the freedom of life have been cast.

As I say, people are not about to be dissuaded from their points of view by various arguments. This makes the issue all the more difficult for us as legislators. It is not like when we are dealing with a money Bill and a person may not be well informed regarding its true impact and may change his or her mind after receiving information. The matter of abortion is a very personal decision for anyone who takes it seriously. It is a decision that is thought out from the heart. It very much reflects the way we ourselves have been reared. Therefore, we must take the matter very seriously.

I am not compelled to go along with the Hon. Member who has his own point of view on this matter, a point of view which is, I am sure, very close to his own principles. I must go on the record as stating that I cannot in any way, in all conscience, support this Bill.

I understand that my hon. colleague would like to say a few words on this matter. I will give him the opportunity to do so. I appreciate the chance I have had to say a few words.

The Acting Speaker (Mr. Gormley): The Hon. Member for Edmonton-Strathcona (Mr. Kilgour), very briefly.

Mr. Kilgour: Mr. Speaker, could you indicate how much time remains?

The Acting Speaker (Mr. Gormley): One minute.

Mr. David Kilgour (Parliamentary Secretary to Minister for External Relations): Mr. Speaker, in the next 60 seconds, I would like to go on record with pride as being opposed to this Bill. I know the Hon. Member who has proposed this Bill quite well and I respect his sincerity on this issue as on other issues. However, for reasons that were indicated by the Hon. Member for Don Valley East (Mr. Attewell), the Hon. Member for London East (Mr. Jepson) and the Hon. Member for Willowdale (Mr. Oostrom), I very much hope that the day does not come that a Bill of this nature is passed.

The purpose of the Bill, according to the explanatory note which I believe may have been drafted by the Hon. Member for Burnaby (Mr. Robinson), is basically to abolish therapeutic abortion committees and to allow qualified medical practitioners to perform abortions without having to obtain prior authorization from such committees. Are you indicating that my time is up, Mr. Speaker?

The Acting Speaker (Mr. Gormley): Yes. Order. The time allotted for Private Members' Business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

Adjournment Debate

LAW REFORM—IMPOSITION OF PRISON SENTENCES

Mr. Alan Redway (York East): Mr. Speaker, I am one of those who believe that for some time there has been a growing concern and a great dissatisfaction with the state of our criminal justice system. I suspect that in all likelihood, Mr. Speaker, you share that dissatisfaction and concern with me. It emanates from a fear on the part of many people about their own personal safety in their homes or on the streets. That fear is something which seems to have been with us for years and years, but something which I think is growing more and more prevalent these days. I find that this fear manifests itself in people asking what we are going to do about the Charter of Rights. They say that the Charter of Rights seems to be a greater protection for the criminals in society than it is for them. It also manifests itself in people saying that they want to see a return to capital punishment and to see it very quickly. Those are all quite legitimate comments because they stem from the concern that each of us shares about what is going on with the criminal justice system.

One of the things the House is going to be looking at again is the whole question of capital punishment. You will remember, Mr. Speaker, that we were promised a review of that issue during the current Session of this Parliament. However, at the same time there are other things that can change and improve the criminal justice system besides a review of the question of capital punishment. Some of those things, I am pleased to say, the Government has already accomplished.

• (1900)

As you know, Mr. Speaker, we have had changes in the Criminal Code since September 4 last year, including changes with respect to drinking and driving. There are changes now being dealt with in committee with respect to street prostitution and soliciting, and the whole question of mandatory release of people who are confined to penal institutions.

All of these things are good and will improve the system, but there are other changes as well which we have to look at. Some of those changes were put forward just about two weeks ago by the president of the Law Reform Commission of Canada in his submissions to a criminal justice conference. He called for drastic changes in our sentencing laws. He suggested that what we should be doing is eliminating many of our sentencing procedures. He called for the elimination of both minimum sentences and the provision for time off for good behaviour. He has also called for the elimination of the whole parole system.

All of those things seem very revolutionary and very drastic on the surface. Suggestions of eliminating the parole system comes as a shock, because the parole system seems to us to be something engrained in the whole criminal justice system. It seems to be a good thing, so why would we ever want to do away with it? However, Mr. Justice Linden pointed out in his paper that we have had the parole system in Canada for a great many years and it has not seemed to have solved any of the problems. He also points out that the whole idea of time off for good behaviour came about as a result of insufficient room in the prisons to keep people, so we had to get them out

somehow. What we did was implement the idea of releasing these people earlier even though a judge had sentenced them to a longer term in prison.

Mr. Justice Linden also points out that the minimum sentencing provisions in our Criminal Code have been there since the last century. All of these things he suggests should be reviewed. In fact, he suggests that we throw them all out and start over again with a new procedure of sentencing which he refers to as a "bench-mark" sentencing system. He suggests we set up a committee or commission to establish average sentences for different crimes. Instead of the system we have now, we should make sure that the penalty fits the kind of crime which has been committed and of which the person has been convicted. This does not sound revolutionary to me, Mr. Speaker, it sounds like good common sense, particularly when it comes from someone who is as learned as Mr. Justice Linden, the president of the Law Reform Commission of Canada. I believe it is high time the Government began to consider these suggestions. I feel that if it did, that would restore a good deal of the faith and confidence people have lost in the whole criminal justice system.

I am sure you know, Mr. Speaker, as we all do, that the former Government set up the Canadian Sentencing Commission to look into this whole question of criminal sentencing. It received, I understand from the Solicitor General (Mr. Beatty), over a hundred different submissions, including those from Mr. Justice Linden, on how we should attack this whole area of sentencing. I understand that that commission is going to be making some recommendations, probably next year or the year after, and perhaps there will be some changes. However, it seems to me that this is an area in which the Government should be moving and moving quickly. It is only by tackling this problem and straightening it out that both the ordinary citizen and those who are convicted of crimes will know exactly where they stand and the people of this country will have their faith restored in the criminal justice system. I hope the Parliamentary Secretary will assure the House that the Government is going to tackle this problem, and in a big hurry so that we can restore the faith and confidence of the Canadian people in the Criminal justice system.

• (1905)

Mr. David Kilgour (Parliamentary Secretary to Minister for External Relations): Mr. Speaker, I thank the Hon. Member for his carefully considered and thoughtful remarks on a very important subject. As you know, Mr. Justice Linden made an important speech on sentencing in Toronto. The concept of bench-mark sentences, and I am speaking throughout on behalf of the Solicitor General (Mr. Beatty) who is unfortunately unable to be here tonight, should be of strong interest to the sentencing commission referred to by the Hon. Member. It might offer a viable solution to instances of sentencing disparity in Canada, of which there are many.

As well, Mr. Justice Linden's suggestion of creating a commission empowered to revise these bench-marks, according to factors such as prison populations, could have a great deal of merit, particularly for a Solicitor General who is so concerned with rising prison populations. However, the Minister is of the view that the philosophy of "just desserts" on which Mr. Justice Linden bases his new system may not offer all the guarantees of justice that its American proponents promised. There remains serious questions whether the models have achieved the objective of sentence equalization and standardization.

In the criminal justice system we always seem to come back to the age old dilemma of chosing between the classical approach and the neoclassical approach. In the classical approach all citizens are considered equally responsible and punishable for the crimes they commit. The neoclassical approach, as both you and the Hon. Member know, Sir, insists that individual circumstances must be assessed in every case because the physical and social environment influence the level of criminal responsibility. The Solicitor General believes that neither philosophy is fully satisfactory and we remain in constant search for a balance.

In that connection the Minister is not as certain as Mr. Justice Linden that "good time" and parole should be abolished on the grounds that they contribute to the arbitrariness of the system. Those programs, rooted in Canadian correctional tradition, represent in the Minister's view a recognition that human beings change for the better and, unfortunately, sometimes for the worse. To be placed in a completely static situation where it is not possible to affect one's destiny would destroy all motivation to change for the better.

How far can we go in a complete rationalization of the system from the court's viewpoint? For example, would the security level be determined by the court? What about the granting of temporary absences and access to education? You are indicating my time is up, Mr. Speaker? In that case, I simply thank the Hon. Member again for his thoughtful comments.

• (1910)

[*Translation*]

PUBLIC SERVICE (A) REQUEST THAT DOCUMENTS SIGNED WITH UNIONS BE TABLED. (B) PENSIONS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, the matter I would like to debate this evening relates to a question I asked last May 2 concerning my interest and the interest of my constituents in current negotiations between the Treasury Board and the unions representing public service employees, particularly on pensions. I wanted to know whether the Government, as announced and promised, would soon make public an agreement with the unions concerning the issue of pensions paid to federal employees.

To refresh memories, I will quote the comments made by the President of the Treasury Board in the House last April 17. They can be found on page 3818 of *Hansard*, under Routine Proceedings:

I am delighted to be able to announce to Hon. Members that the Government has reached an understanding with the Public Service unions on a number of issues that are important both to our employees and to the Treasury Board as the employer.

Following that statement, Mr. Speaker, I asked a question in the House on May 2. I quote my own words on page 4343 of *Hansard:*

Ever since the Minister announced what he calls the new era in labour management relations in the Public Service, I have been asking him in the House to table the memoranda that he has signed or negotiated with the Public Service unions. The Minister has persistently said no to my request. In fact, the documents have been leaked to the press. Public servants are quite concerned. Superannuates are very disturbed. Will the Minister table those documents today so that people can rest at ease, read them, and understand them clearly?

Well, Mr. Speaker, the Minister did table the documents. These are draft documents which were made public and which feature what is called the four major issues—the general agreements, the pension question, the dental plan question and, finally, the question of amendments to the Public Service Staff Relations Act.

This evening, Mr. Speaker, I only want to consider the pensions issue. I will get back to the other items at some other time.

On April 17, the Minister said in the House, and I will quote him again, because it is important to understand what the Minister is saying in the House. He said on April 17: "The Government has reached an understanding with the Public Service unions on the subject of a Public Service dental plan". "I have signed an agreement". That is clear. A little further, and I quote: "Agreement has been reached on improvements to the work force adjustment policy" and finally "the understanding reached", again, the understanding reached, "goes a long way toward fulfilling the promises we made last summer during the election campaign."

Mr. Speaker, all these quotes and comments may be found in *Hansard* at page 3818, under Routine Proceedings, Minister's Statements on Management-Union Relations. And every paragraph reads, "I have concluded . . .", "I am delighted to announce . . .", "I have signed an agreement . . .", "An agreement has been reached . . .", "The understanding reached . . .", all of which leads one to believe that something has transpired and that some agreement has been reached.

However, today in the House, the Hon. Member for Ottawa-Carleton (Mr. Turner) asked the President of the Treasury Board (Mr. de Cotret) if he had anything new to announce about pensions, and especially about the pensions of those who are already retired. The Minister rose in the House and referred to an actuarial report, which had been received and considered, and said no more. He did add that he would like a few days to formulate his conclusions.

Now, Mr. Speaker, we know that the agreement with the union specifically provided an actuarial review to be done by the employer, that is Treasury Board and an actuarial review to be done by the unions. Those reviews were supposed to provide information on the pension plan, its financing and its conditions.

To this day, Mr. Speaker, we have not obtained, and I repeat, we have not obtained from the Minister the assurance that we would see during this session an end to his shilly-shallying with the union.

As recently as two weeks ago, I had the honour to attend a public meeting of the Public Service Alliance with the Hon. Member for Ottawa-Carleton (Mr. Turner) and with the Hon. Member for Ottawa-Centre (Mr. Cassidy). At that meeting, the pension issue was discussed at length. It is a present-day problem for public servants as well as for those who are retired because every once in a while they have the feeling that the Governments are peering at them, wanting to alter the rules of the game.

I would like the Minister and perhaps the Parliamentary Secretary to reassure us, and those concerned with this issue who deal with public servants, and tell us that the actuarial review will soon be made public. In this connection, I would like to refer the Hon. Members to a debate held in this House on April 17 when I directed a question to the Minister who answered as follows: "There are still some details to be drawn up and actuarial reviews to be completed." Well, they are completed and he said today he had them. They should be made public to be sure that it was useful to stir up the matter in order that justice be done.

I remember, Mr. Speaker, quite clearly, the famous debate on public service pensions, a debate which was rather acrid. I was then considered as a renegade because I had upheld the rights of the civil servants. I still maintain today that when one pays or contributes to a pension fund, the employer must keep his word. I hope that this Government in its actuarial studies will keep its word and its commitment and provide an equitable pension to civil servants which will give them no more but no less than what they are entitled to in that respect.

• (1915)

Mr. David Kilgour (Parliamentary Secretary to Minister for External Relations): Mr. Speaker, my friend the Hon. Member for Ottawa-Vanier (Mr. Gauthier) having spoken in French, I would have liked to answer him in French, especially since both of us formerly were members of the Committee on Official Languages. Unfortunately my notes were prepared in the other official language, and I will answer in English.

[*English*]

My remarks on behalf of the President of the Treasury Board (Mr. de Cotret) are not intended to provide additional detail on the public service pension reform issues because these are to be worked out by the Minister in consultation with the advisory committee on the PSSA. I would simply like to clarify the arrangements with respect to the composition of the Board of Management as announced by the Minister last April.

Let me begin by giving some background about why the Government has created the Board of Management and to outline some of the principles upon which it feels it should be founded. The Public Service Superannuation Act has, since its enactment in 1954, provided for an advisory committee to advise and assist the appropriate Minister on matters arising in connection with the administration of the Act. The Committee consists of six members appointed by the Governor in Council on the recommendation of the President of the Treasury Board and six members recommend after consultation with the National Joint Council of the Public Service of Canada. The committee has been consulted by successive Ministers on major policy issues over the years and has provided valuable advice, most of which has been accepted and implemented.

In recent years, this arrangement has become less than satisfactory from the plan members' point of view because the committee's role is restricted to the provision of advice and because the proceedings of the committee are confidential and cannot be debated publicly. In other words, the role of plan members in management of their pension plan has thus far been somewhat limited.

Our Government recognizes that public servants should be actively and directly involved in their pension arrangements. Therefore, we have agreed in principle with the representatives of public service unions that the pension plan will be placed under a system of joint management, which provides plan members with direct involvement in policy development and administration for the future.

The President of the Treasury Board has indicated in his statement to the House that a Board of Management will be established, consisting of an independent chairperson, with at least 12 representatives, representing in equal numbers the employer and plan members. There appears to have been some misunderstanding about the composition of the Board of Management and the role of pensioners in this proposal.

It is the Government's view that public service pensioners are certainly plan members and it was never intended that they be excluded from representation on the Board of Management. I believe that the employee associations share this view, as does the Advisory Committee on the Public Service Superannuation Act, which has suggested that the proposed board include a pensioner representative.

I understand that a representative of the Federal Superannuates National Association already attends meetings of the present Advisory Committee and, therefore, already has a say in the application of all the reform proposals, including the operation of the Board of Management.

In conclusion, retired public servants can be assured that they will indeed be represented on the proposed new management board with direct involvement in public service pension policy development and administration in the future.

• (1920)

[*Translation*]

SOCIAL SECURITY—COALITION OF WOMEN FOR FAMILY ALLOWANCES (A) GOVERNMENT POSITION. (B) ELECTION DEBATE

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, tonight we are dealing mainly with the issue of family alllowances. On October 2, 1985, I directed a question to the Right Hon. Prime Minister (Mr. Mulroney) concerning social programs. I quoted from the statement he had made during the women's debate in the 1984 election campaign.

At that time, the Prime Minister assured Canadian women of his support to the principle of social programs, and I quote:

> Yes, I can give the insurance that no social program at all affecting anyone in need shall be touched.

But that promise he did not keep. The de-indexing of family allowances is prejudicial to all Canadian families, including the most in need. The de-indexing of the tax child credit will reduce the income of less privileged families in Canada. Single parent families will lose Government help, contrary to what the Prime Minister has promised.

Canadian women are opposed to the Government's deindexing plan. Quebec women in particular are organizing against it. A coalition of Quebec women for family allowances has been recently established. That coalition brings together more than 50 organizations representing more than one million Quebec women.

When the Prime Minister attempts to gain women's support for his program, he is wrong because women are beginning to understand what the Government has in mind. They realize that it will indeed increase the child tax credit, temporarily . . . They know however that even the tax child credit will be reduced as of 1989. Deindexing results in a loss of purchasing power. That is what we must fight. Within 20 years, the baby bonus will be reduced, in real terms, to half its present value. It is almost the same for the child tax credit. Today, a poor family with two children gets $1,578 from the federal government under both the Family Allowance and the Child Tax Credit plans. That family does not get any exemption for child care like those who are better off. In 20 years, that poor family without any employment income will only get $973 a year in Government assistance. In addition, the taxes it has to pay will be substantially increased. As of 1990, the poor family will get less support from the federal Government than it does at present.

Women are appearing before the Legislative Committee on Family Allowances to make representations against this deindexing of family allowances. Those representatives have asked us among other things to increase family allowances. They have made it clear that the baby bonus is used for basic needs, to buy food and clothing for the children. The nurses' representatives have emphasized the hazard to the health of young children. One million children are living in poverty in Canada

and this figure is a shame in a country endowed with so many resources; it is outrageous!

The Government's priorities are unacceptable. We must maintain and even increase our child support programs.

We must recognize the contribution made by mothers and that is the purpose of the family allowance program, which is the only one of its kind.

[*English*]

Women are coming to Parliament and they are saying firmly that they do not want this deindexing. They want the Prime Minister (Mr. Mulroney) to keep the promises he made in the election campaign and, indeed, to give more support to families, especially to poor families. It is our duty to respond to those needs and to respond decently and generously. I call on the Government to do that.

[*Translation*]

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, it should be emphasized that family allowances will continue to be paid in respect of all dependent children under 18 years of age. The universal nature of this program remains unchanged. However, the indexing formula for these benefits will be amended. Therefore, effective January 1, 1986, family allowances will be indexed only if the yearly cost of living increase exceeds 3 per cent. The portion of the increase over and above 3 per cent will be fully compensated.

[*English*]

It is also important to emphasize that assistance for low-income families will increase over the next three years. While it is true that their family allowances will be subject to the same indexing provisions as those of higher-income families, it is also true that low-income families will be more than compensated. Thus, the maximum child tax credit payable to low-income families will be increased by $140 per child over the next three years.

[*Translation*]

Moreover, in order to share more equitably our limited resources, the child tax exemption in respect of dependent children will be reduced until it equals the yearly family allowance payments. The House is aware that this exemption was blamed on many occasions for being regressive, because it benefited more high income families than low income families.

In short, Mr. Speaker, the Government is streamlining the child benefits system and making it more progressive.

[*English*]

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

The House adjourned at 7.27 p.m.

HOUSE OF COMMONS

Tuesday, October 29, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed from Monday, October 28, consideration of the motion of Mrs. McDougall that Bill C-80, an Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Patrick Crofton (Esquimalt-Saanich): Mr. Speaker, I am very pleased to have this opportunity to offer a few remarks on Bill C-80, an Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof. In considering this Bill it is necessary to start from the basic and fundamental starting point of our national debt, that horrendous figure, that tragic legacy of the previous administration. It is almost impossible to overstate the magnitude and seriousness of that Liberal legacy. Not only did we inherit the debt, we also inherited a Government financial operation that is completely out of control. The problem has been created because successive Liberal administrations over the years believed in deficits of ever-growing proportions regardless of the state of the economy. Thirty to 40 per cent cost over-runs were a matter of course because of financial incompetence and indifference. Year after year this is what was served up to the Canadian people, a terrible legacy for this and future generations. We were elected to deal with this situation, Mr. Speaker, and deal with it we shall.

I will not bore you with statistics, Mr. Speaker. The House has heard often enough the price that current and future generations will have to pay for this lamentable legacy. We have heard of the amount owed by every man, woman, and child in this country for past spending excesses and how interest alone on the accumulated debt exceeds the total budget of a few short years ago.

I want to address solutions to this problem. We have to come to grips with our national debt in exactly the same way as one reduces a personal debt. We either achieve a higher income, reduce expenditures, or seek a combination of the two. This combination of the two mechanisms is what we proposed in the May Budget; increased federal income, partly through tax changes, on the one hand, and reduced federal expenditures on the other. It is important to recognize that action to increase revenue accounts for only 20 per cent of this year's attack on the deficit. Bill C-80 is but one part of a comprehensive approach the Government has initiated to break the financial hemorrhage we inherited in September, 1984.

Opposition spokesmen have sung a song about ordinary Canadians at every opportunity. They would have you and others, Mr. Speaker, believe that they and they alone speak for ordinary Canadians. Indeed, it was the ordinary Canadians, the many responsible and caring voters in this country, who cried "enough" just over a year ago. By the hundreds of thousands they threw out the tired and incompetent Liberal Government, rejected their fellows in arms, the NDP, and elected a Progressive Conservative Government which pledged to raise revenues, control spending, reduce the deficit and create jobs. This is exactly what we are doing, Mr. Speaker. We are keeping our campaign commitment on this issue as we have in the many other important policy areas.

Spending money is easy, Mr. Speaker. Our predecessors showed all of Canada just how good they were at spending money. Never mind any controls, think of a spending program and we will give you the money. Do not worry about accountability or prudence, there is more money where this came from. Their NDP colleagues chortled with joy. We have been witnessing a spending binge for over a decade, each encouraging the other with their spending zeal.

Mr. Turner (Ottawa-Carleton): Terrible.

Mr. Crofton: For years the Auditor General has decried the lack of financial responsibility and accountability. The SRTC boondoggle was one of the last in a series of Liberal extravaganzas. Two billion? Three billion? Five billion? The financial bleeding still has not stopped from that great Grit scheme. The Canadian people said "enough".

Raising funds is not a popular or pleasant activity, but it is essential for the economic future of Canada. The majority of Canadians supported the initiatives in the May Budget. Public reaction was very plain on that score. Indeed, there was some strongly voiced criticism that the financial change of direction was not strong enough, that deficit reduction in our first Budget was too gentle. This time last year we were seeing the first faint signs that the recession was easing. The economy was still very fragile. Clearly, a responsible balance was required between necessary expenditures for essential social programs and job stimulation on the one hand, and economies in Government activity in other areas. The November economic statement and the May Budget struck that essential balance.

What has occurred in the 13 months since we came to office? The opposition Parties appear to be negative about everything that happens in this place. They certainly are negative about everything said by Members on this side of the House. Are they opposed to the fact that interest rates, bank rates, are down by over 3 per cent in the last 12 months? Are they opposed to the reduction in unemployment of 1.5 per cent over-all and over 2 per cent among young Canadians? Does the fact that bankruptucies are down 13 per cent find disfavour with them as well?

• (1110)

The inflation rate is steady at just under 4 per cent, business confidence is up in the past six months, the investment rate is up, housing starts have increased and consumer spending is up. Can the opposition Parties be opposed to all these important financial indicators? Canadians are not opposed to it.

In part, this improvement in the past 12 months, which is at least welcome on this side of the House, is the result of actions taken by the Government. Another important ingredient in this welcome change is the anticipation of stated government intentions, competent financial management and deficit control.

Earlier in this debate, Members opposite lamented the amount of money these tax measures in Bill C-80 would take from ordinary Canadians. As usual, they put forward very selective arguments and did not mention some of the offsetting benefits Canadians have received as part of the Government's actions. They include lower interest rates, over 300,000 new jobs, pensions for widows and widowers between the ages of 60 and 64, new increased pensions for the handicapped, increased pensions for veterans, substantial new funds for direct job creation and training, and funding for record-sized ERDA agreements with the provinces. There is a whole range of initiatives of direct benefit to Canadians in all walks of life. These are actions which have injected money and confidence into the economy.

Members on the other side have complained that Bill C-80 is a tax on the poor. However, they conveniently ignore the fact that the Government has invoked a surtax on the rich and will shortly introduce a Bill for a minimum tax, to commence in January, 1986, to ensure that all Canadians will pay a fair share of tax in the future. The Liberal Party, for all its years in office, did not have the wit or inclination to deal with this important matter. As well, we have introduced a surtax on corporations and a surtax on large banks and trust companies. All of these measures were contained in the May Budget. Since the Opposition is so negative, must one conclude that it is opposed to these measures as well?

Bill C-80 is an essential stage in restoring sensible fiscal management to our nation's affairs. The opposition Parties have shown considerable ingenuity in developing spending programs and indeed I will not deny that some of their ideas over the years have been good. We have endorsed some of them. Unfortunately, the Opposition does not seem to know how to raise funds adequately, sensibly and prudently and certainly how to account for these funds once they have been raised. Spending money is easy and oftentimes popular. Raising money tends to be unpopular and contentious. Nevertheless, it is an essential part of responsible Government, and responsible people must take responsible action to discharge this essential obligation.

Bill C-80 does that. It is a necessary response to the budgetary needs of this country. It is a proposal maligned by the unthinking and regretfully acknowledged as necessary by the rest. Bill C-80 is just one step in a long vital journey back to the economic safe ground where our massive debt can be brought under control, where competent and responsible fiscal management is restored to this country and where Canadians, after a number of years of uncertainty and doubt, can look forward to financial security for themselves and their families wherever they may live in Canada.

Mr. Nystrom: Mr. Speaker, I wish to direct a question to the Member for Esquimalt-Saanich (Mr. Crofton). The Bill before the House adds some $3.5 billion to the tax load of Canadians over the next couple of years. Many of those taxes, including the increased sales tax, an increase of some 2 cents a litre on gasoline and increased tobacco tax, will affect ordinary people.

• (1115)

In his opinion, is this the best way of reducing the deficit? Often if you reduce the spending power of consumers, you take money out of their pockets which goes into the federal Government's pocket. Doing that can slow down the economy at times. This does not necessarily increase the economy or make it more productive. To bring down the deficit, we have to become a nation of producers and we have to start doing things. Is not one way of doing that by increasing consumer spending? Rather than putting all this money into government coffers, are we not better off to leave that money in the pockets of ordinary Canadians who will spend the money for food, clothing and shelter, which will stimulate the economy and create more jobs?

Will the Hon. Member comment on the argument used by a lot of economists that the way to bring down the deficit is to leave more money in the hands of ordinary Canadians, who will spend it stimulating the economy from the grass roots up?

I know that one of the philosophies of the Conservative Party over the years was to stimulate the small business sector and consumer spending. When the Tories were on this side of the House they made speech after speech that that was the way to go. They did not argue before the election campaign that they should be raising taxes. Why is there this change in tune? I realize that the Hon. Member for Esquimalt-Saanich is a new Member, but does he agree with this approach or is he trying to defend the Minister of Finance (Mr. Wilson)?

Mr. Crofton: Mr. Speaker, I thank the Hon. Member for his question. There are several comments I would like to make in reply.

First, I again draw to the Hon. Member's attention the fact that Bill C-80 and the proposed tax measures are a part of the 20 per cent reduction in the deficit for this year. To suggest that Bill C-80 is the only measure that has been taken is, of course, quite wrong.

There is, indeed, a place in the scheme of things for deficit budgeting. Unhappily, the previous administration, over a great many years in good times and bad, indulged in that practice. If deficit budgeting had been properly co-ordinated and organized so that it was genuinely benefiting the Canadian economy, there might have been some purpose to it. But when you start getting 50 per cent cost overruns year after year to the point, as I emphasized earlier, that just interest payments on the debt are more than the whole budget of a few years ago, clearly corrective action has to be taken. If deficit spending was all that successful, why are we in the mess we are today? No control is the reason.

It is essential that revenues be raised to pay the debt and to pay for ongoing expenses. This Bill is an attempt to spread the load evenly. Action is being taken prudently, and in many instances phased in. It is irresponsible to do otherwise.

The Opposition has had a lot to say about proposed spending reductions, trimmings and cuts, and does not like any of them. That, however, is an essential part of the budgetary process. The additional revenues are only 20 per cent of the approach in this fiscal year to deal with the monumental problem that we have inherited.

Mr. Riis: Mr. Speaker, I appreciate the comments of the Hon. Member who comes from an area of the country where tourism plays a critical role. Perhaps if the Hon. Member is considering some areas where cuts would be appropriate, it might be in some of the tax expenditure areas which the Minister of Finance (Mr. Wilson) has identified as being relatively non-productive. These are areas where there is little, if any, gain to the country as a result of some fairly large tax expenditures presented in his paper, which I appreciate.

Could the Hon. Member comment on the effect in his own area, particularly, where tourism plays such a critical role, of additional taxes on alcoholic beverages? Representations by the tourist community remind us time and time again that we cannot price ourselves totally out of the market. For American tourists coming to British Columbia for Expo '86, gas, accommodation, food and entertainment will be very expensive. Now we are to increase the cost of alcoholic beverages. Does the Hon. Member have some views to share with us on this point?

• (1120)

Mr. Crofton: Mr. Speaker, I appreciate that question as well. I remind the Hon. Member that in the rules which we inherited there was an automatic 4 per cent increase. This particular budgetary proposal reduces that increase to 2 per cent. Indeed it is a benefit to people in the entertainment industry.

An Hon. Member: It was a campaign promise.

Mr. Crofton: As my colleagues says, it was a campaign promise. It was but one on a long list of promises which we have kept.

I should like to refer to another matter at this time. The Opposition has criticized some of the tax proposals, such as the gasoline tax and the tax on alcohol and liquor. However, some of the Hon. Member's colleagues only a few short days ago were decrying the fact that the Government was proposing to talk with the Americans to try to deal with some serious trade matters. They were terribly afraid that somehow we would bargain away our social programs. They pointed with long fingers to the Americans who do not have a social security program like ours. Many of the social measures of our country are not enjoyed by the Americans. They cannot have it both ways. If we are to have these programs, the Government requires the revenue to pay for them. If they prefer cheaper gas, that is fine, they can live in the United States and do without medicare. That is the choice they have.

[*Translation*]

The Acting Speaker (Mr. Paproski): The Hon. Member for Yorkton-Melville (Mr. Nystrom) for a supplementary question.

Mr. Nystrom: Thank you, Mr. Speaker. You speak French very, very well now.

[*English*]

I wanted to ask the Hon. Member for Esquimalt-Saanich another question. When the Minister of Finance was talking about our finance system a few months ago, he said that Canada had an acute shortage of rich people. Does the Hon. Member agree with that?

Mr. Crofton: Mr. Speaker, if I had my druthers, all Canadians would be rich. The fact that there are not very many who are is no great source of pride—and it should not be—on the part of any Member of the House. I hope the standard of living and incomes of all Canadians will be improved. Unquestionably, over the years, there have been well-to-do Canadians who have managed to escape paying their proper share of taxes. The previous Liberal administration, for all its puffery, never got around to doing anything about it, as I said earlier. Indeed, we intend to. We have already introduced a surtax for this year. We also intend to introduce a minimum tax, which we hope we will be debating in the House very shortly, to take effect in January, 1986. It is long overdue. When we talk about rich Canadians, it is high time they paid their fair share. If that is the point the Hon. Member is trying to make, I share it.

Mr. Nystrom: Mr. Speaker, if that is the case, how can the Hon. Member support putting this extra $3 billion in taxes on ordinary Canadians? How can he support things such as partial deindexation of family allowances? Why did he support last spring, before the Prime Minister (Mr. Mulroney) did a flip-flop, partial deindexation of old age pensions? If he is concerned that many people are not getting a fair deal in our

taxation system, why does he support these kinds of measures? Obviously we have a very unfair taxation system.

Mr. Crofton: Mr. Speaker, maybe the hon. gentleman was not paying attention. I drew attention to the fact that indeed a number of initiatives were taken by the Government of benefit to ordinary Canadians, not the least of which was the reduction of 3 per cent in interest rates. That puts a great deal of money back into the pockets of Canadians, hundreds of thousands who were paying mortgages on which formerly there were usurious interest rates of over 20 per cent. For the first time in a long while, five-year mortgages are being offered. These are all beneficial things.

We have introduced a number of new pensions for people who were not getting them previously. Indeed, there is a fair bit of money being injected back into the economy. Job creation is a very important part of it. Whether the sales tax goes up 1 per cent or down 1 per cent is of cold comfort and not of a great deal of interest to someone who does not have a job and cannot even buy the essentials in the first place, whether or not their price has gone up by a few pennies. We are trying to take measures on a broad front.

• (1125)

The Acting Speaker (Mr. Paproski): The period for questions and comments is now terminated. Is the House ready for the question?

Mr. George Baker (Gander-Twillingate): Thank you, Mr. Speaker, I have just a few words to say concerning this Bill.

Mr. de Corneille: The House will never be ready for the question.

Mr. Baker: I think it should be kept in mind that Clause 9 of the Bill means that the telecommunications programming tax rises from 6 per cent to 7 per cent; Clause 13 of this Bill before the House increases the excise tax on wine; Clause 15(3) will repeal a Section of the Excise Tax Act, the effect of which imposes sales tax on certain building components and materials; Clause 16 increases the federal sales tax from 10 per cent to 11 per cent.

From listening to the Conservative Members, one would not know but that this was a good Bill for Canadians. Clause 49 increases the gas excise tax by two cents a litre as of September 3 and one cent a litre on January 1, 1987. Regarding that September 3 date, on which the two cents per litre increase in gas excise tax becomes applicable, I am sure Canadians will remember that marvellous statement in the Budget Speech that said that the increase in the tax on gasoline would be held off until just after the summer vacation, so it would not affect the tourist trade for 1985. What a ridiculous statement for the Minister of Finance (Mr. Wilson) to make in the Budget! Obviously, it is going to affect the tourist trade every year after 1985.

Let us continue. Clause 15 increases the excise taxes on cigarettes, tobacco and cigars.

The Acting Speaker (Mr. Paproski): Order, please. We are in second reading and the Hon. Member knows, and surely I do not have to tell him, that we are speaking to the Bill in general terms and not clause by clause. That will come a little later. I hope that the Hon. Member, who has been here a few years, as long as I can remember, will comply with those rules.

Mr. Baker: Generally speaking, it is a terrible Bill. If I were to run through all of the tax increases that are included in this particular measure it would take me my entire 20 minutes in this Chamber. Canadians who pick up the daily newspaper know that these taxes should not be imposed, that this is not the right time to impose these taxes.

Today in *The Globe and Mail* there is a story which quotes the National Anti-Poverty Organization. It said the following:

> A study by the organization of the Budget's tax measures concludes that families with incomes of less than $10,000 will pay, on average, an extra $128 a year. For families with annual incomes of $25,000 to $30,000, the increase will be an average of $308. For those with annual incomes of more than $50,000, the extra cost will average $547.

Then the article goes on to say:

> The tax increase for families making more than $50,000 a year is 0.69 per cent of their income, compared with 1.39 per cent for families making less than $10,000 a year.

Those are facts that they have dug up, and here they are under the heading "Taxes Worst for Poor".

In the same newspaper and in every newspaper in Canada we read that today the first contract for the Prime Minister's Office to install new communications equipment is estimated to cost $7 million. We read about the UI premiums scheduled to rise on January 1. That is what employees and employers have to pay into the system. No problem. Hit the poor, and there is money for such things as a communications system for the Prime Minister's Office. We all know that a new communications system is what is probably needed in the Prime Minister's Office. It appears as though the communications system in the Prime Minister's Office is not all that great. Perhaps this might solve the problem. After all, it will only cost about $7 million, according to the media.

• (1130)

In the past few days, we have heard the Minister of Energy, Mines and Resources (Miss Carney) say that she is renegotiating gasoline prices with the producing provinces. There will be all of these tax increases for Canadian consumers. The Government has increased the unemployment insurance premium while a study is in progress. The Government announced in the Budget that it would re-analyse the unemployment insurance scheme because it said that there is too much wastage in the system. After all that, we hear announcements like the one which emanated from the Prime Minister's Office. We see that there appears to be two rules for the Government: one for the rich and one for the poor, one for ordinary Canadians and one for the select few.

Perhaps the worst aspect of this Bill is that it will impact more on the poorer provinces than it will on the richer provinces. When analysing how these taxes are collected, one

discovers that after the federal tax is put on, there is a provincial tax levied on the bottom line.

The Government announced in the Budget that it would increase gasoline prices by 2 cents per litre, but because it did not want to disturb the tourism industry in 1985, it waited until September 3, 1985, to do it. The Government did not take into consideration what would happen after September 3, 1985.

What is also not taken into account by the Government is that there are provinces in this nation that have provincial taxes that are as high as 22 per cent. As well, there is one province with no taxes. In effect, this particular Bill provides a windfall to provincial administrations with excessive taxation on the bottom line. Someone living in Newfoundland is hit worse by the Budget than someone living in another province of Canada. It is estimated that Newfoundlanders have to pay again 50 per cent of the taxes imposed under this Bill. Surely that is not fair. The Bill is not fair to all Canadians.

The same thing applies to the changes in income tax. When filling out one's income tax form, one first fills out federal tax payable and then provincial tax payable as a percentage of federal tax payable. When a change is made to the federal tax payable, it influences the provincial tax payable. In provinces like Newfoundland with high provincial income tax, one ends up paying even more provincial income tax. This is how the budgetary measures brought in by the Government provide a windfall for the provincial administrations as well as the federal administration.

Canadians in the poorer provinces who have to pay double what people in other provinces have to pay because of the provincial take on the bottom line, whether in income tax or sales tax, wonder what the Government is doing. Those people see the Government spending $1 billion here and $1 billion there with only a sweep of the pen. The spending of this money occurred because of an on-the-spot decision made by the Minister of Finance or the Minister of State for Finance (Mrs. McDougall) under the direction of the Prime Minister (Mr. Mulroney) in a private meeting held on a Saturday afternoon while the economic conference was going on and the TV cameras were rolling. The Prime Minister had to make a decision on the spur of the moment and he made a decision that will cost Canadians $1 billion.

Mr. Turner (Ottawa-Carleton): Stop! Stop!

Mr. Baker: Those are the decisions that make ordinary Canadians ask what the Government is doing. They ask why the Government is hitting them at the gas pumps and on their income tax and everything else.

An Hon. Member: To pay off our debts.

Mr. Baker: The hon. gentleman says that it is to pay off our debts. If there has to be a pay-off of our debts, then why are we giving away so much money? Why is the Government giving to the rich people and taking away from the poor people? Why is the Government so flippant about a measly $1 billion here and $1 billion there while it increases the unemployment insurance premiums? Why has the Government examined the unemployment insurance scheme and come to the conclusion that it is a giveaway? Why are there so many contradictions?

During the election campaign, every single Conservative Member complained about the giveaway make-work projects. I must admit that that hit home with a lot of people. A lot of people agreed that some of those projects were a waste of money. However, what has happened? Nothing has happened. Nothing has changed. Just yesterday, the Government of Canada with the Government of Newfoundland announced make-work projects for fishermen on the northeast coast of Newfoundland. That was a great announcement and I applud the Minister of Employment and Immigration (Miss MacDonald). However, why in goodness' name did she not do something about this problem when it was brought to her attention some three months ago? If she had done something then, we would not have to be in such a rush and we would not have to make up short-term make-work projects so that people can get their 10 stamps. It is little consolation to Canadians to realize that the Government of Canada is in the process of re-examining the entire unemployment insurance scheme but that a couple of years down the road, many Canadians will not qualify for it in any event.

I think I have said almost everything that needs to be said about this Bill. It is a terrible Bill. Mr. Speaker would not allow me to run through all of the tax increases. I accept his decision. He has been in the chair for some years and he knows the rules. I should know the rules as well. However, the point is that this particular Bill is a terrible Bill. It cannot be justified by the Minister of Finance or the Minister of State for Finance or the Prime Minister. It cannot be justified by any member of the Conservative Government. It is a Bill that goes against all campaign promises. I can assure Conservative Members that we will pull every stunt in the book to delay this Bill because it is a bad Bill. All Canadians agree with us that it should not be passed by this Chamber.

Mr. Nystrom: Mr. Speaker, I think the Hon. Member for Gander-Twillingate (Mr. Baker) has given a very fine speech on the unfairness of this Bill. I wonder if he would agree with me that the way this Government treats ordinary Canadians is almost as bad as the way the former Liberal Government treated Canadians.

Mr. Baker: Mr. Speaker, that is an interesting question. If the former Liberal Government behaved in the manner in which this Government is behaving, half of us would have resigned.

Mr. Murphy: Or gone to the Senate.

Mr. Baker: Half of us would have sat as independents if it had behaved in the manner in which this Government is behaving. It has reached the point now in Question Period when the Prime Minister will not answer, the Minister of

Finance will not answer—nobody will answer the questions because, of course, they are embarrassing questions.

● (1140)

I do not recall, and I am sure Hon. Members will agree, when we have had a Government which has taken so many actions against ordinary Canadians in such a short period of time. I think the Hon. Member from the New Democratic Party would agree that we have never seen such a mess in the past 12 to 15 years as we have seen with this Government over the past year.

Mr. Nystrom: Mr. Speaker, the Hon. Member said that if a Liberal Government ever brought down a Budget such as this one half of its members would resign. Is it not true, Mr. Speaker, that in the last federal election about 70 per cent of them were forced to resign?

The Acting Speaker (Mr. Paproski): Would the Hon. Member like to comment on that?

Mr. Baker: Mr. Speaker, my only response to that is that in the next election the Hon. Member will see an awful lot of people coming out of retirement.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I cannot resist saying a few words with respect to this Bill. I had no intention of speaking on it today, but as my hon. friend from Ottawa-Carleton interjected a few moments ago from his seat: "This is a very tough Bill." He said it is a very, very tough Bill. It is a tough Bill. Tory times are tough times, as we used to say on the Prairies. I am sure you as an Albertan, Mr. Speaker, remember those comments as a kid. Tory times are tough times. I am not old enough to remember, since I was born in 1946, but my father and grandfather used to talk about the great recession and the great depression when R. B. Bennett was in power in Ottawa and when we had a Conservative Government in power in the Province of Saskatchewan. Those were really tough times on the Prairies. They also had what was called the Bennett Buggies on the Prairies. These were old cars from which the engines were removed and horses were hitched up to them because Tory times were tough times. Once again, we are seeing that type of phenomenon.

My friend from Ottawa-Carleton says it is a tough budget measure—it is a tough budget measure. Tory times are terrible times. Tory times are tough times. We are seeing exactly that type of Bill before the House today.

Why do I say that? I say that because the ordinary Canadian family will be hit with an additional tax load of $500 per family as a result of the Bill which is before us today—$500 per family.

Another reason I am standing in my place speaking now is I concur with the comment made by the Hon. member for Ottawa-Carleton (Mr. Turner) who says that this is a very tough Bill. He is a Tory whom I really admire. He is willing to stand up and tell the truth. I notice his analysis of this measure is confirmed in a report found in *The Globe and Mail* of this morning. If Hon. Members read the paper this morning they will have seen a story with the following headline: "Taxes worst for poor, poverty fighters say". The article quotes the National Anti-Poverty Organization which represents poor people from across the country who say that this particular Bill hits the poor Canadians, the ordinary Canadians, exactly twice as hard as it does rich Canadians. The article reads in part:

> Federal tax increases announced in the budget will take twice as much from the poorest Canadians as they do from the most affluent, and Ottawa must consider a new tax credit to mitigate the effects, the National Anti-Poverty Organization says.
>
> The sales- and excise-tax increases announced in the May budget "have a much greater impact on the bank teller than they do on the bank president,"—

The article goes on:

> The study says those estimates "make it clear that the poorest of Canadians will pay increases in federal sales and excise taxes at twice the rate paid by the most affluent families."

The organization goes on to state that, in fact, the increase for the poorest Canadians, those who earn under $10,000 a year as an average income, compared to those who earn over $50,000 a year as an average income, will be twice as great. Thus, my friend from Ottawa-Carleton says it is a tough Budget—of course it is a tough Budget. It is very tough on ordinary Canadians, the poor people of the country, the unemployed, those working at the minimum wage, people who do not have skills or the breaks that those of us in society have who are making over $50,000 a year.

So the Hon. Member for Ottawa-Carleton is right when he says that it is a tough measure and that Tory times are indeed tough times. Tory times are bad times, and we see a good example of that in Bill C-80 which we are debating before the House today.

As I have said before, the Bill proposes to increase the tax load on the average Canadian family by $500 a year—$500 a year. This comes from a Party which a year and a half ago in the election campaign did not promise to raise taxes. This comes from a Party that did not say: "Elect me and we will increase your taxes." Members of that Party did not say that at all. In fact, when tax measures were before the House a year and a half ago when the governing Party sat in opposition they got up and said: "This is not the way to bring down the deficit. This is not the way to solve the problems of ordinary Canadians. The problems of the ordinary Canadian can be solved by making sure there are fair tax cuts given to ordinary Canadians". However, once in office, members of that Party are doing exactly the opposite of what they preached a year and a half ago. Thus, we now see an increase of $500 in taxes for the average Canadian family on the one hand, while on the other hand we find that there is a tax decrease for the corporations of the country of at least $500 million in the calendar year 1986.

This is only one Bill which is being dealt with by Parliament. There is another Bill before the House which proposes to bail out the banks by $1 billion. This is a Bill for big, wealthy depositors, many of them foreign banks which, if this Bill passes, will be subsidized—forgiven—because they had deposits at the Canadian Commercial Bank. At the same time I

represent a riding of western Canadian farmers who are having difficulties making ends meet. In my province we have a tremendous drought in the southern part of the province. A study was conducted of that drought in southern Saskatchewan by the Hon. Member for Assiniboia (Mr. Gustafson). It took him several weeks to carry out the study. Once it was done he presented his report to the Prime Minister (Mr. Mulroney). We had a commitment in the House from one of the Ministers that at a cabinet meeting of last week the Government would make a decision with respect to this matter. No decision has been made and I am told by reliable sources that one will come in about two weeks' time at the minimum.

Why are we so quick in the country to pass Bills to bail out bankers? Why are we in such haste to increase the tax load on ordinary Canadian families by $500 a year? Yet we cannot assist farmers who are suffering from a tremendous drought in southern Saskatchewan. All summer long we saw pictures on our television screens of the drought in the southern part of Saskatchewan. Yet there is still no help for those ordinary Canadian farmers.

I ask you, Mr. Speaker, why should we support this tough budget measure? The Hon. Member for Ottawa-Carleton is right. I hope he will get up and make another speech on this point. I hope that he will go before the committee to explain to us what he means when he says that we are dealing here with a very tough Government Bill. Indeed, it is a tough Bill because Tory times are tough times. Just as they were in the 1930s, they will be tough times again. The Bill bofore us should not pass. The National Anti-Poverty Organization of this country says that it should not pass. It will affect the poor people twice as much as it will the rich. We are supposed to be here to make sure things are more fair and equal for each and every Canadian.

Another matter which strikes me as unfair with respect to this particular Bill and with respect to our tax system in general, since we are having a general discussion on whether this Bill is fair in principle or not, is that we are collecting far too little from the corporations of the country. I make no apology for saying that I advocate some tax increases. However, I advocate them for the rich and for the corporations of the country. The Economic Council of Canada in its 1984 review said that corporate tax expenditures through forgone tax revenue represent a loss of around $30 billion to $50 billion a year to the Canadian population. To put that more clearly, what the council is saying is that we could be collecting between $30 billion and $50 billion more a year.

I find it almost impossible to believe that we could be collecting that much more in taxes from corporations in the country. According to the 1984 annual review by the Economic Council of Canada—by no means a radical body, a socialist body or a bunch of crazies—we can collect in addition between $30 billion and $50 billion a year from corporations. Even taking the lower sum of $30 billion a year, this increase of $500 a family would not be necessary. Instead of increasing taxes by $500 a year, we could decrease taxes by $500 a year. We could also have an extra several billion dollars a year to reduce our deficit. The Hon. Member for Esquimalt-Saanich (Mr. Crofton) argues that our debt is too high and that the Liberals, when they were in power, were irresponsible. Of course, we know that the Liberals spent irresponsibly and more importantly, they collected irresponsibly. They failed to plug the tax shelters and loopholes such as the deferred taxes of Canadian corporations. And if the Economic Council of Canada is right, they could have collected $30 billion plus per year from the corporations, which would have reduced our deficit and the tax load which ordinary Canadians have to pay. That money could have been used to stimulate agriculture, forestry, the fishery and small business, thereby creating more jobs, and we would have had a more affluent Canada, to boot. It is not only members of the opposition Parties who are saying this. The Economic Council of Canada, a cross section of experts, says the same thing.

• (1150)

I believe that is the way we should go. Let us collect taxes from those who are most able to pay. Let us have a tough economic measure with respect to the large corporations rather than being tough on ordinary Canadians and, as the Hon. Member for Ottawa-Carleton (Mr. Turner) says, Bill C-80 is tough on ordinary Canadians.

[*Translation*]

However, in that Bill, Mr. Speaker, we find tax increases for the ordinary Canadians. There will soon be a 7 per cent tax on building materials in this country at a time when we need more funds for housing. Yesterday, my eye caught a large headline in the Ottawa *Citizen* which said that Ontario needed increased housing.

Mr. Speaker, there will be a 7 per cent tax on pay television and on cablevision. There will be a 14 per cent tax on alcoholic beverages; I am not against that one, it is a sensible tax.

Mr. Speaker, I also approve of another provision in that Bill and it is the 14 per cent tax on cigarettes, cigars and other such products. However, there are too many taxes to be collected from ordinary Canadians and this is not fair. The sales tax will be increased as well as the tax on gasoline.

[*English*]

In fact, Mr. Speaker, the increase in the sales tax on gasoline will be two cents per litre, which is about 10 cents per gallon. That in itself will cost ordinary Canadians several hundreds of millions of dollars.

We had an election back in 1980. The main issue during the election campaign was the proposal of the then Minister of Finance, the Hon. Member for St. John's West (Mr. Crosbie) of an 18 cents per gallon excise tax on gasoline. The Hon. Member for Yellowhead (Mr. Clark) was the Prime Minister at that time. After only nine months in office he was clobbered in the following election partly because of the 18 cents a gallon he wanted to impose as a sales tax on gasoline.

Mr. Crofton: The truth hurts.

Mr. Nystrom: I did not quite hear the interjection but I believe the Hon. Member for Esquimalt-Saanich said that the truth hurts. I suspect he was agreeing with me that the truth certainly hurt the former Prime Minister, because following the election he became the Right Hon. Leader of the Opposition. Canadians do not like that kind of increase. In my own province of Saskatchewan the CCF was defeated in 1964 by the Liberal Party partly because the Liberals came out with a policy of purple gas for the farmer. This was very popular with the farming community. They needed that kind of tax break. That was one reason why the old CCF Party lost the election.

In 1982, after the New Democratic Party was in power for 11 years, Grant Devine, as Leader of the Conservative Party, came out with the promise that if he was elected, there would not be any gas tax. That also was a very popular measure. The politics of gasoline taxation in this country are very powerful. Whether it was the Hon. Member for Yellowhead in 1979, Grant Devine in 1982 or Ross Thatcher in 1964, people are not going to favour those who want to impose steep taxes on gasoline.

In spite of all the evidence to the contrary, the Conservative Government is now increasing the tax on gasoline by two cents per litre. That is not just on gasoline for cars but on aviation and diesel fuel. That is a big tax increase to impose on ordinary Canadians.

The total of these increases comes to about $3.5 billion. As the Hon. Member for Ottawa-Carleton said, it is a tough measure and it was a tough Budget. And as the National Anti-Poverty Organization states, it hits ordinary Canadians twice as hard as it hits the wealthy in this country. If Hon. Members of the Conservative Party can stand in the House and refute what was said by the National Anti-Poverty Organization, I would be pleased to see them do it. If they can refute the arguments of the Economic Council of Canada which said we should be collecting an extra $30 billion or $50 billion of taxes from corporations every year, then I would be pleased to hear those arguments. If not, let them pay heed to the Conservative Member of Parliament for Ottawa-Carleton and agree that it is a tough measure to impose on ordinary Canadians. It is reactionary and regressive and is reminiscent of the old Liberal days. Let us defeat this legislation or else radically amend it.

Mr. Minaker: Mr. Speaker, I have a question for the Hon. Member for Yorkton-Melville (Mr. Nystrom) and a comment I would like to make. The Hon. Member describes these present days as Tory tough times and tries to relate back to the depression days which I did not personally experience as he himself did not. I would like to ask the Hon. Member if 304,000 new jobs created in the first year of Government—if the rate continues for four years it will mean 1,250,000 new jobs—means tough times? Unemployment is down by over 1.5 per cent, I believe, and it is down 2 per cent with respect to young people. People are getting jobs now. Is it tough times when people can get jobs?

There were 177,000 new home starts in the first year. There were 177,000 new homes built with mortgages which now have an interest rate of 3 per cent to 3.5 per cent lower than previously. Is that tough times? There has been a 25 per cent increase in car sales. People are buying cars now. Is that tough times? The Hon. Member describes the Bennett buggy. I suggest that there are not very many Bennett buggies around in these Tory tough times, as he describes it.

Business investments are up. People are now investing in Canada. New factories are being built, which creates new jobs. Is that tough times? Consumer confidence is up. Purchases by consumers are up. Is that tough times?

My last point is that we have kept the inflation below the 4 per cent level. We know that increasing inflation creates recession and depression. That is why I would like to ask the Hon. Member if he is in favour of these Tory tough times I have just described or is he opposed to that type of growth?

• (1200)

Mr. Nystrom: If Tory tough times are so great, why do we have to impose this $500 tax per family through this budget measure? If things are so great and prosperous, why do we have to increase taxes on ordinary Canadians by $500 apiece? Why do we not listen to the National Anti-poverty Organization which says that we are hitting ordinary Canadians harder than we are hitting rich people? I ask the Hon. Member for Winnipeg-St. James (Mr. Minaker) why we must take that kind of reactionary measure if we have all that money, if things are beautiful and if there is a golden tap out there?

To take this point by point, the unemployment rate has dropped by a little over 1 per cent in the last year. The unemployment rate is dropping around the world, Mr. Speaker. What is the Government doing that is different from what is being done in other parts of the world? Our unemployment rate is not dropping any faster than that of our major trading partners. A major report on poverty was released last Thursday. It says that about 4.5 million Canadians are living in poverty. Those are Canadians who will say that Tory times are tough times. They are not tough times for wealthy people who have a few bucks with which to build apartment buildings or take holidays in the Caribbean. I know that they are not tough times for the wealthy people of this country. This Budget is reducing taxes for corporations. It creates an exemption of $500,000 on capital gains.

I agree with my hon. friend that these are not tough times for wealthy people. However, come to my riding and talk to the ordinary farmer. There are more and more farm bankruptcies nowadays. The price of grain is down around the world. There is more and more difficulty for young farmers to stay on the farm. There is a drought in southern Saskatchewan. The Government has been sitting on a report now for several weeks refusing to assist farmers who are suffering because of the drought. Yet there is $1 billion for banks and all kinds of money for large corporations.

For the farmers in the drought area, Tory times are tough times. For the mothers who have kids and are living below the poverty line and have their family allowances cut back, Tory times are tough times. Mr. Speaker, for ordinary Canadians

who are going to pay an extra $500 a year because of tax measures in this Budget, Tory times are tough times. The Member for Ottawa Carleton is absolutely right. This is a tough measure on ordinary Canadians and we should not be doing this in a country as affluent as Canada.

Mr. Crofton: Mr. Speaker, I would like to put a question to the Member for Yorkton-Melville (Mr. Nystrom). He wants to draw a comparison between the early 1930s and the present day. I would like him to reflect for a moment upon what was happening to the economy prior to this election and what was happening to the economy before the election of 1930. I would like him to reflect upon who was in office when these two great recessions afflicted the country and which Government was spending money in a profligate manner. Which Governments were in office on those occasions? What did the Canadian people do at their first opportunity? Which Party did they turn to to take the appropriate and necessary measures to put the country back on track? I ask the Member to reflect on that and I would be interested to hear his response. Which Governments were in office when the two bad recessions hit and to whom did the Canadian people turn for the stern and necessary measures to put us back on track?

Mr. Nystrom: The answer to that is very simple. The Liberal Party was in power prior to the 1930s when the Great Depression started and the Liberal Party was in power prior to September 4. We all know that. It is history. The Conservative Party was elected in both cases. However, it is interesting that the Member asks which Party came to power and took the "appropriate and necessary action" to put things in order. The Member says that the people turned to a certain Government to do the necessary thing. It was R. B. Bennett who did the appropriate thing in this country.

Is the Member for Esquimalt-Saanich (Mr. Crofton) saying that R. B. Bennett is the model, that what R. B. Bennett did in the 1930s the man from Manicouagan is going to do in the 1980s? Is he telling the Canadian people that R. B. Bennett was right and that we are going to follow his model? The Member said that R. B. Bennett did the appropriate, right and necessary things. I do not think that people want to follow in the footsteps of R. B. Bennett.

I come from the Prairies and I know that those Tory times were tough times. I know that my grandfather sold a steer and shipped it by rail to Winnipeg. He received a freight bill for $1.87 because he got less for the steer than what the CPR charged him for the freight. Mr. Speaker, for my grandfather Tory times were tough times, but the Member for Esquimalt-Saanich is saying that R. B. Bennett did the appropriate, necessary and right thing. The Member is implying to the House that the man from Manicouagan is going to do exactly the same for the economy in the 1980s as R. B. Bennett did in the 1930s. If I am misinterpreting what the Member said, he can get up and make another comment or ask another question. He said that the Liberals were in power prior to the 1930s and prior to 1984, that the Tories took over and did the right, necessary and appropriate things. After about six years of the administration of R. B. Bennett the Tory Party was tossed out on its ear and stayed out of office for 30 or 40 years except for the five years of the Diefenbaker administration.

Mr. Crofton: Mr. Speaker, I would like to make a comment in response. The difficulties of the 1930s were inherited from the previous administration, as were the present difficulties. I suggest to the hon. gentleman that the circumstances of the 1930s were unique because it was a financial dilemma experienced in the western world far beyond anything that had been previously known, and it was magnified by a very serious drought on the Prairies. Many of the essential social programs which we enjoy in Canada were initiated during that period. We now have a number of new social initiatives to deal with the underprivileged and people in need in Canada today. There is a parallel, but I assure you that the initiatives which are being taken now are being enacted with sensitivity. They are essential and the entire country would be a lot further ahead if members of the New Democratic Party were a part of the reconstruction process rather than being an encumbrance.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I am honoured to have been referred to so frequently by the Hon. Member. I did not realize that he had such an affection for the riding of Ottawa Carleton and I am very taken by this. However, it is tough to sit here and be told that I am being tough. It is tough to make tough decisions when you are bailing out a country from an unbelievable fiscal mess inherited from our predecessors.

The Member spoke about Tory times being tough times. He is from Saskatchewan. This August I took the trouble to go to Saskatchewan and look at the effects of the drought. I agree that it is terrible and the Government will respond accordingly. However, you cannot blame the drought on the Tories. Let us keep the drought problem in perspective.

However, what can be blamed on western Canada is the National Energy Program, that great socialist axis which destroyed the oil and gas industry of the western economy, which industry has now been rejuvenated by the Western Accord. Those are not tough times but good times for westerners, and the Member should remember that. I ask the Member to keep in proper perspective what we are doing with this Bill and other fiscal measures to restore the health of the Canadian economy. My colleague mentioned some of the very positive key economic indicators. He must not lose sight of the tremendous economic achievements which we have had in our first 13 months in power.

Mr. Nystrom: Mr. Speaker, the Member for Esquimalt-Saanich said that there is a parallel between the 1930s and 1980s in terms of what the Tories will do. He said that they inherited all kinds of serious problems, and I assume there is a parallel between the solutions as well. He seemed to be quite proud of some of the social and economic accomplishments of R. B. Bennett. Maybe this gives us some insight into the philosophy of some members of the Conservative Party.

My friend, the Member for Ottawa Carleton, was in Saskatchewan and saw the drought conditions. I am glad he was there. We need to have a lot of Members of Parliament become more aware of particular regions. I hope the Member will join us in putting pressure on the Prime Minister to come up with funds for the people in southwestern Saskatchewan.

Mr. Turner (Ottawa-Carleton): I already have.

Mr. Nystrom: I am glad he has done that. The Member for Assiniboia has put a lot of time into working on a special report, but the Prime Minister has been sitting on it. There was a commitment in the House that it would be made public a long time ago. Perhaps even you, Mr. Speaker, can lend your considerable weight to putting pressure on the Prime Minister because we need that money and I am sure those people would appreciate it.

● (1210)

The Tories do not control the weather. I know that the Prime Minister believes he can control much, but he does not control the weather. However, the Tories control the purse-strings and if a billion dollars can be spent on the banks, we can spend a few million dollars for the farmers as well.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

[*Translation*]

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I wish to thank the House for this opportunity to speak to a Bill that will help to restore the economy of this country.

An Hon. Member: Oh, oh!

Mr. Plamondon: You will have your turn.

Mr. Speaker, Bill C-80, which is aimed at amending the Excise Tax Act and other acts in consequence thereof, will increase the Government's revenues by $2.5 billion in 1986.

Mr. Speaker, our task today as Members of the Progressive Conservative Party is, of course, not a very cheerful one. Asking people to make sacrifices is never an easy thing to do. However, considering the financial situation we inherited from the previous Government, we had, need I say it again, no choice. What makes our task even more difficult is the realization, and I hope I can say this calmly, that the Members of the previous Government had created an untenable situation in this country, as a result of poor financial management, lack of interest in the economy, a complete absence of administrative skills and their chronic fear of taking action to contain inflation because they were afraid to arouse the displeasure of the people, and all this for the sole purpose of maintaining their little kingdom, and there was also their increasing tendency distributing favours, thus aiding and abetting the kind of bandaid policies they incorporated into the system for over fifteen years, with their legendary arrogance which deprived this country of the views of all its economic and social partners.

For more than fifteen years, as a result of their absurd phobia, their incredible excuse that all the ills of this country were to be blamed on nationalists, whether they were from Quebec or anywhere else in Canada, and by their legendary but ill-famed skill in focussing the attention of the media on artificial problems while the real ones were waiting desperately for solutions, yes, Mr. Speaker, those people, and I hope no one will ever forget it, plunged this country into the morass from which it is now emerging, thanks to the responsible attitude of this Government's Members.

Mr. Speaker, we are not talking through our hats. In less than one year and a half, we have done more for Canadians than the so-called New-Liberal-Democrats managed to do in fifteen years.

During the election campaign, Mr. Speaker, we had promised to shift into reverse and get rid of those famous hand-out programs which had made a good many Canadians rely exclusively on their good old paternalistic Members of Parliament. Those popular programs had undermined the creative vitality of our country's most innovative, most promising and most sacred resource, our youths, programs which practically eliminated all retraining opportunities for workers in their forties who had just lost their jobs because the Government, totally unimaginative as it was, simply could not bring itself to get off the beaten path.

Mr. Speaker, this Government is extremely proud to have completely destroyed all such remnants of the mental atrophy of pseudo-Jesuits.

Our Government strongly believed that Canadians were determined to build a new country, a country which is not afraid to take bold steps, a country which affords every citizen the opportunity to open up a new career, which gives its people the incentive to start up new businesses and provides them with the proper tools to shed fears created by ignorance and generated by paternalism.

Mr. Speaker, the Minister of Employment and Immigration (Miss MacDonald) rose to the challenge and did get off the beaten path. She expressed full confidence in the private sector. She knew she could count on the intelligence of youths and Canadians generally, and she simply would not baby them as the previous Government had done. Well, Mr. Speaker, she did live up to the challenge, and how!

The programs we now have cannot in any way be considered as crutches one must carry throughout life, for they are indeed stepping stones towards the kind of training which is absolutely essential in our days.

Mr. Speaker, I have not lost sight of the issue as I speak these words because, sure enough, every good thing has its price, and Canadians were aware of this when they elected us. No Government, even if I am willing to render unto Caligula

the things which are Caligula's, can deny its responsibility for a disaster simply by passing the buck. It should act and try, as a good Government, with all the resources at its disposal and the cooperation of the people in all walks of life, to find the best and cheapest solutions, especially if it assumed power at a time when the country was on the brink of bankruptcy.

Mr. Speaker, this Government having decided to act with, I repeat, the consent of the Canadian people, it has felt that a tax increase on various commodities was the price to pay to help our economy recover. I said the Government had the consent of the Canadian people, Mr. Speaker, because in the September 1984 election, the Canadian people clearly demonstrated to our hon. friends opposite that they had lost faith in their quack remedies, that they did not believe that they could reduce the deficit with quasi-usurious interest rates, with uncontrolled unemployment, with an elitist, arrogant and despising attitude, by encouraging a number of provinces at the expense of others, and with the narrow-mindedness of their elected representatives. No, Mr. Speaker, the Canadian people clearly demonstrated that they had reached the age of political maturity, that they realized finally that those who borrow money must pay it back sooner or later, and that if we did not reimburse what we owe, we would jeopardize forever our future.

Because it wants very strongly to put Canada back on the right track again, the Government will not surrender its responsibilities simply to make political gains as the former Liberal administration tried to, because it was in utter disarray. The Hon. Minister of Finance (Mr. Wilson) announced in his Budget that Canada would no longer bury its head in the sand and that it would make a voluntary collective effort to get out of the hole.

It is the mark of a good leader and a good people when, together, they decide to apply difficult but effective constraints to put their country back on track. Such an attitude can only lead to success.

Mr. Speaker, it was said about the Budget on which Bill C-80 is based that it was regressive in that it hit poor people harder than the rich. Those who said so consciously omitted the fact that a taxpayer with an annual income of $100,00 will be hit by a $1,629 tax hike next year, while a taxpayer with an income of $30,000 will only have to face an increase of $133.

What this shows, Mr. Speaker, is the will to balance the Canadian taxation system. It is the wish of this Government to put more equity into a system which, until now, rewarded the rich too easily and taxed the poor too heavily.

• (1220)

Mr. Speaker, what Bill C-80 tells us, as it is an integral part of this Budget, is that, if the Government really tries to balance the tax burden and to make it more equitable, each citizen will also have to be willing to do his fair share of this national economic readjustment effort. Bill C-80 is not unfair. In view of the situation existing when we took over the reins of this country, it seems to be instead a logical solution which should have been applied long ago by this House, but which never was because of the lassez-faire attitude of the previous Government.

Mr. Speaker, with all these Budget measures aimed at reducing expenditures rather than at increasing taxes, the Progressive Conservative Government sets an example by saying that the effort must be collective and fair for everybody.

Our friends over there did not hesitate one moment to revile against the budget, calling us all possible names. Still, Mr. Speaker, have they not read as we all have, that this great budget directly resulted in increased investor confidence, a factor of economic renewal that is vital to economic liberalism? And I am referring here to the genuine thing, the liberalism of Rousseau, Montesquieu and the like, rather than to the gutter class of liberalism espoused by our friends over there, the kind that has taken on the electoral ambitions of those Sunday phoney Socialists.

As did the fathers of our capitalistic system, we are looking for stability and justice in our relations with our fellow men, which indeed have made a success of that system. Have not our friends over there, Mr. Speaker, seen as we all have that another direct consequence of that budget was the reduction in the unemployment rate? Have they gone blind? Were they so overwhelmed by the situation when they were in Government that they lost confidence completely in the ability of Canadians to correct any situation? The answer is yes, Mr. Speaker, they had lost faith. But nothing is lost thanks to us, the strayed sheep roaming in the limbo of disbelief will find their way again.

Have our friends over there not seen, as we all have, that interest rates are declining, another consequence of the Budget? No, Mr. Speaker, they saw nothing. Not only have they become blind, but they have forgotten their mathematics. They have forgotten that with low interest rates, there are increased consumer expenditures, increased housing starts and a decrease in the number of failures.

Maybe they have not forgotten anything, maybe they never could count? If that is the case, Mr. Speaker, with our new employment strategy—

Mr. Guilbault (Saint-Jacques): On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The Hon. Member for Saint-Jacques (Mr. Guilbault) on a point of order.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, we have been listening with interest to the Hon. Member's long dressing-down. As is his right he is throwing all kinds of insults at the Liberal Party of Canada. But it seems to me this bears little relevance to Bill C-80 now before us, and I would ask you to

call the Hon. Member back into line and ask him to deal with the matter at hand.

[*English*]

The Acting Speaker (Mr. Paproski): I am sure the Hon. Member was getting to the principle of the Bill. I find that, generally speaking, the Hon. Member for Richelieu (Mr. Plamondon) was speaking to the whole principle of the Bill. Maybe I have missed something.

Mr. Guilbault (Saint-Jacques): You have, Mr. Speaker.

The Acting Speaker (Mr. Paproski): I am sure the Hon. Member will come back to the relevancy of Bill C-80.

[*Translation*]

Mr. Plamondon: Mr. Speaker, I am very much surprised the Hon. Member does not see the connection between out-of-proportion expenditures and the deficit inherited by our Government, and the steps we are now taking to correct the situation.

I was indeed suggesting—no problem, Mr. Speaker—that considering our new employment strategy with the required training aspect, we will be in a position to send the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) and the Hon. Member for Shefford (Mr. Lapierre) on a re-training course, and thanks to the Minister of Employment and Immigration (Miss MacDonald), perhaps they finally will see the light.

Seriously, Mr. Speaker, this Government wants more than that. It wants to restore Canada to its economic strength of the 60's. It wants Canada to recapture the leading role it once had, and to that end, clearly, the Government and the people must strive harder to regain lost ground.

Mr. Speaker, we are perfectly aware that speeches are not enough, as the previous Prime Minister once believed. Unfortunately, the cost of success is very high. Bill C-80 is an example. But everyone should know that it was not of its own free will that this Government decided to introduce it. But it is just and fair for everyone. Canadian citizens must contribute to this country's success. Some may believe that the Government alone must look after the needs of society. This is their right. But clearly, on the night of September 4, 1984, Canadians believed otherwise. They preferred to be on the spot, to roll up their sleeves and help their elected representatives rebuild a new country.

Mr. Speaker, I am honoured, and prouder than ever to be a Canadian and to contribute with this Government to putting our finances back in order with Bill C-80.

The Acting Speaker (Mr. Paproski): Questions, comments. The Hon. Member for Ottawa-Vanier (Mr. Gauthier).

Mr. Gauthier: Mr. Speaker, I listened closely to the Hon. Member's speech, and I would have a question to ask. We know that in Bill C-80, there is reference to the Excise Tax Act and the Excise Tax. This Bill amends existing statutes and is a bulky and intensive piece legislation. If you look at the Bill, you also find that the people, the consumers of Canada will pay $4.1 billion in additional income tax between now and 1990-1991. We also find that there will be increased sales tax and excise tax for a total amount of $2.6 billion between now and 1990-91. On the other hand, corporations will be getting a gift, they will be getting some $2.2 billion in tax reductions. And the rich—because we should remember than when Tories are in Government the rich get richer—I repeat, the rich will be entitled to a tax deduction, that is if they invest and earn half a million dollars in capital gains, they may reduce their income tax accordingly.

I am asking the Hon. Member a very simple question: Where is the fairness in all that? Where is the fairness, when we know that average consumers will be taxed, while big corporations, friends of the Conservative Party, will get tax benefits and tax concessions?

Mr. Plamondon: Mr. Speaker, I am rather surprised at being asked such a question. We have always advocated that this country's economic renewal would be accomplished by the private sector with the help of tax measures that would contribute to create jobs. The previous Government tried its hand at it by constantly increasing the deficit and we saw the economic disaster which followed. We came and changed the course of things and already after one year, interest rates have gone down and Canadians are quite pleased with the recipe we proposed since it is the only solution to reduce the deficit and launch Canada on the way to prosperity. Therefore, this exercise is fair to all. It enables the poor to get jobs and the corporations, by way of tax rebates, to create those jobs.

• (1230)

The Acting Speaker (Mr. Paproski): Order. A brief supplementary.

Mr. Gauthier: My question will be quite brief, Mr. Speaker, because I intend to stick to the 10-minute rule. We have just heard the Hon. Member restate the old theory of the horse and the sparrow. If we put enough oats before the horse . . . enough will come out to feed the sparrow.

Mr. Speaker, this is not good enough.

Mr. Plamondon: Mr. Speaker, should I reply to such nonsense? Should we have continued adding to the deficit? We know that 24 per cent of our revenues are used specifically to pay the deficit which has never created the promised jobs and has never had the expected economic consequences.

Mr. Nystrom: Mr. Speaker, I do agree with the Hon. Member because we are now paying almost 25 per cent towards the Canadian deficit.

However, I should like to ask two questions because I know that the Hon. Member for Richelieu (Mr. Plamondon) is a very politically and socially progressive Member—

Mr. Malépart: That is not true!

Mr. Nystrom: Yes, he is; I know him well. I would like to ask him these questions: Does he agree with the provisions contained in this Bill to the effect that the sales tax will increase from 6 to 7 per cent after January 1, 1986, since an increase in the sales tax is a regressive measure which dicriminates against the disadvantaged and the poorest people in this country? Does he agree with this means of collecting money for the Government of Canada?

Second, the Economic Council of Canada said last year that we were losing from $30 billion to $50 billion in corporate taxes. Does the Hon. Member for Richelieu agree that we need such measures to increase corporate taxes in this country? Does he agree that we should collect more taxes from Canadian businesses?

Mr. Plamondon: Mr. Speaker, I think that the answer to that question has been given many times already, and that is that we are asking all Canadians to make a collective effort. Of course, I would like to be able to say that no one should pay for the deficit and that it will go away by itself. However, we have no choice. We have to ask everyone to make a minimum effort. Everyone in Canada must contribute and this is what Canadians asked when they elected this Government on September 4, 1984.

As concerns businesses, they must also do their share, and this is why I believe that Bill C-80 is fair and equitable, as I have already said. It is equitable because it asks for an effort by both the disadvantaged and corporations, and the latter must do a bit more since they have access to wealth. At the same time, the Bill promotes the use of tax initiatives aimed at creating jobs. This past year, they made the creation of 300,000 jobs possible and allowed corporations to lighten their tax burden if they do create jobs.

Mr. Malépart: Mr. Speaker, I first want to congratulate the Hon. Member because his secretary prepared a very good speech for him, even though it contains a few inaccuracies.

I would like to ask a question to the Hon. Member for Richelieu (Mr. Plamondon). He says that his Government consults the people and does what the people want, but what does he think about all the mothers who came to Parliament Hill and all the groups who expressed their disapproval of the plan to deindex family allowances? Has the Hon. Member told his constituents that he agreed to this proposal and that the Government was exploiting the illness of Canadian citizen by imposing a 10 per cent tax on medication and taking $56 million of the taxpayers' money to change the colour of the Armed Forces uniforms? Has the Hon. Member told his constituents that, to reduce the deficit, his Government is deindexing family allowances and taxing illness to give $1 billion to people who had deposits of over $60,000 in certain banks?

I shall close with this comment, Mr. Speaker. The Hon. Member says that his Government has confidence in the business sector, but has he told his constituents that businesses in Eastern Montreal will lay off 5,000 people?

Mr. Plamondon: The usual exagerations of my colleague are completely beside the point and have no bearing on Bill C-80 now under consideration.

Your colleague called me back to order earlier when I spoke about the matter under discussion, and he will probably want to do the same in your case since the purpose of Bill C-80 is to correct through the taxes we collect the inequities created by your Government.

As concerns the readjustment of family allowances, this reflects the will of the population to reduce the deficit which, as noted in the MacDonald report, is stifling all Canadians. This is a priority.

Second, we believe that what people want most of all is to be able to pay for the services they expect to receive by getting a permanent job instead of relying constantly on the Government since they will have to pay eventually in any case.

The Acting Speaker (Mr. Paproski): Questions and comments are now over. The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart).

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I am convinced all Members of this House will agree that Bill C-80 is hardly a cheerful topic to discuss. The previous speaker, the Hon. Member for Richelieu (Mr. Plamondon), gave us ample proof that his speech was written by his secretary, because he did not even read Bill C-80. In fact, Bill C-80 provides that the Progressive Conservative Government, led by the Prime Minister of Canada (Mr. Mulroney), will levy a 10 per cent tax on drugs.

Mr. Speaker, I fail to understand how a human being, whatever his political stripe, could take pleasure in considering and adopting a Bill of this kind. However, I am beginning to understand why some Conservative Members agree with the Bill. It is because they have not read it. They do not know what they are talking about, and their speeches are prepared by Ministers' offices, Mr. Speaker.

If the Hon. Member for Richelieu (Mr. Plamondon) would care to stay in the House, I will give him a list of products appearing in the papers of the Minister of Finance (Mr. Wilson). Let him stay here in the House. I will give him a list of the products that his Government . . . And I can say to him, because most Progressive Conservative Members do not know who had the bright idea to use the illnesses of Canadian citizens to reduce the deficit . . . Never has any previous

Government, whether Liberal or Conservative, been so hostile to the elderly, the ill and the children, with a Budget like this one and a Bill like the one before the House today.

Mr. Speaker, first of all, we know that the person who urged the Minister of Finance and the Prime Minister to slap a 10 per cent tax on drugs and on everything that affect the health of our Canadian citizens, was our brilliant Deputy Prime Minister (Mr. Nielsen), who is also Minister of National Defence. Today, I understand why he has no trouble getting funds to change the colour of our military uniforms, to spend $100 million more annually and send 1,000 soldiers over to Europe to spend their money, and recover $25 million from Canadians who are ill, in order to reduce the deficit.

Mr. Speaker, if Conservative Members want to know where I got the idea it was the Deputy Prime Minister and his task force that recommended this measure to levy a 10 per cent tax on drugs, all they have to do is read the Budget Papers tabled by the Minister of Finance, in English, on page 77, under item 6, "Removal of Federal Sales Tax Exemptions".

The Hon. Member for Richelieu had been trying to disprove what I had said. Mr. Speaker, to prove what I said was true, I intend to quote from the paper presented by the Minister of Finance: "The exemption from sales tax applying to a range of consumer goods is being ended, effective July 1, 1985."

That was a nice birthday present for Canadians, when the Prime Minister and the Minister of Finance decided to levy a sales tax on drugs.

● (1240)

Prior to the mid-1960s, the federal sales tax applied to most consumer goods. Since then, exemptions have been granted to a number of products in response to the social and fiscal policy goals—

And I repeat, previous Governments, Liberal and Conservative alike.

—exemptions have been granted to a number of products in response to the social and fiscal policy goals of the Government of the day. This Government has re-examined a number of—

Referring to the Government now in office, the Government of the little guy from Baie-Comeau, Mr. Speaker—

—of these tax exemptions, as has the Ministerial Task Force on Program Review—

—headed by our brilliant Deputy Prime Minister, Mr. Speaker—

—which has recommended a repeal of several of them. These exemptions have resulted in a significant erosion of the federal sales tax base.

The rationale which originally prompted the exemptions is no longer valid in many cases.

As a result of all this, Mr. Speaker, anyone suffering from diabetes became less seriously ill as of September 4. That was the judgment which had prompted the Deputy Prime Minister to recommend something to the Prime Minister, who promptly fell for it. According to the recommendations of our Deputy Prime Minister, fully endorsed by the Prime Minister, all people with a heart condition did not suffer as much as of September 4, so it was quite all right to impose a 10 per cent tax. The same scenario applied in the case of others suffering from arthritis or respiratory aliments.

I would like to give you an idea of the number of people with such diseases whom the Conservative Government—led by the Prime Minister and supported by all his Conservative colleagues—was and, unfortunately, still is pleased to use to reduce its deficit, sick men and women all of them. In fact, that will not reduce the deficit. The Government chose to change the colour of uniforms and took $1 billion of the taxpayers' money—the sick, the elderly, mothers with children—to rescue some of its cronies who had more than $60,000 in bank accounts.

Mr. Speaker, 2,620,000 Canadians suffer from cardiovascular diseases and every day they have to take nonprescribed drugs. Perhaps our Conservative colleagues would like to know why these are nonprescribed drugs? The person suffering from a heart condition has no time to visit his or her doctor to get a prescription. All Governments before this one had hearts, even Progressive Conservative ones; a Government under Mr. Clark (Yellowhead) would never have agreed to that, Mr. Speaker. Mr. Diefenbaker must certainly roll over in his grave when he realizes that this Progressive Conservative Prime Minister is trying to reduce his deficit on the backs of sick people or squandering the taxpayers' money, Mr. Speaker.

There are in Quebec and Ontario respectively 730,000 and 950,000 persons suffering from cardio-vascular disorder. For the information of the House, may I add that there are in Canada 300,000 people suffering from diabetes, including 30,000 in the province of Quebec, who must give themselves a shot of insulin everyday. It is not for fun that they do so; for them, it is a matter of survival. This heartless Prime Minister and his whole Government behind him have decided that all Canadians suffering from diabetes should pay a 10 per cent tax on the syringes and the other paraphernalia they must use, in addition to all the other taxes they have to pay as ordinary Canadians.

How about the people who are suffering from arthritis? I am sure all Hon. Members have among their friends, relatives and acquaintances someone who is suffering from arthritis. As a matter of fact, Mr. Speaker, there are in this country 3.2 million Canadians who are suffering from that condition, including 620,000 in the province of Quebec; there are in Canada 30,000 children under 15 years of age suffering from it, including 4,000 in the province of Quebec. There are in Canada 1.1 million senior citizens 64 years of age and over who are suffering from it, including 300,000 in the province of Quebec.

Mr. Speaker, can you imagine that nowadays, with all the know-how and resources at our disposal, there are human

beings who are delighted they have found a way to levy a tax on sickness?

Mr. Speaker, this is a shame, this is a scandal. In August, after pressure had been brought to bear by the Canadian and Quebec Diabetes Associations, by the Canadian Cancer Societies, by the Canadian Consumers Association, I had the privilege to work with all those groups to see that the Government withdrew that shameful decision. For the second time the Government was forced to back down and to recognize it had blundered as it had with senior citizens. But this time, contrary to what he did with senior citizens, the Minister of Finance issued a short press release stating that those suffering from arthritis suffer less than those suffering from diabetes. And he started to make comparisons, always anxious to bring people down, to extort money from them, after implementing a 10 per cent tax on 5,000 important pharmaceutical products that are important for the people. He agreed to back down on drugs for diabetics, but this was not self-prompted. It is a shame that people with illnesses had to put pressure on to wake up the Prime Minister and the Tory Members. He backed down on certain drugs for people suffering from cardiovascular diseases.

And then again, Mr. Speaker, it seems to me that someone with heart disease should avoid energy and stress. I would have thought that at least one Tory Member out of 211 would be humane enough to say: "Listen, Brian, wake up!" People are suffering, Mr. Speaker. Another group, persons with respiratory diseases among others, had to embark on a coalition.

The Government backtracked on a number of goods, but unfortunately, it only backtracked on 20 or so drugs, after deciding to levy a 10 per cent tax on 5,000 products. Who is being affected by Bill C-80? I am saying this, because in addition to the tax on drugs we also have the increase in the price of gas, consumer goods and also the price of cement and so forth in the construction industry. However, I intend to concentrate on the tax on illness, Mr. Speaker, and on that shameful 10 per cent tax on drugs.

What are these drugs and who uses them? Who is going to be penalized by this 10 per cent tax? First of all, the usual family remedies, familiar to everyone here, are being taxed. Everybody knows that people who suffer from arthritis have to take what is referred to as buffered aspirin to ease the pain. This isn't chewing gum! They aren't taking these for fun! They have to take buffered aspirin to keep from getting ulcers. The Prime Minister and the Government have decided to maintain the 10 per cent tax on these products.

Mr. Speaker, these products include everything that families with children need, including baby lotion, children's aspirin, bandages for sprains, and what are usually referred to as plasters. And the bigger the family, the more they need for their medicine cabinet, and the more drugs they have to buy and the more this Government is going to gain from their illnesses.

Soon we will be back in the flu and cold season. Because of our climate and the weather here in Canada, people are going to be ill. When I see Progressive Conservative Members rubbing their hands with a glee, I wonder whether they are not secretly hoping that more Canadians will get sick, so that the Government can draw more revenue from the 10 per cent tax on drugs. All drugs that ease suffering and pain when people have a cold or the flu, whether we are talking about drugs for sinusitis or decongestants to ease pain, the Prime Minister and the Conservative Government have made their decisions and this Bill is intended to levy a 10 per cent tax on these drugs.

• (1250)

Mr. Speaker, coughdrops, cold remedies and even ointments for burns and scrapes carry a 10 per cent tax. You people who suffer from athlete's foot will now be able to do your share when you pay the 10 per cent tax levied on your affliction by this Conservative Government.

Mr. Speaker, I mentioned aspirin and medication for acne. Most of the people here have families with children, and pharmacists and doctors tell me that this kind of medication is sold especially to young girls at a certain age. Even those items, and in fact all medication and products used by young people, whether boys or girls, whether it is medication for acne or some other kind of medication, on all these goods, this Government—I see the Progressive Conservative Members rubbing their hands with glee—is levying a 10 per cent tax.

And there are also laxatives, eczema remedies, food substitutes, vitamins, medication for sinus trouble . . . Mr. Speaker, people have hemorrhoids, I know it is not a subject—

An Hon. Member: Oh, oh!

Mr. Malépart: —no, Mr. Speaker, it is not a subject people like to talk about, but it is a serious matter, and many Canadian men and women suffer from this affliction and when a Government stoops to tax the ointment sufferers require to cure this affliction, I say that Government's logic has gone by the board. Laxatives, liniments, medicinal chewing gum, poison ivy medication—

Mr. Speaker, to hear the Progressive Conservative Members, I get the distinct impression they have not read the Bill. I am not making this up. This is a press release from Revenue Canada, Customs and Excise. Before adopting this Bill and making any more speeches, I would strongly urge Conservative Members to read what they are going to vote on. This is what is happening, Mr. Speaker. They are now taking advantage of the aches and pains of Canadians. As more people get sick, the Government gets richer and will be able to give more money to the rich! That is the Conservative policy. However, it was not what these people promised before September 4 last year. Is there a single Conservative Member in the House who can tell me that when he went on the hustings in his riding, he promised to put a 10 per cent tax on medical products, and

said he would be proud to see the Government get richer as people got sicker? That is just not true. There is not a single Member who had the courage to say so, Mr. Speaker.

I see them laughing in the House today, Mr. Speaker, but this is a serious debate. This 10 per cent tax affects poor families, not only wealthy people. I can understand why the rich Conservative Members, the millionnaires, could not care less about this issue. They all have their own business through which it becomes a deductible expense, they can reduce their tax load and make other taxpayers pay for this.

Mr. Speaker, each one of us represents a certain number of poor or low and average income families. When we talk about the 10 per cent tax on family drugs, we must keep in mind that most of them are probably young couples just starting out in life. These are young couples without much experience, with low paying jobs. They are just starting out in life and such young couples will think twice before raising a family, what with all those taxes, the deindexation of family allowances and the lower level of the child tax credit through deindexation.

Such are the consequences of the irresponsible measures I mentioned earlier, all of them advocated by the Deputy Prime Minister (Mr. Nielsen). The next recommendations of the task force will reflect the same kind of principles which brought us the tax on drugs.

Mr. Speaker, it is unthinkable that a human being, someone who has been elected to represent people, would have us believe—as he made all Conservative Members believe—that there is no longer such social justice as existed before last September 4, and that the 5,000 drugs which had been tax-exempt for social reasons should have become taxable as of July 1, the Prime Minister's gift to celebrate Canada Day. The social conditions which existed under the Liberal Government and the Conservative Governments of Mr. Clark (Yellowhead) and Mr. Diefenbaker—and I should call these two gentlemen "Honourable", Mr. Speaker—no longer exist today.

Mr. Speaker, we could go on at length about every aspect of the tax on medicine, I trust that some of the Conservative Members will make an effort, but I am not asking the majority of them to do so. I know that they have a mission. They have the right to have one. In fact, they have decided to come here to defend the rich. Everyone must make his own choice and it will be up to the population to judge. However, I sincerely believe that the majority of the Conservative Members do not share this philosophy. The Conservative Members should recall what they were saying before they lost face in the debate on old age security pensions after their Prime Minister retreated. Members of the Progressive Conservative Party, remember what you said about the fact that senior citizens in your constituencies accepted this measure. Remember how you looked when the Prime Minister had to retreat after Mrs. Denis had come to Ottawa to speak to Charlie Brown. You will remember the speeches that you are now making when the population discovers the hypocrisy behind this Bill, because the Government is exploiting the illness of the people in all our ridings, Mr. Speaker. When the public realizes what you have done, Mr. Speaker, you will lose points in the polls and you will not be here much longer because the public will know where each of you stood on this issue.

I shall close on this comment, Mr. Speaker. Unfortunately, I would have liked to talk about the tax on gasoline, which will be applied in spite of the promises made by the Progressive Conservative Party and the Hon. Member for Duvernay (Mr. Della Noce). This will also have an impact on poor families.

Mr. Speaker, I shall close by urging all the Hon. Members to forget about party politics, to reread this Bill, the Budget speech and the advice of the Department of National Revenue, and to amend this bill and leave sick people alone. They should not be exploited. We should be defending instead of trying to use them to increase revenues.

The Acting Speaker (Mr. Paproski): Questions and comments. The Hon. Member for Yorkton-Melville (Mr. Nystrom).

Mr. Nystrom: Mr. Speaker, I should like to direct the following question to the Hon. Member for Montréal-Sainte-Marie (Mr. Malépart). He made a fine speech and mentioned many regressive provisions in this Bill. I agree with him. However, I should like to ask him the following question. Does the Hon. Member not agree that the Progressive Conservative Party is almost as reactionary and regressive as the former Liberal Governement?

Mr. Malépart: Mr. Speaker, since I have been sitting in this House I have never had to give an answer to a phoney socialist, to an NDP Member.

I should like to remind my hon. friend that before being a Member in Ottawa I was a Member in Quebec and there were six PQ members who, like the New Democrats, were going to save the world. From the day they came to power, they became the nastiest Government against the poor. It was the first Government in Quebec, a PQ Government, which while in opposition was as dishonest as the New Democratic Party seemingly tends to be, deindexed as the Tory Government is doing, the welfare allowances to reduce them proportionally to increases in family allowances.

Mr. Speaker, it was the PQ Government which decided to give lesser welfare benefits to young people below 30 years of age than to those over 30. I still hope, Mr. Speaker, that the NDP Members will not act like the PQ members.

The Acting Speaker (Mr. Paproski): The Hon. Member for Montreal-Sainte-Marie has still seven minutes for questions and comments.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[*English*]

AUDITOR GENERAL'S REPORT

TABLING OF ANNUAL REPORT

Mr. Speaker: I have the honour to lay upon the Table the report of the Auditor General of Canada to the House of Commons for the fiscal year ended March 31, 1985.

[*Translation*]

I will remind all Hon. Members that, pursuant to Standing Order 70(1)(*q*), that report is deemed to be permanently deferred to the Standing Committee on Public Accounts.

STATEMENTS PURSUANT TO S.O. 22

[*Translation*]

EMPLOYMENT

CLOSING OF SIX PLANTS IN MONTREAL EAST—RECOMMENDATIONS OF SURVIVAL COMMITTEE

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I would like to inform Hon. Members of the decisions that were reached yesterday by the Survival Committee to prevent the shutdown of six plants in Eastern Montreal and the loss of 5,000 jobs.

First, members of the Survival Committee of Eastern Montreal are asking to meet the Prime Minister in order to explain the situation and suggest steps he should take to prevent the shutting down of those plants.

Second, the Committee suggested a mass meeting of working men and women in Eastern Montreal to sensitize the population.

Third, the Committee accepted the appointment of a manpower retraining committee that could study the problems of plant shutdowns and bring about longer term solutions.

Fourth, that the federal Government declare Eastern Montreal a designated area with the best program, rather than mere crumbs as the Government seems intent on doing.

Fifth, that a regional employment schedule be drawn up to adjust the situation in Eastern Montreal with a view to preventing those plants shutdowns.

To conclude, Mr. Speaker, I call on the Prime Minister and I ask both Conservative and Liberal Members, my colleagues from Eastern Montreal, to urge the Prime Minister to meet those people within the shortest possible timeframe in order that those plant employees may enjoy a Merry Christmas like all other working men and women in Quebec.

S.O. 22

[*English*]

EXTERNAL AFFAIRS

IRAN—PLIGHT OF BAHA'I COMMUNITY

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I would like to recall to the attention of the House the plight of the adherents of the Baha'i faith living in Iran. The persecution of Baha'is in Iran died down in 1983, with world outrage being expressed over the hanging of 10 Baha'i women and girls simply for teaching their religion to the youth of their community.

We are now told that the imprisonment, torture, and executions of Baha'is have resumed once again on a large scale. Let us and our Government not be silent on this grave matter, for the Government of Iran may be looking to eradicate its Baha'i population.

The Baha'i religion, with its origins in Persia, is the largest religious minority in Iran with 300,000 members residing there. Their doctrine forbids involvement in politics. Canada was the first country in the world to speak out on this issue in the past, unanimously passing parliamentary resolutions through the House on July 16, 1980, and June 9, 1981, in support of the Baha'is in Iran. The Canadian delegation to the United Nations has also actively pursued the matter there, and Canada has been open to refugees from the area.

We in the New Democratic Party call upon the Prime Minister (Mr. Mulroney) and Secretary of State for External Affairs (Mr. Clark) to do what they can through their offices to impress upon Iran that Canada wants to see the repression of the Baha'is in Iran stopped. We ask the Government to pay close attention to the report of the special representative on human rights to the UN General Assembly pertaining to this matter, which is expected to be released in late November or early December.

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

* * *

[*Translation*]

THE ECONOMY

PROGRESS ACHIEVED SINCE ELECTION OF GOVERNMENT

Mr. Marcel R. Tremblay (Quebec East): Mr. Speaker, because I am generally inclined to see things from a point of view which is more and more positive and optimistic, I realized a couple of months ago that PC could also stand for positive consistency.

Ever since our party came to power in September 1984, Mr. Speaker, Canadians have become more aware that the economic outlook in this country has markedly improved thanks mainly to this Government's initiatives. These initiatives are indeed responsible for the giant steps Canada has taken toward a full recovery. Our hon. friends opposite had brought

this country to the brink of bankruptcy and they had swept under the rug all economic concerns.

Contrary to them, Mr. Speaker, we have taken up the challenge and created 304,000 new jobs, including more than 84,000 in the province of Quebec, and it is only the beginning. According to a recent survey by the Canadian Federation of Independent Businessmen, 26 per cent of small and medium-sized businesses, that is, more than a quarter of all such businesses in la belle province, are planning to create new jobs within the next six months. In other words, one such business in four is going to expand.

Moreover, 37.2 per cent of them intend to increase their investments in Quebec. That, Mr. Speaker, is the result of our efforts—

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

* * *

[*English*]

PROVINCIAL AFFAIRS

POLICIES FOLLOWED BY NEW DEMOCRATIC PARTY GOVERNMENT IN MANITOBA

Mr. Felix Holtmann (Selkirk-Interlake): Mr. Speaker, I wish to speak today on behalf of ordinary Canadians—more specifically, ordinary Manitobans. The NDP would have the public believe they are the Robin Hoods of Canadian politics. They would chastise the Government for the bail-out of depositors in two recent bank failures. Never before have the people of Canada been deceived by such unadultered, hypocritical hog-wash.

The NDP Government of Manitoba has behaved not like Robin Hood but like the robbing hoods of Canadian politics in giving out $3.2 million in venture capital interest-free loans. Did the NDP hold true to their policy of assisting the placing confidence in ordinary Manitobans? Did they hold true to their promise of making the rich pay their fair share into the public coffers to distribute the wealth better?

They shared the wealth all right—they shared it with a numbered corporation, lawyers, and multimillionaires. They gave it interest-free to the rich. Why? So the rich could invest and profit from the labours of ordinary Manitobans.

They are secretive about their venture capital lending and do not want to release details because their actions are in direct contradiction to their Party's policy and commitment to ordinary Manitobans.

The sherrif—

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

FINANCE

SALES TAX ON READY-MIXED CONCRETE

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I rise under the provisions of Standing Order 22 to seek the assistance of all Members of the House to change a very regressive measure which was imposed with the budget statement of the Minister of Finance (Mr. Wilson) on May 23, 1985. It should be noted that this particular measure affects not only companies in my own province but, indeed, companies in other provinces. It also has devastating effects for the construction industry which, on a sector basis, could be indicated quite clearly, suffers from perhaps the highest unemployment in the country.

The Nova Scotia Roadbuilders Association representing the road-building and heavy construction industry in that province finds itself in a catch-22 situation because of the federal Government's May 23 Budget. The imposition of a 6 per cent sales tax applies to, among other things, ready-mixed concrete and asphalt. This has created havoc in that industry.

Companies employing 3,500 people find they are tied into contracts with no tax escalation clause, which means that they must absorb unforeseen costs which, for some, means that they are actually losing money on projects. These small-businessmen find the budget changes an affront to the very principles of free enterprise that the Government espouses. In fact there will be hundreds of construction workers who will either be laid off or be without permanent employment for numerous months ahead. On behalf of them, the workers of Nova Scotia and of other provinces, I ask that the Government and the Members of this House change this regressive tax measure.

* * *

HEALTH

BAN ON CIGARETTE ADVERTISING ADVOCATED

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, the Minister of National Health and Welfare (Mr. Epp) is proceeding with timid measures indeed to counter a growing health problem in Canada. Recently he announced a $1 million program of counter-advertising to discourage young people from smoking, while the tobacco companies themselves spend more than $90 million to encourage young people to start.

He has now requested a tobacco company not to violate the terms of the industry's own so-called voluntary code of advertising which prohibits advertising to young people. As of next year the company will stop flogging its cigarettes at an amusement park catering largely to young people. But should we be grateful for mercies so small? Every year 35,000 Canadians die of tobacco-related diseases. That is three-quarters of the death toll of Canadians during the whole of World War II.

• (1410)

Since adults, especially men, are quitting in record numbers, the tobacco companies are increasingly going after children and are succeeding. The only responsible public policy in the face of this slaughter is to develop a comprehensive plan to reduce tobacco use, including a complete ban on advertising. Legislation to prohibit all advertising was introduced in 1971, but it was not passed.

I call upon the Government to get serious about Canada's number one preventable health problem and to begin by banning all cigarette advertising, and do it now.

* * *

[*Translation*]

THE LATE MAURICE CARDINAL ROY

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I wish to join all the people of the diocese of Quebec and all Canadians in paying tribute to Maurice Cardinal Roy, who died on October 24, 1985.

Head of the Church in Quebec for 34 years and Primate of Canada, Cardinal Roy served the Church and society with great intelligence, dedication and a mind open to the needs of modern society.

He was active internationally in the important roles with which he was entrusted by Pope Paul VI, as president of the Council for the Promotion of the Laity and the Commission on Justice and Peace.

After serving as a military chaplain from 1939 to 1945, Cardinal Roy was for a long time the bishop responsible for the Canadian Forces.

His modesty, discretion and hard work made him a figure who reflected the grandeur of this country.

All Canadian men and women are proud of him.

We pray God that he may rest in peace.

* * *

EXTERNAL AFFAIRS

CANADA'S ROLE AT UNESCO

Mr. Gabriel Desjardins (Témiscamingue): From October 8 to 23, Mr. Speaker, I had the honour to accompany the Canadian delegation to the opening of the UNESCO's 23rd General Conference which is being held in Sofia, Bulgaria, until November 12.

In view of the serious crisis which the organization is facing, Canada's speech was eagerly sought after by the member countries generally.

Mr. Speaker, I can assure the House that the Minister for External Relations (Mrs. Vézina) made quite a remarkable speech on October 21. As a matter of fact, comments heard immediately following her speech confirmed that hers was undoubtedly one of the very best speeches because it outlined perfectly the ills that are undermining UNESCO's credibility and raised plainly the basic issues which the Conference should address.

Contrary to what was reported the next day by the *France Presse* news agency, whoever makes an honest effort and carefully reads the Minister's speech, just as Angèle Dagenais did in the October 26 issue of the news paper *Le Devoir*, realizes that although Canada is dissatisfied with the situation which exists today within UNESCO, it will continue to adhere to this organization.

In view of the fact that the United States has withdrawn from UNESCO, and because the United Kingdom has openly indicated its decision to do likewise immediately after the Conference, this organization really needs Canada which will be called upon to play an increasingly greater role.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

EFFECT OF TAX ON UNLEADED GASOLINE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, since spring the price gap between unleaded and leaded gasoline has gone from 2.5 cents to three cents per litre. The taxation on gasoline which is recommended by the Minister of Finance (Mr. Wilson) in his Budget will widen the gap between leaded and unleaded gasoline prices even further because a lower tax is imposed on leaded gasoline than on unleaded. In making unleaded gasoline more and more expensive relative to leaded gasoline, the Minister of Finance is in effect rewarding the polluters.

The Minister of the Environment (Mr. McMillan) seems silent, unaware, or indifferent. He should impress on the Minister of Finance the fact that leaded gasoline affects health and that it is the policy of the Government of Canada to reduce acid rain emissions by shifting consumption in favour of unleaded gasoline. Therefore, the thrust of the Budget measure affecting gasoline should be reversed so as to impose a smaller tax on unleaded gasoline and a greater tax on leaded gasoline, achieve parity in the price of both gasolines, and wipe out misfueling.

The Minister of Finance is wrong in imposing a tax on unleaded gasoline which is greater than that on leaded gasoline because it will encourage greater use of leaded gasoline, thus increasing air pollution and acid rain damage at a time when the Government proclaims its intent to reduce acid rain damage. The Government is not practicing what it preaches.

Oral Questions

PASSPORTS

RECOMMENDED LISTING OF PHARMACISTS AS GUARANTORS FOR APPLICANTS

Mr. William G. Lesick (Edmonton East): Mr. Speaker, over the years a number of pharmacists have been elected to this House. Many of them have quietly attempted to add pharmacists to the list of eligible guarantors for passport applications. Although there has been no change to date, pharmacists have continued to solicit the support of the Secretary of State for External Affairs (Mr. Clark).

While no one disputes the qualifications of the existing list of eligible guarantors, many of them are not as accessible as a community pharmacist. How many people get to know personally their bank manager, lawyer, or veterinarian? Have you, Mr. Speaker, ever tried to get hold of your bank manager on a Friday night? How often do you see your veterinarian? Do you even know who is your local commissioner for oaths?

A recent United States survey indicated that pharmacists rank number two on a list of the most trusted community people. Pharmacists, by the nature of their profession, develop personal relationships with their customers. As professionals then, it would seem reasonable and logical for pharmacists to be added to the list of eligible guarantors for passport purposes.

I urge the Secretary of State for External Affairs to consider recognition of pharmacists as trusted community leaders who should be added to the list of guarantors.

ORAL QUESTION PERIOD

[*English*]

BANKS AND BANKING

CANADIAN COMMERCIAL BANK—BAIL-OUT DECISION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. Would he be good enough to tell the House why it was he overruled the Minister of State for Finance and ordered a bail-out of the Canadian Commercial Bank in March? And will he tell us why he has stated consistently during the last seven months that he acted on the best advice available when it is clear he either did not have any advice at all or ignored the advice of the Director of Inspection of Banks, or he suppressed such advice? Why did he give this statement to the House of Commons?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I gave the statement to the House of Commons because it was accurate. As my right hon. friend knows, the Government acted upon advice which was received. The Government considered that advice, decided it was appropriate and in the national interest, governed itself accordingly, and will accept the consequences.

One of the reasons we appointed the Estey Commission, for example, was to provide an impartial review and permit fair-minded evaluations to be made.

INFORMATION AVAILABLE TO PRIME MINISTER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, would the Prime Minister admit that when he ordered the bail-out of the bank he did not have the facts because a proper audit of the books of the Canadian Commercial Bank had not been done, as it appears from evidence which was submitted before Mr. Justice Estey, or that the advice given to the Minister of Finance and the Minister of State for Finance by the Inspector General's office was to the effect that, even on the basis of the information it had, the bail-out package was inadequate at that time? Would the Prime Minister say to the House that he was operating on the basis of insufficient information at that time?

Right Hon. Brian Mulroney (Prime Minister): I suppose, Mr. Speaker, that we are all much smarter with hindsight; in fact, we are just about infallible with the benefit of hindsight. All I can tell my right hon. friend is that the Government acted on the best advice available from its public servants and from the officers of the Crown, which was considered by the Government of Canada and acted upon in the manner I have described.

[*Translation*]

ROLE PLAYED BY PRIME MINISTER

Right Hon. John N. Turner (Leader of the Opposition): I want to ask a supplementary question, Mr. Speaker. Concerning the Canadian Commercial Bank, it was not only a matter of advice given by the Government of Canada, but it reflects the judgment of the Prime Minister himself.

Some Hon. Members: Right on!

Mr. Turner (Vancouver Quadra): Here is my question: Does the Prime Minister claim that he had exercised judgment as Prime Minister of Canada without being fully informed or after suppressing information given by the Inspector General of banks?

Right Hon. Brian Mulroney (Prime Minister): No, I did not suppress anything, Mr. Speaker. On the contrary, as I said we acted in the light of the best advice provided in an objective manner. The Hon. Member for Saint-Maurice (Mr. Chrétien), referring to the Canadian bank in question, because but I am told the problem with this bank did not begin yesterday or the day before . . . On the contrary, when the Hon. Member was a Minister, it seems that this banking institution was reported to be in serious difficulties. So I would think that the Estey Commission will make a value judgment not only on the facts

raised by my Right Hon. colleague, but also on earlier facts which gave rise to the problems we know.

• (1420)

[*English*]

MINISTERIAL ACCOUNTABILITY

Mr. George Baker (Gander-Twillingate): Mr. Speaker, we have heard conflicting accounts in this Chamber of who knew what and when with regard to this bank bail-out. The Prime Minister and the Minister of Finance are refusing to answer pointed questions and are expressing no enthusiasm about appearing before the Estey Commission. What does the Prime Minister intend to do to account to the Canadian people for his actions in the bank bail-out, or is he going to save it for his memoirs?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we are back on the same track as we were on yesterday. The Hon. Member must realize that there is a purpose for the Estey Commission, and that is to consider the range of points of view that will be presented to the commission over the course of the inquiry. At that time, or possibly during the course of this inquiry, if members of the Government are called, we will have an opportunity to discuss some of the points of view. However, I caution the Hon. Member that it would be wrong, in relation to Mr. Justice Estey, for us to comment on individual pieces of information as they are presented to the commission.

Mr. Speaker: Supplementary question.

Mr. Baker: Mr. Speaker, the only supplementary question to ask in light of that non-answer is to ask the Minister of Finance to confirm a rumour that he overheard the Prime Minister rehearsing *In the Sweet By and By*.

Mr. Speaker: Order. The Hon. Member for Oshawa.

* * *

AUDITOR GENERAL'S REPORT

DOME PETROLEUM—TAX CONCESSION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister of Finance which arises from the Auditor General's report which came out today. It has informed Canadians that there has been another billion dollar tax bonanza. According to the report, the former Government, headed by the present Leader of the Opposition, made a decision the day after the election was called to enable Dome Petroleum to get a billion dollar tax gift or concession.

The Minister of Finance spent all last fall admonishing Canadians about the problems of the national debt and suggesting that we had to cut back on social programs. Therefore, why did his Government announce in February an agreement confirming this billion dollar gift to Dome Petroleum?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let us go back over the sequence of events. I believe it was in 1982 that the previous Government entered into extensive negotiations with Dome Petroleum and the chartered banks to provide support for Dome Petroleum, for a number of reasons about which I am sure the Hon. Member for Saint-Maurice would enlighten the Hon. Member. It was pursuant to that, and pursuant to the announcement that Mr. Lalonde made in July, 1984, to the effect that a remission order would be granted on the basis of certain actions taken by the company. The company followed through on those actions and, because it did so, and in order to fulfil the commitment made by the previous Government, we acted on the basis that is set out in the Auditor General's report.

Mr. Broadbent: Mr. Speaker, to use an old phrase, the Minister of Finance had a choice.

REASON FOR GOVERNMENT ACTION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister of Finance was not legally locked in. He could have renegotiated and used a number of options rather than giving away $1 billion of the taxpayers' money at a time when he was increasing taxes for ordinary Canadians across the land. Therefore, why did he give this $1 billion to Dome Petroleum?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I ask the Hon. Member to think back to the circumstances. It was not a gift as the Hon. Member sets out, because if Dome Petroleum had been called upon to pay those taxes it would have gone bankrupt. If it had gone bankrupt it would have taken with it a number of the smaller oil services companies in the western economy that were suppliers of and had trade accounts with Dome Petroleum. That is a consideration that I ask the Hon. Member to take into account when he draws conclusions on this particular matter.

Mr. Broadbent: Mr. Speaker, the Minister of Finance knows that there are a lot of other options such as deferred taxes, special loans, and special financial agreements through which Dome Petroleum would be obligated to pay back to the people of Canada the $1 billion it got, instead of getting the gift which the Conservatives gave it.

PUBLICATION OF DECISION

Hon. Edward Broadbent (Oshawa): Since the Government made this unnecessary and wasteful decision about the taxpayers' money, will the Minister of Finance confirm that the Government did not even publish the details of that in February, but simply made a brief reference to the deal in what it gazetted, without telling the people of Canada that it cost taxpayers $1 billion?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me remind the Hon. Member that we were honouring a deal that had been entered into—

Mr. Broadbent: You had an option.

Mr. Wilson (Etobicoke Centre): The Hon. Member does not like the answer. He should listen to the answer and maybe he will learn something from it. We were honouring a deal entered into by the previous Government. We made the decision public at the time it was made. If the Hon. Member looks back he will see it in black and white.

* * *

NATIONAL REVENUE

GULF TAKEOVER—TAX RULING

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, my question is directed to the Prime Minister. During his absence the former Deputy Minister of Finance revealed that the Gulf deal had been discussed a couple of times by the Priorities and Planning Committee which the Prime Minister chairs. Would the Prime Minister confirm that the Gulf tax ruling was in fact discussed by the Priorities and Planning Committee, contrary to the impression which he left at his press conference on October 11?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have the transcript of the October 11 press conference. It is entirely in keeping with what transpired. O&Y exercised the rights of any citizen under the Act to seek a ruling. The ruling was made by departmental officers, public servants, pursuant to objective criteria that exist under a statute which I understand was passed by this House under the Liberal Government. That is what transpired. Any discussion of any proposal was appropriate.

AUTHORITY FOR ISSUING TAX RULING

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, is the Prime Minister asking us to believe that a thousand million dollars of taxpayers' money can be drained from the public treasury without any consideration being given by him, the Minister of Finance or any other Ministers? If that is the case, how on earth is any control exercised over the finances of the country by the Government?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Liberals introduced and passed this legislation in the House of Commons. A taxpayer of the country, corporate or otherwise, came before the Department of National Revenue in the ordinary course of business and availed himself of the rights of any Canadian taxpayer to seek a ruling. That ruling was granted objectively pursuant to those criteria which govern in such cases and are determined upon by public servants, and public servants alone, acting in the public interest. That they were able to make such a finding was because of a piece of legislation which existed empowering them to so do. That piece of legislation was enacted because of the desire of the Liberal Government.

[*Translation*]

FINANCE

AID TO DOME PETROLEUM—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Prime Minister and has to do with the $1 billion gift his Government gave to Dome Petroleum on February 5, 1985. During the election campaign the Prime Minister, in no uncertain terms, told the former Prime Minister that he had a choice and that he should have disregarded the decisions made by his predecessor on patronage issues. Why then did the Government honour the commitment towards Dome Petroleum, which cost taxpayers $1 billion, instead of taking the option to renegotiate the deal?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have answered that question to the Hon. Member's Leader. We respected a deal that was made by the previous Government. The company had fulfilled its obligations under that deal. The Government of Canada was going to fulfil its obligations.

● (1430)

REASON FOR DECISION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my supplementary question is directed to the Minister of Finance if the Prime Minister chooses not to answer. When it came to patronage, his Leader said to the Leader of the Government at the time that he had an option and that the former Prime Minister should have rejected the patronage option. Why did you not reject this option and save the taxpayers a billion dollars in this bonanza to Dome?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, because there was not going to be a savings of a billion dollars as the Hon. Member sets out. The fact is that if Dome Petroleum had not received the remission order, as had been promised by the previous Government, that company was not going to exist. It would not exist to pay the taxes that are foregone as a result of this remission order.

Mr. Broadbent: There are lots of other options.

Mr. Wilson (Etobicoke Centre): As a result, the oil service industry in western Canada—

Mr. Cassidy: Lots of choices.

Mr. Wilson (Etobicoke Centre): —which was under a great deal of pressure at the time—

Mr. Broadbent: Like the banks.

Mr. Wilson (Etobicoke Centre): —would not have survived either, because there were a tremendous number of companies in that industry that had trade credits out to Dome Petroleum and they would have gone under as well.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF DEPUTY PRIME MINISTER OF HUNGARY

Mr. Speaker: May I draw to the attention of Members the presence in our gallery of His Excellency Jozsef Marjai, Deputy Prime Minister of the People's Republic of Hungary.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF WESTERN EUROPEAN UNION PARLIAMENTARIANS

Mr. Speaker: May I also indicate the presence in our gallery of the Parliamentarians of the Scientific and Technological Committee of the Western European Union, led by Mr. Christian Lenzer.

Some Hon. Members: Hear, hear!

* * *

BANKS AND BANKING

CANADIAN COMMERCIAL BANK—LETTER ISSUED BY INSPECTOR GENERAL OF BANKS

Miss Aideen Nicholson (Trinity): My question is directed to the Right Hon. Prime Minister. Although the Prime Minister approved the bail-out of the Canadian Commercial Bank on March 23, no moneys were paid out until the end of April because the participating banks required written assurance that the support package would ensure the CCB's viability. Who instructed the Inspector General to issue such a letter on April 26, although it was known from April 4 that at least $100 million more would be needed?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Minister of State for Finance is not in the House today. That is her area of responsibility.

Some Hon. Members: Oh, oh!

An Hon. Member: You are the Minister of Finance. You made a decision.

Mr. Wilson (Etobicoke Centre): I will raise the question with her when she returns.

Some Hon. Members: Oh, oh!

Mr. Rossi: She is your sidekick.

Mr. Speaker: Order, please.

IMPLEMENTATION OF GOVERNMENT DECISION

Miss Aideen Nicholson (Trinity): Mr. Speaker, my supplementary question is directed to the Minister of Finance. Will he tell the House why the Government pushed ahead with the March 23 decision when nothing had been signed and the initial information was so disquieting? Why not do a complete audit in the month of April and change the terms?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I believe that question has also been put in the House before. The Hon. Member knows that if there had not been a deal agreed upon by the Monday morning, that bank would not have opened on Monday morning. That is the reason why the deal had to be agreed upon—in order to allow the bank to proceed with its business. She should know that there are many, many examples of instances where a deal is agreed upon but the paper work may take up to three weeks, and sometimes longer, to be put together. That is what happened in this case.

* * *

AUDITOR GENERAL'S REPORT

DOME PETROLEUM—TAX REMISSION ORDER

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is directed to the Minister of Finance. In his Budget speech in May he made specific reference to the elimination of the deficit and the soaring national debt. Therefore, when the Dome remission came forward, which was the expenditure of a billion dollars of taxpayers' money, why did he not bring that before Parliament? Was it not something that Parliament should have known about?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there is no basis in past practice for remission orders to be brought before Parliament.

Mr. Broadbent: Maybe you should change some of the practices. Change the practices. That is what Dye says.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I am happy to answer the question, but if they are not going to listen to the answer they will not get one.

The point I was making is that there has not been a practice of bringing remission orders before Parliament. There are hundreds of remission orders granted each year, some of them big and some of them little. We discussed this one at some length in Government. Furthermore, there was also a public statement and announcement, not just by the Government but by the previous Government as a result of the announcement made by Mr. Lalonde, committing the previous Government to this remission order. Therefore there was a significant amount of public discussion that was available to Members.

PARLIAMENTARY APPROVAL INQUIRY

Mr. Stan J. Hovdebo (Prince Albert): Under the circumstances, are you suggesting that a billion dollar expenditure by Parliament does not require parliamentary approval? That Auditor General, in his report, suggests that every expenditure of taxpayers' money requires the approval of Parliament.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as I indicated, there are hundreds of remission orders that are granted each year for a variety of reasons.

Mr. Riis: Billion dollar ones?

Mr. Wilson (Etobicoke Centre): There has not been a practice of presenting these before Parliament and we follow the prevailing practice.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I wish to ask a question of the Secretary of State for External Affairs. Yesterday the American Secretary of State, Mr. Shultz, announced that he, or the American administration, would propose to the U.S. Congress the specific package upon which they would base their negotiations with Canada on the trade issue.

When will the Government provide the Canadian people with the same courtesy and bring something forward in this Parliament that would detail the kind of proposals that we will be presenting, as recommended by an all-Party committee? It recommended that parliamentary discussion and debate be held before the formal negotiations begin. Will the Minister make a commitment that he will bring that kind of proposal to this Parliament before January?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, regrettably the Hon. Member is misinformed. Secretary Shultz did not say that.

UNITED STATES POSITION

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I presume that the Secretary of State was part of those discussions. He held a press conference in which they jointly announced that proposals would be going forward to the United States Congress. The American administration is required to do that under American trade law.

Is the American administration not going forward to its Congress to ask for authorization? Will he tell us what they intend to do?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think it would take more time than the House has to try to inform the Hon. Member for Winnipeg-Fort Garry—

Mr. Axworthy: Not really.

Mr. Clark (Yellowhead): —about anything.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Axworthy: Answer the question.

Mr. Clark (Yellowhead): The Government of Canada was very pleased yesterday at the—

Mr. Axworthy: Answer the question, Clark. Never mind the nonsense.

Some Hon. Members: Oh, oh!

Mr. Axworthy: Answer the question.

Mr. Clark (Yellowhead): Mr. Speaker, is it permissible for him to ask a supplementary from his seat?

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. The Hon. Member for Thunder Bay-Nipigon.

* * *

MARINE TRANSPORT

CONSTRUCTION OF FERRIES

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, my question is directed to the Minister of Transport. Consultations with management and workers at the Port Arthur shipyards have again underscored the seriousness of the situation in the Canadian shipbuilding industry. Almost a year ago the Minister of Transport promised that there would be additions to the CN Marine Gulf ferry service. Will the Minister tell us today what will be done about this in the context of what he promised, that such additions would have a tremendous impact upon the shipbuilding industry and, therefore, create jobs?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, as the Hon. Member knows, the launching of the *Caribou* took place in September, I believe. It will be in service by the beginning of the year.

The issue of further vessel replacement is currently under consideration by CN Marine and is being considered as part of its five-year plan.

PLACEMENT OF ORDERS

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, can the Minister guarantee that the addition of a second *Caribou*-sized vessel and others will be vessels built in Canadian yards by Canadian workers, using Canadian materials, so that there really will be jobs in the Canadian shipyards?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I believe the Hon. Member is aware that my colleague, the Minister of Regional Industrial Expansion, is very actively involved, as am I, in promoting the shipbuilding industry and ensuring that not only vessels are acquired but vessels are acquired in Canada which will provide jobs and the efficient service that is necessary. As I indicated, these are

things that are under consideration by CN Marine. I am sure the Hon. Member would not want me to dictate to the CN board of directors and/or management how to run their affairs.

* * *

SCIENCE AND TECHNOLOGY

PROPOSAL TO ESTABLISH NATIONAL SPACE AGENCY

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, my question is for the Minister of State for Science and Technology. The Science Council has recently recommended that a National Space Agency be formed in Canada to co-ordinate Canada's research effort in space research. Could the Minister please tell the House what the reaction is from his Ministry to this recommendation?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, the Science Council has proposed this very intriguing concept of a unified space agency for Canada. We, at the present time within the Ministry and the Government, are studying this proposal, with other similar proposals, in the context of developing a long-range strategic space plan for Canada. I expect to be able to report to this House within the next couple of months on our deliberations to that effect.

* * *

• (1440)

[*Translation*]

EMPLOYMENT

PLANT CLOSINGS IN MONTREAL EAST—REQUEST THAT PRIME MINISTER MEET SURVIVAL COMMITTEE

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is for the Prime Minister, if he wants to listen to it. He is certainly aware of the tragic situation in which the people of Montreal East now find themselves since they might lose 5,000 jobs because of plant closings by Versatile Vickers, Bombardier, the Gulf refinery, and so on. If the Prime Minister will listen to my question, I would like to ask him whether, following the meeting of the Montreal East Survival Committee, he would accept to meet the members of this committee next week to hear proposals to solve this problem.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we are indeed not only aware of these problems, but very sensitive to the situation, especially in Montreal East. This is why we are all very encouraged to see that the unemployment rate has gone down from 11.6 per cent to 10.1 per cent in eleven months, that youth unemployment has fallen down from 18.3 to 16.1 per cent, that 304,000 new jobs have been created in one year, that our rate of growth has reached 4.1 per cent, and most important, that interest rates have gone down by 3 per cent to their lowest level in seven years. These are substantial indications of economic development because of which we are able to work with all the regions, including Montreal East, to stimulate an economy which had effectively been under attack for too long.

DEMAND THAT PRIME MINISTER MEET EMPLOYEES FROM MONTREAL EAST

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, if the Prime Minister has any courage, he will come with me next Tuesday to repeat this answer to the Vickers employees he met at the *Journal de Montréal*. If the Prime Minister has any courage, he will come with me to meet the Bombardier and Gulf workers—

An Hon. Member: Question!

Mr. Malépart: My question to the Prime Minister is this. Statistics cannot buy food for these people. Will the Prime Minister have the courage to meet the members of the East Montreal Survival Committee and will he grant designated zone status to Montreal East to save the 5,000 jobs which are now in jeopardy?

Right Hon. Brian Mulroney (Prime Minister): To the contrary, Mr. Speaker, the Conservative Government has created tens of thousands of new jobs in Quebec since the election. The people of Montreal are well aware of it. In certain regions—

An Hon. Member: Small jobs!

An Hon. Member: Insignificant jobs!

Mr. Mulroney: One says "small jobs" and the other says "insignificant jobs". However, the unemployed in Quebec will remember the Liberals who say such things because they know that we have created lasting jobs in Quebec. They know it!

We are going to work with all those involved, including of course the people of Montreal East, to promote a valid economic recovery.

* * *

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—VIEWS OF PROVINCES

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is for the Secretary of State for External Affairs. Such provinces as Manitoba and Ontario have stressed that cultural industries, agricultural support policies, and regional development aids should not be on the table in U.S. free trade talks. Did the Secretary of State for External Affairs convey

these views to Foreign Secretary Shultz yesterday, and did our Minister indicate his support for these provincial views?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Government of Canada very much welcomed the decision by the United States Government to send a signal yesterday of U.S. interest in responding positively to the invitation that was offered by the Prime Minister to enter into a discussion of possible trade arrangements.

The Hon. Member knows, because he and I have discussed it at length, that I am very sensitive to the interests of Canadian industries that might be affected in any negotiation that develops. I have given a commitment to maintain the active process of consultation that is involved.

The Hon. Member asks if I indicated to Secretary Shultz what I have indicated to him, in general, yes, I did.

JAPANESE CAR MANUFACTURERS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I have a supplementary question. Did the Secretary of State for External Affairs sense that the decisions announced by the Japanese Ambassador yesterday, cutting back the commitment we had anticipated from companies like Toyota to produce here in Canada, reflected at all the concern of the Japanese that we were becoming part of a fortress North America through this trade pact, which would have fewer beneficial trade ties with Japan?

Right Hon. Joe Clark (Secretary of State for External Affairs): On the contrary, Mr. Speaker. I think that the Government of Japan and, indeed, other Governments of the world with which we are involved in seeking new discussions under the MTN, know the strong commitment of this Government toward a freer trade arrangement in the world.

Naturally, we are interested and looking to the advantages that exist for Canada in that kind of an arrangement on this continent. But the record stands, and the record is strong, that this Government is pursuing that kind of freer regime around the world.

PROTECTIONIST MEASURES PROPOSED IN UNITED STATES CONGRESS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is also for the Secretary of State for External Affairs. Some Canadians are concerned about the rising tide of protectionism in the United States, especially as we are just beginning our negotiations. Since the Secretary of State for External Affairs has just finished preliminary negotiations and discussions with Secretary Shultz, can we count on President Reagan's veto powers when any extreme protectionist measures arise in that country?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that commitment was given by the President to the Prime Minister at Québec, and it was renewed in conversations between the Prime Minister and the President in New York last week. I believe if there is any threat of the kind described by the Hon. Member that that will be the response of the American President.

* * *

AGRICULTURE

CANADIAN FEDERATION OF AGRICULTURE REPRESENTATIONS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Agriculture. As the Minister knows, agriculture is facing the worst economic crisis in history. This is being highlighted today by the Canadian Federation of Agriculture in a massive visitation to Members of Parliament. Unfortunately this morning only one Member of the Alberta P.C. caucus showed up for a meeting. The Minister of Finance did not show up at all.

Is the Government ready to take the representations of the CFA seriously by agreeing to provide 10 per cent loans to farm families to save family farms, which is a recommendation of the CFA?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am tempted to respond to some of the many inaccurate statements with which the Hon. Member began his question. Perhaps, though, I will ignore them.

As the Hon. Member should know, this Party, whether it be in Opposition or in Government, has always regarded the CFA as one of the outstanding and credible farm organizations we have. We have always taken its representations to heart. I look forward to meeting with its representatives later today.

GOVERNMENT FUNDING

Mr. Maurice Foster (Algoma): My supplementary question is also for the Minister of Agriculture. Is the Government prepared to show its long-term commitment to agriculture by reinstating the $50 million which was taken out of the Department's budget this year, and is it prepared to commit more funds for agricultural research?

• (1450)

Hon. John Wise (Minister of Agriculture): Mr. Speaker, that seems to be the Hon. Member's daily or weekly question. I can only again remind him to check the record. The record speaks for itself. The Government has passed more agricultural legislation in the last eight months than the previous Government did in the last eight years. The Government has taken over 90 initiatives providing support to the agricultural industry, to the extent of $2 billion.

Some Hon. Members: Hear, hear!

Mr. Wise: And, Mr. Speaker, we have only just begun.

[*Translation*]

VETERANS AFFAIRS

REDUCTION IN PERSONNEL—GOVERNMENT POSITION

Mr. Gaston Isabelle (Hull-Aylmer): Mr. Speaker, I have a question for the Minister of Veterans Affairs.

It would seem that the Department of Veterans Affairs is one of the most recent victims of the May budget move to blindly and savagely cut jobs in the federal Civil Service. Recent reports show that 218 jobs will be abolished by next May. Could the Minister comment on the accuracy of such reports, and if such is the case could he tell the House how he will go about achieving the increases and improvements in services to veterans which he has so often been referring to this last year while slashing some 6 per cent off the overall staff? This is absolute inconsistency, Mr. Speaker.

[*English*]

Hon. George Hees (Minister of Veterans Affairs): Mr. Speaker, in answer to the Hon. Member's question I would advise him—and I think he knows this—that for the next six months there will be no lay-offs. Two hundred and nineteen positions have been declared surplus. Of that 219, 104 are either vacant or held by people who have already indicated their intention to retire, or are held by people who were hired on a term basis. We can see that only 114 positions are affected. I assure the Hon. Member that the Department will do everything possible in the next six months to find alternative employment for those people.

[*Translation*]

VICTIMS OF EMPLOYMENT CUTBACKS—GOVERNMENT POSITION

Mr. Gaston Isabelle (Hull-Aylmer): Mr. Speaker, the Hon. Minister has always been seen as a Conservative gentleman with very liberal behaviour and manners.

Could he tell us exactly what he intends to do, in order to specifically help the victims of those cuts by a Government that is in the process of committing hara-kiri? Is he bent on concluding his prestigious political career by making himself known as the hatchet Minister?

Mr. Speaker: Order, please.

[*English*]

Hon. George Hees (Minister of Veterans Affairs): Mr. Speaker, if the Hon. Member will take the trouble to talk to any members of the Veterans Affairs Department he will find two things: they are very satisfied with the work they are doing and with the treatment they are receiving. I can assure him, with regard to how we intend to improve services to veterans, that the trimming of these various positions will not affect our efforts in this regard in any way, and that we will continue in the next few months and years to give veterans a steadily improving service with courtesy, generosity, and speed.

Some Hon. Members: Hear, hear!

Mr. Nystrom: George for Leader; Mulroney for Veterans Affairs.

Some Hon. Members: Leader, Leader!

Mr. Speaker: Order, please.

* * *

CANADIAN SOVEREIGNTY

FLIGHT OVER *POLAR SEA* IN CANADIAN WATERS

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my question is directed to the Prime Minister who will remember how pleased Canadians were last summer when citizens themselves, through the Council of Canadians, proclaimed Canadian sovereignty in the North when his Government did not have the courage to act.

Some Hon. Members: Oh, oh!

Ms. McDonald: Will the Prime Minister assure the House—

Mr. Hnatyshyn: Your tie is too tight.

Ms. McDonald: Will the Prime Minister assure the House that no sanctions will be taken against the pilot who dropped the flag on the *Polar Sea,* our Canadian flag, for all of us?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the allegations to which the Hon. Member referred are indeed being investigated by Transport Canada officials. There is evidence that there was an infraction. The investigation is going on internally, and I will be pleased to report back to the House on the outcome of that investigation.

DROPPING OF CANADIAN FLAG ON UNITED STATES VESSEL

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, again my question is directed to the Prime Minister. On the public policy aspect of the matter, does the Prime Minister consider it good public policy that, according to the Aeronautics Act, the Canadian flag might be deemed a dangerous object? Would it not be more dangerous for us not to have spoken up at that time? Should the pilot not be getting a medal rather than an investigation?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the dangerous aspect of public policy was the policy of absolute neglect of the North and the Arctic by the Liberals for 16 years. That was the dangerous aspect of public policy.

Some Hon. Members: Hear, hear!

Mr. Mulroney: The comprehensive statement in regard to the integrity and the sovereignty of the North set forth by the Secretary of State for External Affairs in the House of

Commons will rank as an outstanding contribution to the protection of the integrity of the nation.

* * *

NATIONAL REVENUE

GULF TAKEOVER—TAX RULING

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. I want to be assured of his answer in response to my colleague, the Hon. Member for Saint-Henri-Westmount. The Prime Minister insists upon continuing the statement that the Gulf tax ruling was a purely bureaucratic phenomenon created by officials of the Department of National Revenue in the ordinary course of events. On the other hand the former Deputy Minister of Finance, Mr. Cohen, said in an interview that the Gulf matter came before the Priorities and Planning Committee chaired by the Prime Minister on two occasions. The Assistant Deputy Minister of Finance was there—

Mr. Speaker: Order, please.

Mr. Turner (Vancouver Quadra): Is the Prime Minister saying to the House that, despite those two meetings of Priorities and Planning, the tax aspects of the Gulf purchase were not discussed and made aware to members of Cabinet? Is that what he is saying to us, that they did not come before Cabinet or before himself?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we are saying exactly what we have always said, which is the absolute clear statement of fact that the tax ruling was rendered objectively by officers of the Department of National Revenue pursuant to their procedures in a matter totally unrelated to anything which transpired subsequently, from the Government's point of view. Anything that was discussed by the Government in Cabinet would be under *sceau de la confidence*, on the one hand, but in complete conformity with the national interest, on the other hand.

CABINET COMMITTEE MEETINGS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, is the Prime Minister saying that the tax aspects of this purchase, which were such an integral part of the arrangement, were not before the Priorities and Planning Committee, which he chaired, and were not brought to his attention and the attention of the Minister of Finance? Is that what he is saying?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think—

Ms. Copps: Tell the truth.

Some Hon. Members: Order!

Some Hon. Members: Shhh!

Mr. Mulroney: I think I have responded fully to my right hon. friend who, previously as Minister of Finance, Minister of Justice and Prime Minister, knows full well the manner in which these tax rulings take place. The ruling was sought, and rendered by the Department of National Revenue on the one hand. A governmental decision, which involved in part a Canadian corporation and in a substantial part as well a Crown corporation, was rendered on the other hand. In both cases the Government conducted itself completely properly.

Mr. Foster: That is not what Mickey said.

* * *

AGRICULTURE

PLIGHT OF SASKATCHEWAN FARMERS

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is directed to the Minister of Agriculture. He will know that farmers are in the gallery today looking for some action by the Government on the farm situation in Canada.

Some Hon. Members: Hear, hear!

Mr. Althouse: A smaller part of that situation exists in Saskatchewan. According to recent reports, farmers are expected to have net incomes of less than $5,000 this year per farm in that province. That is only partly due to the drought.

What is the Minister proposing to do? When will we hear the report from his committee, for which we have been asking for three months? Is he serious about helping those farmers? Is he really serious about agriculture at all?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, it is rather interesting to note that the only time we get questions from the two opposition Parties is when they have an audience in the gallery.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Deans: The only time you are here is on Tuesday.

Mr. Wise: What would—

Mr. Broadbent: That is not fair, and you know it. Cheap shot, brother.

Mr. Mazankowski: Truth hurts.

* * *

● (1500)

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Monday, October

28, 1985, meet the requirements of the Standing Orders as to form.

* * *

THE ROYAL ASSENT

Mr. Speaker: Order. I have the honour to inform the House that a communication has been received as follows:

Rideau Hall,
Ottawa,

29 October, 1985

Sir:

I have the honour to inform you that The Right Honourable Brian Dickson, The Chief Justice of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber to-day, the 29th day of October, 1985, at 4.45 p.m., for the purpose of giving the Royal Assent to certain Bills.

I have the honour to be,
Sir,
Your obedient servant,
Esmond Butler,
Secretary
to the Governor General

* * *

POINT OF ORDER

RESPONSE TO MR. WISE DURING QUESTION PERIOD

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I rise on a point of order. I draw to your attention the response of the Minister of Agriculture (Mr. Wise) which, I think, went beyond the rules of the House regarding the activities and presence of Members in the House of Commons. I think if the record were to be checked, you would know, Mr. Speaker, that we ask this particular question every Tuesday because Tuesday is Cabinet day. If the Government acted with the generosity, courtesy and speed with which the Minister of Veterans Affairs (Mr. Hees) assured the House it always acts, we would have had an answer and would not have to keep asking this question.

Mr. Speaker: I think the Hon. Member has made his point. He knows that this is not a point of order and he knows that any reference by any Member of the House to the presence of someone in the gallery is out of order.

* * *

PRIVILEGE

ALLEGED INAPPROPRIATENESS OF THE RESPONSE OF MR. WISE

Mr. Maurice Foster (Algoma): Mr. Speaker, I rise on a question of privilege regarding the comments made by the Minister of Agriculture (Mr. Wise) today. It was very inappropriate for him to say that the only time questions are put in the House is when the CFA is meeting here in Ottawa. In fact, questions on agriculture have been put by me every week. The problem is that we never get any answers.

Mr. Speaker: Order, please.

Mr. Foster: I would ask the Minister to withdraw—

Mr. Speaker: Order, please. I think the same comments apply to the Hon. Member for Algoma (Mr. Foster) as those that applied to the Hon. Member for Humboldt-Lake Centre (Mr. Althouse).

Mr. Wise: Mr. Speaker, I rise on a point of order.

Mr. Speaker: No, there is no point of order and there is no question of privilege here. Order, please.

ROUTINE PROCEEDINGS

[*English*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

PRESENTATION OF TENTH REPORT OF STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour to present the tenth report of the Standing Committee on Finance, Trade and Economic Affairs. The report extends the period of reporting, and if the House will give its consent, I intend to move concurrence in this report later today.

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

* * *

PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCES AND WITHDRAWAL OF TAX INCREASES

Mr. Neil Young (Beaches): Mr. Speaker, I have the pleasure to introduce a petition to the House signed by a number of residents of the east end of Toronto. Those petitioners state that the deindexation of the universal family allowance is an unfair attack on women and families and they further state that this attack will not be offset by changes to the child tax credit and that other tax increases in the May Budget will place an unfair burden on low and middle-income earners.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is my privilege to present a petition on behalf of a large number of western Canadians who are concerned about the Government's plans to deindex family allowances and are concerned that the cut-backs in child benefits on top of the sales tax changes and increases, the excise tax increases and the stiff income tax increases are all unfair and place an extraordinary

burden on middle and lower-income Canadians. They therefore ask that the Government reinstate full indexation of universal family allowances and rescind the unfair tax increases presently before the House.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have a petition from a number of citizens from Halifax, Springhill, Dartmouth, Lawrencetown and East Preston in Nova Scotia as well as from New Brunswick and Prince Edward Island who are appealing to the House of Commons to reinstate full indexation of the universal family allowance and to rescind the unfair tax increases which are having such a negative impact on families.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is my honour and duty to present to the House of Commons of Canada in Parliament assembled a petition signed by a number of people from the constituency of Prince Albert who ask the House of commons to reinstate full indexation of universal family allowances and to rescind unfair tax increases.

[*Translation*]

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have a number of petitions which have been signed by hundreds of Canadians who object to the horrendous decision of the Tory Government to deindex family allowances.

More specifically, I have petitions from constituents of Drummond, Manicouagan and Renfrew-Nipissing-Pembroke in Ontario.

I also have another petition signed by constituents of Hull-Aylmer in Quebec who are so well represented in this House; I also have some from the constituencies of Shefford and Trois-Rivières in Quebec.

I also have a petition signed by constituents of the federal constituency of Kent in Ontario, Victoria in British Columbia, and finally a petition signed by constituents of the federal constituency of Grand Falls-White Bay-Labrador in Newfoundland.

Those people, Mr. Speaker, want to state their grievance. I am pleased to present those petitions.

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I also have the honour to present some petitions to this House.

The first one comes from the constituency of Saint-Hyacinthe-Bagot in Quebec where hundreds of people deeply regret the fact that family allowances are being reduced. Under the circumstances, they would like to enjoy full indexation. Also, several dozen constituents from Brome-Missisquoi, Beauce, Outremont, Rosemont, Saint-Henri-Westmount and Saint-Michel-Ahuntsic in Quebec deeply regret the reduction in family allowances which, in many cases, are part of the minimum resources for which those families have an urgent need.

Finally, Mr. Speaker, a petition from the federal constituencies of Saskatoon East and Saskatoon West in which once again the Government is asked to reconsider its position and grant full indexation.

• (1510)

[*English*]

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I have a large number of petitions to present to the House on behalf of constituents in my home riding of Broadview-Greenwood. They point out that the accelerating cut-backs in child benefits as well as sales and excise tax increases place an extraordinary burden on middle-and low-income households. They therefore call upon the House of Commons to reinstate full indexation of universal family allowances.

Similarly, I have another number of petitions from citizens across Ontario, namely Toronto and Windsor, who point out that the cut-back in family allowances and the tax increases are inequitable and unbearable in the face of budget hand-outs such as half a million dollars of tax-free capital gains and the bail-outs to the banks. They therefore call upon the House of Commons to reinstate full indexation of the universal family allowance and to rescind unfair tax increases.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, it is an honour and a duty for me to present petitions on behalf of more than 150 persons resident in my riding of Thunder Bay-Nipigon. More than one-third of the signatories are residents of classes of the Lakehead University, students joining in the protests that the decision of the Government to deindex the universal family allowance and to carry through other cut-backs in the public commitment to child benefits represents an unfair attack on women and families with children. These persons are well aware that even the poorest will be worse off by 1990, and they call on the House of Commons to re-establish full indexation for family allowances.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, I have here a number of petitions dealing with the Government's intention to deindex the family allowances. They are from the Quebec ridings of Saint-Léonard-Anjou, Langelier, Saint-Hyacinthe-Bagot, Shefford, Drummond, Lac-Saint-Jean, and from the British Columbia riding of Richmond-South Delta, the Ontario riding of Guelph, and the Nova Scotia riding of South Shore.

Mr. Speaker, all these petitions humbly pray the House that the Government re-establish full indexation of the family allowances and the Child Tax Credit.

[*English*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

CONCURRENCE IN TENTH REPORT OF STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, if the House gives its consent, I move, seconded by the Hon. Member for Kamloops-Shuswap (Mr. Riis) that the tenth report of the Standing Committee on Finance, Trade and Economic Affairs presented to the House earlier today be concurred in.

Motion agreed to.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of Privy Council): Mr. Speaker, the following question will be answered today: 398.

[*Text*]

COURT CHALLENGES PROGRAM

Question No. 398—**Mr. Gauthier:**

1. Since January 1985 to date, under the Department of the Secretary of State's Court Challenges Program, did the Government allocate funds for (*a*) assembling the elements of a case (*b*) defending a case in court (*c*) pursuing a case already under way and, if so, for each category, what organizations and individuals received support?

2. In each case, what was the subject matter of the challenge and in what court was it or will it be heard?

3. What funds have been committed or promised to the program?

Hon. Benoît Bouchard (Secretary of State of Canada): 1. From January, 1985 to June 18, 1985.

(*a*), (*b*) and (*c*) (i) The sum of $4,101.10 was awarded to the Comité des parents pour une classe française à Summerside to assemble the elements of the case and prepare the statement of claim at trial level.

(ii) Julius H. Grey was awarded $30,000 in the case of Helen Wong-Woo et al v. Attorney General of Quebec for all aspects of the work related to the Supreme Court level.

(iii) Alliance des Professeurs de Montréal received the sum of $1,029.62 to continue the proceedings at the Appeal Court level.

(iv) Duncan C. MacDonald was awarded $15,000 as a final grant at the Supreme Court level.

2. (i) Comité des parents pour une classe française à Summerside v. Regional Administrative Unit number 2. The parents claim that the number of eligible students in the community warrants a French language class of instruction as guaranteed by section 23 of the Canadian Charter of Rights and Freedoms. The parents are developing an application to the Courts. Trial level.

(ii) Attorney General of Quebec v. Wong-Woo et al. Several individual petitioners commenced actions to contest the education provisions of Bill 101 to the extent that they conflict with section 23 of the Canadian Charter of Rights and Freedoms (Canada clause). Their cases have been heard along with the case of the Attorney General of Quebec v. Quebec Association of Protestant School Boards et al. The individual petitioners and the Q.A.P.S.B. won their cases before the Quebec Superior Court and the Quebec Court of Appeal. Leave to appeal before the Supreme Court of Canada has been granted and the case was heard at the Supreme Court on February 21 and 22, 1984. On July 26, 1984 the Supreme Court of Canada found in favour of the plaintiffs and declared inoperative those parts of the French Language Charter which conflicted with section 23 of the Canadian Charter of Rights and Freedoms.

(iii) *Alliance des professeurs de Montréal* v. Attorney General of Quebec. *L'Alliance des professeurs de Montréal* representing some 6,000 to 7,000 teachers from the City of Montreal holds that the "notwithstanding" clause in section 33 of the Canadian Charter of Rights and Freedoms should be used in exceptional cases only. This case involves a challenge to Quebec's "*Loi concernant la Loi constitutionnelle de 1982*" (L.Q. 1982, c. 21) and other Quebec acts which provide for the exclusion of certain protections found in section 2 and sections 7 to 15 of the Canadian Charter of Rights and Freedoms. This application was rejected by the Quebec Superior Court but, on appeal, the Court of Appeal overturned this decision and found in favour of the Alliance des professeurs. This is now on appeal to the Supreme Court of Canada.

(iv) MacDonald v. The City of Montreal. Mr MacDonald received a summons for a traffic offence in the French language only. The case questions whether Section 133 of the Constitution Act, 1867 which guarantees the right of use of either the English or French language in the Courts imposes a duty on the State to respect that choice of language in summonses. Rejected at the Superior Court and the Court of Appeal of Quebec. The case was heard by the Supreme Court of Canada and judgment is pending.

3. The Government recently announced a new expanded program which will be administered by the Canadian Council on Social Development.

[*Translation*]

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

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

[*English*]

Mr. Boudria: Mr. Speaker, I have a question I want to ask the Government House Leader or his Parliamentary Secretary. I wonder if they could indicate to the House when the Government will reply or when they intend to reply to Question No. 285 that I placed on the Order Paper on February 28; Question No. 287 that I placed on the Order Paper on March 6;

Question No. 313 that I placed on the Order Paper on March 28; and Question No. 319 that I placed on the Order Paper on April 4, which concerns the Quebec City extravaganza of last March 17.

Could the Government House Leader respond to these questions that I have been asking over and over in this House, about which apparently the Government must have something to hide?

Mr. Dick: Mr. Speaker, perhaps the Government House Leader does not, but the Parliamentary Secretary to the Government House Leader might have something to say, and the innuendoes cast by the Hon. Member are not worthy of him.

However, since he did bring this matter up just yesterday I can report that I had the matter looked into, and I can indicate to him that Question No. 285 is in the process of being prepared and has not yet been completed. Question No. 287 is assigned to seven different Departments; two of them are still outstanding and until those two Departments report we cannot return it because they all have to be completed together. Question No. 313 was a question which dealt with all Cabinet Ministers and was assigned therefore to all 40 Government Departments, of which 15 have not yet responded. When those 15 Departments respond we will be able to supply the answers. Question No. 319 was in 20 parts and it cannot be answered until all 20 parts are completed and they have not yet been completed.

As to Question No. 386, which was referred to yesterday as well by the Hon. Member for Ottawa-Vanier (Mr. Gauthier), it is in 18 parts and all 18 parts are not yet completed. It will be answered as soon as we have them all completed.

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

EXCISE TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of the motion of Mrs. McDougall that Bill C-80, an Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof be read the second time and referred to a legislative committee.

Mr. Speaker: Debate. Questions and comments. Question: the Hon. Member for Ottawa-Vanier (Mr. Gauthier) has the floor.

Mr. Gauthier: This morning, Mr. Speaker, I listened closely to the remarks of the Hon. Member for Montreal-Sainte-Marie, and the first thing I want to do is commend him for his well-structured speech and especially for his widely acknowledged concern over poor people in our society and low income individuals.

Bill C-80 makes provisions for higher taxes on gasoline and nonprescribed drugs. This morning the Hon. Member read a list of ailments which could be treated with such nonprescribed drugs as will now be subject to a 10 per cent tax, and I wonder if he might give us more details concerning this famous tax on nonprescribed drugs?

Mr. Malépart: Mr. Speaker, I am pleased to answer my colleague. I see the Minister of National Health and Welfare (Mr. Epp) is in the House, and we would normally expect him to defend the interests of people who are suffering, people who are sick.

Unfortunately the Minister of National Health and Welfare has not done his job, just as he did not either with respect to elderly Canadians and families with children.

My colleague is right to point out that the 10 per cent tax on sick people affects more than only those who are gravely ill. I must say that the Minister of National Health and Welfare did not make any effort to force his Government to reverse its decision concerning people who suffer from diabetes, heart conditions and respiratory ailments. The Government maintains its position and the Bill will indeed impose a tax on people who suffer from arthritis. The Minister of National Health and Welfare invests a lot of money in research to find cures for various illnesses, yet that same Minister will not do anything to convince the Prime Minister and the Minister of Finance to repeal the 10 per cent tax on drugs which are necessary.

Mr. Speaker, my colleague quite properly stressed the odious nature of this measure and this policy. We know very well that people will pay $125 more for family drugs as a result of all the new taxes contained in the Bill, yet on the other hand the Government will deindex family allowances and change the child tax credit. My colleague is therefore quite justified to say that this odious and immoral tax is unacceptable to most Canadian men and women.

The Acting Speaker (Mr. Charest): Questions or comments. The Hon. Member for Yorkton-Melville (Mr. Nystrom).

Mr. Nystrom: Mr. Speaker, the Hon. Member for Montreal-Sainte-Marie referred this morning to our discussions in this House about the issues of the partial de-indexing of family allowances and the de-indexing of old age security pensions.

Did the Liberal Member agree with the decision made by the former Liberal Government at the time of the 6 and 5 program, when the Trudeau Government did exactly the same thing by partially de-indexing family allowances and old age

security pensions for all Canadians? It was exactly the same. It was partial deindexing. It is exactly what the Conservative Government has done. Did the Hon. Member agree with this? If so, why does he not agree now?

Mr. Malépart: Mr. Speaker, I can understand that the Minister of National Health and Welfare (Mr. Epp) and the Conservative Members would want to play politics on the backs of low-income people and poor Canadians. I did not expect this from a Member of the New Democratic Party, and this is the first time that I see such a thing, Mr. Speaker.

In reply to the Hon. Member, I must say that he should know the difference between the 6 and 5 restriction program and the initiatives of this Government. I would have thought that the Hon. Member would know all about it. First, the purpose of the 6 and 5 program was to reduce inflation and increase the purchasing power of consumers. Second, the Government had also increased the tax credit for low income families and this initiative was to apply for two years only.

• (1520)

Mr. Speaker, the difference between this initiative and the 6 and 5 program is that this Government is removing the first 3 per cent of increase from the very beginning. All the taxes imposed under various programs will increase inflation and therefore the costs for the public. What the Conservatives have said about the changes they have proposed to family allowances is that they will take money away from the taxpayers to reduce the deficit, but in fact, they are not even reducing the deficit. They are taking money from poor people and giving it to the wealthy. If you remember the 6 and 5 program, the tax credit was fully indexed while we now have a partial deindexing as the first 3 per cent of inflation will not be taken into account.

As for middle and low-income families, those with an income of $26,000 will no longer be eligible as the amount will be reduced to $23,000 because of the changes made by this Conservative Government. Middle-income families with three children will lose $400 in the first year because of these changes.

If the Members of the New Democratic Party want to play politics on the backs of the poor, it is their business, but I for one refuse to do it.

[*English*]

Ms. Mitchell: Mr. Speaker, I would like to ask the Hon. Member a question with respect to the subject of taxes. I am sure he is aware of the study conducted by the National Anti-Poverty Organization, which was released today, which shows that federal increases in sales tax will take twice as much from the poor families in Canada as from those who are more affluent. On top of that there are also cut-backs with respect to family allowance. What does the Hon. Member think of this matter? Also, what did the Liberal Government do in this respect when it was in power?

[*Translation*]

The Acting Speaker (Mr. Charest): The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart), but very quickly.

Mr. Malépart: Mr. Speaker, the Hon. Member's question is a lot smarter than that of the Hon. Member who preceded her—

The Acting Speaker (Mr. Charest): Order. I am sorry, but the period provided for questions and comments has now expired.

The Hon. Member for Ottawa-Vanier (Mr. Gauthier), on a point of order.

Mr. Gauthier: Mr. Speaker, I may refer to an opinion given by the Chair yesterday about this specific 10-minute period following speeches. I would like to ask the Chair whether in the particular case we have just seen, where the Hon. Member asked a question, in fact it was a very good question which required an answer . . . I dont't think the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) was given enough time to answer the question.

I would therefore ask the Chair if from now on, when there is a one-minute or perhaps two-minute limit, to perhaps let the House know that only two minutes of the 10-minute period are left, so that both question and answer are given equal time.

The Acting Speaker (Mr. Charest): Perhaps I may explain to the Hon. Member for Ottawa-Vanier (Mr. Gauthier) that I was absent yesterday, so unfortunately, I was not aware of what may have transpired from yesterday's debate. In any case, as a courtesy to Members, the Chair often indicates, while they are making their speeches, when their time is nearly up. And I think most Members have made a habit of watching the Chair because of that. That is what I just did in the case of the Hon. Member for Vancouver-East (Ms. Mitchell). I indicated to her very quickly that she had very little time left.

It is all more or less left to the discretion of the person in the Chair. I think we should remember that the only hard and fast rule we have left, and one which treats all the Members of this House as fairly as possible, is the rule of 20 minutes plus 10. And this rule is applied as fairly as possible in each particular case.

Mr. Gauthier: I just want to explain to the Chair that I am not questioning the Chair's ruling on the 20 minutes or the time allowed Members to make their speeches. What I mean to say, and I would invite the Chair to read yesterday's *Hansard* to become familiar with the case, is that the 10 minutes allowed for comments and questions should be fairly distributed on both sides of the House. I have noticed on occasion that at the end of the 10 minutes allowed for questions and comments, some Members take advantage of this to put a question that requires a far more elaborate answer. So in that case, if the Chair could indicate to both parties that their

time is limited, so that we could have a constructive dialogue on both sides... I would simply ask the Chair to check yesterday's *Hansard* to make sure I am not referring to the 20-minute period but to the 10-minute period.

The Acting Speaker (Mr. Charest): I shall consider the comment by the Hon. Member for Ottawa-Vanier (Mr. Gauthier) as a constructive one. I intend to consult yesterday's *Hansard*, and I may remind the Members of this House that at least as far as I am concerned, if we consider the time allowed Hon. Members, and stick to that question in particular, it is first of all their responsibility to keep track of their allotted time and not the responsibility of the Chair. So perhaps we could start there.

Resuming debate. The Hon. Member for Ottawa-Carleton (Mr. Turner).

[*English*]

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, I am pleased to rise to take part in the debate on Bill C-80. I did not think I would survive the onslaught from my hon. friend this morning, the Hon. Member for Yorkton-Melville (Mr. Nystrom). I did and I am looking forward the debating Bill C-80. I regret the Hon. Member is not in the House at the moment. I hope he will return shortly.

This morning we spoke about the toughness of Bill C-80. I would now like to speak about its fairness.

[*Translation*]

Mr. Speaker, Bill C-80 implements the budget proposal concerning the federal sales tax and excise tax and the excise duty as announced by the Minister of Finance (Mr. Wilson) in his May 23rd budget.

The Bill moves in four major directions.

First, pursuant to the recommendations made by the Nielsen Task Force, this Bill would enlarge the sales tax base, putting an end to a trend that leaves only 30 per cent of possible profit subject to federal taxation.

Second, this Bill would implement one component of the Government strategy to reduce the deficit by increasing the federal sales tax rate.

Third, this Bill would implement the election promise to eliminate automatic indexation of the taxes on alcohol and tobacco, an indexation which would have increased the taxes by 4 per cent in September and by an indexed amount over the coming years. In lieu of indexation, there will be a tax rate increase of 2 percent on alcoholic beverages and a 25-cent tax on the 25-cigarette package.

Finally, this Bill introduces an extensive system for assessing the objections and appeals under the Excise Tax Act. This new system is similar to the current one under the Income Tax Act, and includes recent improvements made to that Act with respect to search and seizure and the presumption of innocence that prevents seizure until the taxpayer has a chance to resolve any litigation as to his fiscal responsibility.

[*English*]

Before I continue with my remarks with respect to Bill C-80 I want to say that, in the true spirit of practical reform of some of our parliamentary procedures, the budgetary reform process is also of paramount importance. Some five months and six days after being introduced on May 23, 1985, we are still debating our first full federal Budget. I find this a bit strange since we are effectively running the largest business in the country without having all of our fiscal plans in legal place. Some of my constituents, in fact, are asking me why we have not voted on all of the Budget yet and I find that sometimes difficult to answer. What I feel we should be looking at—and I know the Government is and will be looking at it more closely—is limiting and perhaps regularizing the Budget debate in future.

• (1530)

I would like to continue on a bright note and to end on an even brighter one. The Minister of State for Finance (Mrs. McDougall) said in the House last Thursday, October 24, and I quote from page 7941 of *Hansard*:

> Early this week the Royal Bank of Canada confirmed that economic growth in this country is proceeding at a steady pace, that inflation and interest rates will continue to decline and unemployment will be at its lowest level in years. The Royal Bank says that the Canadian economy is looking better because Canadian businesses are spending more money producing more goods and employing more people.

The Minister went on to say, and I quote from page 7943 of *Hansard*:

> I said it was a tough Bill but I believe it is also fair. It asks all Canadians to share in the effort to restore the fiscal health of our country.

I could not agree more. The Economic Council of Canada said in one of its recent reports that the real growth is expected to continue for the next four to five years in a very positive way in Canada. The Conference Board of Canada recently revised its growth projections upward for 1985-86 by a full 2 per cent of GNP increase. This is bright news and it is getting brighter every week. The Throne Speech spoke of national reconciliation and economic renewal and we are on track with both of these two national themes. The economic statement of November 8 spoke of a course of action to create jobs, growth and opportunities. If we look at the recent record of this Government, we find it has been simply remarkable. The Budget of May 23, 1985, builds on our successes to date by creating more opportunities through encouraging private initiatives and incentives in a realistic, fair and effective way. The fiscal course we have set is obviously working so far and will continue to work well into the future. All Hon. Members of the House know deep down that all of the economic news is good news.

Bill C-80, which represents one slice of the over-all budgetary process, concentrates on revenue raising measures from federal tax changes on candy, confectioneries, soft drinks, pet food, beauty and health goods, gazoline, beer and wine, construction materials, tobacco and a few other products, but the

over-all theme we must maintain is budgetary control of the deficit and its reduction through fiscal responsibility.

In the fall of 1984 I did a survey in my riding and I asked my constituents to tell me what they thought the top priority should be for the new Government. Three out of four of those who responded—75 per cent—indicated that deficit reduction was at the top of their list. I remind the House that we are exercising deficit control through and 80 per cent reduction of Government expenditures and only 20 per cent through tax increases. That is pretty responsible management, in my opinion.

Let me compare Bill C-80, in an over-all broad context, to an expandable swimming pool full of money—sometimes called "capital". Those who want to dive into this pool of money, the people who would use these funds, are you and I, Mr. Speaker, my constituents, businesses inside and outside of Canada—that is, the international community—and municipal, provincial and, obviously, federal levels of Government. We are the largest player in the pool and as our capital needs become greater, we squeeze out others from competition. That is bad because Governments do not create jobs, they create the environment for others to create jobs. Today's environment is now healthier than it has ever been. We compete for a part of that capital pool. The greater the competition to buy or borrow, the higher the price, and the price of money is interest. Therefore interest rates would probably rise unless we could lower our needs for our part of the pool. We cannot expand the size of the pool very quickly because it would mean printing more money or more capital. That could be inflationary. The over-all amount of money in the pool can only expand as the over-all wealth of our nation expands. With the elimination of the hideous National Energy Program, replaced by the very successful Western Accord, the very negative Foreign Investment Review Agency, replaced with a well received Investment Canada; and with capital gains incentives in the Budget, our over-all wealth is increasing and will continue to increase, thereby giving the Government more room to manoeuvre.

Since we cannot expand the size of the pool too quickly, we must lower our demands and swim in a smaller part of the pool so that others who are competing for those funds, such as businesses and other borrowers, will have a little more room.

Bill C-80 necessitates some of the changes we must make in order to allow the Government to have more financial flexibility. On the surface, the waters may look a little rough, a little tough, in fact, as it was said this morning, but fair. No one likes tax increases, myself included, but underneath the waters are much calmer. Our plan is obviously working. One can see the increased confidence levels in the private sector as it finds more areas to swim in and therefore the price of borrowing money is lowered.

I can see the western energy developments are increasing tremendously in western Canada. The automobile industry of Ontario is operating near capacity. The housing industry is undergoing a tremendous uplift in new housing starts. The manufacturing industry is showing tremendous growth as consumers buy more and more durable goods.

As the Miniser of State for Finance said with respect to Bill C-80, it is a tough Bill but it is fair in that all Canadians are asked to contribute. We must keep in mind the over-all budgetary themes such as economic growth. Recent economic indicators are all strong; deficit reduction, 80 per cent through expenditure reduction and 20 per cent through tax increases; and job creation, especially our great achievement in lowering the unemployment levels of the youth of our country in the last few weeks and months.

An area of real concern with which I have to deal in my riding concerning Bill C-80 is the increased taxation of construction goods manufactured other than at a construction site, such as steel, concrete, asphalt and even asphalt shingles for roofs, and others. A number of businesses in my riding reacted against the date of the proposed increase of July 1, 1985. They wanted to put it off until January 1, 1986. I met with a lot of these business representatives, with officials from the Department and discussed the issue with the two Ministers concerned who listened very attentively, but it was decided that the federal Treasury needed the revenue as soon as possible.

Normally these increases are effective immediately a Budget is brought down. As you will recall, Mr. Speaker, the measures in the Budget were put off for a period of about six weeks in order to allow for a reasonable adjustment by the affected businesses. I find that very fair. The affected businesses in the construction industry were not questioning the need for the Governemnt to raise more revenue. They were merely asking for the effective date to be put off to January 1. They understood that we had to start to live more within our means. I think everyone in the House understands, as do my constituents, that we have to do the same. Mr. Speaker, what happens to you when you live beyond your means and for how long can you do that? You get a phone call from the bank. You are told that your credit is up, that you must turn in the plastic and have no more credit cards. On September 4, 1984, the people of Canada called up the former Government and said its credit was up, it was time for a change. They wanted to give the Tories a chance to run the business. Our track record to date is simply outstanding, but the struggle continues. The passage of Bill C-80 will give us more financial freedom to do more for those in the greatest need in Canada.

• (1540)

Mr. Foster: How can he read that crap?

Mr. Turner (Ottawa-Carleton): Recently the Business Council on National Issues was referred to in an article in *The Toronto Star*. Its President, Mr. Tom d'Aquino, who happens to be a constituent of mine, indicates that businesses are preparing for a powerful lobby to back deficit cutting. This article indicates that one of the purposes of this lobby is going to be to convince the public that it is better to make small sacrifices in government services now to get the deficit under control than to allow interest payments on the country's burgeoning debt to eat up an ever-greater portion of the country's resources. That is what we are trying to do. In an

editorial in *The Globe and Mail* of October 25, Jeffrey Simpson says the same thing. I quote as follows:

> Only radical measures can turn the deficit problem around by the early 1990s.

These measures of tax increases in Bill C-80 are not only necessary but essential to the on-going process of fair tax reform and economic renewal in Canada.

I would like to refer to some even brighter aspects of what has been happening since the Government took power. We spoke of farmers today during Question Period. Interest rates paid by farmers have fallen significantly since the election last year. One year ago five-year mortgages given by the Farm Credit Corporation carried an interest rate of 14 per cent. Today the interest rate is eleven and seven-eighths. That is a drop of two and one-eighth percentage points and that is pretty significant. Some other good news deals with employment. Of course we hear this every day because it is such good news. Employment has risen by 2.7 per cent in Canada in the last year compared to 2 per cent in the United States of America. Our track record is much better and more positive than that of the United States. In September of this year 175,000 more women were working than in September 1984. That increases the confidence level in what the Government is doing.

In the energy and mining sector drilling activity is up significantly this year. Well completions in the first eight months of 1985 are up 19 per cent over last year's levels. I was in Saskatchewan in August. I went out to look at the effects of the drought. It is a tragic situation, but I also saw tremendous activity in drilling for new oil in the southern part of that province, particularly around the area of Macoun and Estevan.

In the 1980 election the Liberals promised cheap gas. Between 1980 and 1984 gas went up by $1.15 per gallon.

Mr. Epp (Thunder Bay-Nipigon): And it will go up some more now.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the deficit today exceeds total spending a decade ago and is three times greater than total spending was in 1967. That is difficult to imagine, but those are real numbers. In fact, the entire length and width of the Trans-Canada Highway could be paved with dollar bills adding up to the amount of the deficit of today. That is a lot of miles and a lot of wasted money. The cost of servicing the debt this year is equal to $1,024 per capita, compared to $174 a decade ago, or $63 in our Centennial year. Debt service costs account for one revenue dollar in three today. That is a lousy way to run a business, Mr. Speaker, and we must do more to manage our national affairs more effectively.

The list goes on. The successes we have had are absolutely outstanding, as I said earlier. The non-residential portion of construction is up by 12 per cent over last year. With regard to small businesses, 173,000 of Canada's small businesses are retailers. The value of retail trade climbed 10 per cent in the first seven months of 1985 compared to the same period last year. Mr. Speaker, the good list goes on. Although Bill C-80 is a Bill to increase Government revenue, when taken in its global budgetary context it is actually contributing to increasing the level of confidence that Canadians have in their Government to live more within its means so that others can share in the capital pool that I spoke of earlier more equally and fairly.

Mr. Epp (Thunder Bay-Nipigon): Mr. Speaker, I would like to offer comments on several aspects of the speech of the Hon. Member for Ottawa-Carleton (Mr. Turner). I am sure some questions will emanate from that to which he will want to respond. He has made a good deal of the fairness which the provisions of Bill C-80 which grow out of the Budget of last May represent in his opinion. He cites the Minister of State for Finance (Mrs. McDougall) to that effect. I do not see how provisions which are applied at the same level to purchases of various products can represent fair taxation when persons of greatly differing income levels are purchasing these goods. The amount that each person spends on these products might conceivably be the same, but the proportion of income spent by the various persons on the purchase of gasoline, confectionery, tobacco or alcohol would be very different. To the person earning $10,000 a particular amount may represent a very large proportion of his income while a person earning $200,000 hardly notices the effect of these purchases. It escapes me, Mr. Speaker, how that kind of tax provision can be fair. I suggest that this is not simply a matter of rhetoric with members of the Government wanting to uphold the fairness of the tax system and members of the Opposition wanting to criticize it. It is in fact directly related to the matter of economic performance in the country.

The Member suggests that all the indicators are good. Surely the unemployment rate in the country is not a good economic indicator. The deficit to which the Member has pointed is not a good indicator either and he has recognized that. He can point to interest rates as being satisfactory although, again, I do not understand what action the Government has taken to produce lower interest rates. Surely good sense in the American Federal Reserve Bank system has primarily been responsible for lower interest rates and those have had happy results.

How can the Member believe that these tax provisions represent fairness? How can he also assert, aside from Government rhetoric, that the economic indicators are satisfactory? The capitalists are unhappy about the deficit his Government is running and the unemployed people of the country are unhappy about the lack of jobs.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I appreciate the questions of my colleague. I want to answer with the following question: Was it fair that year after year since 1972 the federal Government lived beyond its means and accumulated an unbelievable national debt of $224 billion? Is it fair that one in three dollars in federal revenue goes to pay interest alone to service this accumulated national debt? Is that a good way to run a business or a fair way to have run a country since 1972 when we first went into a deficit situation?

• (1550)

The Member stated that the unemployment level was still unacceptable. I agree. However, let us give credit where it is due. In September, 1984, the unemployment rate was 11.6 per cent. In September, 1985, it was 10.1 per cent. That is a significant decrease in the over-all unemployment statistics.

The Hon. Member talked about people with low income who need a greater opportunity to increase their income. There are 300,000 more people working today. Does that not mean that they will be earning more income?

In the last 20 years we have lost 2 per cent of our world trade. Canada used to occupy 5.5 per cent of world trade but through bad economic policies of former successive Governments, our world trade is now approximately 3.5 per cent. If we are able to regain 1 per cent of world trade in the next three and a half years of this Government's mandate, we will create 400,000 new jobs in Canada. That is why we are looking to expanding our trade and regaining economic stability and growth. That is why we are looking at lower interest rates which will mean more investment in Canada by Canadians to develop their own businesses.

The list goes on. I do not understand how the Member can say that we are not headed in a positive economic direction.

Mr. Epp (Thunder Bay-Nipigon): Mr. Speaker, perhaps I could add a third area of comment and question, relating to the metaphor of a pool of capital to which the Hon. Member was alluding. He used that metaphor to make a point about the interest rates facing Canadians.

Metaphors can be very dangerous forms of expression. The Member raised a picture of a fixed amount of capital in the country. The Government takes a part of this capital but if it takes too much there will not be enough left for others. When he gives this metaphor he is creating quite the wrong impression. There is no such fixed amount of capital available to the bankers and financiers of this country. One need not believe in social credit to appreciate that the expansion of credit is carried out not just by the Department of Finance and the Bank of Canada, or to realize that when worthy projects can be carried out, whether public or private, the capital will be found and the credit will be extended so that the pool will grow, to use the Hon. Member's metaphor. It is not at all obvious that the Canadian Government's call on Canadians to buy savings bonds and other financial instruments has in any way driven up the interest rates in this country.

Therefore, I suggest that the Hon. Member's metaphor leads us astray. Moreover, I would suggest that if the Hon. Member wants to appreciate what constraints may exist in this area, he can look at the early 1940s when the Government of Canada was coming out of the Depression. It felt just the kind of constraints that he is talking about now. When the Government began meeting the challenges of the Second World War, it discovered that the constraints were not ones of finding money because Governments can easily find the necessary capital. The real constraints involved how rapidly one could invest that money and how rapidly one could expand productive facilities with the necessary equipment and so on.

When we have hundreds of thousands of people unemployed and ample productive facilities wanting work, it seems to me that the metaphor of the pool is totally wrong. I am sure the Hon. Member will have a comment about that.

The Acting Speaker (Mr. Charest): I am convinced that the Hon. Member for Ottawa-Carleton (Mr. Turner) will have a comment.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I am pleased that I have convinced somebody in the Chamber. Certainly the Hon. Member for Sherbrooke (Mr. Charest) is a man who is not easily convinced.

I believe the pool of capital is a good metaphor. I am not sure what the Hon. Member suggests we should do. Is he suggesting that we should print more money? We cannot simply start the press. One cannot simply run off paper money and distribute it to whoever wants it unless the country is wealthy enough to permit it.

Our approach is to change investment opportunities in this country for foreigners and Canadians. If Canadians invest in their country and keep that pool of capital here rather than investing in foreign countries, then the wealth of the nation will increase. The size of the pool to which I referred will increase. As the Government reduces its need to dip into that pool, more money will be available for businesses, individuals and domestic and foreign corporations. It will be easier and cheaper for them to compete for the same funds. That will keep the level of interest rates much lower in a domestic context.

The Acting Speaker (Mr. Charest): The period for questions and comments has now expired.

It has been brought to my attention that I referred to the Hon. Member for Thunder Bay-Nipigon (Mr. Epp) as being from Thunder Bay-Atikokan. I cannot understand how I could ever make that error, but it has been brought to my attention.

* * *

[*Translation*]

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Charest): I have the honour to inform the House that a message has been received from the Senate informing the House that the Senate have passed Bill C-73, an Act to validate certain ordinances of the Yukon Territory and the Northwest Territories, without amendment.

Excise Tax Act

EXCISE TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of the motion of Mrs. McDougall that Bill C-80, an Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof, be read a second time and referred to a legislative committee.

The Acting Speaker (Mr. Charest): Henceforth, there will be only ten-minute speeches, no questions or comments. The Hon. Member for Thunder Bay-Nipigon (Mr. Epp) has the floor.

[*English*]

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I suppose if you placed the Members for Thunder Bay-Nipigon and Thunder Bay-Atikokan (Mr. Angus) side by side the mystification may come to an end.

May I confirm, on a point of order, that we are permitted 10 minutes at this point?

The Acting Speaker (Mr. Charest): Yes.

Mr. Epp (Thunder Bay-Nipigon): I can only say that I regret that, but I am grateful that I spent some time in comments with the Member for Ottawa-Carleton (Mr. Turner) which allowed me to dispose of some items.

Even though the Government is a little over a year old and Parliament convened less than a year ago, one can already have moment of *déja vu*.

Bill C-80, an Act to amend the Excise Tax Act and the Excise Act, imposes increases as a result of the Budget of last May 23. There is an increase of 1 per cent in the rate of federal sales tax on various products, effective January 1, 1986. There are other changes as well. For example, there is the extension of the federal sales tax on a variety of products enjoyed by men, women, boys and girls across the country. They will face increased charges for such things as candy, confectionery, soft drinks, pet foods and certain health goods.

There is tax on energy conservation equipment from a Government that claimed to be concerned about this matter. It is imposing sales tax on energy conservation equipment soon after it ended programs that supported energy conservation in this country. On that point alone, surely we have evidence of how reactionary this Bill is. There is also an increase of 2 cents per litre on gasoline and aviation gasoline, diesel fuel and aviation fuel which came into effect on September 3. There will be an additional increase of 1 cent per litre on January 1, 1987. These tax increases go well into the future.

As I contemplate these increases I am reminded of the debate we had in the first weeks of this Session of Parliament. The Government had to consider the question of whether to go through with an increase in the sales tax which the previous Liberal Government had planned for October 1. It was surely very significant of what the Government would continue to do, that instead of cancelling that particular increase as it had given every indication it would do before its success in the election—it was very critical of that Liberal sales tax increase—it decided to proceed with that 1 per cent increase. The following May, in the Budget measures we are debating here, the Government decided to add to those increases in sales tax. We have in the last minutes been considering the fairness of all this. It is not simply a question of fairness, but a question of the economic wisdom of following this course in the fiscal and financial policy of the Government.

• (1600)

There is a deficit, which is very significant. Why do we have a deficit? This Government will answer first by saying that too much is being spent. The Government does not very often say that there is a deficit because not enough taxes are being raised in certain areas, although in the practice of the Budget and in the Bill, C-80 that we are debating today, there is a suggestion that the people of Canada, as far as sales and excise taxes are concerned, should pay more. There is a deficit then, at least in part, because the ordinary people who already bear and excessive burden of taxation need more burden laid on their shoulders.

What has not been considered at all is the distinct possibility that there is such a large deficit in our federal fiscal operations because the Government of Canada has increasingly slipped into allowing various kinds of activity, particularly on the side of capital investment, to escape taxation. This has resulted in the rich getting richer, succeeding more and more in concentrating their economic power while the poor keep paying more and more taxes. That comes from a Conservative Government which likes to think it speaks for ordinary Canadians, that it is anxious about them and wants to ensure that prosperity genuinely comes to Canada.

It is not simply a question of fairness as I have said. It is also a question of economic sense. When you decide that the largest part of the burden of taxation is going to be borne by individuals who have to pay the sales and excise taxes willy-nilly, whatever they may want to do, they face these charges when necessities need to be purchased. They are sneaky taxes because they are hidden charges. As a rule they are simply in the price and there is no way of knowing what they were originally unless you check the charts.

There is little opportunity to appreciate exactly how serious these charges are as they get worked into the cost of things and percentages are added to them in additional charges. It is a matter of economic stupidity to make individual Canadians the basis for the fiscal system in this way. These are exactly the people on whom we depend to ensure business is being done in our communities, that people come into the shops with money to spend and buy things. That purchasing power gets translated into demand to wholesalers, factories and employment throughout our industries. If we insist on using these means to add inexorably year by year to the burden individuals have to bear, then we will find, as we have found in the past decade and a half, that all the inducements we may provide in the way of our tax expenditure system, accelerated capital cost allow-

ances and so on, do not succeed in ensuring that there is enough investment taking place to give us anything like full employment. What it does, Mr. Speaker, is to make the rich far richer than they would be otherwise and to reduce more and more of the Canadian population to poverty. That was obvious by the beginning of this decade when the Department of Finance provided some evidence of the benefits that federal tax expenditures amount to for Canadians at various income levels. On the basis of the 1979 returns, Canadians who had incomes of $7,500 to $10,000, obviously very poor Canadians as far as the demands of life in our cities and towns are concerned, were receiving over $300. It was well under 5 per cent benefit as a percentage of income. But Canadians who had incomes of over $200,000 were receiving benefits that exceeded $50,000.

An individual Canadian in the existing system, which dates back to the early 1970s and which has been quite fundamental in creating the deficit situation we have, could receive in tax expenditure benefits more than the total income of five or six other Canadians. There is the rank unfairness of the system which the Liberals created through the 1970s and early 1980s and which to date the Conservatives have done absolutely nothing to change.

There is the ultimate foolishness, the economic stupidity, with what we are faced in Bill C-80. We want the Bill taken back. We want the Government to come to grips with the fact that tax expenditures may well be running at the $30 billion to $50 billion level, meaning that the deficit impact of these tax expenditures may be as much as $15 billion, almost 50 per cent more than the total deficit the Government is presently running. If that were the case, we would have the clearest of arguments for an actual reduction in taxation for invididuals. We would have an argument for reducing the sales tax, not increasing it. What would happen at the same time the Government came to grips with tax reform as it should and if the Government recognized as the Minister of Finance (Mr. Wilson) stated last November? Let me quote his statement:

> As we grapple with the technicalities, the subtleties and the complexities of our tax system, we must never lose sight of the citizens it is ultimately meant to serve. That is what our efforts are all about. The real bottom line is people.

I could not agree more with that Mr. Speaker, but where is the action that is required to operate on this statement?

● (1610)

[*Translation*]

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I am also proud and pleased to take part in this discussion.

In my view, Bill C-80 probably is since the Progressive Conservatives came to power the document that best depicts and defines the true faces of those men and women who are now at the helm.

This Bill enables us to understand how and where the Government team wants to lead this country over the coming years. Let me say first that we all admit and accept the fact that the national debt is tremendously large, that it requires and deserves particular intention, so that steps will be taken to eventually reduce that deficit.

On the other hand, we all admit that this country has had to go through an historically unprecedented period in every respect, and Canada did so in a way that is simply fantastic, and at the end of that crisis, steps had to be taken to restore and straighten out our public affairs. And today we are witnessing the impact, the spin-offs of measures that were put forward by the previous administration. We see the levels of job creation and inflation—

On the other hand, Hon. Members opposite suggest: "Listen, if interest rates went down, if inflation abated, if there is job creation, it is because of measures, of initiatives we have taken since we came to power on September 4." But this is my view is not the case, and it is certainly not where that improvement is concerned.

To me, the important thing today is to get into details, and see the true orientation which this Progressive Conservatives Government wants to impart to the country.

We now have before us Bill C-80, the basic aim of which is to collect taxes, to extort money from the smallest people possible, middle and small income earners, the have-nots, those who find it most hard to make ends meet under current condition.

In this context, they put forth Bill C-80 in order to pick money from small people's pockets, the purpose, of course, being to collect $15 billion or so.

In other words, middle and low-income taxpayers are being asked to bear the whole burden of our financial problems in Canada.

It would be both unacceptable and just as unbearable, but it would nevertheless keep up the pretence of some sort of justice if, at the same time and in the same breath, the Government told the wealthy, those with substantial means, that they must also make an effort and do their share to reduce the deficit.

However, that is not the point. The point is that, with Bill C-80, the Government is going to take millions of dollars away from the poor, from those with very low incomes, and give this money to multinationals, to individuals who can pay and who have made it through the recent crisis without any problem.

In this regard, I believe that it is important and relevant to list some of the initiatives which favour the wealthy in Canada. If I may, I would just like to mention the capital gains exemption with which the Government tells those who make profits in real estate or on the stock market: The next few years are going to be highly profitable years for all you Ladies and Gentlemen who are involved in big business. During the next few years, you will be allowed to claim as non-taxable income up to $500,000 in capital gains for Personal Income Tax purposes. It is assumed that you will re-invest that money

in the system. But what guarantee do we have that you are indeed going to do so? All Hon. Members are aware of course that the taxpayers who are going to benefit most from these generous provisions are not those who are living in poverty and who can hardly make ends meet. The taxpayers who will benefit most are those who are well-off, if not outright rich, and who could, without depriving themselves of the necessities of life, make a special effort to reduce the national debt. I feel this measure is quite unfair for all middle-income Canadians.

There is another matter which I find especially odious. We are dealing today with Bill C-80. Well, the same Minister, namely, the Minister of State (Finance) (Mrs. McDougall) introduced recently Bill C-79 to ask Canadians for $1 billion to compensate these honourable gentlemen and corporations who had invested in a bank at very favourable rates in excess of the $60,000 of normally fully insured deposits. The Government needed $1,000 million to reimburse these people all the money they had invested in these Western banks, capital and interests, and for that purpose the Government introduced Bill C-79, the legislation that was immediately followed by Bill C-80 we are now studying.

In the following Bill, Bill C-80, the Government is telling people who can hardly make ends meet: Ladies and gentlemen, you will have to play your part to help the Government meet its obligations. You will have to tighten your belt. You will have to do your share by paying a surtax or a higher tax so we can meet our obligations. This is happening right after another Bill to raise $1 billion to repay individuals and companies that, in many cases, will take the money and invest it outside Canada, in foreign countries where it will not do anything at all to spur the Canadian economy.

Well, Mr. Speaker, barely 14 months have elapsed and this Government is giving us today an opportunity to see how it is reacting to the vote of confidence and support it received from Canadian men and women last September 4. The Conservatives told the Canadian people that universality was a sacred trust, that it was here to stay, that ordinary Canadians would be protected and have the resources required to face the future with serenity. So here we are, hardly 14 months later, debating a Bill which to me is historically odious and altogether shameful, a measure through which the Government will take $15 billion from low and average income Canadians, $15 billion in taxes on products which in many cases are absolutely essential.

Of course we know that under Opposition pressure the Government caved in on the pension issue, as it did with respect to certain drugs for diabetics. But there is still a very large number of drugs which are taxed and which in many cases are essential medicine and this is the indisputable proof that the Government does not care a hoot about ordinary Canadians while it surely pampers our few thousand very rich Canadians.

At present, there is another very important political debate going on in Canada, the one dealing with the footwear industry and the Government will very soon have to reach a decision to protect 20,000 jobs, to protect the consumers, to create 6,000 new jobs but its decision is long overdue. We have every reason to believe that the decision which will soon be made public will be in favour of a few hundred importers who are already taking in prohibitive profits. Once again, a measure that will protect a few hundred rich individuals at the expense of thousands and millions of Canadians unable to cope with the real difficulties that they have to meet.

[*English*]

Mr. Stan J. Hovdebo (Prince Albert): Thank you, Mr. Speaker, for the opportunity to speak on Bill C-80. This piece of legislation implements some of the key elements in the May Budget, unfortunately some of the elements which the ordinary Canadian least likes to see implemented in that they mean an increase in the federal sales tax and the excise tax.

Although we have been talking about the Bill for several days, I remind the people of Canada and the House just exactly what we are talking about. The federal sales tax will be increased by 1 per cent as of January 1, 1986 if the Bill passes. Canadians would be interested in knowing what rate they will now be faced with as far as the new rates are concerned. For example, they will be paying 7 per cent on all construction materials, 7 per cent on cable and pay television services, 14 per cent on alcoholic beverages, 14 per cent on tobacco products, and 11 per cent on all other taxable items. It is very interesting to note that the whole process will cost Canadian consumers $990 million in 1986-87.

Today the Auditor General brought down his annual report. One item in it concerned something done by the Government on February 5, 1985 when it gave a remission to the Dome Petroleum company. This will cost Canadian taxpayers in the next 10 years something over $1 billion. Dome Petroleum will not have to pay taxes for the next 10 years which is going to cost us something over a billion dollars. That is considerably more than the total revenue from all these taxes. There was an alternative to this taxation. The Government had an option, to use the words of the Prime Minister (Mr. Mulroney). It did not have to pass that remission. It could have taken equity in Dome Petroleum so that at the end of 10 years we would have an equity of a billion dollars in that company, or it could have given it a loan. It had an option but it chose instead to give Dome Petroleum, the Hudson's Bay Oil and Gas Company, a billion dollars. This money is derived from increases in excise and sales taxes on the ordinary Canadian.

• (1620)

The federal sales tax is being expanded as well. Sales tax exemptions on candy, confectionery, soft drinks, pet foods and certain health foods and energy conservation equipment are repealed. All of those items, which have been non-taxable up until now, are going to be taxed. These are areas where the ordinary Canadian spends a little bit of money for his comfort or his recreation.

The excise taxes, which are direct taxes added on to the prices and not a percentage tax, not an *ad valorem* tax as the

sales tax is, are two cents per litre on gasoline and aviation fuel and two cents per litre on diesel fuel. That was applicable September 3 and effective January 1, 1987 we will have one cent per litre on gasoline and aviation fuel and one cent per litre on diesel fuel also added.

In their unsuccessful invasion of Prince Albert in the last federal election this Conservative Government, then in Opposition or then in an election process, promised the farmers of western Canada that it would reduce the price of fuel, give a rebate on the taxes being paid for the fuel that the farmers, as primary producers, used to produce much of the food of this country. With this one cent on January 1, the two cents on September 3 and the past increases in fuel over the last year, instead of a 20 cent reduction per gallon that the farmers were promised they have instead a 20 cent increase per gallon in the cost of fuel. That, Mr. Speaker, is having a real impact on the production of food in this country. There are many farmers that are close to the line as far as survival is concerned. They are not making very much profit and a couple of cents per gallon, when you use several thousands gallons of fuel, makes quite a bit of difference in the cost of their production.

It is very interesting to notice that compared to the increase in taxes for the ordinary Canadian and for the primary producer, we have in a publication by the Economic Council of Canada this kind of a statement and it is a very telling statement because it gives some kind of a comparison between the corporation tax and the tax on the individual. It reads:

If there were no inflation, Canadian industries would pay virtually no income tax.

The speaker here is Glenn P. Jenkins, a Harvard University Economist who has done some work for the Economic Council of Canada. He makes this statement, and I quote:

Mr. Crosbie: He worked for the Government—Assistant Deputy Minister of Taxation.

Mr. Hovdebo: He said:

The corporation income tax system has been made so generous that were it not for the spurious effects of inflation the effective corporate income tax rate would, on average, be close to zero.

We have the situation of a Government which has reduced by its very generous taxation process the taxes on corporations to zero and at the same time has added one cent on gasoline, two cents on gasoline, two cents on diesel fuel, 1 per cent on all the goods that we buy. When the Minister introduced this tax she was very careful to say that this is a fair tax. How fair is it? What is the definition of fair? In our tax system a definition of fair has always been taxes as a percentage of earnings. These taxes do everything but that. They are repressive taxes. The poorer the people, the larger proportion of their income they pay. If the tax on a bottle of pop is five cents or ten cents that is a much larger proportion of the income of one who earns $5,000 than of one who earns $45,000.

Mr. Speaker, what I wanted to do here was to present to this House and to the people of Canada the difference in the process of taxation that this Government is opposing. The poorer the people, the less income they have, the more they are going to feel the effects of this tax; and that is wrong. Therefore, it should not be a method of raising revenue for this Government at this time.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, it is not with any particular pleasure that I take part in this debate, because I believe that the Bill in question is a regressive measure that increases the tax burden of Canadians and does absolutely nothing to reduce the deficit. The Government's friends, the big corporations, are making a tremendous profit with the tax benefits they were given, while on the other hand, money is being taken out of the pockets of the average and low-income Canadian as a result of increasing taxes, including sales tax, the tax on fuel, and an increase in the tax on non-prescription drugs.

Bill C-80 before the House today is aimed specifically at taking money from Canadian consumers to try and balance the budget of a Government that has not hesitated, on occasion, to spend billions on banks or on administrative decisions in favour of large companies such as Olympia and York, which helped that company make a profit of $500 million.

[*English*]

The Bill before us, of course, adds immensely to the taxes of Canadian consumers who will have to pay these increases in excise taxes to the extent that the Bill, taken globally, will add some $2.4 billion over the years from now until 1990-91 to consumer taxes. At the same time corporations will enjoy a $2.2 billion decrease in taxes. Under the good Tory Government, the rich get richer. Those who have capital gains will be able to deduct $500,000 thus costing the federal Treasury $1.25 billion in lost revenue.

• (1630)

Mr. Crosbie: Are you a broken record?

Mr. Gauthier: I would ask the Minister of Justice (Mr. Crosbie) where the equity is in these arrangements. The Minister is part of the Government. Are his friends not receiving the benefit of the $500,000 capital gains tax exemption?

Mr. Foster: His friends are retractable.

Mr. Gauthier: The Hon. Member for Algoma (Mr. Foster) said that the Minister's friends are retractable. It could be that they are, but his comments are certainly retractable at times.

I would like to address this difficult and regressive legislation. The tax increase on motor fuels is something that will touch every consumer except those using diesel fuel in the generation of electricity. All others will have to pay, whether they be municipal Governments, commercial businessmen, fishermen, trappers, farmers, hunters or those involved in transportation services. The amazing thing about this is that the Government is now changing the rules. This tax will now be called an *ad valorem* tax. This *ad valorem* tax will encour-

age pollution because the tax itself is lower on leaded fuels than it is on unleaded fuels.

Yesterday when the Hon. Member for Davenport (Mr. Caccia) put a question to the Minister of the Environment (Mr. McMillan), he tried to bring it to the attention of the House that the Government is giving a subsidy, if I may use that word, to those who consume leaded gasoline while we are all trying to reduce acid rain and encourage the use of unleaded fuels. The *ad valorem* tax on fuels will be .32 cents per litre for regular leaded gasoline while it will be .35 cents per litre for unleaded gasoline. The tax is higher for unleaded gasoline. I wonder about the commitment of the Government to purifying the atmosphere, to creating a better environment and to reducing acid rain.

I would like to touch on a few other items of the Bill.

[*Translation*]

Mr. Speaker, we were surprised to find that regressive measures, which means a tax that applies to some and not to others, that is what the word regressive means, that these measures do not seem to stop our Tory friends from attacking the average consumer. They have increased the excise tax on gas, as I said earlier, but they have also increased the tax on alcoholic beverages, tobacco products, wine, and programming services provided by telecommunications. The sales tax has been raised, and that is a very big source of revenue for the Government, by levying taxes on a number of construction materials and certain prefabricated materials.

By levying taxes on equipment and building materials used for energy conservation, such as controlled combustion stoves, for instance, the Government is discouraging Canadian efforts at conserving energy, by taxing items that once could be bought without paying tax.

Taxes are being levied on candy, on soft drinks, on pet foods. People say: So what! It is only pets, after all. Well, some of those pets are dogs used by blind people, they can be very important for the every day life of those whose sight is impaired. And it is unfair in my view to impose an additional tax on those people. I find this absolutely unacceptable.

Taxes will be levied on non-patent drugs and the list is quite exhaustive as the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) has shown. I do not find it here but it is an exhaustive list, it goes from acne to hemorrhoids, Mr. Speaker. All sorts of drugs that are used daily by Canadians will be subject to an extra 10 per cent tax, in order to do what, Mr. Speaker? To pay for this Government's errors.

How do they dare come in this House and suggest, as I heard the Hon. Member for Ottawa-Carleton (Mr. Turner) state earlier: "You know, we are giving $1 out of every $3 to pay debt interests." Mr. Speaker, if the Government's argument is to reduce the deficit, this should not be done on the backs of medium and lower class consumers. Other steps should be taken.

I read today in the report submitted by The Canadian Council on Social Development that they consider the sales tax as regressive. I quote:

[*English*]

The Canadian Council on Social Development has estimated that the combination of increased sales, gasoline, alcohol, and tobacco taxes will result in tax hikes of $140 for a $15,000 annual income couple in 1990, $282 for a comparable couple with $20,000 income, and $361 for a $40,000 income couple.

[*Translation*]

Mr. Speaker, this therefore is a tax that applies regressively to middle-and low-income Canadians.

Mr. Speaker, I would like to go back to the question of people and the extra burden that this legislation appears to be imposing upon them.

[*English*]

Consumers will pay $2.6 billion more in sales tax by 1990-91 as a result of the changes contained in Bill C-80. At the same time, corporations will enjoy a decrease of $2.2 billion in tax and capital gains tax breaks alone. Where indeed is the equity in this Bill?

Because of higher fuel costs, hundreds of small and medium-sized construction companies will see costs rise. God knows that the increase in costs on inputs to construction companies will discourage the construction industry as it will find the costs harder to bear. When added to other budget measures such as the general tax increase, higher fuel costs, CMHC cuts and elimination of the Registered Home Ownership Plan, this becomes a heavy blow to the industry at a critical time when we need the construction of new homes.

I would like to go on to talk about the tourism industry and how the additional cost of motor fuels will have a negative impact on tourism. I see, however, that you are rising, Mr. Speaker, to cut me off because my 10 minutes are up. I regret that, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Gervais): It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Welland (Mr. Pietz)—St. Lawrence Seaway—Welland Canal blockage. (*b*) Request for extension of shipping season; the Hon. Member for Thunder Bay-Nipigon (Mr. Epp)—Co-operatives—Government response to task force report. (*b*) Request that co-ordinating agency be established; the Hon. Member for Winnipeg North (Mr. Orlikow)—Social Affairs—Increased role of voluntary organizations. (*b*) Request for Federal-Provincial discussions.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of the motion of Mrs. McDougall that Bill C-80, an Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof, be read the second time and referred to a legislative committee.

Hon. Herb Gray (Windsor West): Mr. Speaker, I am rising to oppose this Bill for a number of reasons. First, when we are talking about sales taxes, we are talking about taxes that are regressive and place a more severe burden on lower-income earners than on people with higher incomes. People with lower incomes spend a greater proportion of their incomes on the basic necessities of life including food, clothing, shelter and other things needed to carry out a daily existence. Therefore, when it comes to sales taxes, people with lower incomes are hit more severely by increases. This was confirmed by a recent study carried out and released by the National Anti-Poverty Organization. Regarding this study, an article in *The Globe and Mail* reads as follows:

> The study says that those estimates "make it clear that the poorest of Canadians will pay increases in federal sales and excise taxes at twice the rate paid by the most affluent families."

The article is quoting a study done by the National Anti-Poverty Organization. It is not a political group. It is not a supporter of any political party. It speaks objectively about the plight of lower income Canadians, the poorest Canadians, all across the country. Yet, when the Government decided to obtain more tax revenue, not for expanding programs to help lower income Canadians but to reduce the deficit, it decided to place an undue and unfair share of the burden in reducing that deficit not on the backs of well-to-do Canadians but on the backs of the poorest of Canadians through measures such as Bill C-80. As we know, the Budget increased and expanded federal sales taxes, according to the press report with respect to the study of the National Anti-Poverty Organization, "by raising the rate on such items as construction materials, alcohol, tobacco and extending coverage to such other items as candy, pet food, many health and personal care products and insulation materials". Is that not the height of insensitivity and lack of concern for the needs of lower income Canadians? Even the candy bought by children on the way home from school is to be hit by this additional sales tax.

● (1640)

Some Hon. Members: Shame.

Mr. Gray (Windsor West): Even the food for the pets of our children, the pets which provide comfort and companionship for older Canadians, for senior citizens, will be hit by this unfair and regressive Tory sales tax. Even the food for the seeing eye dogs, the companions and helpers of sightless Canadians, will be hit by this unfair and regressive Tory sales tax.

In addition to that move, by extending the base of the federal sales tax to all sorts of non-prescription medication, the Tories are imposing an unfair, heartless and cruel tax on the sick and on sickness. They originally intended to impose this tax on hypodermic needles which are absolutely essential for people with diabetes to take insulin, a product required to keep them alive. After a determined outcry the Tories backed down on imposing this sales tax on hypodermic needles used by diabetics for ingesting insulin. However, they maintained the tax on a whole range of other products which are equally or almost as important to maintaining the health of Canadians, particularly older Canadians. For millions of older Canadians a product such as aspirin is absolutely essential to contain the pain and swelling of arthritis. There is no substitute for it—certainly no substitute within the easy reach of millions of older, lower income Canadians and millions of Canadians generally. However, even aspirin used to reduce the pain and swelling of arthritis is subject to this unfair and regressive Tory tax on illness.

This heartless Conservative Government is creating problems for Canadians generally. They are being given headaches by these problems. I refer not just to the effects of having rancid tuna in the market-place, or the effects of being asked to pay the bill for the incompetence, poor management and poor judgment of Government in the mishandling of the bank fiasco, but to the general burden of this unfair and unduly burdensome federal Budget of which Bill C-80 is one part. These measures must be giving millions of Canadians millions of very severe headaches. One would think that this cruel, heartless and incompetent Government might at the very least exempt aspirin from the imposition of sales tax because the Conservatives should certainly be willing to provide some relief to Canadians from the headaches they are giving them as a result of their incompetent and heartless management. Instead, these headaches have to continue until the next election when Canadians will finally receive relief by voting out this incompetent, heartless and cruel Government.

In the meantime, we have to speak out strongly in the House and across the country against measures such as Bill C-80.

An Hon. Member: To pay your bills.

Mr. Gray (Windsor West): Mr. Speaker, the Tories in the back row keep saying: "To pay your bills." I say let us have the well-to-do and the multinational corporations pay those bills. Do not put that burden on millions of lower income Canadians. If that burden were fairly distributed we would not have had a report such as the one received from the National Anti-Poverty Organization which states:

> The sales- and excise-tax increases announced in the May budget "have a much greater impact on the bank teller than they do on the bank president,"—

That is what was said in a brief prepared for submission to the Minister of Finance (Mr. Wilson). If the Minister of Finances has not been able to find time to meet with the farmers, then I hope that he can at least find time to read the

brief prepared by this organization and react to it by withdrawing Bill C-80. If the Government is not willing to withdraw the Bill, then certainly we have to insist that there be a vote on it and that this Bill be defeated. If this Bill is not defeated then it will be another black mark added to the many already in the debit column when it comes to the very poor record of this Conservative Government. I say on behalf of middle and lower income Canadians: Let us vote to defeat this Bill. If it cannot be defeated, then let us remember that this heartless, cruel and incompetent Government has offered it and that it will pay the bill when we come to vote in the next election.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I anticipate that we will be having a vote on this Bill shortly. In fact, I thought all that had to be said with respect to it had already been said. Then it struck me, as my friend and colleague the Opposition House Leader rose, that there were two or three things that really ought to be tied together to clarify once and for all what is wrong with the way the Government approaches tax policy.

This is a Government which preaches fiscal restraint. This is a Government which told us it was going to manage the financial affairs of the country in a way previously unhead of. In fact, it may well have done that now that I think about it, but it was probably not exactly what it had in mind. This is a Government which told us that belt-tightening was the order of the day. This is the Government which said to the elderly that it would be desirable if they carried a share of the cost of tightening the nation's belt and subsequently withdrew what it was attempting to do, but only after great pressure. This is the Government which said to families: "You can no longer expect to have your family allowance indexed." This is the Government which told us that it was necessary for those in the upper income levels who previously had not paid any tax to pay their share and then it introduced a surtax on the tax payable. If anyone were to stop to look at it they would realize that a surtax on tax payable if one does not pay any tax means absolutely nothing. If one is in that upper income level which pays no taxes as a result of the loopholes left by the previous Liberal administration, and which have been left in place by this Government, then a surtax on the tax not paid will not result in any great hardship, certainly not to the person who does not pay the tax in the first place.

This is the same Government which said: "We could not find the money necessary to top up the unemployment insurance payments," of many who were finding their UI payments running out and who could not find employment and were therefore left in abeyance, left hung out to dry.

On the other side of the ledger, this is the Government which found something in the order of $3 billion to bail out certain banks in the country. It is the Government which found $1 billion to bail out Dome, which company should have been paying its share but was not required to pay it. Notwithstanding the financial problems facing the nation, this is the Government which was able to say to Olympia & York: "We do not need your nearly $1 billion in taxes, it is okay, you can keep it." This is the Government which speaks out of both sides of its mouth.

Some Hon. Members: Hear, hear!

Mr. Deans: I hear applause from the Government benches. This is the Government which, as a result of this piece of legislation, is inflicting upon those who can least afford it an even larger burden of taxation. On the one hand, the rich pay less and, on the other hand, the poor pay more. Those who can barely eke out a living are asked to contribute significantly more to the cost of running the Government and those who already have an adequate income are not asked to pay one penny more. Those who are not now paying will still not be paying. Those corporations which mismanaged their affairs over the course of the last 14 months are still benefiting from the largess of their Tory friends now in office. That is why this Bill is wrong. That is why these taxing provisions are wrong. This Government starts at the wrong end of the spectrum. Instead of beginning by creating some sense of fairness within the tax structure and making sure that those who have more than they need pay their fair share, the Government follows the lead of the previous Liberal administration and imposes on those who have the least an additional burden.

● (1650)

I say to you, Mr. Speaker, that that is why we in the New Democratic Party refuse to support this kind of legislation. I am not surprised that the Liberal Party has decided to oppose this Bill. I suspected all along that those who managed to survive the 1984 election were in fact more intelligent than the others. They probably opposed these measures when the then Government of the day, of which they were Members, introduced them. Those Hon. Members probably felt at the time when these tax give-away schemes and inadequate taxing provisions were being put in place that the Government was wrong but they could hardly raise their voices, being a part of that Government. I am therefore pleased that now that they are on this side of the House their consciences allow them to speak out and they can stand up for what they really believe and are now able to say that those things they supported over the years were wrong, that when they stood in their place and nodded assent to those inappropriate measures, they were wrong. I am glad they are joining with us now in opposing this terrible tax measure which is brought in by this inadequate Conservative Government.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I know that like all of us in this House, you are waiting for the other Chamber to call us in for the Royal Assent. In fact, there are so few Bills passed that we will be very happy to hear the Senate's call. Meanwhile, I see it as my duty to join my colleagues at this late hour in condemning this practice which we find again in Bill C-80, an Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof. I always like to demonstrate, for the informa-

tion of the people watching us, the scope of a Bill that affects Canadians in their daily lives.

As my colleague from Ottawa-Vanier (Mr. Gauthier) said earlier in his own speech, we must oppose this Bill, because we all know that if there is one thing that is expensive in this country, it is gas, and it is getting more expensive every day. We all know that this Bill authorizes a two-scent per litre increase in the price of gas, effective last September. The most insidious aspect of this Bill is that like the former Quebec Minister of Finance, Mr. Parizeau, who introduced Bills that, once passed, dealt with both present and future situations. We are voting today in the knowledge that on January 1, 1987, another additional cent will be added, in addition to the provincial taxes that will be added as well.

Which means that a lot of taxes are being levied on one of Canada's natural resources, and this is not going to benefit the producing provinces—

An Hon. Member: Or the consumers.

Mr. Prud'homme: Governments are making money out of the abundant primary resources of our country which are not getting any benefit out of it, because these are all federal and provincial taxes, and in the case of my own province which will soon be judging a Government that introduced what is referred to as the "*taxe ascenseur*", the escalating tax, which means that as soon as we increase here . . . and I would ask my hon. colleague from Ottawa-Vanier to stop me if I am mistaken, but in any case, this new federal tax will help provincial taxes, because in Quebec with its so-called escalating tax, as soon as another level of Government introduces a tax in a way as—

Mr. Gauthier: —insidious—

Mr. Prud'homme: —insidious, as my colleague said, in such an undercover way, without any legislation, they are just adding to what another level of Government is already levying on the people . . . they are just adding another tax.

As for the increase in taxes on alcoholic beverages and tobacco products, as far as tobacco products are concerned, I can announce officially, and I want to do this, because I know that if I do, I won't have as much trouble sticking to it, but I was smoking three packages of cigarettes a day, until my Whip told me about a month ago this was ridiculous, and I must say, Mr. Speaker, that since that time I can safely state, and I hope this will be an example for our young people, that, across my heart, I have not touched a cigarette for a month, and that is why a debate like this one this afternoon gets on my nerve.

Mr. Gauthier: You feel better, any way.

Mr. Prud'homme: And I feel better for it. I owe it to my whip who watches me constantly. However, it still remains that those who want to smoke can do so, as Canada is not a dictatorship yet, but at what price? It will cost even more now. As for those who want to drink . . . I really like what the Minister of Justice said recently in his advertisements: If you want to drink, do not drive. In fact, I remember that the one who said this for the first time was the then Minister of Justice, who later became Prime Minister of Canada, and who is now our distinguished Leader of the Opposition, the Right Hon. John Turner. When he was Minister of Justice, he said: If you drink, don't drive, and if you drive, don't drink. He also said: I have made my own choice and I do not drive. I really liked his honesty, and no, I am not speaking about myself.

Mr. Speaker, the new taxes that we are going to vote are once more taxes which people will not even remember even though they will be hit hard by them and will be placed in serious difficulties because of the Budget and these economic initiatives.

The Government wants to promote economic recovery, and I am trying to defend the point of view of the party in power by saying that the Government had promised jobs, jobs, jobs, but the situation is really bad in Quebec and Montreal East.

I hope that my friend, the soon to be Right Hon. Minister of Public Works, will be able to find someone to defend the interests of Montreal because, while he himself is now doing an honest job and acting very responsibly, there is a serious lack of concern on Montreal Island, and I can tell him that the people of Montreal, especially in the east, are beginning to feel the effects of the indifference of some of his colleagues who do not seem to be concerned about the problem and who prefer to boast, like the Minister of Employment and Immigration (Miss MacDonald), who says each time that the problems in Montreal are mentioned: "Oh, but you do not know how many jobs have been created." This is not what the people of Montreal East want to know.

All these new provisions that the Government wants to have adopted in this very substantial bill can be considered indirect taxes because, in certain cases, people will even forget their very existence.

There are people who want economic recovery . . . I see that my allotted time is coming to a close and I thank you, Mr. Speaker for informing me that I only have thirty seconds left, but I want to tell you, Mr. Speaker, that our party will be voting against this bill, that we are not about to agree to it today, tomorrow or later this week and that we shall fight against it as long as there is one of us left to do so.

• (1700)

[*English*]

Mr. Speaker: It being five o'clock p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

HOUSING

ADVISABILITY OF CREATING MINIMUM STANDARD FOR HOUSING

Mr. Dan Heap (Spadina) moved:

That, in the opinion of this House, the government should consider the feasibility of creating, in consultation with the provinces, municipalities and Indian organizations, a five year plan which will ensure that every Canadian can have decent, affordable housing under a national minimum standard of social housing.

He said: Mr. Speaker, I am very pleased to have this time to tell my understanding and my hopes about the housing that the people of Canada need and to hear the comments of others on the same subject. The resolution as correctly transmitted on the Order Paper unfortunately contains three minor typographical errors for which I only am responsible. I wish I had said "native housing" rather than "Indian", "according to a national minimum standard" rather than "under", and that I had deleted as redundant, the last three words "of social housing". In other words, I wish, Mr. Speaker, and I would ask unanimous consent if this might be so varied by the House. I wish it read: "That, in the opinion of this House, the Government should consider the feasibility of creating, in consultation with the provinces, municipalities and native organizations, a five-year plan which will ensure that every Canadian can have decent, affordable housing according to a national minimum standard".

Mr. Speaker: I am sure that the House is prepared to give unanimous consent to the Hon. Member for those changes. Is there consent?

Some Hon. Members: Agreed.

Mr. Speaker: There is consent.

Mr. Heap: I thank Hon. Members of the House for their consideration. Mr. Speaker, Canada is a rich land and Canadians are productive people. Yet, one-sixth of the people of Canada, according to a recent report, are living in poverty as it is understood in our country. One of the chief causes of this poverty is the lack of decent, affordable housing. The Government of Canada can lead the way to remedying that lack and, therefore, I shall propose a plan to ensure that every Canadian can have decent, affordable housing. After I have outlined my plan I shall explain my reason for it which arises from the failure of the privately run real estate and housing industry to meet this goal. Finally, I shall show why I believe my plan is financially workable.

The first principle of the plan is that housing for Canadians shall be decent and affordable. By "decent" I mean in accordance with the standards of CMHC for health and safety standards. That means it would include weather-tight shelter, no crowding, proper bathroom and kitchen facilities and modern heating and lighting. By "affordable" I mean it would cost the residents no more than one-quarter of their income for rent and utilities.

The second principle is that both publicly owned and privately owned rental housing shall be subject to rent control. Since a growing number of Canadians live in cities—about three-quarters of Canadians in fact live in cities—and the majority of those in multiple dwellings owned by absentee landlords, mainly the large corporations, tenants need a statutory basis for organizing in order to bargain on more equal terms with their landlords to attain reasonable accommodation and service for reasonable rent. Therefore, the federal Government, in the course of negotiating cost-sharing programs with the provincial and other jurisdictions, must ensure that the best use of federal moneys is made by negotiating for rent control and rent registry. Rent levels must be registered with Governments and the information available to tenants and prospective tenants. There must be no exceptions, either because of public ownership or because of rent level.

The third principle is that Canada must create a national home-building program. The federal Government must negotiate with the other jurisdictions, according to needs in each, to devise a program aimed at creating, in five years, the half a million units needed by the families and singles presently without decent, affordable housing. In order to control costs and ensure responsible maintenance this housing should be either co-operatively produced and owned or public produced and owned with as much management responsibility as possible assumed by the tenant associations.

The fourth principle is that existing substandard housing should, where practical, be rehabilitated with Government assistance. Tens of thousands of rental apartments in Canada's major cities need rehabilitation because federal tax benefits have encouraged builders to throw buildings together fast but not to do maintenance. Roofs and garages are leaking and plumbing, heating and elevator systems are breaking down. To allow the absentee owners 20 per cent or 25 per cent permanent rent hikes, as is proposed, in order to increase the owner's equity by rehabilitation, would, therefore, be compelling the tenants to pay once through rents and once again through taxes which would be a massive injustice. It would also depress the tenants' buying power for food, clothing and other necessities that Canadians earn a living by producing. Therefore, Governments must devise ways to assist tenants to buy their buildings for co-operative or non-profit ownership and that way to ensure a motivation for responsible maintenance and taking the buildings out of the inflationary market, somewhat in the manner of utilities like schools, roads, and public hospitals.

The fifth principle is that private homeowners must also receive aid to remedy the damage done to them by the same land, interest and tax squeeze that has made tenants poorer. Public loan funds must be established, or private loan funds within Government legislation, that will provide mortgages to homeowners at no more than 2 per cent above the rate of inflation. These would be solely for a family or person buying,

building or repairing a principal residence, not for use in revenue properties.

The sixth principle is that there should be annual targets and reports. The federal Government should, after negotiations, publish, jointly with the other jurisdictions, the outline of the five-year plan with annual targets. Parliament, other jurisdictions and the public—

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the Chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate Chamber.

• (1710)

And being returned:

Mr. Speaker: I have the honour to inform the House that when the House went up to the Senate Chamber, the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following Bills:

Bill C-60, an Act to authorize procurement of the dissolution of certain Crown corporations and to amend or repeal other Acts in consequence thereof—Chapter No. 41.

Bill C-71, an Act to amend the Customs Tariff—Chapter No. 42.

Bill C-69, an Act to amend the Canadian Institute for International Peace and Security Act and certain other Acts in relation thereto—Chapter No. 43.

Bill C-77, an Act amend the Criminal Code (pari-mutuel betting)—Chapter No. 44.

Bill C-72, an Act to amend the statute law relating to income tax and to make a related amendment to the Tax Court of Canada Act—Chapter No. 45.

Bill C-73, an Act to validate certain ordinances of the Yukon Territory and the Northwest Territories—Chapter No. 46.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

HOUSING

ADVISABILITY OF CREATING MINIMUM STANDARD FOR HOUSING

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

That, in the opinion of this House, the government should consider the feasibility of creating, in consultation with the provinces, municipalities and Indian organizations, a five year plan which will ensure that every Canadian can

have decent, affordable housing under a national minimum standard of social housing.

Mr. Heap: Mr. Speaker, I believe I had been speaking for approximately eight minutes and I was saying that the sixth principle of the program I am proposing is that there should be annual targets and reports. The federal Government shall, after negotiations, publish jointly with the other jurisdictions the outline of the five year plan with annual targets. Parliament and other jurisdictions and the public will be encouraged to debate this plan for possible amendment and adoption. Thereafter they shall jointly publish an annual report showing progress toward the targets, the numbers of men and women employed in construction, maintenance and management, relations with labour unions, and the growth of co-operatives and non-profit corporations.

• (1720)

As I have said, Mr. Speaker, the substandard housing produced in such large numbers by the present housing and real estate industry is itself, of course, not the main cause of poverty. The main cause is low income. However, substandard housing also contributes heavily to poverty.

I would like to give some examples of how bad housing deepens poverty, increases poverty and makes poverty harder to overcome. In the Northwest Territories, for example, according to a survey made a year ago as many as 11 people in some settlements were living in two bedroom bungalows with leaking roofs and faulty wiring, often sleeping in shifts to compensate for the fact that there were too few beds. There is an increase in family violence, assaults between spouses, in breakdowns of families and in high school drop-outs. There is a zero vacancy rate for rental units in Yellowknife. Waiting lists there contain up to 100 names for a single apartment when there is a vacancy. In other words, life is being damaged by bad housing.

In Toronto, a recent Metro Social Planning Council report said that the high cost of rental housing is leading to hunger, sickness and emotional trauma for many of Metro's most vulnerable and disadvantaged households. This is in Toronto where the vacancy rate in the city is .03, or three apartments or houses out of 1,000 for rent. The result is malnourishment of the children and neglect in families. There are more than 20,000 men, women and children waiting for subsidized housing in Metro. There are more than 4,900 families and 441 seniors on the waiting list for the Metro Toronto housing authority units. Children have been placed, of necessity, into foster homes only because their parents' homes were too crowded to help them. Yet this year, City Non-profit Housing and Metro Toronto Housing Company Limited could only build 300 new units each. We are not nearly keeping up with the need.

In Halifax, it is stated that the vacancy rate for rental housing in the Metro area has consistently been below 1 per cent since 1981. The average cost of a three-bedroom apartment is between $550 and $750, yet the poverty line of $20,000 would mean such a family should probably have only

about $410 to pay for rent. Four hundred and ten dollars could not possibly get a three-bedroom apartment, which a family of four very likely needs, depending on the age of the children. They have asked for assistance to build 1,000 social housing units this year because only 252 were constructed in the last five years. Again, the result has increased homelessness—families of four and five persons are living in one room—increased family breakdowns, and increased child abuse. Physical and mental health is being affected. There are unnecessary hospital admissions and food money is spent on shelter. There is frustration of human service workers, and this does not come only from the poverty itself and the lack of income of those people, it comes from the housing and the condition of that housing. The point is we have to arrive at the understanding that housing, like education and health service, is a necessity for Canadians to provide so that Canadian children can grow up as a healthy part of this country.

One more point in regard to the effect of housing itself on poverty, Mr. Speaker. Over one-sixth of Canadians were below the poverty line in 1984, that is, half of the single elderly and half of the singles under 25 years of age, but the gap between rich and poor also widened during the last four years. What this means is that every year there are more people who are in poverty, and those are nearly always the same people who are damaged by the substandard housing.

Let me now outline how the real estate and housing industry, helped by the federal Government, so misdirected and squandered the wealth and revenues of Canada over the last generation that many hundreds of thousands of house and apartments fall below the national standards of health and welfare.

First, the land. Land prices for housing have risen crazily since World War II in most cities, where three-quarters of Canada's people live. Prices often jump by 10 times over 10 years, five times faster than wages. The land sharks defend this price gouging as the natural, inexorable product of the impersonal market. But we know from experience that that argument is unparallelled, unmitigated, and self-serving balderdash. It is politicians in Government who help their friends in business by spending huge sums of taxpayers' money on roads, railroads, port and airport installations in a way so as to enable land owned by their friends to fetch a higher price. Tenants and homeowners must pay twice, once in their taxes and again in rent or mortgages because the Government will do nothing to set a ceiling on prices.

Look at Toronto's Dome Stadium, Mr. Speaker. The CNR, a Crown corporation, is giving $50 million worth of public land to private corporations so that they can skim a profit. They plan to build luxury office buildings around it, maybe luxury condominiums and a few luxury rental apartments, although the rental vacancies in Toronto are .03 per cent. Offices, which Toronto needs like the bubonic plague, are several hundred times higher in their vacancy rate. People are not renting offices but that is what the builders build. Many condominiums are going unsold. Why is the land not donated for low rental housing instead?

Second, interest rates. Since the federal Government 18 years ago lifted the ceiling off housing mortgages, the banks have increased the 2 per cent spread between what they pay for the money they invest and what they get for it. They have increased it to as much as 6 per cent, 8 per cent or 9 per cent, triple or more the take. No wonder no more than one Canadian in five can now really afford to start buying a house.

The federal Government, which enjoys restraining workers and small business, ought to begin by restraining the banks. Even if the Government cannot control inflation rates, it can and must stop the banks from pushing inflation higher through extortionist interest charges on mortgages.

For example, in August 1981, the Consumer Price Index was high enough—12.8 per cent—but the prime loan rate—

The Acting Speaker (Mr. Charest): Order, please. I regret to interrupt the Member. I would just like to call his attention to the fact that he has approximately one minute left. Perhaps he would like to wind up.

Mr. Heap: Mr. Speaker, I thought I had 12 minutes from the time we came back because I had eight minutes before.

The prime loan rate at chartered banks was 22.75 per cent, nearly 10 points higher than the inflation rate. The conduct of the banks helped bring down the last Government and is now helping to bring down this Government.

I am sorry on account of the interruption I will not be able to make all my points. I want to point out that the third reason for the unreasonably high cost of housing is that the taxes which the federal Government collected have been given disproportionately to developers over the last eight years, $1.5 billion on one program alone, namely, the Multiple Unit Residential Building programs. The money would have been better spent if it had been given to the co-operative and the non-profit corporations so that residents of those apartments, who have an interest in the maintenance and in creating a community, would be able to preserve the benefit of that investment. It has not happened in the way the fly-by-night developers have done it. I am asking that half a million houses be built by the Government over the next five years.

• (1730)

The Acting Speaker (Mr. Charest): I am sorry to call the Hon. Member for Spadina (Mr. Heap) to order, but the 20-minute period is now over.

Mr. Joe Price (Parliamentary Secretary to Minister of Labour): Mr. Speaker, by way of introduction, I should like to ask the Hon. Member where he stood when the "Clark" Government of 1979 introduced the mortgage interest deductibility feature and was partially defeated on it. I assure him that such a program was not designed for the rich. It was designed to make housing available to those people who were having difficulty finding suitable housing.

However, the Government welcomes the motion of the Hon. Member, for it raises some very important matters upon which we have acted during the past year. Of course I am referring

to the housing review and consultation process. This process involved and continues to involve the active participation of the provinces, representatives of municipal interests, natives and many other important players in the housing sector. Moreover, one of the key purposes of the process is to develop better ways of ensuring that Canadian in need have access to affordable, adequate and suitable shelter. Today, and in recent weeks and months in the House, the Hon. Member has raised some important questions about the consultations and about the directions of federal housing policies. On behalf of the Government, and in particular the Minister responsible for CMHC, I will take this opportunity to address some of those questions and to speak generally about the housing consultations and policy directions which are emerging.

A good place to begin is with the question as to why the housing consultation process was undertaken. The answer in large part was indicated in the economic statement of the Minister of Finance (Mr. Wilson) in November of last year. At that time the Government committed itself to renewing the strength of our economy. To do this, we pledged to put our own fiscal house in order and to get control of the deficit. We also set out to improve co-operation between the two main levels of Government and to get Canadians in general working again in pursuit of national goals. These objectives bear directly on housing.

When the new Government assumed office a year ago, federal housing expenditures were on the rise. There was a pressing need to get those expenditures under better control and to ensure that limited funds were expended efficiently and effectively. There was also a clear need to improve federal-provincial co-operation in housing. Housing is one of those areas in which both levels of Government have roles and some very important responsibilities. At times we had programs working at cross purposes, as well as duplication in programs and administrative overhead. This created confusion in the minds of the people the programs were supposed to help. It also increased the costs to both Governments and of course to Canadian taxpayers.

The housing actions of Governments also created problems for the housing industry. There was particular concern about the "on again-off again" programs initiated at both levels of Government. What the industry needed was reasonable stability and certainty in its operating environment. It wanted the federal and provincial Governments to commit themselves to a common approach, a common game plan. It wanted the federal and provincial Governments to consult, to co-operate and to co-ordinate their housing activities. All it was asking for was a stable housing environment within which to operate. It was certainly not an unreasonable request.

There is one further point about federal-provincial relations in housing which needs mentioning here. Over the last decade the federal Government has assumed on a national basis an increasingly larger share of social housing expenditures. In some provinces the federal Government has been bearing nearly all the costs of new activities.

Provinces must recognize their responsibility to act in partnership with the federal Government. This means that they must contribute their fair share to the costs of housing programs. The reasons I have just discussed for undertaking the housing review and consultations suggest the objectives toward which federal housing policies should strive.

In many speeches to housing groups in the last eight months to ten months, the Minister has outlined four objectives of the Government. One is to build a national consensus on appropriate objectives of federal housing policies and programs. Second is to design effective programs to meet those objectives. The third is to improve the relationship between the federal and provincial Governments in housing and remove needless duplication in the administration of programs. The fourth is to achieve a fairer balance on a national basis between federal and provincial housing expenditures. Considerable progress has been made toward achieving these objectives, thanks largely to the co-operative participation of the many housing interest groups as well as the provinces in the review and consultation process.

I will now outline some of the conclusions and directions which are emerging from this process. A consensus has been building around a number of objectives for federal housing policy. What Canadians have been telling us is that the paramount purpose of social housing programs should be to assist households that cannot afford decent shelter; that federal housing policy should aim to strengthen security for home owners and prospective home owners through steps to foster private market development of longer term, fixed interest rate mortgages; that the Government should ensure continued access to mortgage funds in all parts of the country; and that moderate-income households unable to afford home ownership should have opportunities for security of tenure.

The next question concerns programs to meet those objectives. In the case of social housing, it is generally accepted that there is a need for a mix of programs involving the construction or acquisition of housing, the provision of assistance to enable households to pay market rents, and the rehabilitation of substandard low-cost housing to bring it up to minimum standards. If the most cost effective solution is to be put in place, flexibility to apply these approaches in different proportions across the country is required.

In the consultations it was generally felt that the federal Government could take steps to help Canadians achieve the security they desire through home ownership. This assistance can be achieved by the federal Government working with the private sector to create an environment for the development of long-term, fixed rate mortgages. There is universal support among housing interest groups and the provinces for mortgage-backed securities, which will contribute to the develop of longer term, fixed rate mortgages. The Government has indicated that it intends to proceed with a mortgage-backed securities program.

There was also strong support for the need to ensure access to mortgage funds on an equal basis across the country. Not

surprisingly, there was considerable suppot for the continuation of public mortgage insurance.

Another objective around which a consensus has been building is what the Minister has called opportunities for security of tenure for moderate-income households unable to afford home ownership. The Government recognizes that the co-operative housing movement has made a significant contribution to housing in Canada, and that many moderate-income households look to co-operative housing as a way of achieving their housing aspirations. The Co-operative Housing Foundation has put forward an innovative proposal for financing co-operative housing, and the Government is continuing to consult very closely with it on the proposal which involves the use of index-linked mortgages.

● (1740)

I have talked briefly on the merging consensus on appropriate objectives of federal housing policy and on programs to meet those objectives. I want to move on now and talk about the federal-provincial discussions in housing. Last December federal and provincial housing Ministers met in Ottawa and agreed to work together in a new spirit of co-operation and to examine housing programs to ensure that they are effectively targeted to those in greatest need, and efficiently delivered. I might note here that, under the previous Government, the last multilateral meeting of federal-provincial housing Ministers was held in June, 1981, some four years ago; whereas this Government has participated in two such multilaterals in the space of eight months.

The second meeting of federal-provincial housing Ministers was held in Calgary in early July of this year. The Ministers reached an agreement on a number of matters including acceptance of a report on market housing, a declaration of unanimous support for mortgage-backed securities and agreement to a set of principles to govern future federal-provincial territorial activity in social housing. These developments have led some to worry that the federal Government might be removing itself from social housing and simply turning it over to the provinces. I can assure those that might think that is happening that the federal Government has no intention of reducing its commitment to social housing.

The discussions that have been ongoing between federal-provincial housing Ministers and officials have focused on ways of co-ordinating federal and provincial initiatives, of overcoming duplication between Governments and rebalancing, on a national basis, the relative expenditures of both levels of Government.

The set of principles on social housing agreed to at the July conference did include the principle the provinces may deliver social housing under conditions acceptable to both levels of Government. From the federal point of view, those conditions include assurances that federal housing objectives are met and that mechanisms are in place to ensure federal accountability.

There should be no doubt about federal objectives nor about the Government's commitment to ensuring that its objectioves are met. Regardless of what happens in program delivery, there will remain the need for the federal and provincial Governments to continue to work together and plan social housing strategy.

In addition to concerns about future federal-provincial roles in social housing, there have been charges from some who should know better that the review and consulation process has not been open and fair, that groups interested in housing have been excluded from the process. There is absolutely no truth to this. From the start, the Government was committed to an open process and welcomed, indeed encouraged, the participation of all interested parties. I think a look at the process that has been followed clearly demonstrates this fact.

In late January the Minister released a consultation paper on housing. It was intended to stimulate and focus discussions during the consultations. About 8,000 copies of that paper have been distributed to date. The response to it has been substantial. In fact, it has been overwhelming. The Minister has received over 300 briefs and letters from a wide range of interested parties including social policy and service organizations, local tenant associations and co-operative housing groups, native associations, business groups, representatives of municipal interests and many individual interested Canadians. Also included among the respondents were all of the major housing interest groups.

Following receipt of the briefs the Minister and myself began a series of personal meetings, most of which took place in March and April of this year. The purpose of these meetings was to clarify issues in the briefs and to discuss housing generally with the groups. These meetings have involved the participation of some 21 different groups. The participants included industry association, social housing groups, financial organizations and groups representing women, the poor, the elderly, the disabled and natives.

In all cases, though, regardless of whether meetings with interested parties took place, responses to briefs and to the many letters were provided. Over the summer the responses were closely analysed and it was then that the Minister turned to intensive consideration of the housing direction that the Government might pursue.

Furthermore, subsequent follow-up meetings have been held by the Minister's staff and senior CMHC officials with major interest groups. The purpose of these meetings has been to inform the groups about federal-provincial discussions, to respond further to proposals contained in their briefs, and to outline and discuss possible directions that we might take.

I want to tell the Hon. Member, because I know he has a special interest in native housing, that native groups are among those with whom the Government is closely consulting. The Minister has received a number of briefs and letters from native organizations across the country. He has met twice now with the Native Council of Canada and has extended an open invitation to the Assembly of First Nations. In addition, members of the Minister's staff and senior CMHC officials have met with the Metis groups and the Inuit groups of Canada, as well as with the NCC and the AFN. The views and

concerns of native groups are being taken into full account in the housing review.

The openness and co-operation that has been displayed in the consultations will not be lost. The Government intends to continue to rely on the co-operation of all those involved in the housing sector as we proceed to develop and put in place policies and programs that effectively and efficiently meet the housing needs of Canadians.

Mr. Speaker, in conclusion, the housing policies and programs that this Government will develop and implement will be widely accepted because they will have evolved out of the input of all interested Canadians. Those policies and programs will be the products of consultations promoted by a Government that listens and then acts.

[*Translation*]

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I am pleased to take the floor on such an important issue as housing, and I want to commend the New Democratic Party Member for introducing this motion.

Mr. Speaker, before dealing with the motion I would like to comment on the remarks of the Progressive Conservative Member who just spoke about consultation. Perhaps they are trying to make people believe that the Government is concerned about social housing and housing generally, but we have to remember that the President of the Treasury Board (Mr. de Cotret) tabled a document last November, and that the first step taken by this Government was in the sector of social housing where they slashed $9.6 million off the envelope for social housing, cooperatives, low rental units and nonprofit organizations.

There is another sector where the Progressive Conservative Government did not hesitate to wield the axe—$29.4 million cutbacks in the Residential Rehabilitation Assistance Program, RRAP for short.

Here is what the Progressive Conservative Government did with respect to two programs which had been very popular for a number of years because they were designed to improve housing in Canada: cutbacks of $29 million in RRAP, Mr. Speaker, and the people of Quebec had to bear the unfairness of those measures taken by the Government. Unfortunately all Quebec Conservative Members did not say a word about this.

Mr. Speaker, cutbacks amounted to $17 million in Quebec, as compared with only $2 million in Ontario.

• (1750)

As we recall, Mr. Speaker, this decision was made before the elections in Ontario and we know it was a political manoeuvre to try and save Mr. Miller's neck, but the people saw through this scheme and threw out Mr. Miller and the Ontario Conservative Party.

Mr. Speaker, in this field the previous Government always saw to it that funds were available to improve the quality of housing and create jobs. The funds available under RRAP were quite useful and even necessary in Quebec and the Maritimes, while Ontario and the western provinces were spending funds allocated under rental unit construction programs. That was the request. In view of the fact that Ontario and Western Provinces needed money for the construction of rental housing, while Quebec and the Maritimes needed less, the previous Government made sure that in terms of fairness and equity in the area of housing funds, Quebec and the Maritimes received extra money under the residential rehabilitation program.

Unfortunately, this Conservative Government last year, as I said, slashed $17 million from the residential rehabilitation programs and cuts were made in all the constituencies represented by Conservative Members. The only area where this could be saved is the City of Montreal, on Montreal Island, because there was quite a bunch of Liberal Members who knew about the issue and we had a Mayor who looked after it.

Mr. Speaker, in the area of rental housing construction, still before the election, the Province of Ontario received $22 million, the Province of Quebec, nothing; Manitoba, $4.9 million, the Province of Quebec, nothing. The Province of Saskatchewan, $1.9 million, the Province of Quebec, nothing for the construction of rental housing, in addition to having suffered a $17 million cut under the RRAP program.

I have clippings here, Mr. Speaker, which show that these are not just partisan comments from an Opposition Member trying to bicker at Government Members.

Mr. Speaker, the Mayors are opposing the decision, including the Mayor of East Angus. I have another here, the Saint-Colomban Home and other areas where the Mayors, the Regional Community of Bécancour oppose the decision made by the Conservative Government and the lack of action by the local MP to defend the interests of his constituency with regard to those cuts. The Regional Municipality of Arthabaska, Mr. Speaker, and this is in my press clipping, on the regional level. In the Bellechasse area, cuts in the RRAP program, Mr. Speaker; nearly 50 per cent of the former budget is slashed out.

Mr. Speaker, there are places, with the distribution that had been made for all municipalities, where there was a budget to restore one unit per municipality. That is stupid, but it is a fact.

Mr. Speaker, the Municipality of Rouyn-Noranda, and there are Conservative Members here, sitting before me. Mr. Speaker, I would be furious if my Party had done this to me. In Montreal, we looked after that, we provided protection. And there also, they allotted $81,000 instead of $140,000! The city of Sherbrooke, and I presume you know that area, and I have here a clipping from *La Tribune* of April 11, 1985: the City of Sherbrooke was frustrated at the cuts in the RRAP program, and, moreover, certainly the City of Sherbrooke was frustrated because it was run from Longueuil, Mr. Speaker.

As far as Windsor, Arthabasca and many other municipalities are concerned, I can tell you that all the cuts in the RRAP have affected ridings held by Conservative MPs from Quebec. I am aware that they were not very clever at the time and they could not even find the washrooms on their own, but I dare hope that they will wake up in the coming year and make sure Quebec gets its fair share, just as Liberal Members used to.

Mr. Speaker, these cuts have resulted in 4,600 fewer housing units, a loss of some $17 million which Quebec was supposed to get but did not, and a loss of 1,330 jobs in the construction industry. Now you know!

Mr. Speaker, the Conservative Member who took part in the debate—the Parliamentary Secretary to the Minister I think it was, but I am not sure—referred to the Government's famous consultations and Blue Paper. The Minister responsible for housing is a Minister in name only, for we know that it was the Deputy Prime Minister who was in charge of the study, and I demonstrated to you this afternoon that it was the Deputy Prime Minister who insisted that the social reasons behind the tax exemption on drugs no longer existed. What can you expect in the area of social housing from a Minister who is going to levy a 10 per cent tax?

After spending a great many years in the opposition claiming they knew all the answers. Conservative Members, many of them freshly baked greenhorns now sit on the Government side and do anything but ask questions. In Montreal, the Front d'action populaire en aménagement urbain has held a press conference. This organization includes technical resources and cooperative groups who are asking that the Government establish a Parliamentary committee to consider a reform or an improvement of our housing programs.

Mr. Speaker, the consultation now going on is only a sham. The people in Quebec have not even been able to meet the Minister. They had to be content with the fellow who carries his suitcase, the Parliamentary Secretary. In addition, this meeting could not even be held in French in Quebec. Yet, we all know that Quebec has always been to the forefront as far as housing, cooperative, rehabilitation and repair programs are concerned, that it has innovated in this field under governments of all parties, whether under the Liberals of Robert Bourassa, when I was Member of the National Assembly with my colleague, or under other administrations. Quebecers have always been innovators.

Yet, there is no Quebecer in the consultation group, no Quebecer to take part in the decision-making process. Quebec was ripped off by the Prime Minister when the RRAP and the social housing program were axed.

Mr. Speaker, if we really want to have an effective and healthy policy for housing, we have to stop using band-aid solutions. First, it is essential to hold a national conference and include all those involved in this field. For the moment, the Conservative Party is content to meet its friends who own multiple unit buildings. Of course, and I do not blame them, they want to make some money, but they forget that they have tenants. We should do what was done in the case of pension reform by Miss Bégin and Mr. Allen MacEachen, the former Minister of Finance, who organized a national conference to discuss the issue of pension reform with all the interested parties. As long as there are secret consultations, apparently by the Minister responsible for housing, but in fact by a task force led by the Deputy Prime Minister, the Government should say so and stop lying to people. The national conference on housing should include architects. They have a lot of impact on the cost of residential construction. The conference should also include young families who could suggest mechanisms to provide ownership opportunities to young couples who want to look forward to the future. Why is it that, as the Hon. Member seems to be trying to say, and I know what he means as I was Parliamentary Secretary for housing, and the Hon. Member has read the text prepared by the officials, will it be suggested that there be a 50 per cent cutback in social and cooperative housing and that this money be used instead for housing subsidies?

Mr. Speaker, if there is no rent control in a given province, a housing subsidy would simply mean that the landlord would increase the rent and the taxpayers' money would go directly into his own pockets. On the other hand, if the housing subsidy is given only to tenants, what will happen in all the rural areas where there are small homeowners who cannot make both ends meet?

Cooperatives therefore were essential and needed to house senior citizens who had low income, had worked all their lives and received small pensions, for they were not accepted in social housing units and did not have enough money to live in residences where rents are higher and geared to more affluent people. So they got together in housing cooperatives or nonprofit corporations which made it possible for all people with average income to find accommodation in homes for the elderly where they felt secure because these were new buildings offering protection and various facilities.

The federal-provincial link should also be discussed at those meetings, at this national conference. I happen to know that the Government of Quebec wants the Canadian Government to hand over all such funds so that the province might allocate them as it sees fit. I met with most Quebec groups responsible for cooperative housing and nonprofit organizations, and they all say no. I can tell you that some of them voted yes in the referendum, but in this case they say no, we need protection and the low rental housing sector in Quebec must be administered by the province.

In conclusion, Mr. Speaker, I would say it is imperative to debate the housing issue, and I dare hope that the Government will put an end to its pseudo-inquiry and set up a true national housing conference.

The Acting Speaker (Mr. Charest): I am very sorry to interrupt the Hon. Member for Montreal-Sainte-Marie (Mr.

Malépart), but the hour allotted for Private Members' Business has now expired.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

ST. LAWRENCE SEAWAY—WELLAND CANAL BLOCKAGE—REQUEST FOR EXTENSION OF SHIPPING SEASON

Mr. Allan Pietz (Welland): Mr. Speaker, the question I wish to address this evening is one I raised with the Minister of Transport (Mr. Mazankowski) in Question Period on October 21 having to do with the upgrading of the Welland Canal section of the St. Lawrence Seaway. The blow-out of Lock 7 on October 14 has served to focus attention on the need to look again at upgrading the canal facilities. We now know that the canal will be open on November 6. The St. Lawrence Seaway Authority is to be commended for the fast action taken in repairing the damage. Notwithstanding this, the matter of upgrading the canal is one which must be addressed.

The recent accident has affected all of the communities along the canal. Sailors have been laid off and industries, both local and across the country, have been affected. Detractors would have us believe that the canal has outgrown its usefulness. That is not true. According to statistics gathered by the Canadian Trade Commission, 26 per cent of Canadian goods are transported by truck; 32 per cent by rail; but fully 40 per cent of Canadian commodities are shipped by water. There is no indication that this will change. Water transportation is cheap, fast and efficient and it will continue to be that way if we maintain our waterways to international standards.

I would like to take a few moments to outline briefly some of the history of the canal. I think it is important for Hon. Members to realize what this engineering marvel has done for the country's development. When the first Welland Canal was completed in 1829 it provided the means to bring grain cheaply and quickly from the interior of the country to the St. Lawrence River and on to Europe. One forgets what an incredible achievement it was and is to have conquered the obstacle presented by Niagara Falls, making it possible to link the Canadian West along 2,200 miles of continuous inland waterways to the Atlantic Ocean.

Since 1829 the canal has been rebuilt four times. The first canal included 40 locks. Later this was reduced to 27 locks and still later to 26 locks.

At the turn of the century, a report of a Government-appointed commission which said that wheat, lumber, copper and iron from the upper lakes would pass through the canal in increasing amounts were it not for the fact that larger boats of the period could not go through the then existing canal resulted in the 20-year construction of the present waterway which was opened in 1932 and which became generally known as the fourth Welland Canal.

For this fourth canal a new route was chosen which would take ships across the Niagara Peninsula in virtually a direct north-south line of only 26 miles. The difference of 326.5 feet between the levels of Lake Ontario and Lake Erie was overcome by seven lift locks and one control lock. Three of the seven lift locks are twinned, thus allowing ship traffic to move in both directions simultaneously.

• (1805)

Improvements have been ongoing over the years. In anticipation of the opening of the St. Lawrence Seaway in 1959 the depth was increased to 27 feet. A sophisticated control centre was installed in 1966 and it is being updated this year. The most important improvement, however, was the $200 million Welland Canal bypass which was completed in 1973. The old nine-mile stretch of the Welland Canal which bisected the city of Welland and imposed a navigational problem for the new and larger ships was abandoned and replaced with a new bypass.

This project took seven years to complete, during which period I was mayor of the city of Welland. I am, therefore, very aware of the immense amount of work which went into this realignment project not only to the canal itself but to the railway and road systems which were taken under the new channel by means of tunnels.

The completion of the bypass channel allows lakers 730 feet long to travel through the Seaway locks. What a difference this is from the 100 by 20 foot vessels which used the first Welland Canal.

I hope through this brief historical outline I have illustrated how ongoing improvements to the Welland Canal have kept it up to world engineering standards. The Seaway's corporate plan, however, indicates that the Welland Canal will not be able to handle the increased demand which will be placed on it in the future in terms of both the number of ships using the canal and the larger size of ships which will be in use in the 21st century.

The corporate plan indicates that the capacity pressures will surface in about 15 years, around the year 2000. That is not a long time away, Mr. Speaker, for improvements to be planned. The recent accident at Lock 7 is currently holding up 107 ships in the Great Lakes system. The financial losses this is causing to the Seaway, shipping companies and suppliers are running at a very high level. I therefore suggest that the Seaway authority consider a program of upgrading the lock system at an early date.

A necessary part of this process would be a cost benefit analysis of proposals which have already been made. These proposals include three conceptual plans for lock improvements. One plan is a new system of superlocks in a new location which would lower the number of locks to three, as

well as widening them for larger vessels. The necessary land was purchased in the three communities at that end of the Seaway in 1975 but the project has since been placed on hold.

The second plan is the conventional twinning plan which would twin locks numbered 7, 3, 2 and 1 in the same manner as the flight locks 4, 5 and 6. Here again, the necessary land is in place.

The third proposal is the hybrid twinning plan which also calls for the existing locks to be twinned but with longer and wider locks to accomodate the larger ships of the future.

As these plans are already drawn up, and considering the importance of the canal to Canada's future economy, I would like to ask my question again, this time to the Parliamentary Secretary. In light of the recent accident and in light of the future demands which will be placed on the current facilities, will these proposals be given serious consideration with a view to implementing one of them in the near future as the Government looks at improving the Welland Canal?

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, given the importance attached to this waterway system, of course the Minister will give very serious consideration to the proposals put forward by the Hon. Member this evening and which have been reiterated by him on a number of occasions.

I would like to take the opportunity to briefly indicate to the House, first, that because of the uniqueness of the accident of the blow-out—the fact there was no history to rely on—congratulations are probably in order to the officials of the Seaway, the contractors, subcontractors and the men who actually worked on the site for the splendid and I feel very responsible and professional way they effected the repairs. Concrete will be poured into the blow-out hole commencing later today, if it has not already been done. We are indeed optimistic that the reopening date of November 6 not only will be met but will be exceeded. Hopefully we might have ships moving prior to that date. There are 107 ships in the system. We can move these at the rate of about 24 or 25 a day so it will take about a week to clear up the backlog and return the activities of the Canal to normal.

● (1810)

To address very briefly the contingency plans that have been put in place, the House will be aware that the Minister of Transport (Mr. Mazankowski) and the Minister responsible for the Canadian Wheat Board (Mr. Mayer) have made the offer and, indeed, grain will move assisted by CN which will locate and operate grain hopper cars east of Thunder Bay. The Government, in its wisdom, and to facilitate the movement of this product, will assist in the payment of any additional costs that are incurred. We are very pleased with the progress of the repairs. Those involved with them are to be congratulated.

With respect to the cause of the blow-out, I do not think we will know that with any certainty for some time to come. The detailed analysis will take quite a while. I thank the Hon. Member for his suggestions and reassure him that the Minister and the Government will take them seriously.

CO-OPERATIVES—GOVERNMENT RESPONSE TO TASK FORCE REPORT. (B) REQUEST THAT CO-ORDINATING AGENCY BE ESTABLISHED

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I appreciate the opportunity of saying something more this afternoon about the importance of co-operative development in Canada. Two weeks ago today I asked the Minister responsible for liaison with co-operatives (Mr. Mayer) about a Government response to the report of the National Task Force on Co-operative Development. I was not satisfied with his answer at the time, but I feel honoured today to have him in the House to respond further in the minutes that he has to this report. I really do look forward to him saying good things about what the Government plans to do.

In the minutes that lie before me, Mr. Speaker, I would like to say something about the importance of co-operatives and to underscore the importance of a substantial federal response. Mr. Ray Siemens, the President of the Co-operative Union of Canada, wrote to all Members of Parliament early this year sending along copies of *A Co-operative Development Strategy for Canada* which dates from May of 1984. He sent a memorandum with that, the second paragraph of which reads:

> The new government has indicated that its primary objective "is to put in to place a policy framework that will release the creative energies of Canadians to build a better future for themselves" and challenged Canadians to participate in wide-range consultations about this framework and the future direction of our country.

He goes on to indicate that people involved with co-operatives in Canada were very happy to have that invitation and joined in the consultation. I am aware that those discussions continue.

The report itself, *A Co-operative Development Strategy for Canada*, makes a number of points that I think help us to appreciate how very important co-operatives could be to achieving just what the Government set out in the fall of 1984 as its own objectives. On page 5 of the report it reads:

> Pairing the democratic responsiveness and economic efficiency that characterize co-operative business, we believe that co-ops can play a key role in Canada's national development. As serious as the new problems are that face Canada, they also open many opportunities for new development. We have identified four such areas where co-ops can make a difference. Worker-owned co-operative businesses offer a direct means of meeting the often desperate need of many Canadians for jobs and a sense of control in their lives. The rapidly increasing costs of health care systems are straining government finances; co-operative health care delivery systems provide an attractive and affordable solution. Fisheries co-ops are an overlooked, yet critical part of the solution to problems facing the fishing industry. And in meeting the demand for affordable housing in this country, the co-operative model has proven to be a successful alternative and could be expanded to the benefit of many Canadians.

● (1815)

The report focuses on these four areas. In scanning the 32 recommendations which this task force arrived at last year for developing co-operatives in Canada, I will note those that deal specifically with matters that the federal Government could support.

Therefore, in connection with worker co-operatives, I note that Recommendation No. 12 focuses the importance of a support system which could provide the encouragement that workers need to develop co-operative policies for control of their industry. In fact, I might point to Canadian Porcelain in Hamilton as an example of such a development being undertaken or approached last spring. I do not believe it would be unfair to the Government to express regret that the Department of Regional Industrial Expansion did not ensure that that project moved ahead.

A support system established under this recommendation and, as Recommendation No. 13 says explicitly, the endorsement of the federal Government having been given to such possibility, we would see worker co-operatives as one of the means by which individual Canadian workers in their communities and work-places could have a larger role in the direction of their work-place and could actually see a return in the gains in which they participate.

Recommendations Nos. 15 and 16 deal with the matter of health care, specifically the possibility of health co-operatives. In both cases, they call for federal Government participation. It is suggested that it would be very useful to have a substantial conference to explore this, since these possibilities have in fact been demonstrated by community clinics. It would be useful to have such a conference, with the Federal Government playing its part in funding it. It would also be useful, as Recommendation No. 16 suggests, to establish a development assistance group in this area. Again, the federal Government could play a very useful part.

There is the question of housing and the importance of co-operative housing in this country. Recommendation No. 23 suggests that that be continued. I understand that the federal Government appreciates the importance of this sector. I realize that another Minister is responsible for housing and I am very pleased to hear that progress is being made.

The fourth area that this task force singled out concerns the matter of fisheries co-operatives. There are a number of recommendations that help us to appreciate more of the challenge that faces the Minister, who is here this afternoon, and the federal Government. It is important that co-operatives receive similar financial treatment as the conventional capitalistic enterprises with which we are familiar. Surely worker co-operatives should not be discriminated against simply because they are co-operatives.

There is the matter of the establishment of a central division in the Department of Fisheries and Oceans and the importance of technical resource groups.

Although I may have started a minute or two late, Mr. Speaker, may I conclude by suggesting that with respect to Government support generally, it is important that the federal Government take up the recommendations, specifically Recommendations Nos. 30, 31 and 32. I look forward to hearing the Minister talk about the progress he is making in finding personnel and establishing exactly how the federal Government plans to move ahead in providing a response to this matter. He has already indicated that he fully appreciates its importance.

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, first I want to thank the Hon. Member for the way he co-operated with my office in arranging this time so I could be here to respond this evening. Second, I want to thank him for being the first person to ask me a question in the House of Commons about this very important sector. It is a sector that accounts for approximately $15 billion in sales and it employs 70,000 people. Approximately one out of every four Canadians belongs to a co-operative organization of some form.

In the time I have available, I want to cover two areas. The Hon. Member will know that we made some specific progress in the area of employment co-operatives. The Minister responsible for CMHC is also very aware of the potential and in fact has paid more attention to co-op housing, as far as allocations are concerned, than has previously been the case with other Governments.

● (1820)

We are very much aware of the specific concerns with regard to finance in the Minister of State's financial paper. We are also aware of the potential in co-op to co-op international trading for expanding our ability to export outside the country. The Department of Agriculture, which has most of the support staff with which the Government presently works with co-operatives, had a trade mission to Japan last fall for that same purpose.

We are also aware of the potential in health care and in fisheries. We could go on and on. There is potential in the co-op sector in this country to expand and deliver programs effectively and as efficiently as any other sector. We certainly do not want to do anything but encourage that sector to continue.

Those are the specifics, Mr. Speaker. Now to a larger more general question. The Hon. Member for Thunder Bay-Nipigon (Mr. Epp) has the report and he is obviously very familiar with it. He will know that Recommendation 30 talks about a small secretariat within government that could be used to support the co-op sector. That is the one with which we want to take the most care and be the most diligent about because it is the one that will provide ongoing support for the co-op sector.

I think it is very important that we put something in place with which the co-op sector feels comfortable and with which it can work. It is something that is not going to take over and expand as a bureaucracy or attempt to direct the co-op sector in the direction it would see it go. That is the area in which we want to take the most care, and I have been in very close contact with the co-op sector on it, including all the people connected with the executive of the CUC. We are close to being able to announce two names. These people will be on a contract basis to help us draft a response to the specific recommendations. When co-op people come to Ottawa and to

the federal Government we want them to find a co-ordinated approach, one that can carry their concerns after they leave town.

As a first example the first ever meeting of Ministers responsible for co-ops was held in Regina two weeks ago. I think it was a very successful meeting in that the people who were there were very pleased about having the opportunity to attend. For the Hon. Member's information, we announced then that we will be meeting again in February in Ottawa, specifically to come with recommendations and thoughts about how to use the employment co-op idea to expand the number of people who are working.

I thank the Hon. Member for his question and I thank him for giving me a chance to expand a little bit on the attitude and on some of the things we are doing as far as this important part of our society is concerned, both on the economic and the social side of it.

SOCIAL AFFAIRS—INCREASED ROLE OF VOLUNTARY ORGANIZATIONS. (B) REQUEST FOR FEDERAL-PROVINCIAL DISCUSSIONS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, last week I directed several questions to the Minister of Finance (Mr. Wilson). I pointed out that an increasing number of people were finding it necessary to depend on voluntary agencies for food baskets, for meals and for clothing. I asked the Minister whether it was not time to discuss with his counterparts in the provinces what was wrong with the social security system established over the years since the end of World War II; why so many people seem to be falling through the cracks in the system and why so many people are having to depend on charity. I urged the Minister to work with the provincial Ministers to improve and expand the Government programs so that people would not have to depend on charity.

In the last 40 years, since the end of World War II, we have developed a whole host of programs which we thought would meet the needs of Canadians; for example, the unemployment insurance program, the pension programs, the medical and hospital insurance plans and the provincial social welfare programs, funded in part by the federal Government. Most Canadians believed that we established a system which would meet the needs of Canadians.

● (1825)

As unemployment has grown in recent years, and we have seen the number of unemployed people increase to 1.5 million or over 10 per cent, we have witnessed a growth in the voluntary effort. Last week it was brought to the attention of the people of Canada and to Members of Parliament by the National Council of Welfare that over four million Canadians now live in poverty, or 17.8 per cent of the population, and that the number of low-income children under the age of 16 years has risen steadily each year from 1980 onward, so that we now have 1.2 million children living in poverty, or one child in five is poor. I could continue with those figures. The situation is unacceptable to me and should be to all Canadians.

We have seen in every city, town and village in every province from the Atlantic to the Pacific tremendous growth in the number of voluntary church, native and community groups which have established food banks so that people can obtain the food baskets, the meals or the second-hand clothing which they need. We know that in many cities some children get their first meal of the day at noon at the school they attend, and that some can only attend school after being given used clothing obtained at one of these voluntary centres. I believe Canadians in need should not have to depend upon charity. I give a great deal of credit to them and respect the efforts of voluntary organizations, but I believe the needs of Canadians should be met by government programs, provided as a right.

I call upon the Minister of National Health and Welfare (Mr. Epp) to work with provincial Ministers to upgrade and expand our existing assistance programs which are partially funded by the federal Government through the Canada Assistance Plan, so that those in want will again have their needs met by government programs, to which I believe they are entitled, and that the generous efforts of the voluntary groups can be cut back as they become less necessary.

I call the attention of the Government to the recent study conducted by the National Anti-Poverty Organization in which it was pointed out that the increase in the sales and excise taxes included in the May Budget had very adverse effects upon the poorest of Canadians. It pointed out that these taxes would cost each Canadian family several hundred dollars a year, and that the poor, or those with incomes of less than $10,000 per year, would pay twice as high a percentage of their income as wealthy Canadians with incomes of $50,00 or more. NAPO has proposed that the Minister of Finance establish a refundable federal sales and excise tax credit for those in low-income brackets. I urge the Minister of Finance to give careful and sympathetic consideration to that proposal of the National Anti-Poverty Organization.

[*Translation*]

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I welcome this opportunity to respond to the concerns of the Hon. Member—concerns which certainly are and ought to be those of all the Members of this House—regarding the number of Canadians living in poverty, and also to point out to the Hon. Member what is being done by this Government to combat poverty, without, of course, overlooking the increasingly important role played by charitable organizations.

We want to combat poverty in two ways. First of all, we want to take the direct approach by providing increased employment opportunities. Second, we are taking steps to improve financial support for those who are most in need.

We realize that Canadians want to work. During our first year in Government, 304,000 jobs were created. We have set up a number of projects aimed at improving opportunities for employment. For instance, the Canadian Jobs Strategy announced by Miss MacDonald was set up after consultations

with Canadians. Certain elements of this strategy are specifically aimed at improving the employment potential of certain Canadians whose chances of entering the labour market would otherwise be very slim.

● (1830)

[*English*]

In addition, the federal Government has recently reached an agreement with the provinces and the Territories to increase labour market opportunities for social assistance recipients. This agreement will make support under the Canada Assistance Plan and the Canadian Jobs Strategy more flexible while helping welfare recipients to develop skills and experience to assist themselves.

During our first year in office we have also been combatting poverty through initiatives to provide more financial assistance to those who are most in need. For example, by extending the Spouse's Allowance Program the Government has increased the income security of an estimated 85,000 widows and widowers aged 60 to 64, the majority being widows.

[*Translation*]

As a more direct response to the concerns of poor families with children, the Government, Mr. Speaker, has consulted with Canadians and produced a series of changes in child benefits, in its May Budget. These changes will provide increased benefits for families who are least well-off, including low-income families, by raising the ceiling of the child tax credit to $524 per child over the next few years.

We are also taking other steps to upgrade income and job securities, and I am thinking of the employment equity legislation.

Mr. Speaker, generally speaking, the measures taken by the Government to provide for economic renewal and recovery, job creation and reform of social programs, clearly demonstrate our concern and our commitment to fighting poverty in Canada. By improving our economy and our general economic productivity, we will be able to provide all Canadians with a more secure future in which they will have a better chance of making a decent living.

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.32 p.m.

HOUSE OF COMMONS

Wednesday, October 30, 1985

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 22

[*English*]

AGRICULTURE

CANADIAN FEDERATION OF AGRICULTURE'S REPRESENTATIONS

Mr. Maurice Foster (Algoma): Mr. Speaker, yesterday and today the Canadian Federation of Agriculture has been visiting Members of Parliament on Parliament Hill. It has presented a brief to the Prime Minister (Mr. Mulroney), to Ministers and to MPs entitled "Call for Commitment" to Canadian agriculture by the Government of Canada and the Parliament of Canada.

Canadian agriculture is facing the worst economic crisis since the 1930s. Farmers are tired of the soothing, empty words of the Minister of Agriculture (Mr. Wise). They want action.

The Canadian Federation of Agriculture is calling for farm credit with interest rates at 10 per cent to save the family farm, and for farmer-creditor arrangements legislation as promised by the Minister of Agriculture in July. They are calling for a commitment that our marketing systems will not be bargained away in the Canada-U.S. free trade negotiations. They want expanded research in agriculture, not a $50 million cut in the budget of the Department of Agriculture. They want an emergency relief program for farm disasters like the drought in western Canada this year.

The soothing, empty words of the Minister of Agriculture are not enough. There must be an enhanced commitment to agriculture from the Government. There must be action now if we are to save this industry which is so vital to Canada.

* * *

CANADIAN ARMED FORCES

RECRUITMENT ADVERTISEMENTS DEPICTING WOMEN IN TRAINING

Mr. Derek Blackburn (Brant): Mr. Speaker, I rise to pay tribute to the Minister of National Defence (Mr. Nielsen) for allowing women to take up combat roles in the Armed Forces.

Perhaps you missed the announcement, since it was hidden in a TV commercial, but there is no disputing that Armed Forces recruiting ads now show women tackling an obstacle course and deploying from helicopters in full gear.

I am proud that women are being given the opportunity to serve their country to the best of their ability. I am also proud of the Minister for stating that it is ability, not sex, that decides the role of a member of the Forces.

I was just as proud of the men portrayed in these commercials. They were obviously well disciplined and concerned with the task at hand. They were not leering at their colleagues, or wondering what colour underwear they had on, or worrying if they might be homosexual. The Minister knows that the Armed Forces are not so undisciplined that they have to be protected from what some think is the subversive influence of women in dark underwear.

The Minister is to be congratulated for defending the reputation and integrity of the Armed Forces. But not everyone seems to have gotten the message. Maybe it should be repeated. The Minister should state in his White Paper that the Armed Forces have enough discipline to be an equal opportunity employer. Otherwise Canadians might get the impression that there really is "no life like" the one portrayed in these ads.

* * *

CHARTER OF RIGHTS

DEFINITION OF DISCRIMINATION—TRADITIONAL CANADIAN VALUES

Mr. John Reimer (Kitchener): Mr. Speaker, the Government cannot respond to the recommendations tabled by the Parliamentary Committee on Equality Rights in its report *Equality for All* without first defining certain well worn but often misunderstood terms and concepts, one of which is the word "discriminate".

The word "discriminate" is inherently neutral; it is synonymous with words such as "distinguish", "differentiate", "discern", or "judge".

As such, it may be used in a positive sense to denote the practice of good judgment or, conversely, it may be used in a negative sense to denote the practice of bad judgment.

One's decision as to whether the act of discrimination is either a positive or a negative exercise is entirely contingent upon one's value system.

The value system from which I operate will not tolerate negative discrimination based upon race, national or ethnic origin, colour, religion, sex, age, mental or physical disability, or socio-economic status.

However, the same value system compels me to urge the Government to exercise good judgment and reject the Report's recommendations 10 to 14 inclusive, pertaining to sexual orientation.

It is imperative that the Government affirm its commitment to traditional Canadian values concerning the created uniqueness of male and female and their inter-relationship, particularly within the context of the family unit.

* * *

[*Translation*]

THE ECONOMY

PERSPECTIVES FOR THE FUTURE IN CANADA

Mr. Marcel R. Tremblay (Quebec East): Mr. Speaker, I would like to take this opportunity to address the subject of the Canadian economy. This Government has reason to be proud of the situation in Canada. In its 22nd annual review, the Economic Council of Canada says that Canadians may be optimistic about the economic outlook for this country.

According to David Slater, ECC chairman, projections for the next five years have not been as encouraging as this in a long time. Mr. Slater added that the new Conservative Government deserved the credit for increasing investor confidence. The favourable economic outlook should continue until the middle of the 90's. Here are some of the details contained in the review.

The gross national product is expected to increase by an average of 3.5 per cent over the next ten years. In the review, it is recommended that Canada engage in a process of trade liberalization by means of negotiations with the United States and multilateral negotiations within the framework of GATT. Unemployment is expected to drop from 10.1 to 8.1 per cent in 1990, and to 7.6 per cent between 1991 and 1995.

Inflation is now staying around 4 per cent per year, and should remain relatively stable until 1990. It might drop to less than 4 per cent between now and the year 2000. Mr. Speaker, the Progressive Conservative Government has shown what it can do.

* * *

[*English*]

RESEARCH AND DEVELOPMENT

SIZE OF GOVERNMENT FUNDING

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, research and development are absolutely essential to the future social and economic growth of our country. If Canada is to compete successfully with other advanced nations in the information age and retain anywhere near the present standard of living for its citizens, the federal Government must increase significantly its support to research and development.

[*Translation*]

The Social Sciences and Humanities Research Council of Canada has $2 million less in its budget this year than last year, and cannot even complete current projects. What we must have now is a major financial commitment on the part of the Government. We cannot accept that the Government should continue to break its election promise, a commitment to allocate 2.5 per cent of GNP to research and development.

● (1410)

[*English*]

The federal Government must, as a first step, approve the proposed five year plans of the Natural Sciences and Engineering Research Council and of the Social Sciences and Humanities Research Council. It is also incumbent on the federal Government to fund the three granting councils at the levels indicated in their plans, and to commit itself to fund the councils adequately in the medium and long term.

* * *

HEALTH

DIOXINS IN RAINY RIVER FISH

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, carcinogenic dioxins have been found in fish from the Rainy River system. As a result of this discovery by the Environmental Protection Agency of the United States, the Ontario Government has suggested that people refrain from eating excessive amounts of fish, while the Minnesota State Department has recommended that no fish be eaten from this international waterway until a larger sample of 175 fish have been given more intensive analysis.

It has not yet been determined what the exact source of this pollution is, but a number of facts remain clear, and a number of questions beg to be answered. If this chemical is, in fact, dispersed throughout a wide area in the river system, the public health and local economy of an entire region of northwestern Ontario will be jeopardized, including an active and progressive tourist industry and the Rainy River Indian Band commercial and subsistance fishery.

It is said that 1 kilogram of polychlorinated dibenzodioxins would render the water of Lake Ontario unfit for human consumption.

I wrote to the former Minister of the Environment on May 24 of this year expressing concern about industrial pollution in my riding. Her response two months later ignored my suggestion and my invitation to her to visit the area in question.

Now, Mr. Speaker, I must again call upon the Minister of the Environment (Mr. McMillan) and the federal Government to act as a watchdog for environmental pollution. The stakes are a lot higher now for the people of the Rainy River district.

SMALL BUSINESS

AGREEMENT ON REDUCTION OF BUREAUCRATIC RED TAPE

Mr. Jim Jepson (London East): Mr. Speaker, profits based on a business's level of productivity should be the guiding rule of business activity in the market-place. Because of a discouraging taxation and regulatory environment, productivity has not been providing commensurate profits for entrepreneurs and risk takers. At the same time, too many businesses show profits that have nothing to do with productivity. Just to break even, today's entrepreneurs have to be more concerned with making the most of Government programs and subsidies, tax exemptions and credits, and legal and accounting contortions, than with giving a better deal than the competition.

In the future, things will be different. I would like to congratulate the Minister of State (Small Businesses (Mr. Bissonnette)) on a recent agreement he signed with provincial and territorial business Ministers. This agreement commits the signatories to efforts aimed at reducing regulation, paper burden, and red tape for small businesses. When specific measures resulting from these efforts are combined with the proposal of the Minister of Finance (Mr. Wilson), announced in the Budget, to lower corporate tax rates by eliminating certain tax expenditures, we will have a small business environment that can respond with versatility and speed to signals in the market-place. All I can say is that it is about time, Mr. Speaker.

* * *

ENERGY

INCREASED DEVELOPMENT INVESTMENT DUE TO WESTERN AND ATLANTIC ACCORDS

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, the initiatives put forward by our Government with respect to the oil industry are continuing to pay dividends for the Canadian economy. Investments are up in the energy sector as a direct result of our determination to make the system work. We signed the Atlantic and Western Accords. We have replaced the Foreign Investment Review Agency with Investment Canada, and we have made investors aware of the new attitude in Ottawa.

Recently, Mr. Speaker, Mr. John Maher of Polaris Petroleum told a St. John's audience that the Western and Atlantic Accords were sound policy to which the industry was responding in an overwhelming way. He went on to state some statistics, which I would like to share with you. As of June, 1985, $3.6 billion had been committed and $11.8 billion was defined for new projects in Canada. Between $80 million and $120 million will be spent at Argentia and Adams Head, Newfoundland, to prepare construction sites for Hibernia Production.

Over the next nine years, the oil industry will create 300,000 new jobs. Over the same period, business investment will

increase by $100 million and our gross national product should increase by 2.5 per cent.

That, Mr. Speaker, is a clear indication the Government was right in encouraging investors, entrepreneurs, and risk takers. Canadians are up to the challenge, and they will continue to meet the challenge head on with ingenuity and determination, as long as they are not stifled, hampered or discouraged—

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

* * *

• (1415)

[*Translation*]

CHARTER OF RIGHTS

EQUALITY RECOMMENDATIONS OF SUBCOMMITTEE—IMPACT

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I want to congratulate the members of the Sub-committee on Equality Rights who tabled their report last Friday.

It is a document of liberal inspiration which reveals considerable open-mindedness towards women, disabled persons, native people and visible minorities.

I would lay special emphasis on recommendations concerning women in the armed forces. Mr. Speaker, I do not advocate sending women to the front lines—anymore than men, for that matter—but I believe that women should not be barred from any military operation because of their sex.

The Sub-committee on Equality Rights also recommends that the federal Government take measures to ensure that language training programs be open to all male and female immigrants regardless of their marital or family status and whatever their relationship.

That is something we have been asking for for a long time. Female immigrants are being discriminated against because language training programs for immigrants are geared to those who will eventually join the labour market. Female immigrants often have to look after their family and thus remain isolated.

We are looking forward to examining the other sub-committee recommendations in the coming months. I trust the Conservative Members will be as open-minded as their sub-committee colleagues.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF HIS EXCELLENCY AHMED BEN ARFA, SECRETARY OF STATE TO THE MINISTER OF EXTERNAL AFFAIRS OF TUNISIA

Mr. Speaker: I would draw the attention of the House to the presence in our gallery of His Excellency Ahmed Ben Arfa, Secretary of State to the Minister of Foreign Affairs of Tunisia.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

CHARTER OF RIGHTS

EQUALITY FOR ALL COMMITTEE REPORT—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Acting Prime Minister. We have studied the report of the parliamentary committee entitled *Equality for All*, affecting the rights of all Canadians. We on this side of the House, in the Liberal Party, believe that the rights of Canadians cannot be determined on the basis of public opinion polls or, frankly, even by the will of the majority; that the rights of Canadians must be determined as a moral issue, and that discrimination is wrong whether or not it is popular.

Does the Government intend to wait for the courts to enforce Section 15 of the Charter of Rights and Freedoms, or does it intend to act legislatively in the House of Commons to implement that report? In particular, would the Acting Prime Minister indicate to the House whether his Government intends to amend the Human Rights Act so as to forbid discrimination on the basis of sexual orientation, a discrimination which is already implicitly barred by Section 15 of the Charter of Rights?

Right Hon. Joe Clark (Secretary of State for External Affairs): My Speaker, we share not simply the commitment but the priority to the realization and respect for human rights expressed by the Right Hon. Leader of the Opposition. He will understand that this is a question of very real complexity for the country and for the Government. For that reason we are studying, on an urgent basis, the report which has been placed before the House. I can indicate to him now only that we will be able to respond to the questions which he has put to me today as early as is possible.

MANDATORY RETIREMENT AGE—REQUEST FOR LEGISLATIVE AMENDMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, Section 15 of the Charter prohibits discrimination on a wide range of grounds, including discrimination on the basis of age. On the basis of that section, a mandatory retirement age is probably already unconstitutional. Will the federal Government agree to legislate toward a more flexible retirement age?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Government is required by the rules of Parliament to respond to recommendations of committees. We intend to respond as quickly as we can to that and other recommendations in that particular report.

EMPLOYMENT EQUITY LEGISLATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Acting Prime Minister is referring to the 120 days. The 120 days are not an adequate period, particularly in view of the employment equity Bill under the pilotage of the Minister of Employment and Immigration, which is currently before the House. Sections of that Bill run counter to the all-Party report, particularly the aspects of the report reflecting financial support for the Canadian Human Rights Commission and for mandatory retirement. Would the Acting Prime Minister consult with the Prime Minister and his colleagues and advise the Minister of Employment and Immigration that she should delay the Bill until the amendments in that Bill can properly reflect some aspects of the report?

• (1420)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the view of this Government is that in so far as employment equity is concerned there has been too much delay. I will, however, bring the representations of the Right Hon. Leader of the Opposition to the attention of the relevant Minister.

PROVISIONS IN PROPOSED LEGISLATION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is directed to the Acting Prime Minister. The Minister knows that the legislation is flawed in several ways. I am sure that he is aware of the fact that it has no mandatory enforcement mechanisms—

Mr. Hnatyshyn: Order. It is before the House.

Mrs. Finestone: It provides no additional funds for monitoring—

An Hon. Member: Shame!

Mrs. Finestone: —and federal Departments and agencies are not covered under the legislation, if you read the fine print.

Does the Minister intend to address the serious omissions in the legislation so that the disabled, the visible minorities, the natives, and women will get their fair share?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, several of us on this side of the House

have had occasion to demonstrate our commitment not only to the particular groups that were mentioned by the Hon. Member for Mount Royal, but we have also on other occasions had the opportunity to demonstrate our respect for the parliamentary process. The parliamentary process means that Question Period begins at 2.15; debate begins at 3.00 in the afternoon. She is trying to debate during Question Period a matter that will arise under Orders of the Day.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

REQUEST FOR LEGISLATIVE AMENDMENTS

Mrs. Sheila Finestone (Mount Royal): My question is again to the Acting Prime Minister. I find that that is quite a cop-out, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Andre: Look at Beauchesne's Section 359.

Mrs. Finestone: Support for principles reflected—you really have to reflect rights clearly in law.

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

Mrs. Finestone: It is our right under the law. Do you intend to amend our laws to bring them into conformity with employment equality principles rights?

Some Hon. Members: Hear, hear!

Right Hon. Joe Clark (Secretary of State for External Affairs): Yes, Mr. Speaker.

An Hon. Member: That is the best answer this session.

Mr. Turner (Vancouver Quadra): That is a better answer.

* * *

[*Translation*]

FINANCE

ASSISTANCE TO DOME PETROLEUM—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Finance.

Yesterday, the Minister said that where Dome Petroleum was concerned, the Government had no option. That is not true. He could have considered alternatives such as granting loans or buying shares in the company. It was not really necessary to give away one billion dollars to Dome Petroleum.

Could the Minister inform the House today whether the Government did consider other options and if so, what those options were?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think I answered this question yesterday. What I said then, just to refresh the memory of the Hon. Member, is that this whole Dome Petroleum matter started back in 1982 and during that time the previous Government took a number of steps to ensure the continued existence of Dome because they were concerned about the impact of the failure of Dome, in particular on the oil service industry.

We have followed through with the remission order that was granted earlier this year because the previous Minister of Finance, Mr. Marc Lalonde, had committed to a remission order as part of a refinancing of the Dome Petroleum debt. It is because of that commitment and the conditions that were attached to it that we had to follow through on that commitment. That is why we made the remision order earlier this year.

PUBLICATION OF DECISION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, precisely around the time that the Liberal Government was making that commitment the present Minister of Industrial Expansion and Development and the present Minister of Transport, then in opposition, were categoric in their opposition to a bail-out of Dome. Second, they said that the matter should be brought before Parliament before any decision was reached. Why, now that the Conservative Party is in Government rather than Opposition, has it changed its position? Why was it all right for the people of Canada to know the details of important cases such as this one when Conservative members were in Opposition, but not all right to know when they are in Government?

• (1425)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we made no attempt to hide the fact that we were providing this remission order. This is all part of a continuing process that we have followed since we got into office of reviewing all matters of corporate and personal taxation. In fact we set out in August of this year an account of the cost of selective tax measures to help Members opposite, as well as Canadians generally, identify those areas of the tax system that should be changed. We are still waiting to hear one peep out of members of the New Democratic Party regarding what some of those changes should be.

REQUEST FOR TABLING OF TAX REMISSION ORDERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would be glad to send the Minister a whole memo. If he paid attention to what was said during the election campaign rather than misleading the people of Canada through his own campaign promises, he would have heard some of those suggestions.

Some Hon. Members: Oh, oh!

Mr. Broadbent: Since the Minister has now given another general assurance about providing more information, will he make a specific commitment that information regarding all tax remissions in excess of $1 million, including specific dollar amounts, are tabled each week in the House of Commons?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I will take that as a representation and give it consideration. As the Auditor General has indicated, he has some concerns, and we take the recommendations of the Auditor General quite seriously. Once we have made a decision on that, I will get back to the Hon. Member.

* * *

CANADIAN ARMED FORCES

TREATMENT OF PERSONNEL'S SPOUSES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question deals with the issue of equality as well and I hope the Government will not hide behind the cover of study. My question is directed to the Associate Minister of National Defence. I am sure the Minister has had a chance to read the report of the equality committee which suggests, among other recommendations, the following:

> We believe that spouses on military bases should not be precluded from taking part in community activities and arguing for increased services.

Does the Minister agree with the committee when it states that spouses should be treated as independent individuals? Is he going to move immediately to bring in legislation that will permit spouses to be treated as independent individuals?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, not only are spouses independent individuals but indeed a great deal of resources and concern within the Department are directed toward ensuring that spouses' concerns are looked after. We well recognize that military life is difficult. There are lots of separations. It is very much in our interest to ensure that families of military personnel are looked after. We devote a lot of resources to that purpose.

[*Translation*]

RIGHTS OF SPOUSES ON MILITARY BASES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have had no answers at all from the Minister. Since I get many letters from women who do not agree with what the Minister just said, I would like to know from the Minister whether the Progressive Conservative Party is prepared to recognize the fact that spouses on military bases are independent persons who have their own rights, and whether he is going to take some kind of legislative action immediately to recognize this fact, or isn't this part of the Conservative philosophy?

[*English*]

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, I think the Hon. Member has created a straw man which she is now pummelling.

Some Hon. Members: You're it.

Mr. Turner (Vancouver Quadra): A straw person.

Mr. Andre: A straw person, sorry. In fact many of the accusations that are implicit in her preamble and her question are entirely false. In terms of the question of what degree of political activity should be permitted on military bases directly associated with the military, as I indicated to the Hon. Member, I believe a couple of weeks ago, that question is under review.

* * *

● (1430)

FINANCE

DOME PETROLEUM—TAX REMISSION ORDER

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of Finance. It pertains to the commitments a new Government has when it takes office with respect to engagements or promises made by its predecessor Government. In power, the Conservatives reversed many things which were done by the Liberals. They cancelled appointments, fired people, and changed policies. Can the Minister explain why it is that when it came to a $1 billion hand-out to Dome Petroleum, which the Conservatives opposed when they were in opposition, they respected that particular Liberal policy and gave $1 billion to a large corporation by means of this tax hand-out?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me again repeat some of the things I said yesterday because I think the Hon. Member has forgotten. This particular transaction, the remission order, was part of a series of transactions which related to the very existence of Dome Petroleum had it not received this remission order. It was not a question of whether or not it would have paid the taxes—it would have gone bankrupt.

Mr. Broadbent: That is just not true.

Mr. Wilson (Etobicoke Centre): Had it gone bankrupt, it would have taken with it a number of small and medium-sized oil service industry companies, which would have wreaked havoc in the Alberta economy at a time when the economy was very fragile.

So there were commitments made, commitments which the private sector followed through on in good faith. It was based on those commitments and the response of the private sector in fulfilling its side of the commitment that we felt obliged to

fulfil our side, which was to carry through with the remission order.

TAX TREATMENT OF CORPORATIONS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my supplementary question is directed to the same Minister. While I question the Minister's history in that particular case, can he explain why it is that the Government is proposing to give to all corporations in the country the same privilege which has been given to Dome Petroleum with respect to the write-off of losses? Why is it that in the May Budget the Minister said that such a concession would only cost $300 million or $400 million, when the cost is already $1 billion to the taxpayers of Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, first of all let me draw attention to the $1 billion figure to which the Hon. Member refers. That is the absolute maximum—

Mr. Broadbent: We have heard that before.

Mr. Wilson (Etobicoke Centre): —that could be gained by the company over a long period of time. The figure to which the Hon. Member refers in the discussion paper which was presented with the Budget was $300 million to $400 million a year. They are two different figures and he is mixing apples and oranges when he compares the two.

Mr. Cassidy: It all adds up to $1 billion.

* * *

NATIONAL REVENUE

GULF TAKEOVER—TAX RULING

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, my question is directed to the Minister of Finance. Yesterday the Prime Minister suggested that the Gulf ruling was as a consequence of the operation of the law. The Minister of Finance knows that the issuance of tax rulings is a matter of practice and that it is discretionary. In view of that, why did he not stop the issuance of this tax ruling which drained as much as $1 billion from the public treasury? I would like the Minister of Finance and not the Minister of National Revenue to answer my question.

Mr. Hnatyshyn: It is his responsibility.

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I respect the wish of my hon. friend not to have me answer the question. He knows very well that the matter of tax rulings is within the province of National Revenue and that the law precludes a discussion of the background of these types of considerations before the House. This ruling was done like all others, that is, with impartiality and with a perfect regard to the procedure which is set out in the legislation in these cases.

SCIENTIFIC RESEARCH TAX CREDITS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, that is not the issue here. The issue is whether or not a ruling must be given. On October 10 of last year the Minister of Finance suspended rulings on scientific research tax credits. In view of that, why did he not take the same action this year and stop that ruling from issuing in the case of the Gulf acquisition?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me ask the Hon. Member to cast his mind back. There were not such things as rulings on scientific research tax credits; we just stopped the quick flips totally.

TAX CONCESSIONS TO COMPANIES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also directed to the Minister of Finance. We now know that benefits, perhaps in the order of $1.5 billion, flowed to Petrofina and to Olympia & York as a result of their use of the Little Egypt Bump tax dodge. We also know that there are perhaps four other similar types of situations involving other companies. Is the Minister prepared to table in the House the names of the companies and the amounts of money that they received as a result of their use of this particular tax loophole?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not aware of the four companies or of the four transactions to which the Hon. Member refers.

REQUEST FOR TABLING OF DATA ON TAX CONCESSIONS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I would like to ask the Minister whether or not he will undertake to review with the Minister of National Revenue the number of times that that particular tax loophole has been used. Will he table in the House the names of the companies and the amounts of money that those companies received as a result of the use of that tax loophole?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I have heard the representation made by my hon. friend. I will take it as a representation and consult with my colleague, the Minister of Finance, to see whether that would be a proper thing to do.

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[*Translation*]

BANKS AND BANKING

INQUIRY WHY GOVERNMENT DID NOT FOLLOW HITCHMAN REPORT

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Minister of Finance, and I must

say I was somewhat surprised at the answer he just gave to my hon. colleague from Westmount-Saint-Henri (Mr. Johnston), since only a few weeks ago, a broker was offering me research funds with a ruling from the Federal department.

Mr. Speaker, my question concerns the Canadian Commercial Bank and the Hitchman report. We all know that Mr. Hitchman recommended against proceeding with liquidation and was in favour of assigning loans to major banks and asking these banks to take care of collection and administration of these loans.

I would like to ask the Minister of Finance, who may wish to explain his choice before the Estey Commission, but since we are talking about taxpayers' money, I would like to ask him why this Government, contrary to Mr. Hitchman's recommendation, proceeded to liquidate the Canadian Commercial Bank instead of heeding the recommendation of the Hitchman report?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we have tried to indicate on this side of the House throughout this discussion that we regard the matter of the banks very seriously. That is why we have the Estey inquiry. We also are a little bit tired of having this issue turned into—

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): Real tough.

Mrs. McDougall: We are a little bit tired of having the Opposition turn this issue into a soap opera.

Mr. Waddell: It's all right, Barbara, you're a star.

Mr. Foster: You sound like you're at the edge of night, Barbara.

Mr. Angus: And you are making our stomachs turn.

Mr. Speaker: Order, please.

Mrs. McDougall: The Hon. Member knows full well that I am appearing in committee this afternoon and that I have agreed to appear before the Estey inquiry. All the answers on this issue will come out within their proper context.

[*Translation*]

INQUIRY WHETHER MINISTER CONTACTED MR. HITCHMAN

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, it is a billion-dollar soap opera, and if that amount is not important enough to merit the consideration of the House, I wonder what is.

The Minister did not want to follow the recommendation in the Hitchman report. I would like to ask the Minister why, after she selected this consultant herself and probably paid him a fee to do the job, why, when she received the report from Mr. Hitchman, she did not get in touch with him one single time to find out on what basis—

Mr. Speaker: Order, please. Immediately, please.

Mr. Garneau: So why didn't she at least have the courtesy to get in touch with Mr. Hitchman to find out why he recommended assigning the loans to the major banks instead of proceeding with liquidation? Why didn't she communicate with him at least once?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I would suggest that the Hon. Member attend the committee meeting this afternoon.

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AUDITOR GENERAL'S REPORT

FINANCIAL ABUSES—GOVERNMENT'S POSITION

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Minister of Finance who is well aware of the long list of financial abuses presented by the Auditor General. He is aware of the $1 billion bail-out to Dome Petroleum. He is also aware of the $800,000 in fees and memberships, if you like, in a posh Hong Kong club. We recognize that these financial atrocities were introduced by the Liberal Government. What steps has the Minister taken to end these abuses?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, first of all, we have welcomed many of the recommendations and observations in the report of the Auditor General. I can tell the House that in the last year we have taken a number of steps to address many of the concerns.

• (1440)

In terms of the abuses mentioned by the Hon. Member, I have asked my officials to look into the specific case of the Hong Kong situation and hope to have a report very shortly. In the case of information to Parliament, over the last year we have introduced a number of measures to improve information for all Hon. Members of this House.

Certainly we have addressed many of the issues, such as cash management, which were raised in the report as early as January of last year. So I feel we have certainly taken good note of the recommendations of the Auditor General and have acted upon them in due course.

REQUEST FOR REGULAR REPORTS THROUGHOUT FISCAL YEAR

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, one of the points made by the Auditor General year after year which has been ignored by the previous Government was the ability of the Auditor General to make regular reports to Parliament so that people would not have to wait for the year's end before they were made aware of these abuses.

Is the Government now prepared to move to permit the Auditor General to make regular reports to Parliament, and to the people of Canada, on these lists of abuses?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, as the Hon. Member has noted, that is a recommendation which has been made time and time again. It is certainly something I am looking at very seriously. I am consulting with the Auditor General, with the office of the Comptroller General, and we will be in a position to—

Mr. Riis: That's what the Liberals said.

Mr. de Cotret: Well, there are pros and cons. We are looking very seriously at the issue so as to ensure that parliamentarians are in full possession of all the facts they need to carry out their duties in this House.

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CUSTOMS AND EXCISE

TREATMENT OF VISITORS AT EDMONTON INTERNATIONAL AIRPORT

Mr. Peter Elzinga (Pembina): Mr. Speaker, my question is for the Minister of National Revenue. As the Minister is aware, there have been a number of legitimate concerns expressed by numerous groups relating to the poor treatment which is extended to incoming visitors by his customs officials at the Edmonton International Airport. Will the Minister give us the assurance that he will look into this situation and correct it so that it will not adversely affect our tourism trade, or Canada's reputation abroad?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, for the most part, I think our customs officers are doing a fine job in walking the line between law enforcement and public relations, as the Auditor General noted in his recent report. I can assure the Hon. Member that, to the best of my knowledge, this is an isolated incident. Senior officials in my Department have met with provincial officials to study the matter and we will be reporting to the Hon. Member shortly.

* * *

BANKS AND BANKING

CANADIAN COMMERCIAL BANK—SIZE OF BAIL-OUT PACKAGE

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of State for Finance. The Canadian Commercial Bank bail-out was finalized and the money paid out more than a month after the Minister's announcement on March 25. During this time it was known that the package was at least $100 million short. Will the Minister tell the House why she did not investigate this discrepancy and why, without any such investigation, she authorized the release of a letter to the bail-out group on April 26 assuring them that the support package would ensure the CCB's viability?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I believe my colleague, the Minister of Finance, did address this issue yesterday.

Mr. Turner (Vancouver Quadra): No, no. We were waiting for the commission yesterday.

Mrs. McDougall: In answer to a supplementary question he said—without accepting the preamble or premise of the question—that it is quite common, even if one is buying a house, or in any other financial matter, to come to an agreement in principle and sign the final documents some time later.

MINISTER'S POSITION

Miss Aideen Nicholson (Trinity): Mr. Speaker, the letter of comfort was a condition of the agreement. No money was paid until it was received. Will the Minister explain why the Government turned a blind eye to disturbing information and proceeded with the bail-out, although there was time to reconsider, reassess, and change the terms of the agreement?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, once again I hope the Hon. Member will bring all of her questions to committee and to the inquiry.

Mr. Turner (Vancouver Quadra): No; right here.

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FINANCE

TAX REFORM INQUIRY

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister of Finance. During the election campaign the Government promised change, Canadians voted for change, and all we have seen is a repeat of the performance of the former Government. Will the Minister tell the House when we are going to see some honesty in Government? When is the Government going to come clean with the Canadian people and bring in some real tax reform on behalf of Canadians so that it benefits Canadians rather oil companies and large corporations?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I don't know where the Hon. Member has been. We cancelled the SRTC quick flips. We stopped rulings on limited partnership because of the abuses there. We stopped the carve-outs. We stopped income splitting. We cancelled totally the balance of the scientific research tax credits.

Some Hon. Members: More.

Mr. Wilson (Etobicoke Centre): We released a booklet—

Mr. Deans: When are you going to bring in change?

Mr. Wilson (Etobicoke Centre): —for all Hon. Members of Parliament, and the Canadian public, so that they could see set out, item by item, every tax measure which was available to

Canadians with, in many cases, the cost, so that Hon. Members could evaluate the distinction between the benefit and the cost.

I have yet to hear one word from the Hon. Member as to what—

Mr. Speaker: Order.

Some Hon. Members: Hear, hear!

Mr. Crosbie: Take that, Scottie.

Mr. Speaker: Order.

Mr. Young: I will give the Minister one word, "flimflam", and we aint buying it.

Mr. Crosbie: Nobody asked you to.

CORPORATE TAXES

Mr. Neil Young (Beaches): Mr. Speaker, my supplementary question to the Minister of Finance is very simple. What is the difference between this Government and the former Government? What is the difference between the Tories and the Liberals when it comes to bailing out their friends in the corporate sector? That is the question.

Mr. Hnatyshyn: We don't have a marriage with the NDP; that's the difference.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member, as I think may be the case with many members of his caucus, does not understand the distinction between—

Mr. Young: We understand ability.

Mr. Wilson (Etobicoke Centre): The Hon. Member doesn't want to listen to the answer. A deal is a deal.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): The Hon. Member should look at what was said—

Mr. Althouse: No option.

Mr. Wilson (Etobicoke Centre): —in the press release which was issued by the previous Minister of Finance—

Mr. Broadbent: The devil made you do it.

Mr. Wilson (Etobicoke Centre): It said in part: "This remission order is given in support of the private sector refinancing efforts which the Government has supported since the September 1982 agreement in principle was signed". This deal has been in the works for about three years—

Mr. Broadbent: And you opposed it when you were in opposition.

Mr. Wilson (Etobicoke Centre): For the Government to—

Mr. Broadbent: And you took five months to make up your mind.

Mr. Speaker: Order.

Mr. Wilson (Etobicoke Centre): You overturned the work that had been going on for nearly three years.

Mr. Speaker: Surely questions and answers continue to deserve more silence.

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[*Translation*]

TEXTILES

INQUIRY ABOUT $30 MILLION GIVEN TO DOMINION TEXTILE

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, my question is directed to the Minister of State (Small Businesses) and relates to the textile industry where the majority of workers are women.

After the shutdown of two modern plants in Saint-Jean and Valleyfield had been announced, members of a committee to maintain employment urged the Government to inquire into the use and management of public funds given to Dominion Textile by the Canadian Industrial Renewal Board. Was there an inquiry? If so, what has been learned about the $30 million given to Dominion Textile?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, I would say to the Hon. Member that we are working in close cooperation with the textile industry to find a practical solution in Quebec and in the rest of Canada. Last week I met with the President of Dominion Textile, the workers and the two "*Sauvons le textile*" groups from Valleyfield and Saint-Jean. The Minister responsible for DREE also met with those people and is committed to unveil a far-reaching textile policy in the near future.

INQUIRY RESPECTING USE OF FUNDS PAID TO DOMINION TEXTILE

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, of course the Minister would say he is looking for solutions, but the workers want jobs, not solutions which never materialize.

What I would like to know, and this is the question the Minister has failed to answer: What happens to the $30 million—and these funds belong to Canadian taxpayers—which were paid to Dominion Textile which has now announced the shutdowns? What happens to that money?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, a Member opposite may say that we are not concerned about unemployment or the workers, but we

did create 60,000 jobs in Quebec over the past eight months and 304,000 throughout Canada. That is—

● (1450)

[*English*]

Mr. Speaker: Order, order! I regret to interrupt the Minister, but it is pretty clear that the answer is not the purpose of the question. The Hon. Member for Scarborough West.

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CONSUMER AFFAIRS

HIGH INTEREST RATES CHARGED BY CREDIT CARD COMPANIES

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs.

Mr. Nystrom: Sock it to him.

Mr. Stackhouse: With one exception, credit card issuers have not reduced their interest charges on unpaid balances for two and even three years, and now charge ten percentage points above the bank rate. The chartered banks of Canada are the major owners of credit card issuers. In view of that, what moral suasion or other initiatives can the Minister take in the interest of consumer justice to induce the companies to bring their charges in line with current low interest rates?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, that question naturally concerns us because it involves consumer protection. My hon. colleague knows that credit card charges are made up not only of interest rates, but a charge for services as well. That is why it is such a complex issue. We had meetings with our provincial colleagues in September. There are ongoing talks.

Mr. Riis: You haven't done anything.

Mr. Côté (Langelier): I want to assure the Member that we have the protection of consumers in mind and we are going to ensure that the matter is taken care of very well.

* * *

CANADA POST CORPORATION

MAIL DELIVERY DELAYS—COST TO TAXPAYERS

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is directed to the Minister responsible for the Post Office. Ordinary Canadians have been complaining for some time about delays in the delivery of mail. Small businesses have told us that delays in the delivery of mail are costing them money. The Auditor General has documented that through only two companies some $190,000 has been lost to the Department of Fisheries and Oceans as a result of mail delivery delays. What is the Minister prepared to do to rectify this situation?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I believe I have said previously that my colleague and predecessor had set up an inquiry or a study, and I am referring to the Marchment Study which is considering the corporate mandate of Canada Post. A report is expected within the next few weeks, and on the basis of its recommendations, Cabinet will make the necessary decisions.

[*English*]

REQUEST FOR SPEEDIER MAIL SERVICE

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, rather than simply waiting for a study and a report, what is the Minister prepared to do now in order to speed up the delivery of mail? Will he put in place a budget for the Post Office for this fiscal year which is yet to be approved?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, my answer to the Hon. Member is quite simply that we as a Government set up a system and a study based on consultations throughout this country's business sector, and that when we receive the recommendations, we will make the necessary arrangements for examining them.

* * *

AGRICULTURE

CREATION OF AGRI-BOND PROGRAM—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Minister of Agriculture. The farmers with whom Members met this morning want an answer to the following question. Considering the promises made by the Progressive Conservative Party in Sherbrooke on July 26, 1984, namely, that a Conservative Government would introduce an agri-bond program, when can farmers expect to see this program and similar measures to help farmers who are suffering under the worst recession in 50 years?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, if the Hon. Member checks the record he will find that it reveals that we made 16 campaign commitments to the agricultural community. At this time we have fulfilled 13 of those commitments. We had an excellent session with representatives of the Canadian Federation of Agriculture yesterday. They were very complimentary in recognizing—

Some Hon. Members: Oh, oh!

Mr. Wise: —the record of the Government during the last 13 months. They were very fair and honest, and I can assure

him that they certainly know a lot more about the agricultural industry in this country than the Hon. Member does.

Some Hon. Members: Hear, hear!

Mr. Boudria: Mr. Speaker, the Minister must have met with different people from those with whom we met, because that is not what they had to say.

Mr. Clark (Yellowhead): We didn't meet many Taiwanese.

ONTARIO MUNICIPAL DRAINAGE PROJECTS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my supplementary question is also with regard to promises of the Minister of Agriculture. On July 17, 1984, in a letter addressed to the President of the Ontario Federation of Agriculture, the leader of the Conservative Party promised "to commit its share of necessary"—

Mr. Speaker: Order. This is another preamble. Is there a question?

Mr. Boudria: Yes, "—in order to complete municipal drains". Can the Minister tell the House if and when the Government intends to fulfil the promise to complete municipal drains in Ontario?

Mr. Crosbie: How are things in Formosa?

Mr. Boudria: It hasn't done a thing about that yet.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am tempted to make a comment, but perhaps I will avoid doing so.

Mr. Guilbault (Saint-Jacques): Say you're sorry.

Mr. Broadbent: Go ahead.

Mr. Wise: The Hon. Member will realize, particularly after spending some time in the provincial Legislature, that there are some problems with respect to the continuation of those drainage projects which are not within federal jurisdiction. He knows that environmental approvals must be sought and received by a jurisdiction other than the federal Government.

* * *

YOUTH

ONTARIO YOUTH FORUM DISCUSSIONS

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, my question is addressed to the Minister of State for Youth. Last weekend the City of Orillia hosted the Ontario International Youth Year Forum. Could the Minister tell the House what young people attending that Forum were saying about the important issues which were brought to the attention of the Minister by the youth of Canada?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, the Ontario Forum brought together one hundred young people from throughout the region to consider strategies for community-based activities. The final plenary reflected the spirit of the weekend which was one of co-operation, support, encouragement, and information sharing.

Ms. Copps: Next.

Mrs. Champagne: It focused on a commitment of Ontario youth to bilingualism—

Some Hon. Members: Order.

Mr. Broadbent: What is this?

Mrs. Champagne: —to multiculturalism—

Mr. Speaker: Order, please.

Mr. Broadbent: Is this a paid political announcement?

* * *

AGRICULTURE

FARM CREDIT CORPORATION—REQUEST FOR ESTABLISHMENT OF FINANCE REVIEW BOARDS

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is directed to the Minister of Agriculture. The Farm Credit Corporation reports that up to one-third of Canada's farmers face severe financial stress and could lose their farms. Since the Minister has placed a moratorium on foreclosures by the FCC, will he take the next step and establish finance review boards with powers to write down interest and debt and to impose settlements on the lenders?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, for me to have considered a recommendation of that kind two or three years ago might have been somewhat radical in nature—

Mr. Nystrom: You're a red Tory.

Mr. Wise: —but I can tell the Hon. Member that I am now giving serious consideration to some movement in that direction. I am not totally—

Mr. Foster: You sound like a radical, John.

Mr. Wise: —putting aside the recommendation of the Hon. Member.

GOVERNMENT POSITION

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, since it was the policy of the Minister's Party to accept the Farmers' Creditors Arrangement Act as proposed by Mr. Ferguson in the last House, which set up that type of arrangement, what has changed in the intervening time? The situation

has only gotten worse. Now that the Conservative Party is in power, why is it changing its point of view on this issue?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, it is very simple. We are much more inclined to follow the recommendation of the Canadian Federation of Agriculture rather than the sponsor of the Private Member's Motion to which he referred.

* * *

[*Translation*]

SOCIAL SECURITY

MAINTENANCE OF FULL INDEXATION OF FAMILY ALLOWANCES AND CHILD TAX CREDIT

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Finance. This Government gave away $600 million to the people who bought Gulf Canada, and at the same time, in this very House, the Government introduced a Bill that will cut $55 million from the subsidy program for families with children. My question is as follows: Does the Minister realize that the interest alone on that $600 million present would have been enough for the Government to maintain full indexation of family allowances and the child tax credit?

• (1500)

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I think all of us enjoy the Member's active participation in Question Period. However, I want to say to him seriously that issue is being dealt with in the committee. I understand that I will be appearing before the committee in the next few days and I am sure that we can continue the debate there.

I say to him that the Government has clearly projected its intentions on Bill C-70 and there is no change.

Mr. Speaker: A short supplementary, through the Chair.

[*Translation*]

ASSISTANCE GIVEN TO RICH FAMILIES—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, now that everybody knows about this $600-million present, is the Minister of Finance prepared to admit that it is unfair, intolerable and immoral to sacrifice families with children in order to give presents to the families of the very rich?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member should be addressing that question to the man who presided over the tax policy for four years, immediately after that provision was put in. He is that Hon. Member's Leader, the Right Hon. Leader of the Opposition, who had every chance in the world to make the changes and did not do anything about it. That is to whom the question should be directed.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour of informing the House that the petitions presented by Hon. Members on Tuesday, October 29, 1985, meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

IMMIGRATION ACT, 1976

PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I have the honour to present the report of the Legislative Committee on Bill C-55, an Act to amend the Immigration Act, 1976, and amendments thereto, in both official languages.

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

* * *

PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCES AND WITHDRAWAL OF TAX INCREASES

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, I have the honour and duty to present a petition signed by 13 people in British Columbia, 11 of whom appear to be from my constituency. They state in the petition: wherefore, the undersigned, your petitioners, humbly pray and call upon the House of Commons to reinstate full indexation of universal family allowance and to rescind the unfair tax inceases.

Some Hon. Members: Hear, hear! More, more!

Mr. Speaker: Order. The Hon. Member for Victoria.

Mr. McKinnon: As in duty bound, your petitioners will ever pray.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I too have a petition from the fine city of Victoria, British Columbia, containing a few hundred names of people who

indicate their concern that the Government is planning to deindex family allowance. They call upon the Government to reinstate full indexation of the universal family allowance as well as rescind the unfair tax increases which have been presented before the House.

[*Translation*]

Mr. Carlo Rossi (Bourassa): Mr. Speaker, I have some petitions from residents of the following federal ridings, namely, Saint-Michel-Ahuntsic, Swift Current-Maple Creek, Trois-Rivières, in Quebec, Montreal-Sainte-Marie, Langelier, Louis-Hébert, in Quebec, Brome-Missisquoi, in Quebec, Shefford, Drummond, in Quebec, and Kingston and the Islands, in Ontario.

Mr. Speaker, these residents are asking the Government of Canada to reinstate full indexation of family allowances and the child tax credit.

[*English*]

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have the honour to present a petition from a number of citizens from my riding of Vancouver East who are concerned that the poorest families will be worse off by 1990 and, in addition, that there will be unfair tax increases affecting families. They call on the House of Commons to reinstate full indexation of universal family allowance and to rescind the unfair tax increases.

Mr. Neil Young (Beaches): Mr. Speaker, I also have a petition signed by a number of residents in Scarborough. Those petitioners state that the deindexation of the universal family allowance is an unfair attack on women and families. They further state that this attack will not be offset by changes to the child tax credit and that other tax increases in the May Budget will place an unfair burden on low and middle income earners.

UNEMPLOYMENT INSURANCE—PENSION INCOME DEDUCTIONS

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I have a number of petitions to present on behalf of residents in my riding of Humber-Port au Port-St. Barbe who are concerned with changes in the Unemployment Insurance Act as of December 31, 1985 that will deduct pension benefits from unemployment insurance. They believe this is an unfair and arbitrary policy of the Minister of Employment and Immigration (Miss MacDonald).

I have a second petition from the riding of Humber-Port au Port-St. Barbe from a group in the northern peninsula area who are also concerned about this change in the unemployment insurance program as of December 31, 1985, denying benefits that people were formerly entitled to and which they believe is necessary to continue a decent way of life.

LOW INCOME HOUSING

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I have a third petition to the House of Commons and Parliament assembled from several hundred residents of the city of Corner Brook who are concerned about the housing crisis in this country and the lack of support from the Minister in charge of Housing responsible for CMHC in providing low income housing to the unemployed and the poor in this country to enable them to put a decent roof over their heads and the heads of their children. We pray that the Government will act according to the wishes of these petitioners.

FULL INDEXATION OF FAMILY ALLOWANCES AND WITHDRAWAL OF TAX INCREASES

Mr. Alan Redway (York East): Mr. Speaker, I also have a petition from residents of the Don Mills area of my riding and others calling upon the House of Commons to reinstate full indexation of family allowance.

[*Translation*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have a petition as well, but unlike the Conservative Members, I am also prepared to support it.

The petition reads as follows:

The undersigned residents of the federal riding of Drummond, who now avail themselves of their ancient and undoubted right to present a grievance, in the certain assurance that Your Honourable House will therefore provide a remedy, considering that Government family allowance and tax credit programs constitute a form of indispensable assistance, are asking the Government to reinstate forthwith the right of families to benefit under these programs.

I have another petition from the riding of Portneuf in the beautiful province of Quebec, asking the Government and the Prime Minister to reconsider the decision to deindex family allowances, since families with children include a high percentage of single-parent families and for that reason, steps should be taken to provide financial assistance.

I have another petition from the federal riding of Verdun-Saint-Paul, asking the Government to promise to give back to Canadian families their right to full indexation of family allowances and the child tax credit, especially since the Government made a commitment during the election campaign to take measures designed to strengthen the family unit.

Mr. Speaker, I have another petition from the riding of Louis-Hébert, in the beautiful province of Quebec, which is also asking the Government to reconsider its decision to deindex family allowances and the child tax credit, since this is a matter of real concern to single-parent families and families with many children, and I support them wholeheartedly.

[*English*]

REQUEST THAT RAOUL WALLENBERG BE MADE HONORARY CITIZEN OF CANADA

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, I have the honour to present a petition addressed to the House of Commons. One thousand one hundred and fifty-nine residents of Toronto plead and pray that the hero of humanity, Raoul Wallenberg, a Swedish diplomat who was instrumental in saving the lives of tens of thousands of Jews in Nazi Hungary; who defied the notorious Adolf Eichmann at great risk to his life and who was arrested by the Soviet Union in 1945, never to be heard of again and who is probably now languishing in a Soviet prison in the Gulag, be made an honorary citizen of Canada.

● (1510)

[*Translation*]

FULL INDEXATION OF FAMILY ALLOWANCE AND CHILD TAX CREDIT

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, I have another petition from the federal riding of Bellechasse in Quebec, asking the Government of Canada to reinstate full indexation of family allowances and the child tax credit.

[*English*]

It also gives me pleasure to present to the House of Commons a petition from residents of the Louis-Hébert riding in Quebec maintaining that the Government is engaged at the present time in not fulfilling its promises in the election. They ask that the Government withdraw its call for the deindexation of family allowances.

Also I have a petition from the federal riding of Quebec East—

[*Translation*]

—of Quebec East in Quebec.

That the Government of Canada reinstate full indexation of family allowances and the child tax credit.

[*English*]

Also in the same vein, a petition, Mr. Speaker, from the federal riding of Richelieu in Québec—

Mr. Speaker: Order, please. I am sure the Hon. Member knows that petitions are supposed to be presented very briefly. If the Member has a series of petitions on the same subject he should simply indicate that is what he has.

Mr. de Corneille: I have petitions signed by quite a number of citizens from the riding of St. Hyacinthe in Québec, Calgary East, Alberta, and a large number also along the same line and from the riding of Beauce in Quebec and from the riding of Frontenac in Quebec, all of them requesting this House of Commons that it withdraw the Bill which relates to deindexation of family allowances.

Petitions

Mr. Rod Murphy (Churchill): Mr. Speaker, I have a number of petitions calling for the Government to index fully the universal family allowance and to rescind the unfair tax increases. Since some Conservative Members have risen in this House and joined with us, I wonder whether the Government House Leader would like to present this petition from his riding.

An Hon. Member: Order.

Mr. Murphy: I also have petitions from my own riding from the communities of Lynn Lake, Le Pas, Flin Flon, Thomson and others in which the people also ask the Government to withdraw the legislation and fully reinstate the protection from inflation for the family allowances.

Mr. Dan Heap (Spadina): Mr. Speaker, I have a petition from a number of residents in the City of Toronto attacking the proposal to deindex in an accelerating way the child benefits that have been in force for some years, pointing out that it is unfair to do that in the face of the hand-outs, such as a half a million dollars in tax-free capital gains, greater RRSP deductions for high income recipients and billions of hand-outs to the oil companies and, of course, the banks. Therefore, the residents petition Parliament, the House of Commons, to reinstate full indexation of universal family allowances and to rescind the unfair tax increases, and in duty bound your petitioners undertake ever to pray.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have a petition from a number of residents in my riding who indicate that the cut-backs in the family allowance will not be offset by the child tax credit and that even the poorest families will be hurt. They also indicate that combined with the tax increases, middle-income people will be bearing an unfair burden. They call upon the House of Commons to prevail upon the Government to withdraw this deindexation of family allowances.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I have the honour and duty to present a petition on behalf of 100 more residents of Thunder Bay. These petitioners protest the decision of the Government to deindex the family allowance and point out the consequences for all families, even the poorest, becoming less well off by 1990. They call upon the Government and the House of Commons to cancel that decision and to maintain full indexation for the family allowance.

[*Translation*]

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I also have a petition signed by a group of people from a small community in my own riding, more specifically the *Cercle des fermières de Stratford*, who object to the Government's decision to deindex family allowances. This group feels that family allowances are something families with dependent children simply could not do without.

On the same subject, I have a number of other petitions from various federal ridings in the province of Quebec,

namely, Berthier-Maskinongé-Lanaudière, Trois-Rivières, Saint-Hyacinthe-Bagot, Saint-Jacques and Portneuf.

I have a number of other petitions from the Ontario ridings of Brampton-Georgetown and Durham-Northumberland, as well as from the Quebec ridings of Terrebonne, Saint-Michel-Ahuntsic, again Saint-Michel-Ahuntsic, and Chambly.

Here is one from the Quebec riding of Gatineau-Labelle. Here is one from the Ontario riding of Rosedale. Another one from the Quebec riding of Saint-Hyacinthe-Bagot. There is also one from the Quebec riding of Montréal-Saint-Marie, one from the Calgary East riding and, finally, one from the Montmorency-Orléans riding. The petitioners, several hundreds of them, strongly object to the Government's decision to deindex family allowances and ask the House of Commons to direct the Government to rescind this totally unfair decision.

Mr. Sergio Marchi (York West): Mr. Speaker, I have a number of petitions from La Belle province of Quebec, all about family allowances.

[*English*]

These petitions come from a number of ridings, namely, Frontenac, Rimouski, St. Henri-Westmount, Verdun-Saint-Paul, Portneuf and Montreal-Sainte-Marie. I have one also from the ridings of Saint-Hyacinthe, Louis-Hébert, Charlesbourg, and the last one, Mr. Speaker, is from the riding of LaSalle. All these petitions say the same thing. The petitioners are urging the Government to remove the deindexation program for family allowances, which is regressive and will take away some $55 million from families.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have the honour to present a petition on behalf of 50 residents of Edmonton who believe that the deindexation of the universal family allowance and the massive cut-backs in the public commitment to child benefits are an unfair attack on women and families with children, especially single parent mothers. They pray and call upon the House of Commons to reinstate full indexation of universal family allowance and to rescind the unfair tax increases.

* * *

BUSINESS OF THE HOUSE

MOTION FOR HOUSE TO REVERT TO STATEMENTS BY MINISTERS

Mr. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been consultations between representatives of the Parties. I believe that you will find unanimous consent for the presentation and passage of the following motion without debate:

That at four o'clock p.m. this day, the House shall revert to "Statements by Ministers" for the purpose of the presentation of a statement, pursuant to Standing Order 19(4) by the Minister of Energy, Mines and Resources;

Provided that at the end of the aforementioned statement, the Minister shall lay upon the Table a document related thereto; and

Provided that at the conclusion of the statement and related comments pursuant to Standing Order 19(4), the House shall revert to Orders of the Day.

Mr. Speaker: Such a motion needs unanimous consent for its introduction.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, we have been consulted and we are willing to give consent.

Mr. Speaker: Is there unanimous consent for the motion of the President of the Privy Council (Mr. Hnatyshyn)?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

EXCISE TAX ACT AND RELATED ACTS

NOTICE OF ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-80

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I wish to inform the House that there have been consultations among the representatives of the Parties in this House and that it has not been possible to reach an agreement pursuant to Standing Order 82 or Standing Order 83 with regard to the allocation of time to the second reading stage of Bill C-80, and Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof.

Therefore, at the next sitting of the House, it is my intention to propose the following motion pursuant to the provisions of Standing Order 84:

That, in relation to Bill C-80, An Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof, one sitting day shall be allotted to the consideration of the second reading stage of the said Bill; and

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

● (1520)

Mr. Gauthier: Only eight hours of debate, and they bring in closure. Shame.

Mr. Speaker: Order, please. I take it that unanimous consent is—

Some Hon. Members: No.

Mr. Speaker: I appreciate that.

Mr. Hnatyshyn: I did not ask for it, as I did not expect to get it.

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of Privy Council): Mr. Speaker, question No. 445 will be answered today.

[*Text*]

TOBACCO RESEARCH

Question No. 445—**Mr. Howie:**

Is the Department of Agriculture conducting any in house research into tobacco and, if so (*a*) in what research locations (*b*) how many person years are involved (*c*) in the past year, did the department contract out tobacco research?

Hon. John Wise (Minister of Agriculture): Yes. (*a*) In Ontario at Delhi and Harrow, Quebec at L'Assomption, Prince Edward Island at Charlottetown. (*b*) Fifty-nine person years. (*c*) Yes.

[*Translation*]

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

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Paul Dick (Parliamentary Secretary to President of Privy Council): Mr. Speaker, I ask that all notices of motions for the production of papers stand.

Mr. Speaker: Shall all notices of motions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

The House resumed, from Wednesday, October 23, consideration of the motion of Miss MacDonald that Bill C-62, an Act respecting employment equity, be read the second time and referred to a legislative committee.

Employment Equity

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I am pleased to participate in this debate. What we have before us is a Bill which purports to deal with a problem that has been with us for a long time. Almost 40 years ago, indeed shortly after World War II, it became obvious to leaders in our ethnic communities, major churches and the labour movement that a great deal of prejudice against minority, ethnic, religious and non-white groups existed in Canada. They came to believe that steps had to be taken to deal with that prejudice and with the discrimination which flowed therefrom, and that legislation was required.

When representations were made to Governments at the federal and provincial levels in the late 1940s and early 1950s by representatives of those organizations, the Government's first responses were that there was very little prejudice. However, when it was proven and information was given concerning actual cases, the first response of the Governments was that legislation was not necessary, that legislation to prohibit discrimination in employment or accommodations would be counter-productive, and that prejudice and discrimination could best be dealt with through educational processes. It took a number of years, but finally the Governments responded by bringing legislation forward.

I give credit to the first Government which responded in a realistic way. It was the Conservative Government of the Province of Ontario which first passed a Fair Employment Practices Act that made it illegal for employers to discriminate against people applying for work on the basis of their race, colour or creed. Later, following the provision of evidence indicating that there was discrimination in accommodations against certain groups because of their religion or colour, whether it was in their desire to rent apartments or to stay at certain resorts from which they were prohibited by tacit agreement, the Government of Ontario passed the Fair Accommodations Practices Act. In the main those two Acts were copied by all other provinces, and have led to a very substantial improvement in the reduction of discrimination which formerly existed in employment and accommodations for people of various minority groups. While those laws have had some very effective results and have led to substantial improvements, they have not come anywhere near solving the problem of discrimination in employment which still exists to a very large extent. Federal and provincial Governments established agencies to help people who felt that they were being discriminated against or had not been given an opportunity to obtain employment with a particular company, and for people who felt they were unable to rent accommodations because of their race, colour or creed. They could complain to the agencies or commissions appointed by the provincial and federal Governments. The commissions would investigate and, if they found discrimination, they would order the employer, apartment owner or hotelier to end the discrimination.

Federal and provincial Governments have expressed their determination to eliminate discrimination. In the past Governments have expressed their support for the principle of affirmative action, promised to make efforts in their own employ-

ment practices to right the wrongs and reduce the discrimination in hiring practised against various minority groups and by encouraging the acceptance of those employment applications by government Departments from members of minority groups.

The former Liberal Government expressed its support for affirmative action and designated a number of Departments in which it expected to get action fairly quickly. However, not much happened as a result of those expressions of support for affirmative action. Governments or private employers can accept the principle of affirmative action in employment or, as we now call it, employment equity, but it is not the Government Ministers of Departments or presidents of private companies who do the actual hiring. It is the personnel departments of private employers, of the Public Service Commission and of the Civil Service Commissions in the provinces that examine the applications of people applying for positions and do the actual hiring. They choose from a large number of applicants those who will be given an opportunity to work for the Government or for the private company. Particularly at times such as this when there is so much unemployment they have a great deal of power.

The one area in which affirmative action was a success in the federal Government's operations was in large increases in the number of people working for the federal Government who come from the Francophone community.

● (1530)

The reason it was a success, Mr. Speaker, was that the former Government—and I give credit to the present Government because it is following the same approach—instructed the agencies which were doing the hiring that they wanted more Francophones at all levels of Government and that they expected to have reports at regular intervals, probably every year, as to what had been accomplished. In that way, in that area, we did get action and we did get the employment of a substantial number of Francophone Canadians.

Because the former Government realized that we were not proceeding as quickly as all people wanted to in dealing with the problem of discrimination, the Government appointed Judge Rosalie Abella as a one-person commissioner to look into the whole question of employment equity. Judge Abella brought down a report in October, 1984, the report of the Royal Commission on Equality in Employment. She dealt with the problem of discrimination and she gave illustrations of how much there was. She called for Governments to do a survey to see where there were less than should be employed from various groups such as women, natives, visible minorities and the handicapped. The findings which Judge Abella made and some of the illustrations she gave were endorsed by the Minister of Employment and Immigration (Miss MacDonald). In a speech which the Minister made on March 8 of this year she quoted with approval from a study called "Who Gets the Work", a test of racial discrimination in employment which was commissioned by the Urban Alliance on Race Relations and the Social Planning Council of Metroplolitan Toronto. Let me just quote a couple of sentences from the Minister's speech citing illustrations which she obtained from this report. She cited this quotation:

—"whites have three job prospects for every one for blacks". Fact: among employable disabled persons, 50 per cent are unemployed. Fact: in many native communities unemployment is higher than 70 per cent.

The Minister of Employment and Immigration, speaking for the Government, endorsed the views expressed by Judge Abella that there was discrimination in employment, and that we had to deal with it.

But one of the major recommendations, and I believe the most important recommendation made by Judge Abella was a recommendation that mandatory affirmative action programs were necessary in the federal sector to deal with the problems of discrimination in employment. She also recommended a strong enforcement mechanism for the program; the implementation of equal pay for work of equal value; the creation of accessible daycare; improved training programs and barrier free transportation.

It is a tragedy, I believe, that despite the belief of Judge Abella that in order to attain the goal which we all aim for, that is, that people who have not been able because they belong to a minority group to get employment with the Government or to get employment very frequently in the private sector, a mandatory affirmative action program was necessary, this Government has rejected that key proposal. Because there had been so much controversy about the phrase "affirmative action", Judge Abella used instead the term "employment equity".

Mr. Speaker, it has been the experience in many jurisdictions that without mandatory programs we will not achieve affirmative action and we will not achieve the goals of employment equity. So it is, I believe, a real tragedy that the Government has opted for a voluntary employment equity program with no enforcement mechanism, and that only the reporting of work force data will be mandatory.

When we talk about employment equity or mandatory affirmative action we are not saying that jobs should be given to people who are not qualified. We are not saying that native people, handicapped people, women or members of visible ethnic minorities must be hired just because they are from minority groups. What we are saying is that members from those minority groups who are qualified to do the work for which there are jobs available and who have in the past not been able to get em ployment due to a large extent because there is prejudice and to a large extent because there has been and is discrimination that they, through a policy of employment equity, shall be given the opportunity to get jobs.

This is the system which they have followed in the United States for many years and it has been successful. Recently the present administration in the United States headed by President Reagan has proposed moving away from mandatory affirmative action programs. It is interesting to read what representatives of business have said in an article which appeared in *The Globe and Mail* on September 28, written by Michele Landsberg. I want to put on the record a few of the

opinions that she quoted which were expressed by leading American business people. She quotes William McEwen, Chairman of the Resources and Equal Opportunity Committee of the U.S. Association of Manufacturers. He said:

> There's no such thing as voluntary compliance with affirmative action laws. If voluntary compliance worked, Moses would have come down from the mountain with the Ten Guidelines.

Then she quotes Lawrence Branch, Corporate Director of Equal Employment Opportunities, Merck Co. Inc., the largest pharmaceutical company in the United States, as follows:

> Business is very upset with Washington's attack on affirmative action.
>
> These programs have given us a beautiful, tappable resource of women and minorities who have increased our work force diversity and brought us new skills.

Victoria Smith, Senior Consultant, Organizations Resources Counselors, Inc., New York, said:

> Business is comfortable with numerical goals and targets. That's how business works. We just did a survey of our clients—most of them are Fortune 500 big corporations—and, of 142 responses, 95 per cent said they would keep on using numerical goals to track the progress of women and minorities, regardless of government requirements.

So, Mr. Speaker, what we are saying is that we want action. We want action and that needs to be mandatory employment equity.

● (1540)

The response of most of the interested organizations to the decision of the Government not to make employment equity legislation mandatory is very clear. Representatives of the National Action Committee on the Status of Women, the Coalition of Provincial Organizations of the Handicapped, the National Ethnocultural Council, the Canadian Association for Community Living, the Canadian Labour Congress, the Urban Alliance on Race Relations, the Canadian Congress for Learning Opportunities for Women and the Coalition for Employment Equity joined in condemning the Government's responses as weak, ineffective and a betrayal of commitments and promises made to them.

According to a press release of October 9, 1985, these representatives said that we need one standard-setting and enforcement agency with powers to monitor programs and to impose penalties for non-compliance, goals and timetables for increasing the representation of target groups as a required element of programs, mandatory implementation of equal pay for work of equal value in the federal sector and labour and target group involvement in the design of programs. Chaviva Hosek, President of the National Action Committee on the Status of Women, speaking for all those groups, said that this is what the Abella Commission recommended and what we need if equality is to be made a reality in the future.

I urge the Government to reconsider the position it is taking in connection with this Bill. I encourage the Government to follow the advice of the coalition of groups that are so vitally interested in this matter and to adopt the major provisions of the Abella Report.

Mr. Deputy Speaker: Questions and comments? We will resume debate with the Hon. Minister of State for Fitness and Amateur Sport and Minister of State for Multiculturalism (Mr. Jelinek). I would like to advise the Minister that the time limit for speeches is now 10 minutes.

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker, I am delighted to have the opportunity to participate in this debate on Bill C-62, the employment equity legislation which is based on a belief in fairness. I do so with particular interest because, although the Bill comes to grips with many critical issues, it comes to grips with a particular issue on which I would like to dwell for the next eight or nine minutes and that is, the issue of fairness and equity for members of visible minorities.

As Hon. Members know, visible minorities play a large and important part in Canada's ethnocultural community. Members of visible minorities must receive equal opportunities. All opportunities provided to all Canadians must be provided on an equal basis to members of visible minorities as well. In fact, the policy and the new thrust of the Government in respect of multiculturalism is to provide an equal opportunity to all Canadians while encouraging the maintenance of the cultural heritages of all ethnocultural groups.

Equality and fairness are qualities that go to the very root of our country. I might say that it is a sense of Canada which I personally deeply share because of my own background. I am one who chose to be a Canadian. It is a sense of respect for the smallest and weakest of communities and one which gives urgency to the challenge the Prime Minister (Mr. Mulroney) put before us last year when he said that, "there is no obligation more compelling, no duty more irresistible than to ensure that our minorities live at all times in conditions of fairness and justice". Those are words to live by.

I am proud of the fact that the Government has led the way in giving substance to all discussions and proposals for employment equity for visible minorities which now join the target groups of women, natives and the disabled. The legislation has even greater significance when it is viewed together with the second major initiative of the Government, that of affirmative action within the federal Public Service. The Treasury Board commenced its initiative on behalf of visible minorities with a survey in March and a commitment to action announced in September of this year. In June, my colleague, the Minister of Employment and Immigration (Miss MacDonald), brought forward Bill C-62, the Bill we are now debating, which will require Crown corporations and businesses which contract with the Government to submit annual reports on the status of the target groups they employ.

This Bill is an important step toward ensuring that all Canadians, regardless of racial origin, are treated fairly and that Canada benefits from a dynamic economy which draws on the best talents of all Canadians unimpeded by artificial barriers. I hope we can all support this legislation and I am flabbergasted to hear opposition to it from members of the Opposition and others. This is the first time a Government has taken positive steps by way of legislation to make it possible for Crown corporations, agencies and businesses to be

encouraged to hire not only individuals of ethnocultural backgrounds but those who are members of visible minorities. It is particularly the Liberal Members who should be ashamed to be opposing a piece of legislation which is far reaching and goes in the direction of the goal we all hope to achieve by providing equality of opportunity to all Canadians.

Mr. Marchi: That's not what the press releases say.

Mr. Jelinek: I see my hon. friend, the Liberal critic on multiculturalism, who is afraid to rise in the House to ask me questions on multiculturalism—

Mr. Marchi: You've never answered one.

Mr. Jelinek: He hides behind press releases and statements so that people cannot answer him on this matter. He is a member of the Party that has not taken any positive steps in making it possible for visible minorities to be hired by Government agencies or businesses.

Mr. Marchi: You don't have to teach us anything.

Mr. Jelinek: The Hon. Member should listen. Perhaps he will be in a position to learn a little bit about what the proper direction is when he sees what the Government is doing, has done and will continue to do for the benefit of all Canadians.

Mr. Marchi: Sit down. You're a shame.

Mr. Jelinek: I know that I am running out of time. Ten minutes is a very short time. I would like to close by saying that this is only one step toward providing equal opportunity to all Canadians. The *Equality Now* Report, the report of the Special Parliamentary Committee on Visible Minorities in Canadian Society, was tabled some time ago and I am proud to report on behalf of the Government that out of the 80 recommendations in that report, the Government has already begun to implement 50 and the rest are being worked on right now. I look forward to working with the Standing Committee on Multiculturalism toward implementing with the help of that committee and others within the ethnocultural community the remaining 30 recommendations of *Equality Now.*

The positive steps taken by the President of the Treasury Board (Mr. de Cotret) in announcing further opportunities for visible minorities on September 9 were yet another step in the right direction. Hon. Members will know that we have come a long way. This legislation is yet another step toward providing to all Canadians the equal opportunity in which we on this side of the House believe belongs to them. We still have a long way to go. I am not suggesting that this is the final means of reaching our goal.

Mr. Marchi: You're going backwards.

Mr. Jelinek: However, this is a major step in the right direction, a step that no previous federal Government has had the guts to take. This is only one of many that will finally provide to all Canadians that equality of opportunity which is so necessary in a free and great country like Canada.

Mr. Marchi: Mr. Speaker—

Mr. Deputy Speaker: There are no questions or comments permitted.

Mr. Marchi: Is the Minister hiding behind that?

Mr. Deputy Speaker: Debate.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, the Minister who just spoke indicated that this legislation is just one step, but it is a major step. It is not that at all. It is no movement whatsoever when one comes to consider the needs of aboriginal peoples in the country. What bothers me most about the Bill which is before us is the unsubstantiated fanfare which has accompanied its introduction. If Hon. Members look at the press release from the Minister they will see that it states that Bill C-62 will remove employment barriers and provide equality for a number of target groups. Included among the target groups are the aboriginal peoples of Canada.

• (1550)

If we go back to June of 1985 and look at the working paper on the employment equity legislation we will see that it makes an even larger claim for the legislation which is now before the House. It says that this will be a major step—and the Minister who just spoke repeated that—for certain target groups, including aboriginal peoples. To do what? To ensure that they could participate fully in the economic life of this nation? To describe this rather thin and not very substantial Bill as being a bold, new move is really stretching the credulity of this House. It is far-fetched to think or believe that this Bill will provide anything approximating equality for native people and that it will provide them with the opportunity to participate fully in the economic life of the country.

This piece of legislation is so meek and mild that I think it reveals on the part of the Minister a failure to comprehend the grave and difficult problems which Canada's aboriginal peoples face. They are striving to achieve economic parity with other Canadians. How much more comprehensible are the conclusions of Judge Abella in her report. She demonstrated very well that she had grasped the magnitude of the problem, something which Bill C-62 fails to do entirely. The data which Judge Abella looked at indicated clearly that the native people of the country have very low participation rates in the labour force. They have high unemployment in many communities, in fact, in excess of 70 per cent and sometimes even as high as 90 per cent. She indicates that there are low levels of education and that they are further restricted by geographical concentration in rural and remote areas of the country. Therefore, their access to employment opportunities is limited and difficult.

In the Minister's introductory speech with respect to this Bill she argued that native people have been refused job interviews not because of their competence but because of the colour of their skin. That is a somewhat shallow and superficial analysis of a very serious and complex problem. I ask the House: Why does this Bill do nothing for native people? It does nothing because it presupposes that native people will get

as far as an interview. This Bill begins to help when an interview is granted; but the vast majority of aboriginal people in the country never get inside the building, much less past the receptionist, in order to have that interview about which the Minister speaks. The Bill is not related to the situation in the country with respect to aboriginal peoples in any sense at all.

The lead as to what we have to do has been given to us by Judge Abella. In her report the talks about equality in employment for native people. She says it means effective and relevant education and training. It means having a primary voice in the design of education, training and funding programs which have been established for their benefit. It means meaningful support systems and the delivery of services through native-run institutions. Even if Bill C-62 had the ability to make every Canadian colour-blind it would not in any way help Indian, Inuit or Metis people in the country discover that they now have full equality in employment opportunities. They would not then have all of the barriers removed. They would not then be able to participate fully in the economic life of the nation. The emphasis, the need and the problem lies elsewhere.

In making the claim that this Bill will take these important and necessary social steps for aboriginal peoples the Minister is misleading us in the extreme. The emphasis must be on education and on training. The emphasis must be on programs which are designed and controlled by aboriginal peoples themselves with the necessary funding support in place to ensure that they can be successful.

I have to agree with my hon. friend from Notre-Dame-de-Grâce-Lachine East who spoke earlier in this debate when he said that Bill C-62 is a small step in the right direction. Perhaps for some of the other target groups it may be a very small step in the right direction. I tell this House that it is no step at all, it is no movement whatsoever for the aboriginal peoples of the country. It does not implement the Abella recommendations, nor does it satisfy the designated group which is referred to in the Bill—the aboriginal peoples of Canada.

In her report Judge Abella spoke about the poor economic conditions among native people. She spoke about an unemployment rate which is more than twice that of other Canadians. She spoke about a sense of anger among native people in their desire for self-determination. I quote just one sentence from her report which states:

> Native people do not have anything that begins to approximate equality in a country they inhabited long before any others.

If we want to include aboriginal people in a Bill with respect to employment equity what we really need is a Bill designed especially for them. We need an access to employment Bill for native people which would contain some entirely different provisions from what we have in Bill C-62. Such a Bill would have an improved strategy of offering and providing education to native people. Such a Bill would be tabled by the Government after consultation with native people. It would take them in the direction of reviewing strategies and programs for the training of native people. A Bill such as the one I am proposing would make sure that adequate financial resources are provided.

I cannot begin to tell the House the degree of apprehension which exists among aboriginal peoples as a result of the Buffalo Jump Report which proposed taking some $350 million out of the support system program upon which they depend for their well-being and their future.

The previous Government introduced a Native Economic Development Program. Since this Government assumed office there has hardly been a single application approved under that $345 million program. There is a fear and a concern that there will be an announcement in the near future when the task force of the Deputy Prime Minister (Mr. Nielsen) completes its work to the effect that this program will go by the boards and that something of lesser proportions, something much less in the way of accessibility, will take its place.

Thus I have to say that Bill C-62 is not a Bill which I can support in principle because it does not do what it claims to do. It claims to give employment equity to aboriginal peoples and allow them to participate fully in the economic life of the nation. I say nonsense; it will do nothing of the kind. Therefore, in principle, I am not able to support the Bill.

Mr. Deputy Speaker: It being four o'clock, pursuant to the order made earlier this day, the House will now revert to statements by Ministers. The Hon. Minister of Energy, Mines and Resources (Miss Carney).

• (1600)

ROUTINE PROCEEDINGS

[*English*]

ENERGY

GOVERNMENT POLICY—STATEMENT OF MINISTER OF ENERGY, MINES AND RESOURCES

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, five years ago this week, the previous Liberal Government introduced in this House the National Energy Program. It was a program which was presented in terms of opportunities, fairness and security. Instead, it was an unprecedented exercise in market intervention, Government waste, discrimination and confiscatory and retroactive measures. It robbed Canadians of opportunities and very seriously impaired the economic and energy potential of this country.

The Progressive Conservative Party has always supported the goals of the NEP, the goals of opportunity, fairness and energy security. But we had adamantly opposed the measures in the NEP by which these goals were sought and the manner in which it discriminated against regions of the country. Like many Canadians affected by the NEP, we deplored the way it was developed, in secrecy; we resented the way it was introduced, unilaterally, without any consultations, and we opposed

the way it was implemented, overriding legitimate concerns and criticisms.

In a very constructive reaction to the NEP policies of the previous Government, the Progressive Conservative Party caucus released its energy policy principles in Prince Albert in July of 1984, and again in Halifax in August of that year. These were energy resource as an engine of economic growth; energy self-sufficiency; increased Canadian participation; fair treatment of energy consumers and producers, and co-operation between the federal and provincial Governments and the industry. Canadians were presented with a choice on energy policy in the last election campaign and they voted for a new approach—they voted for an end to the National Energy Program.

Therefore, it is a privilege and an honour for me to announce that on Monday, October 28, when we marked the fifth anniversary of the NEP, was the last anniversary of the NEP.

Some Hon. Members: Hear, hear!

Miss Carney: During our first year in office, we have worked hard to implement our Prince Albert principles to change Canadian energy policies. The energy initiatives we have taken to date in the Atlantic and Western Accords, and the measures I will be announcing today, mark the end of the NEP and its replacement by a fair, non-discriminatory and constructive Conservative energy policy.

Our agenda for change was established by the Prime Minister's early emphasis on national reconciliation and economic renewal. We believe our energy resources should be used to unify Canadians not to divide them.

The first change, which was struck last February, was implemented in the Atlantic Accord with Newfoundland following an agreement in principle which we developed while still in opposition. For the first time, the historic Accord provides for revenue sharing on offshore oil and gas resources on the same basis as if they were on land. It is based on the equality of Governments in shared management, while providing for the national interest in oil self-sufficiency.

The Accord is creating new opportunities for the Province of Newfoundland and Labrador which were denied by the previous Liberal Government. It creates investment, employment and energy benefits for all Canadians.

Only a month and a half after the Atlantic Accord, the Government announced the Western Accord with the Provinces of British Columbia, Alberta and Saskatchewan. The Western Accord marked a major break with the past. Oil prices were deregulated. Oil trade was freed up to provide strong encouragement for investment. A long list of federal taxes was eliminated, taxes which negatively affected Canadian energy producers and consumers. As well, the unfair PGRT tax and the discriminatory PIP program were phased out.

The Western Accord reflected our approach to relying less on Government hand-outs and intervention, and more on the opportunities provided in the market-place.

The reaction to these initiatives has been very encouraging. Oil exploration in western Canada is now higher than at any time in our history. Over-all oil and gas investment intentions are up by about $2 billion, more than a 25 per cent increase over last year. This investment is providing energy security and economic benefits—jobs—right across Canada. As well, deregulated oil markets are creating opportunities for both producers and consumers. I believe market-oriented natural gas pricing can also provide balanced producer-consumer benefits and we have worked hard in the last few weeks to strike that balance with both the producing and the consuming provinces.

I am proud to announce that earlier this afternoon we reached an agreement in principle with the western provinces.

Some Hon. Members: Hear, hear!

Miss Carney: And I am honoured to recognize in the Gallery two of the western Energy Ministers who made it possible; John Zaozirny of Alberta and Stephen Rogers of British Columbia.

Some Hon. Members: Hear, hear!

Miss Carney: Building on the principles of the Atlantic and Western Accords, we can now announce another major energy policy initiative relating to Canada's energy frontiers. The frontiers, the offshore and northern regions beyond provincial boundaries, hold vast oil and gas resource potential and can contribute important energy and economic benefits to Canadians. However, oil and gas exploration in Canada's frontier regions is now guided by the NEPs Canada Oil and Gas Act, one of the most controversial pieces of legislation in Canadian history. It introduced the retroactive Crown share and an extremely interventionist management regime for the frontier.

Our Government has decided to replace this NEP legislation with an entirely new Act, the Canada Petroleum Resources Act. I am now tabling, Mr. Speaker, a public document entitled *Canada's Energy Frontiers—a Framework for Investment and Jobs*, which reviews the policy initiatives which will underly our new legislation.

I can review these briefly. First, the NEP legislation provided for a retroactive and confiscatory Crown share, the so-called "back-in", which did so much damage to Canada's investment climate and to our international reputation. There will be no Crown share in our legislation.

Second, the NEP established a management regime which was highly interventionist, placing greater reliance on bureaucratic processes than on market forces. Our legislation will reflect an entirely new management approach. It will reflect our emphasis on market solutions. For example, exploration rights will be issued on the basis of a clear, best bid system, which is free of bureaucratic interference while providing for specific regional adaptation.

Third, the NEP legislation provided special treatment for federal Crown corporations, including Petro-Canada. Under our regime, Petro-Canada's conduct will be governed by com-

petition in the market-place, not by preferential legislative treatment.

Fourth, the NEP legislation also included a number of extraordinary ministerial powers to direct industry activity on the frontier, none of which was subject to appeal. Our legislation is based on fairness. It will permit the excise of ministerial authority where necessary to ensure that the national interest is met. However, the extent of this power will be reduced to be in line with international standards, and will in all cases provide for appeal.

Fifth, the NEP legislation required 50 per cent Canadian ownership of frontier production. If this was not met, the legislation allowed for expropriation without compensation even for discoveries which were made prior to the NEP. Our legislation will require 50 per cent Canadian ownership in frontier energy projects but will not be applied retroactively. Any sale will be at the market value of related assets. There will be no Government expropriation without compensation and no fire sale prices.

While fair to all investors, our approach will provide opportunities for increased Canadian ownership. This approach is working. Canadian ownership of the oil and gas industry rose to 47 per cent from 42 per cent within the last year. This represents more progress in one year than in the previous three years under the NEP.

As well, Mobil Canada has agreed to our request to offer for sale sufficient portions of Hibernia and Venture frontier projects to ensure that our 50 per cent ownership objective can be met, even for these 1979 discoveries.

Finally, my colleague, the Minister of Finance (Mr. Wilson), and I want to complete the task of fundamentally changing the NEP fiscal regime as it applies to the frontier. The NEP provided for very rich Government grants on exploration while legislating a very high government tax take on eventual production, including a royalty regime which was not profit-sensitive; the 25 per cent Crown share of which I spoke earlier and, of course, the PGRT, which was a tax on revenue, not on profit. In effect, generous Government grants promoted the drilling for dollars while taxes discouraged commercial production.

• (1610)

The Government believes that investment in Canada can best be encouraged by rewarding success rather than by subsidizing effort through Government grants. That is why we announced the phase-out of the costly PIP grants and the PGRT tax in the Western Accord. Consistent with this approach the frontier royalty regime will be replaced with a profit-sensitive system that encourages investment. It will be modelled after the Alberta royalty regime that applies to oil sands projects and enhanced oil recovery. Royalty takes will be modest in early years, but will rise when projects become more profitable. As well, royalties will be subject to further consultation and negotiation on a project-by-project basis. As well, the Minister of Finance will establish a 25 per cent exploration tax credit for high cost exploration. The credit will be refundable and will apply across Canada to exploration expenses above $5 million a well.

We expect frontier oil and gas investment to amount to about $1 billion to $1.5 billion a year for the next several years. Of course, this could rise substantially with an early oil or gas discovery. It will certainly rise as the Hibernia oil and Venture gas projects near development. Together these two projects represent a $10 billion investment in Canada's energy future. The tax credit will be available to the end of 1990. It is intended to help bridge the gap between PIP availability and the timing of expected frontier development which will create new commercial incentives for frontier investment.

A royalty investment credit will also be applied to frontier exploration costs of up to $5 million per well. The credit will be applied against royalties otherwise payable within the region. Of course, under the terms of the Atlantic Accord, the responsibility royalties in the Newfoundland off-shore has been transferred to the provincial Government. Similar treatment may be provided in other jurisdictions, for example in Nova Scotia where discussions are taking place to improve Nova Scotia's off-shore regime. The new regime will be based upon equality in management and will meet the very special needs and opportunities of the Nova Scotia off-shore. The new legislation will enable regional priorities to be readily accommodated in coastal provinces and in the North. My colleague, the Hon. Minister of Indian Affairs and Northern Development (Mr. Crombie), will be discussing how these policy initiatives will be implemented in the North.

Over all, Mr. Speaker, the frontier energy initiatives I have outlined today will establish a sound, internationally competitive framework for exploration and development. Interventionist road blocks to investment have been replaced by a positive, market-oriented management regime. Elimination of the Crown Share will remove an unnecessary and unfair fiscal burden from the industry. The improved royalty regime and the refundable exploration tax credit will attract investment. As well, the elimination of the PGRT in the Western Accord has improved the commercial viability of off-shore energy developments and has left the industry well placed to pursue the frontier investments Canada needs.

I do not expect these changes to ensure the financial health of all companies in the frontier regions. However, our policies will reward enterprise and establish clear rules for an industry ready to invest in Canada. Companies that structured their activities primarily to take advantage of Government grants will have to adjust to our new approach. I expect they will show the same ingenuity in adjusting to our regime as they did in adjusting to the Liberal Government's grant scheme. The grandfathering of frontier PIP commitments until the end of 1987 will help in this transition. I expect the industry as a whole, and investors generally, to be very supportive of the changes I have announced today. We have established a solid framework for jobs and investment, a framework that will provide energy security and economic benefits for all Canadians.

Some Hon. Members: Hear, hear!

Miss Carney: Mr. Speaker, under the provisions of Standing Order 47(2) I would like to table in both official languages a copy of *Canada's Energy Frontiers A Framework for Investment and Jobs.*

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, what the Minister of Energy, Mines and Resources (Miss Carney) has announced here today is going to prove to be a disaster for frontier exploration in the country. It is going to devastate what the Liberal Party, when it was in power, tried to do when it was in power to create a security of supply and to develop these rich resources in the frontier, particularly in the off-shore.

The Minister of Finance (Mr. Wilson) said that the replacement for the Petroleum Incentive Program would be world-competitive. We have known for some time that the Minister of Finance is not in the real world, but regardless what world he is in, surely there is no way one could say that this replacement is world competitive. I think that the true sentiments of the Minister of Finance were best expressed in a speech in Calgary on June 1 to the Independent Petroleum Association of Canada and the Canadian Petroleum Association when he said: "I would caution you, we are interested in moving very much to a market oriented system with a minimum of tax incentives. When it comes to special measures to encourage northern and off-shore exploration we need to be pushed by you". That is an understatement. There is no incentive here that will have a meaningful bearing on the promotion of frontier exploration in Canada.

On November 22, 1984, the Minister of Energy, Mines and Resources said that her goal was to prevent any lull in exploration. Due to her hesitation to provide this replacement and do anything constructive, and now due to this minimal provision, there will not be any off-shore activity in the country, Mr. Speaker. It is going to be a disaster. The Government is making the energy sector an offer it cannot accept. There is no risk of the Government spending any money to encourage frontier exploration because there will be no one taking it up on this. There may be a few people participating in exploration, but it will be very, very few.

What the Minister has said about her expectations means as much as it meant when she announced the Western Accord and that the off-shore projects were protected. She said that she had received assurances of reinvestment of $800 million a year from those companies working in the Atlantic off-shore. The removal of five different taxes meant that those companies would invest more money on the east coast. Well, Mr. Speaker, we have seen what has been invested on the east coast. It is much less than was ever invested previously. In fact, participation in the off-shore has been reduced and the projections for 1986 are even worse. At best they expect three drill rig years of activity off Nova Scotia and, at best, four drill rig years of activity off Newfoundland.

What will this do for small Canadian companies, Mr. Speaker? From the jargon used by the press to describe what "tax credit" means, I can only hope that at the very least the Minister is telling companies participating in frontier exploration that if they cannot use the 25 per cent expended on frontier explorations and therefore do not have to pay taxes and cannot claim a tax deduction, they can receive a grant from the Government in the same amount as the reduction of taxes they would have received had they been in a position to pay taxes. If not, none of the small Canadian corporations will be able to take advantage of this offer.

Mr. Tobin: They may as well have given them a mobility grant, they're all leaving anyway.

Mr. MacLellan: There is going to be bidding for the rights to drill on these particular lands. This will be to the highest bidder. We will see who has the deepest pockets and it will be the multinational oil companies and perhaps Petro-Canada and one or two other Canadian companies. That is the activity we will see on frontier development.

• (1620)

There will not be the previous opportunities for small Canadian companies to be able to participate in this very valuable part of the country's future.

Mr. McDermid: That is nonsense and you know it.

Mr. MacLellan: I listened to the Government's drivel, at least Government Members can listen to my common sense. The Canadianization mentioned by the Minister will literally be ransacked. She stated that an increase in Canadianization from 42 per cent to 47 per cent was more than the Liberal Government had achieved in the past three years. From 1980 to 1984, the Liberal Government increased Canadianization from 28 per cent to 42 per cent, or a 14 per cent increase in that period. That is a very good record, not even considering the fact that the Liberal Government gave birth to this very important concept.

We will not talk about the cost to the federal Government in tax breaks to realize that increase from 42 per cent to 47 per cent.

The legislation will require 50 per cent Canadian ownership in frontier energy projects. Who will be able to afford becoming part of this 50 per cent Canadian ownership? While Petro-Canada and perhaps one or two other companies may take part, how will small Canadian companies be able to participate in this very important part of our future? In her statement the Minister said:

> Mobil Canada has agreed to our request to offer for sale sufficient portions of the Hibernia and Venture frontier projects to ensure that our 50 per cent ownership objective can be met, even for these 1979 discoveries.

It is no wonder that they are prepared to sell. Everyone will want to sell their frontier interest as a result of the Minister's announcement today. Who will the Minister entice into frontier exploration with that 25 per cent offer? It is an offer that cannot be accepted because it will not make any meaningful contribution. We will see a reduction and an eventual phasing out of future exploration on the frontier, including the offshore.

Not only will the Minister's provisions cause devastation, she has also announced a sunset clause, making these available only to 1990. Venture will not come into production by 1990.

Miss Carney: Why not?

Mr. MacLellan: Because of what the Minister is doing in these provisions. The Government is providing a puny fiscal regime. The partners in Hibernia have said that it will not come on stream until 1992, yet the Minister is removing what meager, paltry sum, fiscal regime and incentive that she is offering today. It is ludicrous.

How will she compensate Newfoundland and Nova Scotia for eliminating the back-in for the Canada Lands? How will she sooth those two Tory provincial Governments and soften their ruffled feathers, not to mention their apoplexy when they read this statement? They will go into actual convulsions when they read about the future of the projects upon which they have placed so much hope.

The Minister and the Government says that the frontier royalty regime will be replaced with a profit sensitive system that encourage investment. It is not the federal Government's royalty regime. The federal Government stipulated whose royalties they are in the Atlantic Accord. They are not the royalties of the federal Government.

What is the position of Newfoundland with respect to this profit sensitive arrangement? Newfoundland is told that they have royalties under the Atlantic Accord, but the Minister states: "Royalties will be subject to further consultation and negotiation on a project-by-project basis". What gives the Minister the right to do this?

I find it rather ironic that the Minister, at the end of her statement, has provided her own epitaph on this project. She said:

> I do not expect these changes to ensure the financial health of all companies in the frontier regions.

If there ever was an understatement, that is it.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I rise to comment on this important matter on behalf of the New Democratic Party. First, I find the nature and the timing of this announcement very ironic. This is the day after the Auditor General has brought down a report that damns the hiding of the real cost of government largess to its corporate friends, via tax expenditures. The Auditor General exposed another billion dollar government tax boondoggle to a large oil corporation. The Minister stands in the House to try to sell what is, in effect, another tax boondoggle. We will have little control over that, particularly when one considers what the Auditor General said yesterday; which is as follows:

> The concealed nature of selective tax provisions means that too often they escape the scrutiny of MPs. It can be seen that I was not exaggerating when I said last year that tax expenditures represent a huge hidden budget in the financial affairs of Canada.

Although the PIP was a very rich program we knew that these grants were targeted and we knew how much they cost. For that reason, I find it ironic for the Government to turn to this other system.

The measures announced by the Minister today are basically flawed. We should consider the history of offshore oil exploration in Canada. There is a book entitled *The Politics of Energy*, written by Bruce Doern and Glen Toner. It disregards the myth which the Minister has been expressing about the National Energy Program and deals with the reality of energy politics and energy exploration and development in Canada.

The areas thought to contain the majority of Canada's undiscovered oil and gas reserves are in Canada Lands, meaning the offshore and in the North. In 1980, despite 20 years of exploration permits and generous tax allowances for exploration, relatively little activity occurred in Canada Lands. Only three fields were in production.

It was precisely because of the demonstrated failure of the old tax incentive system to foster development that the Canadian Government—a Liberal Government at that time—designed an up-front system of incentives, together with shared decision-making, to ensure that development occurred in Canada Lands.

History shows us that the old system of tax incentives did not work on Canada Lands. However, the Government is returning to the old system. Therefore, especially considering that the world oil price is going down, the program announced by the Minister today is simply flawed and will not work. No matter what myth she creates or rhetoric she uses, this program will mean that we will not have security of supply, especially from investment and development on the East Coast and in the Arctic. This is a short-sighted package. It will not be rich enough to keep frontier activity alive.

If we are going to ensure security of oil supply for Canada in the oil shortage which I anticipate will occur in the 1990s, we must encourage frontier exploration now, not when the crisis is upon us.

Third, the economies of Nova Scotia and Newfoundland are already in desperate straits. For all its faults, at least PIP represented a massive injection of cash into that area. As I said, there was a target, a particular area and a particular purpose with these grants. The Federal Government should use the money that it will save from eliminating the PIP grants at least to announce a further program or proposal that would provide more money to the Altantic Provinces.

Since the Minister did not do so in her speech, I will ask her to explain the effect of the elimination of the 25 per cent Crown share. Considering that Nova Scotia and Newfoundland, as part of their energy agreements with the federal Government, have an interest in that share, what do they say, Mr. Speaker? The Minister never said anything about that. What do they say about giving up the Crown share?

• (1630)

Where is the Canada share? What about the Conservative promises? The Minister made reference to the Prince Albert

meeting of the Conservative caucus on July 5, 1984 from which we have this statement:

> We will set aside the retroactive "back-in", which is expropriation without compensation and has done so much to damage our relationship with international and Canadian investors. Instead, we will introduce a "Canadian share" which will encourage Canadian private and public ownership of oil and gas production on discoveries made after October 28, 1981.

I may have missed something, Mr. Speaker. Perhaps the Minister will explain to me but I have not caught exactly where the Canadian share is in this announcement today. Is what the Minister is announcing the Canadian share or did the Minister have in mind transferring the moneys that were in the back-in provision, the 25 per cent Crown share and giving it to Canadian companies in a Canadian share?

I say to the Minister that what the Canadian Government did was to back off in this package. The Government retreated in the face of American pressure. The Minister knows that there was a letter from the Secretary of State for External Affairs (Mr. Clark) to her saying: "Pat, don't put this thing through the Cabinet. Let's check with the Americans first. Let's see what George Shultz has to say." In fact, the Minister was terrified of the Americans who said that the previous program was discrimination because it favoured Canadian companies over American companies. The Government has backed off with respect to the Canada share which it originally had in mind as a private discriminatory break to Canadian companies.

What is perhaps a tragedy in the dismantling of the PIP system is that some Canadian private companies will suffer. To get into the offshore exploration is a very expensive business. It is tied up with some large American companies, such as Mobil. What the PIP grants did to Canadian companies was discriminate over American companies and that is why the Americans objected. These grants enabled the number two level Canadian companies to get into the frontiers. As a result of this system we will see that these Canadian companies will not be able to participate.

Will Canadian firms, so recently enticed into Canada Lands by the PIP grants—by the carrot and the stick part of that program—be financially able to stay the course that Ottawa planned for them? It is very important for the capacity of second line Canadian firms to be major players in the development stage of the Canada Lands. They got into the exploration stage. We want them to be part of the development stage. This is where the program is flawed.

There is nothing here about the North, Mr. Speaker. I would like to hear further details about that.

Miss Carney: Yes, there is.

Mr. Waddell: Regarding the repeal of the Crown share, the federal Government should retain a share of lands large enough, especially in the North, to provide for the negotiation of a fractional interest by the aboriginal peoples in the North. I know the Minister has promised an announcement by the Minister of Indian Affairs and Northern Development (Mr. Crombie) and we will look for that.

Let me sum up by saying a number of things about the program. First, the Crown share was a *quid pro quo* for the rich PIP grants that were given. It was a share to the people of Canada. That share has been taken away from Canadians. What is the matter with the people of Canada getting 25 per cent of the action? After all, they are our resources. They do not belong to Mobil in New York. They belong to us.

We allowed foreign and Canadian firms to develop these resources but they are basically our resources. We have a right to get a fair share. Look what Norway and what Britain did in the development of the North Sea Oil.

The Conservatives have got carried away withr hetoric here and missed the fact that the international oil industry was feeding them. It is a shameful retreat from a tentative step—I do not agree with all of the National Energy Program, indeed, I voted against most of it—for us to get control of energy in our own house.

Second, the exploration permits are to be opened up to the best bid system. That will clearly favour multi-national oil companies.

Third, a 35 per cent exploration PIP grant would be equal to a 50 per cent exploration tax credit, but this is a 25 per cent credit. That means the equivalent of an 18 per cent PIP grant. That gives you some idea of the diminution—

An Hon. Member: Down from 90 cents.

Mr. Waddell: —down from 90 cents, my colleague tells me.

Fourth, the Minister talks about following the free market. I have listened to the rhetoric. The world market in oil is not really a free market. It is controlled by some large companies.

Miss Carney: That is why it is declining.

Mr. Waddell: You are in there with big players, Mr. Speaker. To speak this nonsense that somehow little Canadian companies can play with Mobil and some countries is crazy. If we had followed the free market, we would have no Venture field.

Miss Carney: Venture was before PIP, Ian.

Mr. Waddell: The Government sent Petro-Canada to explore. PIP grants were given for companies to explore. It is ridiculous for the Minister to make these kinds of statements. If we had followed the free market, there would have been no real investment in Atlantic Canada. If we had followed the free market, we would not have any encouragement or incentives. By having incentives, you are not following the free market, Mr. Speaker.

Let us get rid of this rhetoric. Let us get rid of the rhetoric on the National Energy Program. We are seeing an orgy by rewriting Canadian history. The way Conservatives are trying to rewrite history it is worse than Stalin. I am not kidding. The Conservatives are trying to rewrite the history of the energy program, saying that it is responsible for home foreclosures, bank failures, vacant office buildings and so on.

The National Energy Program has had a mixed result. The National Energy Program got a better deal in terms of private and public investment. It was not a radical program. Its goal of fairness, security and Canadianization were accepted by everyone. That it has had mixed results is what you can say about the National Energy Program. Instead the Conservatives are returning to the bad old days to a system that does not work, and historically has not worked. We look at the Conservative energy program and the Minister says a long list of tax is being eliminated. However, I have seen gas prices going up.

[*Translation*]

I was in Quebec recently and noticed that gas prices are higher than they were under the previous administration. Is that the new energy program of the Government of Canada: more taxes, higher prices, closed refineries? As far as I am concerned it is not a good program, the energy program of the Progressive Conservative Party is a disaster.

[*English*]

Let me conclude by saying that the Government has taken a tremendous gamble with the short-term future of Atlantic Canada, and in the long term with the whole future of energy supply for the country. I cannot say that there will be no exploration. I do not want to say that. I would like to see exploration. When I see falling oil prices and a retreat from the grants and incentives of the Petroleum Incentives Program, I find it hard to believe that we will continue this pace of exploration in Altantic Canada. If that does not happen, the Government owes Atlantic Canada some additional help. As to the details of the program, we will discuss them in committee.

● (1640)

However, as I said and to sum up, I think we are retreating in the face of American pressure and the myths which the Conservative Party has bought from the big oil industry and returning to a program which essentially did not work before 1980, with the hope, prayer and gamble that suddenly it will work in 1985. I do not think that is a very smart energy program.

Mr. Tobin: Mr. Speaker, I rise on a point of order. With Your Honour's indulgence, I just want to clarify what I understand, that the new rules now in effect in the House have set up a system where only one Member from each Party may comment on a statement of a Minister and where the Minister is not obligated to answer questions. Is that correct?

Mr. Deputy Speaker: The Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin) is in fact correct. There was an amendment to the Standing Orders of the House which was adopted unanimously by the House in June and came into effect on September 9, 1985.

Mr. Waddell: Well, what about unanimous consent?

Mr. Deputy Speaker: I am referring to Standing Order 19(4) which provides:

A spokesman for each of the parties in opposition to the government may comment briefly thereon—

That eliminates the question period which existed prior.

Mr. Tobin: Mr. Speaker, I rise on the same point of order. When we look at today's statement, as important as it is, and how it impacts upon the economies of many regions of the country, particularly the Atlantic region, we see that the new Standing Order was obviously not well thought out. Obviously it is counter-productive and counter-democratic and reduces accountability.

I want to voice my objection and say to the House that we ought to review a policy which allows the Minister to make a major policy statement which negatively impacts upon major regions and to walk away from the House with no requirement to answer questions and with no ability for Members to speak their minds. That is ridiculous.

Mr. Deputy Speaker: I regret to interrupt the Hon. Member, but perhaps they may be representations which the Hon. Member would like to make before the Procedure Committee. Is the Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan) seeking the floor on the same point of order?

Mr. MacLellan: Yes, Mr. Speaker, I rise on the same point of order. The way it looks right now, no one will be asking the Minister questions, unless she comes back into the House. If she is running away to avoid these questions, that is certainly a travesty—

Mr. Tobin: We can seek unanimous consent.

Mr. MacLellan: —and certainly a slap in the face to the House of Commons.

Mr. Deputy Speaker: Very well, we will return to Orders of the Day.

Mr. Tobin: The House can do anything it wants with unanimous consent.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Miss MacDonald that Bill C-62, an Act respecting employment equity, be read the second time and referred to a legislative committee.

Mr. Dan Heap (Spadina): Thank you, Mr. Speaker. I am very glad of a chance to speak on this Bill—

Mr. Deputy Speaker: I regret to interrupt the Hon. Member for Spadina (Mr. Heap), but the Hon. Member for Cape Breton-The Sydneys is seeking the floor on a point of order.

Mr. MacLellan: Mr. Speaker, I rise on a point of order. We cannot allow this sort of behaviour to continue. If the Minister is in the lobby, would someone get her—

Mr. Deputy Speaker: I regret to interrupt the Hon. Member, but the rules indicate that no questions are allowed after the comments by the Members for each Party. There can be, if someone asks.

Mr. Tobin: Well, seek unanimous consent.

Mr. Deputy Speaker: Do I understand that the Hon. Member for Cape Breton-The Sydneys is seeking unanimous consent to ask questions of the Minister?

Mr. MacLellan: Yes.

Mr. Deputy Speaker: The Minister is not present, so the Chair cannot.

Mr. Keeper: She is hiding behind the curtain.

Mr. Deputy Speaker: The Hon. Member for Spadina.

Mr. Heap: Thank you again, Mr. Speaker. If Liberal Members have finished with their little game, I would like to get on and speak against this Bill, Bill C-62. It is a bad Bill because it pretends to do something very important, something that people have asked for, and it does not. The stated purpose of the Bill is in Clause 2:

> The purpose of this Act is to achieve equality in the workplace so that no person shall be denied employment opportunities or benefits for reasons unrelated to ability—

That is good, that is a good statement of goal. The trouble is that the Bill does not do it; it does not come near to doing it. In Clause 4 we find this:

> An employer shall implement employment equity—

That sounds good.

> —by
>
> (*a*) identifying and eliminating each of the employer's employment practices, not otherwise authorized by a law, that results in employment barriers against persons in designated groups—

That sounds good, and it also says:

> —instituting such positive policies and practices and making such reasonable accommodation as will ensure that persons in designated groups achieve a degree of representation in the various positions of employment with the employer that is proportionate to their representation—

Unfortunately that is just hot air and nothing more, because there is absolutely nothing in the Bill to do more than ask what has already been asked for many years, namely, that employers should change their stripes, change their spots, and cease to discriminate for the sake of their own advantage.

It goes on to say that they will make reports. It offers a penalty if they do not make the reports, but it nowhere suggests any way of compelling them to do what Clause 4 says they shall do. In other words, if an employer goes on discriminating against women, against Canadian native people, against Canadian blacks or immigrants from the Caribbean, against handicapped people, against any group, so long as he makes reports—and there is no guideline for the reports; the reports do not have to be true; they do not have to make any sense—and sends in a piece of paper with his signature, he has complied with the law. That is a sick joke.

There is nothing in here about mandatory affirmative action which all the groups have asked for, all the reports have recommended, including the Abella report of which the Minister made so much last March. She led us to believe that her law was going to follow the Abella report. The Abella report said: "It is useless to ask for voluntary compliance", which is what this Bill asks for. There has to be mandatory compliance, which means targets and penalties for people who refuse to meet or try to meet those targets. There is no mandatory affirmative action in this Bill. It is an excuse for not doing mandatory affirmative action.

There is also, by the way, no place at all for the recognized labour movement of the country to participate with the workers and the management in any enterprise, in trying to make sure that these goals are achieved. The main force in Canada now for bringing this to public attention has been the labour movement, and this Bill just quietly excludes them from all the action.

There is not even contract compliance, the idea that if the Government is going to give a contract to a private employer, they tell the employer first, before he bids on it: "Look, we won't even consider your bid unless you undertake firmly as part of the contract to bring in employment equity". That is the easiest excuse or the easiest opportunity this Government has, and they are not using it.

The people in Spadina have a great deal of experience with the kind of discrimination and the kind of oppression that this Bill was supposed to address, the kind of oppression that the Abella report did address. We have Canadian-born black people, many of them whose ancestors came here long before most of the others in the country, long before most of the Members in this House, perhaps, and they are still being discriminated against because of their colour. We have immigrants from the Caribbean, from South America, from Africa and from Asia who are being discriminated against, who are being made to do the low-paid, rough jobs—labourers. Within the police force one can see it—very rarely a dark-skinned policeman. But, what about the green hornets, the parking officers? Those are mostly big, tall, healthy, dark-skinned people. In other words, there are two classes of people for the police in Toronto according to colour.

What about the Indians who are off the reserve in Toronto? We have them within a few blocks; we have an Indian centre within a few blocks of our office, but I see them all over on the streets of downtown Toronto, especially in the poorer districts because they are poor.

I want to refer to what has been mentioned before but needs to be repeated—information I have from my colleague, the

Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly), regarding the situation of employment among the Indians, in which he says that job seeking is the single most important reason for leaving the reserve. On the reserves, employment rates vary but they tend to average 60 per cent to 75 per cent and often go over 90 per cent. Unemployment tends to be especially high among the youth of the Indians on the reserve, and that is expected to continue for another decade.

● (1650)

The 1981 census shows that the average Indian yearly income was only 69 per cent of the Canadian average. No wonder Indians are forced off the reserve into the cities, but in the cities they are amongst the poorest and most discriminated against of our people.

We have many immigrants, as I said. In the Spadina riding in particular we have many women immigrants who are doubly discriminated against such as the ones who clean the offices for the big, fancy oil companies and the banks in downtown Toronto. They do the lowest jobs in the hospitals. While the doctors can go on strike for higher pay, and do when it suits them, if the floor cleaner goes on strike she can be thrown in jail. She can be fired without recourse, and it has happened. At least it has happened to the leaders of the union. They work as clerks; they work as waitresses in the downtown restaurants serving the people who don't live downtown but find their wealthy employment downtown. They work as domestic servants not only for the people downtown but for the richer people uptown, and they are discriminated against.

I have a man, John, I will not mention his last name, who has come into my office many times in the last two years. He has several university degrees and he has been seeking professional work. He was written and applied to banks and other appropriate companies because of his education. He has aplied to the Human Rights Commission in Ontario for redress. He has applied to the federal Human Rights Commission, and he was given the run-around. By the time it has gone through the commission and they have written back to him it is out of date. Then they say, well, put in another application. The trouble is that he is black. Otherwise he is a very competent and acceptable employee.

These people are subsidizing the rich corporations through their low wages and through their taxes. They clean the oil companies' offices and the banks' offices; they do the menial work in the restaurants and hospitals; they manufacture clothing; they get the lowest wages but in proportion to their income they often pay higher taxes than the very companies that they work for.

The Bill has been condemned by a group that represents a majority of the people of Canada. On October 9 a group consisting of Chaviva Hosek of the National Action Committee on the Status of Women; Navin Parekh of the National Ethnocultural Council; Jim Derksen of the Coalition of Provincial Organizations of the Handicapped; Carol Tator of the Urban Alliance on Race Relations; Linda Gallant of the Canadian Labour Congress; Joan Brown-Hicks of the Canadian Congress for Learning Opportunities for Women and Orville Endicott of the Canadian Association for Community Living which used to be the Association for the Handicapped gave a press conference.

These representative groups, the very people whom this Bill was intended to serve, these representative groups, have condemned this Bill for fundamentally failing to introduce anything in the way of mandatory affirmative action.

I urge the Minister to withdraw this Bill in the interests of not wasting the time of this House any further with her fraud—this fraudulent Bill—and bring in a Bill which seriously addresses the goal she undertook to address which is stated in the first two sections of the Bill, and denied in the rest of it.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, this is on debate.

Mr. Deputy Speaker: Yes.

Mr. Baker: Mr. Speaker, in discussing with my colleagues the situation regarding this debate and the fact that I sat here a few moments with another Member from Newfoundland and Members from Atlantic Canada while the Minister of Energy, Mines and Resources (Miss Carney) ruined our exploration on the east coast of Canada—ruined it—

An Hon. Member: How is that for equality?

Mr. Baker: —and would not remain in this chamber—no unanimous consent to ask her questions.

Mr. Deputy Speaker: Could I ask the Member please to get back to the Bill at hand?

Mr. Baker: Yes, Mr. Speaker, I will get back to the Bill at hand and back to equity. Because of that, I move:

That this House do now adjourn.

Mr. Rossi: I second it.

Mr. Deputy Speaker: Order, please. The motion is the following one. Mr. Baker, seconded by Mr. Rossi, moves:

That this House do now adjourn.

Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

And the bells having rung:

[*Translation*]

Mr. Deputy Speaker: Pursuant to Standing Order 19(4), it being 6.40 p.m., the motion before the House has lapsed and therefore, pursuant to Standing Order 9(1), this House stands adjourned until tomorrow at 11.00 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.40 p.m.

HOUSE OF COMMONS

Thursday, October 31, 1985

The House met at 11 a.m.

● (1105)

[*Translation*]

POINT OF ORDER

APOLOGY TO MEMBER OF PARLIAMENT

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, on a point of order.

Mr. Speaker: The Minister of State (Small Businesses) (Mr. Bissonnette), on a point of order.

Mr. Bissonnette: Mr. Speaker, it seems that the morning papers reported some reference I made to the Hon. Member for Hamilton East (Ms. Copps), comments which are not on the record as such but which were heard via the sound system of the House of Commons. This morning, I immediately got in touch with the Hon. Member to express my sincere regrets and to apologize.

Mr. Speaker, I therefore wish to make a public apology to the Hon. Member for Hamilton East and formally withdraw the comments attributed to me, although they do not appear in the official record of the proceedings of the House of Commons.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

The House resumed from Wednesday, October 30 consideration of the motion of Miss MacDonald that Bill C-62, an Act respecting employment equity, be read the second time and referred to a legislative committee.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am concerned that we have to join together in this debate on such an important Bill when only this week the all-Party committee, which involved members of the Conservative Party as well as the Liberal Party and the New Democratic Party, issued what, in a sense, is a rather stunning indictment of the Government's so-called initiatives in the area of employment equity. I refer to suggestions within the report *Equality for all—Égalité pour tous*—which was received in this House and, I think, supported very strongly by Members on all sides. The *Equality for All* Report spoke not only to the need for fundamental legislative changes to incorporate the principles of the Charter of Rights and the Constitution into Canadian law, but also made some very specific recommendations directed at the current legislation before the House, the so-called Employment Equity Bill.

That all-Party committee, which I stress was attended by a majority of Members of the Conservative Party as well as representatives from the Liberal and the New Democratic Parties, pointed out some very serious flaws, flaws which are so serious that even the National Action Committee on the Status of Women—which represents more than three million Canadian women and notwithstanding its long-standing support for promotion of the Employment Equity Program both within the Government and in the private sector, federally and provincially—has been forced to repudiate Bill C-62 because it does not achieve in any small way what it claims to achieve.

Most specifically and ironically, and I think the public should be aware of this, Mr. Speaker, the legislation currently before the House which is being trumpeted by the Minister of Employment and Immigration (Miss MacDonald) as a panacea for the women of Canada, will not apply to the federal Government as an employer. Can you imagine, Mr. Speaker, the federal Government and the Minister of Employment and Immigration introducing a Bill which will not apply to the federal Government as an employer? It will apply only to Crown corporations and to federally regulated corporations with 100 or more employees.

We know that if Bill C-62 is not amended in the way that has been suggested by members of the Liberal Party, the exclusion factor with respect to this Employment Equity Program will mean that 82 per cent of companies under federal regulation will not be touched by the Employment Equity Program. Quite specifically, because the Government and the Minister of Employment have refused to include any provision for businesses with fewer than 100 employees, 3,700 out of 4,500 companies will be excluded; 82 per cent of companies under federal law will not be covered by this legislation. At the same time, the federal Government has excluded itself from the very limpid provisions of Bill C-62.

I believe this Bill irks not only the National Action Committee on the Status of Women, but also a rather rare coalition in Canada which was formed only two weeks ago. We saw major organizations representing women, disabled persons, visible minorities, multicultural minorities and labour getting together to hold a joint press conference to express their dismay at the so-called Employment Equity Bill, which is alleged to be a response to the Abella Report.

In my time in Parliament and in the Legislature of Ontario, I have spent a great many hours working toward the notion of equal pay for work of equal value, affirmative action and the over-all employment equity provisions that have been suggested by Judge Abella. However, Judge Abella makes it quite clear that if there is no proper enforcement mechanism, if there are no proper teeth in the law which alleges to give the Canadian Human Rights Commission the right to include plans for employment equity of companies with more than 100 persons, then in fact the law is a fraud, the law is a sham and, in the words of George Bernard Shaw, "the law is an ass". In that particular case I think the Government made serious and believed promises when it entered the women's debate. We remember the Prime Minister (Mr. Mulroney); he was very strong and very forceful. He said to the Canadian people, in particular to the women of Can "As soon as this Government is elected, the very moment that we are elected, we are going to begin to force companies, which deal with the federal Government, to come into line when it comes to issues of employment equity and affirmative action". Yet, we see that the kind of watered-down version of contract compliance included in Bill C-62 does nothing to ensure the access to equal opportunity promised by the Prime Minister.

• (1110)

[*Translation*]

Mr. Speaker, we have here a situation where groups such as women, visible and other minorities, the handicapped and labour are getting together and telling the Government: The legislation introduced in the House is a fraud, because the Minister of Employment and Immigration (Miss MacDonald), that red Tory, is claiming to Canadians that here is a Bill that will help women, minorities and the handicapped. And at the same time, even the largely Conservative Committee that produced the report *Equality for All* is extensively criticizing the provisions of Bill C-62 now before the House. It is being suggested that certain amendments are needed that will, for instance, give the Human Rights Commission a chance to go to the companies and really make sure that even minor rules that will affect only companies with more than 100 employees, will have enough teeth so something can be done about the situation. Because what is happening now, according to this group of Conservative Members, which includes one Liberal and one New Democrat, is that since the Bill does not apply to the Federal Government, it does not apply to Federal employees, and since it only applies to companies with more than 100 employees, it applies only to about 18 per cent of the companies that are federally regulated.

Mr. Speaker, when women, the handicapped, Conservative Members, the public, labour and people belonging to visible and multicultural minorities all get together to tell the Government: What you are proposing is a fraud, what you are proposing to do is not a genuine response to the promises made by the Prime Minister to women in August 1984: "As soon as I am elected, we are going to start programs that will provide employment equity for women" . . . Mr. Speaker, what we are seeking, is employment equity for everyone.

The Liberal document produced in the House this week . . . in any case, Mr. Speaker, Bill C-62 provides no answers whatsoever with respect to women's rights, minority rights or rights for the handicapped, and that is why all Canadian men and women are rejecting this legislation, because it is a fraud and an attempt by the Government to live up to promises it never intended to—

• (1115)

[*English*]

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I am rising to speak today on Bill C-62, the employment equity Bill. This is a really inadequate Bill, I am terribly sorry to say. The need for strong action to guarantee genuine equality in the workplace for women, the handicapped, visible minorities and native people has long been recognized. Of course, we have had some very strong recommendations before us, such as those in the Abella Report. We do not see these recommendations being acted on in this legislation.

The NDP caucus has had meetings with representatives of the Canadian Labour Congress, the National Action Committee and other groups that have told us that they are not even remotely satisfied with the action the Government has taken. The National Action Committee on the Status of Women, speaking for millions of Canadian women, has very clearly indicated that the Bill is not adequate and that in principle it is wrong if a Bill is directed toward such a weak array of voluntary measures.

What is wrong with this Bill, Mr. Speaker? The program is voluntary and that is not acceptable at this time. Voluntary programs have been tried before and have been found wanting. They were deemed failures in the United States even though tougher measures were attached. The great wage and salary gaps between women and men are not closing.

The Bill does not provide an enforcement mechanism. This is absolutely crucial and Judge Abella recognized that it was not enough to have a program for affirmative action or employment equity or whatever it is called put in place; there has to be an enforcement mechanism. There is no provision in the Bill for the input of a union where there is an affirmative action or employment equity plan to be developed. Obviously the workers in the workplace would have excellent ideas to contribute. Since they are the ones who are going to be most affected, clearly they ought to have a say in the evolution of these plans.

The Bill does not provide goals and guidelines for affirmative action. It is very vague. It is not directed to anything specific, and not being directed to any specific goals or timetables, we can be jolly sure that nothing will be achieved. A comprehensive affirmative action program would include contract compliance, equal pay for work of equal value, adequate child care measures and a comprehensive education and training plan. This Bill addresses none of these related issues.

The whole subject of affirmative action has had a very long history in the United States and that is probably the model to which we have looked. It is not a very positive model for Canadians. In the United States, there were some contract compliance measures and so there were some teeth in the legislation. Companies would actually lose money if they did not come up with affirmative action plans. Here in Canada we have the same model being adopted without the enforcement mechanism, without the teeth and without the threat of lost business. Of course, that threat would be an incentive for a company to introduce a plan.

I suggest that we need to have very careful reporting provisions. There must be concrete guidelines for concrete reports so that we will not have just window dressing types of plans reported. I suggest, for example, that the very simple statistic that ought to be reported by every company doing business with the Government is the proportion of women in the workforce compared with the proportion of the payroll the women receive in the case of comparisons between men and women. Of course, one could do the same for other groups being tested. This statistic would give us a very good indication year after year of whether or not the gap between the two is being reduced. It is only with very firm and objective measures like that that we can ensure there will be real action and not just more window dressing plans allowing the Government to pretend to be doing something about the issue.

I would like to refer to the matter of visible minorities. In my own riding of Broadview-Greenwood, there is a sizeable community of members of visible minorities and many of them tell me about the discrimination they encounter when looking for jobs. They tell me that they are not considered fairly and do not get the same chances. Unfortunately, this has been all too well documented by actual studies. The Urban Alliance on Race Relations has conducted extremely interesting and objective studies. It sent actors and actresses with identical work histories and identical qualifications to potential employers. It was found that those who were members of the white majority were very much better received than members of visible minorities. In one-third of the workplaces tested preference was given to white applicants over non-white applicants who were equally qualified. Will the proposed legislation do anything to remedy this situation? Unfortunately not. Over 50 per cent of employers in this investigation, unsolicited, expressed negative views of racial minorities. Is there any way this legislation will help change that situation? The answer is no.

● (1120)

Some 49 per cent of the complaints by racial minorities of discriminatory behaviour and of racial harassment were dealt with by disciplining the victims, the non-white complainants. Will the proposed legislation in Bill C-62 change that situation? No.

Some 82 per cent of employers have no policy to deal with discrimination in their workplaces and, perhaps, the most disturbing statistic to come out of this study was that 78 per cent of employers do not want policy changes which will compel them to eliminate discriminatory practices. Since they are not willing to make these changes voluntarily we must say, as a society, that they do not have that option any more. Equality of our citizens is now written in our law. It is in the Charter of Rights and Freedoms. It is not optional. It is not just a question of people following their own personal tastes in a matter as crucial as the right of other people to earn their livelihoods.

The measures which are before us today are just not remotely up to dealing with these issues. The same can be said for the question of disabled people looking for work. The report *Obstacles*, which is an excellent federal Government report, deals with the situation of the disabled. The recommendations in that report are much more specific as to what types of measures are needed. Recommendation No. 26 states that a policy should be established of contract compliance for Government contracts with firms employing 100 people or more and involving contracts of more than $20,000. The proposal in Bill C-62 is much less adequate than that. It deals with a much smaller number of firms with larger contracts. Thus the opportunity to bring a large number of businesses under contract compliance legislation has been lost as a result of the wording of the Bill before us.

Recommendation No. 27 of the report *Obstacles* is that the federal Government should establish an affirmative action compliance board or designate another existing board to develop guidelines and procedures for enforcement, to approve plans and monitor them. It is only with that type of concrete action, with specific plans, with a monitoring mechanism in place and some real penalties that we can ensure that the job will be done. Other countries have done a far better job than Canada has in providing job opportunities for the disabled. The United Kingdom has that type of legislation, as does West Germany and even the United States which is not a pillar in terms of social legislation.

It should be required that managers in the Public Service be accountable for their success in employing and promoting visible minorities, the disabled and women. That aspect should be built into the evaluation plans to ensure that there is action within the Public Service itself. Of course, that is not being done in terms of the Bill which is before us.

I might add that the Province of Saskatchewan, under an NDP Government, brought in such proposals and implemented them. There was beginning to be some movement toward seeing that visible minorities, women and native persons were being given job opportunities. Unfortunately, with the new Conservative Government, those provisions have been watered down. However, we can see that the example went on long enough to know that it was beginning to work, things were beginning to happen and justice was beginning to be done in the workplace.

[*Translation*]

We are asking for more concerted efforts and mandatory measures, not for the kind of propositions made by this Government in Bill C-62. The Government is advocating weak

and non-compulsory measures, but women, visible minorities, native people and disabled persons want—and have earned—equality in the workplace. This Bill falls far short of the mark.

That is why the New Democratic Party will vote against the Bill.

[*English*]

What we want are strong, concrete measures with enforcement, monitoring and evaluation. We really want to encourage the Government to come up with something which will do justice for women who are discriminated against, the handicapped, the disabled and native people. I regret to say that we are voting against Bill C-62 in principle because it does not go far enough. It is not a realistic attack on this problem.

● (1125)

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, we would not want to vote on this issue without having the opportunity for a thorough debate on Bill C-62. I see the Government House Leader (Mr. Hnatyshyn) in the Chamber and I am sure he would not want that, either. He would want us to discuss this issue fully and throughly in the House of Commons before we vote on this very important measure. We are talking, of course, about employment equity. For many of our constituents this is a relatively new term and perhaps we should identify what employment equity is. Employment equity is the elimination of discrimination and the promotion of employment opportunities among four specific target groups, according to Judge Abella. We are talking about women, native people, disabled persons and the visible minorities. Judge Abella in her report preferred the expression "employment equity" to "affirmative action" or other phrases which have been used in the past. What we all want to do, of course, is to promote and assist those people who need to be equal in relation to all others. In other words, we must put them in a more equitable position with other Canadians because those four target groups have traditionally been greatly disadvantaged.

The purpose of employment equity is to eventually ensure, through this process that we have true equality for all Canadians. We know that we in this country are all equal, at least in theory, according to our Charter of Rights. However, looking at this issue in a more realistic way, we know there is not equity in employment or salaries. For instance, a women earns on average 60 per cent of the salary earned by a man. I hope the day will come very soon when there is real equality in this country but, unfortunately, notwithstanding all of the good intentions which collectively we all have, we are not approaching that stage nearly soon enough.

I would like to refer to some of the background of this issue of employment equity. I referred a few moments ago to the report of Judge Rosalie Abella which was commissioned in June of 1983 by the then Minister of Employment and Immigration. A report was tabled in this House in November of 1984. I am sure you recall that day very vividly, Mr. Speaker. Judge Abella's recommendations to this House were, in brief, that we should bring forward legislation enacting mandatory employment equity for employers under federal jurisdiction—all of them. She recommended that we should be persuading provincial Governments to adopt similar legislation in the areas of provincial jurisdiction, and the recommended contractual compliance for all federally-regulated employers. Finally, she recommended that we establish an agency to enforce mandatory employment equity, and four options were enumerated. But what have we done?

● (1130)

Let us review the Bill that we are talking about today. I want to remind Hon. Members across the way that the Bill has no mandatory enforcement of employment equity at all. There are no provisions for a separate monitoring agency. The responsibility has been conferred upon the Canadian Human Rights Commission. The Canadian Human Rights Commission will have no power to enforce employment equity. There have been no targets set by the Government or the Minister, no standardization in reporting procedures, and no penalties for companies that do not comply. The Minister said that that is all right because public opinion will ultimately be the judge of those who do wrong. I ask Members across the way, since when do we as Canadians offer justice to our minorities based on a popularity contest? That is what the Minister of Employment and Immigration (Miss MacDonald) is asking us to do through this Bill.

[*Translation*]

In other words, the Minister seems to think that we will have to wait for the findings of a public opinion poll before the situation can be set straight—nothing will change unless the people voice their opposition, and then justice will flow from this measure. I have to ask the Hon. Member opposite whether he really believes a popularity constest is the best way to solve the problem.

Well, Mr. Speaker, notwithstanding what he might say now, I think he is a fair man and I wonder whether he would agree that the Bill should provide mechanisms to ensure full compliance with the new legislation on the part of Government agencies and the various companies which are awarded Government contracts. Mr. Speaker, it is not good enough to say that Canadians need only be informed and that it will be up to them to judge whether an agency or company has failed to follow the ministerial directives.

[*English*]

During the last election campaign the Conservatives promised many things to many people.

Mr. Malone: Hear, hear!

Mr. Boudria: Someone says "hear, hear". I was not intending to go into great detail, but I will remind that Member that there is a little book containing 338 Tory promises which I have talked about in the House on one or two occasions. Anyone who wants a copy of the book need only contact my office and I will gladly send one. That offer includes Members across the way and Canadians across Canada as well.

I will outline some of the promises that the Tories made to Canadian women. The Conservatives said that they would institute major training and retaining programs to ensure that women are prepared for the new occupations of the technological era. What happened to that promise? They also said that they would make clear to companies doing business with the federal Government that their performance in hiring and promoting women will be a key factor in obtaining contracts for goods and services. What happened to that promise? Why is Bill C-62 based on public opinion, instead of making it clear as was promised in that commitment? Could it be that the Conservatives have broken a promise? Maybe it was a sacred trust, in which case we can be sure that it has been broken because all the sacred trusts were broken a long time ago.

Another sacred trust of the Tories was that they would make the federal public service a model to be followed with regard to the equality of women in the workplace. What happened to that promise? Why does this promise not coincide with what is included in Bill C-62? Mr. Speaker, as much as I have to say it, I think the Tories broke another promise. It does not surprise some of us that some promises have been broken. Why does the Minister not stand up in the House and tell us that she will improve this Bill and make it coincide with what the Conservative Party promised the women of Canada and others during the election campaign of last year? I urge her to do that now.

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, as the Minister of Employment and Immigration (Miss MacDonald) said, Bill C-62, an Act respecting employment equity, is a Bill about opportunity. It demands that employers take special measures to ensure that our aboriginal people, our disabled, our women and our visible minorities will not be denied work opportunities because of their sex, colour or handicap. This debate reminds me of the time when a six-year old black girl on a very dirty, dusty road in her village in Tanzania adopted me as her white man. She had no fear, prejudice or discrimination. The Hon. Member for Windsor-Walkerville (Mr. McCurdy) spoke on this Bill with regard to some of the acts of discrimination which he has experienced. I, for one, do not doubt him for a moment since he is black. I can relate closely to what he said because of my own African experiences. The incident with that little black girl, whose name I do not even know, has impressed me to this day so much that I now feel totally colour blind. I am proud to say that as a member of this truly great national Government I am making history, along with my colleagues, in ensuring that all our people—and I emphasize the word "all" —will now be treated equally with retard to opportunities in the workplace.

Equality is of paramount importance and concern to Canadians, especially new Canadians. The provisions of Section 15 of the Charter of Rights and Freedoms, which were entrenched in April of this year, state:

> Every individual is equal before and under the law and has the right to the equal protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age, or mental or physical disability.

The royal commission report on equality in employment, more often referred to in this House as the Abella Report, noted that the hope of the four designated groups was that "as quickly as possible, they would be transformed from being objects in the political laboratory to being subjects of political action". Mr. Speaker, Bill C-62 shows a willingness on the part of the Government to do just that, and it has been done in record time. The Abella Report continues, on page 23, to say the following:

> Yet for all their differences, the one issue about which there was general agreement among the groups was the need for strong government measures to ensure equality in employment.

This is exactly what we are doing with the targeted areas of federal responsibility. How many times have you heard an employer say that he would not hire a black, a Paki, a women or a disabled person? I think we have heard that all too often, Mr. Speaker. To me this attitude is mindless and it demonstates a degree of bigotry that is all too prevalent in Canada. Bill C-62 does not go all the way, but it is a pretty positive start to changing, not only the law, but the attitude of many Canadian employers.

There is a company in my riding called BDM Co Operative Warehouse Service of Canada Ltd. which does business with the Government and wants to do more. It is presently negotiating to buy or lease a vacant Government building in Ottawa-Carleton on Walkley Road. In so doing it will kill a number of birds with one stone. It intends to use the building to provide first class private sector services to the Government for storage facilities of files and documents. The beauty of the project, Mr. Speaker, is that the company intends to hire 40 or 50 disabled persons to do the work. That is very good news and that is why I am doing all I can to assist that company. That is an obvious immediate response to Bill C-62. That the arms and legs of handicapped persons do not function the same as those of more normal persons does not mean that their minds are poor. They cannot always work at the same speed as others, but they probably make fewer mistakes. There are many jobs that these people can do if given a fair chance. Some Members opposite have called for more affirmative action. There are Government programs in existence now that are tougher than Bill C-62 because departments must submit plans to Treasury Board for approval in advance with respect to hiring the four designated groups. Let me say, for the sake of the cynics, that we are not throwing the merit principle out of the window in the Public Service or federally regulated businesses. However, systemic discrimination and other forms of discrimination must be eradicated in all areas of federal jurisdiction as soon as possible.

● (1140)

I was proud to assist a young woman in her late twenties to find employment with Labour Canada recently. Her name is Janet. She suffers from cerebral palsy as a result of difficulties at birth. Today, she walks with the aid of two crutches.

Through the excellent co-operation of Diane Dufresne, who is a director in the National Capital Region's staffing office of the Public Service, and Suzanne Azzie, who is co-ordinator of

employment services for disabled persons, Janet is now working very well and is very happy as a full time clerk in the Public Service. In fact, for the first time in her life, she is living in her own apartment in Ottawa.

I liken this to one small step for Janet which will be translated into miles for many other deserving capable Canadians.

There has been much talk by the Opposition about the lack of enforcement mechanisms and penalties for companies that do not abide by Bill C-62. Let me assure you that we will not set up another bureaucracy to monitor results. We know that we have enough of that at the municipal, provincial, national and international levels. We do not want, nor do we need more bureaucracy.

With respect to enforcement, the Government is modelling its enforcement plans after what is called Model Four in the Abella Report. Guidelines are now being prepared by the Canada Employment and Immigration Commission, known as CEIC, and will be shared with employers along with free consultative assistants. Collection of data will be done by CEIC. Data will be made available to the Human Rights Commission as well as to individuals and groups.

Investigation and adjudication of disputes under Section 32.3 of the Canadian Human Rights Act empowers the commission to initiate complaints where reasonable grounds exist. The data will provide such grounds. The Human Rights Commission will be strengthened, if necessary, to enable it to carry out this role. Contract compliance is being introduced, along with enforcement mechanisms. CEIC will monitor contractors and advise the contracting Minister of companies who do not live up to their commitments. These companies may be barred from future contracts.

With respect to Labour Canada inspectors, the Government will ensure that the Canadian Human Rights Commission has the staff necessary to monitor their settlements. The Labour Canada inspectors now have the authority to refer complaints to the Canadian Human Rights Commission in the case of equal pay, and they have a specific mandate to do so under Section 38.1 of the Labour Code. It is thus clear that the Government's mechanisms for enforcement are consistent with those recommended by Judge Abella in Option Four. The specific organizations involved reflect the Government's desire to utilize existing mechanisms rather than create new ones.

Judge Abella has said that achievements will be measured by results, not quotas, as some have suggested. The affected companies will set their own goals to meet their particular situation, such as the case of BDM in my riding to which I referred.

The question of sanctions have been of some concern. I would like to address that question as well. Bill C-62, as recommended by Judge Abella, requires employers throughout the federal sector with 100 employees or more to implement employment equity programs. The Bill will also require them to demonstrate the results of their implementation by annually reporting their results.

The measures outlined in the Bill respond to Recommendation Nos. 3, 6 and 7 of the Abella Commission. Let me paraphrase those recommendations. They recommend that no quotas should be imposed, employers should be given flexibility in the redesign of their employment practices, and results, not systems, should be reviewed initially.

Employers now know that they need to identify and eliminate practices which discriminate against target group members. If one refers to Clause 5 and Clause 6 of the Bill, one can see quite clearly that clause 5 states that employers must file reports. In terms of sactions, Clause 6 reads:

> An employer who fails to comply with section 5 is guilty of an offence and liable on summary conviction to a fine not exceeding fifty thousand dollars.

Let us not forget that lobby groups will keep the pressure on business and Government and that this is to be encouraged. The potential for lawsuits on the entrenched rights in the Constitution maintain the pressure.

More important, Bill C-62 concerns fairness. Employment equity is a concept based on the belief of fairness and opportunity. Those realizing the economic benefits of employment should comprise all aspects of the Canadian population. The Bill aims to achieve results with the co-operation of employers in the federally regulated business sector. My Government and I believe that that approach can and will be effective.

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

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, you ask whether the House is ready for the question. I am certainly not ready for the question. A number of Members on this side of the House want to make a contribution to the debate on this legislation. I want to assure you that the House will not be ready for the question for some time.

The Bill before the House today concerns employment equity, or affirmative action. Let me commence by briefly explaining the importance of affirmative action and why we are urging the Government to implement a positive and effective affirmative action program. Affirmative action is fundamental to our values in a society which firmly believes in equality of opportunity and condition. Since we value the opportunity for people to participate in society as a whole, our citizens must have the fullest opportunity to develop as individuals and the community must have access to the full potential of its human resources. We do not want to see anyone in our society excluded from that participation. It is only on the basis of each person being given an opportunity to develop and become productive in society that we can have a community in which we can have pride and a sense of security.

Affirmative action is a means of confirming our value of equality in Canadian life. It has long been stated that Canadian society is far from equal and that a number of groups in Canadian society are far from reaching that goal of equality.

I want to refer to the status of women in our society. One glaring example of inequality is the fact that for each dollar earned by men, women earn only 60 cents. While women have

made significant advances in employment in the last couple of decades, the remuneration they receive is inadequate and far less than what a man would receive in similar circumstances. We must address this problem through affirmative action. Furthermore, it follows that women's pensions will be 60 per cent of the pension of their male counterparts. The vast majority of Canadians are not willing to tolerate this kind of inequality.

● (1150)

We have in our society a number of visible minorities, including black and Asian people.

The inequality of visible minorities in Canada is a worry which I am sure many Canadians have when they look south across the border and see what has happened with the black people, particularly in the cities. Not only to see the potential of individuals fulfilled, but also to see that our communities are ones in which we can live in peace, comfort and enjoyment, it is important that visible minorities be given full opportunity, particularly in the area of employment.

The same inequality exists for the handicapped. The handicapped are in many ways excluded from our society by architecture because few buildings are accessible to the handicapped, a situation that needs to be changed. Buildings are only a symbol of the way we bar access to equal opportunity for handicapped individuals. Other changes are needed, changes in employment policies and in recruitment procedures. What about opportunities for training? The vast majority of Canadians would like the Government to take effective action to ensure that handicapped people have equal access to opportunity and employment and to see that society benefits from the rich resources of the handicapped.

Another group of people who stand out in terms of inequality and call upon us to establish effective affirmative action programs are the native people. If we look at native people in the poor areas of cities, such as Winnipeg and other western cities, we find that poverty is intolerable. It is visible. People live in inadequate housing and have a low level of education. Unemployment is in the area of 60 per cent. These are not official statistics but educated guesses. If we look at native people in rural areas on reserves, we find that unemployment is in the area of 80 per cent to 90 per cent. Greater equality is needed.

The need for affirmative action is based upon lack of equality. Most Canadians want a society in which people have equality of opportunity and human condition.

This Bill before the House falls far short of what could be called effective affirmative action. The Bill is a voluntary program rather than a mandatory one. We know from the United States experience and from our own experience here with regard to voluntary programs that we need a mandatory program with deadlines, goals and specific objectives.

Therefore, I move, seconded by the Hon. Member for Yorkton-Melville (Mr. Nystrom):

Employment Equity

That the motion be amended by deleting all the words after the word "that" and substituting the following therefor:

Bill C-62, an Act respecting Employment Equity be not now read a second time but that it be read a second time this day six months hence.

I move this motion, Mr. Speaker, because the Government needs more time to find out about why this Bill falls far short of an adequate affirmative action program. The Government needs to rethink its position. We need the six months for the Government to come up with an effective affirmative action program.

The Acting Speaker (Mr. Paproski): The Hon. Member for Winnipeg North Centre (Mr. Keeper) must realize that the Hon. Member for Yorkton-Melville (Mr. Nystrom) cannot second this motion because he has spoken to the main motion. Therefore, we will substitute the Hon. Member for the Beaches (Mr. Young).

Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): Resuming debate. The Hon. Member for Winnipeg-Fort Garry.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I rise to support the amendment introduced by the Hon. Member for Winnipeg North Centre (Mr. Keeper). I think the purpose of his amendment, which is to give some time for the Government to come to its senses, is a very important one. Not that I have much confidence that that will happen because we have seen over the past 18 months that you cannot come to your senses if you do not have much sense to begin with. At the same time, being a Liberal I am an eternal optimist and live in hope that at some point in time Members opposite will understand fully what a serious betrayal they are perpetrating on the Canadian people by this Bill.

In the spring of 1983, I was engaged in what I thought was one of the more important initiatives as a Minister of the Crown. I received from my Cabinet the approval to establish the Abella Commission. It was important because at that time I saw it as a major turning point in the evolution that had been under way for the past two decades, which was to bring about a higher and greater sense of understanding and consciousness about the need for equality rights.

The Abella Commission was established for an important reason. In a simple way, the voluntary system to achieve affirmative action that had been put in place up to that time had failed. Every single Conservative speaker who has risen to speak in this House has said, "Let us give the voluntary system a chance", which shows that Conservatives are incapable of understanding history or they are blind to what went on before. There was a voluntary system, Mr. Speaker.

The Department of Employment and Immigration had a special division to provide assistance to private employers and municipalities to engage in the development of voluntary affirmative action programs. Four years of effort to achieve that

resulted in something like 100 companies of the 50,000 or 60,000 companies in Canada showing any interest in signing up or developing an affirmative action program. They all had the resources they needed and all the support. All the things that are supposedly going to happen as a result of this Bill have happened before. This Bill simply puts up a masquerade instead of a program that has already ostensibly failed. That is why it is such a betrayal.

● (1200)

The Minister of Employment and Immigration (Miss MacDonald) knows full well that that method will not work. She was the critic from 1982 to 1983. She stood on her feet time and time again and said, with no sense of uncertainty, that we needed mandatory contract compliance to make it work. Now that she is the Minister, she totally denies a position which she held for many years. That is an act of betrayal by that Minister of a constituency which, as she said, she represented for many years. It is a betrayal of a clear understanding of the facts, and now it is a betrayal of what was to be an important achievement in terms of legislating the requirements at the federal level for private companies and Crown corporations to introduce a proper system of affirmative action.

I have gone over the *Debates* of the House carefully. It is an ironic tragedy that the Conservative Members of Parliament who have spoken on the Bill have been so blind and untrustworthy when it comes to the actual achievement of affirmative action. The Government is engaged in one of the most serious breaches of trust.

We can all remember the flourishing words of the Prime Minister (Mr. Mulroney) during debate in the summer of 1984 when he was asked about the Abella Commission and what he would do. He held his hand to his heart and with that incredible sense of insincerity, which we have now come to know, love and admire, said that he was fully committed to contract compliance. What a difference a year makes! What a difference an election makes! What has happened to those firm and unalterable words of the Prime Minister? I guess the same thing happened to them as has happened to almost every other commitment he has made.

The record and history of mandatory programs of affirmative action show that they work. Along with the Hon. Member for Windsor West (Mr. Gray), I, as Minister responsible, introduced into the Public Service the requirement for affirmative action in Departments. It was begun on a trial basis in 1981 with three Departments. The system and methodology were tested. We introduced it in 1980-81 to the Treasury Board, the Secretary of State Department and the Department of Employment and Immigration. We put in place a method to demonstrate clearly how such a system could work and be effective. Then, in 1983, the program was introduced to cover all government Departments.

The next step in the blueprint was to extend it to Crown corporations and all industries which were then under federal jurisdiction. The Abella Commission was established to determine the most effective formula for that third step. It was not a commission of study. It was not established to ascertain the facts. We all knew that there was a continuing and unacceptable inequality when it came to the employment rights of women, the handicapped, native people and visible minorities. The Abella Commission did not have to ascertain those facts; they were known. The task of Judge Abella was to determine the most effective formula, based upon intensive consultation with private business, Crown corporation leaders and provincial Governments.

The report was tabled, and that formula was clearly accepted and applauded across the country. It was accepted because Judge Abella put her finger on one fundamental ingredient in any affirmative action program, that is, that we could not rely upon individual companies, corporations and organizations to introduce a program for their own organizations when they did not know whether their competitor across the street, or other organizations with which they did business, would do the same. Therefore they said: "Why would I accept an unfair advantage? Why would I go to the extra cost of introducing affirmative action when no one else is going to do it?" It does involve extra cost to introduce affirmative action. The basic, fundamental flaw in a voluntary program is that unless it is universal and unless the same rules apply to everyone, individual companies or organizations will not do it. Even those well-intentioned presidents of corporations who saw the necessity and the imperative need for affirmative action told me when I was Minister of Employment that they would like to do it, but that they would not do so because their competitors would not do it and therefore they would be unable to compete with them on an equal level. They said: "If we are going to do it, we all have to do it". That is also what Judge Abella said and, therefore, that it was essential to have a mandatory requirement. As well, she pointed out the importance of introducing the contract compliance ingredient.

It was clear that the provinces, particularly the Conservative Governments of those provinces, would not do it. A meeting of provincial Minister was convened in 1982 by the then Secretary of State to talk about the introduction of equality rights, and it was the provincial Governments which opposed it at that time. Judge Abella carefully said that if we were to provide for a further clear step forward, it must be done at the federal level.

The report was tabled. The recommendations were made. The Minister of Employment and Immigration rose in the House and declared with the greatest of flourish and fervor how wonderful the report was. What happened thereafter? Then the Government came out with Bill C-62, which is not even a pale imitation. It is a betrayal. It is a denial. It is a treasonous act against all those who have worked for years to try to bring about substantial improvement in the lives of many Canadian workers. There is nothing in Bill C-62 in which Parliament can take pride. Therefore, it makes eminent sense for us to support the amendment. Those Conservative Members who in their heart of hearts know that it is a Bill which is simply a paper masquerade, should try to put some pressure upon Cabinet, which has made the wrong choice, a

serious mistake and has betrayed women, the handicapped, native people and visible minorities. That is what the Bill is all about. It will go down in the long history of trying to achieve equality rights as one of the blackest moments.

Mr. Malone: Oh, oh!

Mr. Axworthy: And the only response we get from the Tories is that they laugh about it.

Mr. Neil Young (Beaches): Mr. Speaker, I am pleased to have an opportunity to speak on Bill C-62 and on the motion moved by the Hon. Member for Winnipeg North Centre (Mr. Keeper).

This employment equity Bill is really a missed opportunity. Because that is so, we in the New Democratic Party have great difficulty supporting it. There are several reasons for that difficulty. The Bill really calls for a voluntary program, which is clearly unacceptable to my Party.

Voluntary affirmative action programs have been tried in several jurisdictions other than in Canada—most notably, in the United States, Germany and other European countries—and it was found that they simply did not work. In the United States, in particular, it was decided in the 1960s to come forward with mandatory programs, which have proven to be quite effective.

I, along with other Members from all sides of the House, had the opportunity in 1980, after the election campaign, to form an all-Party committee of the House of Commons to look into problems affecting the disabled population. We came up with a number of recommendations which, if implemented, could have been of great assistance to disabled Canadians in their attempt to participate in the mainstream of Canadian society.

• (1210)

I would like to centre my remarks on the disabled community rather than on women, natives or other groups as other members of my caucus have already addressed themselves to those groups. The committee recognized that most of the problems affecting the disabled community centred on the key issue of employment opportunity. One can talk about the social needs of that particular group in any terms one wishes, whether it be in terms of access to housing, access to transportation, education, recreation, information or even technical aids. These things cannot be separated one from the other. Each one is connected to the other. One cannot talk about providing an individual with access to education on all levels including post-secondary education without also talking about how that individual can be productively employed following the receipt of his or her education, and this is assuming that the individual can get into the educational system to begin with.

As the committee went across the country speaking to Canadians, it heard numerous stories indicating that there are literally thousands of children who are denied access to education because of their disabilities. This Bill does not address that problem. It does not address training opportunities for people who happened to be disabled. Unless we talk about that in a very real and concrete way, we cannot talk about employment opportunities because one is synonymous with the other.

We cannot talk about employment opportunities without talking about how we allow the individual to be moved from the place of residence to the place of employment. It must be recognized that most modes of transportation are not designed to be used by physically disabled people. We have to talk about these things in a very real and basic way. This Bill does not do that. It does not even touch upon that.

I find it surprising that the Government would introduce a measure like this. I can only conclude that the reason it did so was that it recognized there is a public sentiment in favour of providing equity to the various diverse groups in our society, but the Government did not want to go too far because of the pressures from other areas of society, primarily employers. I have been told that that is indeed the case. The Government has caved in to the pressure from that elite group of society against the best interests of those who really need society's help in order to move within the mainstream of society. I think that that is rather shameful. If I view this Bill as being purely a public relations effort rather than a real effort to help people, I am going to have great difficulty in supporting it, even though it goes a bit further than anything introduced by the previous Government.

I listened with some interest to the Member who just spoke, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). In his previous capacity as a Minister, he appeared before the committee to give testimony. I must say that he was generally sympathetic toward affirmative action programs. However, he could afford to be generally sympathetic because the rest of his Cabinet opposed them.

Miss Nicholson: Come, come!

Mr. Young: The Hon. Member scoffs. It is on the record. It is contained in the transcripts of the Special Committee on the Disabled and the Handicapped. It is recorded there for posterity and it cannot be disputed.

I am glad to hear that there are other members of that previous Government who now support mandatory affirmative action programs. They certainly did not do so before. If they had done so before, perhaps that influence would have been felt by the present Gouvernment, which indeed needs some education in this field. That is why I am pleased that my colleague, the Hon. Member for Winnipeg North Centre, moved the amendment. If we give the Government another six months to give more thought to this Bill, I am sure it will do the right thing. The right thing is to bring in affirmative action programs that mean something.

There is a concern felt by the Government that if we were to bring in an affirmative action program, it would be disruptive to industry. That has not been the case where affirmative action programs exist. I will speak of those in the United States because it is of close relationship to our jurisdiction. When the special committee had the opportunity of speaking

to public figures and indeed members of the corporate sector in the United States, it found that they did not have any problems with affirmative action programs in so far as they concerned the disabled community. In fact, they found that as those programs worked, they allowed members of the disabled community to support themselves within society and to be productive members of society. In fact, they boasted to us on several occasions that a disabled individual was equal to or even a better productive worker than an able-bodied individual. That has been the experience in the United States. The Government of Canada should not have any great concern that affirmative action would be disruptive in some way. In fact, it would have a very beneficial and positive result.

An initiative on which the previous Government refused to act because of pressure from industry, and not even Canadian industry which supported the initiative, was to make telephones fully compatible with hearing aids. It requires only a small coil to be placed in a telephone to make it totally compatible with hearing aids. Bell Canada and other Canadian telephone manufacturers support that initiative. The problem is with imported telephones that are not compatible with hearing aids. This threatens the job security of people who are hard of hearing. If the Government wanted to do something before six months was up, it could move in that direction and order that all telephones coming into the country be compatible with hearing aids.

I see that you are signalling that my time is up, Mr. Speaker. That is very unfortunate. There is a great deal more that I would like to say on this subject.

● (1220)

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, I would like to make a contribution to this debate on employment equity. I am in a good position to do so because the riding I represent, Saint-Léonard-Anjou, is home to many community groups who live and work there. Practically every Saturday morning many people and members of those cultural communities drop in my riding office to express their deep concern about their chances of getting good jobs and the possibility of their children ever being able to work in the Public Service of Canada.

Mr. Speaker, Bill C-62 does not give any assurance to those people, and that is why I rise in the House this morning to urge my colleagues on the Government benches to work with us so that we might indeed assure the various communities of a fair share in Canadian society, a fair share of Canadian jobs.

I was rather disappointed yesterday when I saw the Minister of State (Multiculturalism) (Mr. Jelinek) rise in the House and, instead of telling us more about those programs and what he is prepared to do for cultural communities in Canada, criticize my colleague from York West (Mr. Marchi) for allegedly wasting time to send out press releases instead of asking more questions in the House. It is ridiculous, Mr. Speaker! Instead of telling us how he will convince his Cabinet colleagues to restore the confidence of our cultural communities by assuring them that they are equal partners and full-fledged members of Canadian society, our Minister responsible for those cultural communities stands up in the House to criticize and make fun of Members who are doing their job.

I have something else to say about this, Mr. Speaker. One of the Progressive Conservative Party's election campaign was to look after cultural communities but, at the first opportunity, the multiculturalism portfolio was given to a Minister with joint responsibilities. We have a Minister responsible for amateur sport and multiculturalism. That is how much importance this Government attaches to Canada's cultural communities!

Mr. Speaker, I would like to refer to another very important question which is not even mentioned in Bill C-62, yet it has been the subject of equality rights committee recommendations. I am talking about the question of the wife or spouse with respect to Revenue Canada. I am a strong supporter of institutional marriage, but still one must keep an open mind and face reality. A great many people live together in what is usually known as common law marriages. Mr. Speaker, those people cannot avail themselves of the various tax benefits which allow deductions, asset transfers and other arrangements. I should think that Canadian society is mature enough to take a close look at the situation and make it possible for those fellow citizens—regardless of their condition or marital status—to enjoy the same benefits as you and I and other Canadians take for granted.

Another point I want to make this morning relates to the case of disabled persons, for it is our responsibility to make sure they do have a place in our society. And this is why, Mr. Speaker, we must make sure that we have employment policies, that we help them get jobs and that we provide the means of transportation they need to go to work. Of course, our tax system fails to satisfy either the individual himself or the employer who is willing to hire the handicapped.

Mr. Speaker, as legislators, we must give a clear signal to all Canadians, to our employers, to our public servants and to our administrative officers that they must change their attitude in order to enable the handicapped, the people of various ethnic communities and the visible minorities to have access to all our programs and services as well as to our job opportunities.

Mr. Speaker, I can assure my constituents of Saint-Léonard-Anjou that as their representative in this House, I will do my utmost to defend their rights so that they may always feel that they are full-fledged citizens of this great country we call Canada.

[*English*]

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, we oppose Bill C-62 and we support the hoist motion for what I think are well documented and well established reasons. We do

not feel that the Bill takes the right type of action toward ensuring that we will have affirmative action.

By putting the hoist motion before the House we are giving the Government an opportunity to reassess the contents of its Bill. If it does not do that, then Bill C-62 can be dubbed the Bill of lost opportunity What the Government has here is an opportunity to do something about job equity in the country. We know from experience, not only in Canada but from all over the world, that it is quite a simple matter to pay lip service to changes in the type of structures which our country has developed.

After the Civil War in the United States the slaves were emancipated. However, it took another 100 years before there was any effect on changing discrimination against blacks. That only took place when legislation was put in place and the courts made decisions forcing people to adhere to the legislation. That is what the Government has the opportunity to do with respect to this particular Bill.

All of the Parties in the House gave major support to the Abella Report. However, Bill C-62 backs off from that report. In fact, one would think that the people who drafted the Bill forgot entirely about the Abella Report. In fact, one can easily recognize that the attempts here are simply a matter of paying lip service, a cosmetic move, to have something appear to be done. They also forgot about all the other reports of commissions which have been laid before the House and other public statements which have been made by a variety of public-oriented groups and organizations.

We are opposing the Bill and supporting the hoist motion for what we consider to be good and acceptable reasons. The first reason is that it is a voluntary program and we know that voluntary programs have not worked in the past. The Bill does not provide any type of enforcement mechanism. Surprisingly, it has an enforcement mechanism with respect to the gathering of data to ensure that corporation report. However, it does not put into place any type of penalty or any enforcement mechanism with regard to the actual affirmative action which it pretends to be putting into the employment structure of the country. If affirmative action is going to be developed, or is developed in a particular corporation, there is no suggestion in this Bill that the employees, the workers or the union should have a part in putting in place the kind of affirmative action which would work better. We have learned over the years that if we really want something to work, it must have the support of the employees as well as of management.

● (1230)

This Bill does not even give specific goals or objectives for companies which do start in this direction. It does not establish a level which they should be expected to achieve at any particular time. What is necessary is a program which would require contract compliance, equal pay for work of equal value, adequate job care measures and a comprehensive education and training plan. This legislation has none of these provisions.

Many organizations have made this point to the Government. It is not as if the Government passed a Bill and then later found out that many organizations did not support it, all of the organizations which are involved have told the Government that the Bill is inadequate. It is not a matter of the Government not knowing. Since it has not taken action, the six-month hoist might possibly give it the opportunity to do so.

The United States, because it is close to us, is a good example of what does not happen if there is voluntary affirmative action. It was tried in the United States for years and it did not work. So why should we expect this Bill to work?

Women, the disabled and visible minorities have all indicated that they do not think this Bill will work. I suggest that this Bill flies in the face of the Abella Report which indicated that the voluntary element of this program with mandatory reporting requirements is nonetheless voluntary, therefore, it does not require a remedy to be put in place. It does not require a remedy to the discriminatory practice disclosed when the information comes in. When the reports come in from the corporations indicating that they have done something but have not done enough to satisfy the situation, there is no requirement that they produce a program which would have some impact on employment equity.

I have a number of letters, press releases and so on from a variety of groups. The National Action Committee on the Status of Women opposes the passage of Bill C-62 without previsions which guarantee mandatory affirmative action programs with targets. The Canadian Congress for Learning Opportunities for Women is concerned that Bill C-62 will not achieve its stated purpose to achieve equality in the workplace. The Coalition of Visible Minorities stated:

> Clearly, the proposed legislation is not an effective vehicle for dismantling structural inequities.
>
> Without an enforcement mechanism, without sanctions, there is simply no reason to expect that employment equity can be achieved.

I could refer to any one of those groups and spend 10 minutes in speaking about how they feel that Bill C-62 does not fulfil these requirements. Since I do not have the time to do so, I will conclude by saying that the Government has now before it a six-month hoist possibility. That could be a time in which the Government could make sure that the Bill does what it says it should do.

Miss Aideen Nicholson (Trinity): Mr. Speaker, Clause 2 of Bill C-62, which is before us today, has as its purpose, and I quote:

> —to achieve equality in the work place so that no person shall be denied employment opportunities or benefits for reasons unrelated to ability and, in the fulfillment of that goal, to ameliorate the conditions of disadvantage in employment experienced by women, aboriginal peoples, persons with disabilities and persons who are, because of their race or colour, in a visible minority in Canada by giving effect to the principle that employment equity means more than treating persons in the same way but also requires special measures and the accommodation of differences.

That is a very laudable purpose, but when one looks through the Bill for ways in which this purpose is to be achieved, one finds that the only requirement is for reporting. Certain employers are required to report on their staffing patterns.

They are required to report on the industrial sector in which the employees are employed, the location, and the number of persons and designated groups so employed. There is a fine for not filing the report annually. So there is a fine for failing to report but there is no sanction whatsoever for failing to do. Nor is there any assistance offered or any clear guidelines. We read that the Minister "may" make guidelines.

I would assume that the reason we only have a reporting provision is that the Government is relying on the reporting and on the publication to create, perhaps, a certain climate of public opinion and certain public pressure on employers to come into line.

Ten years ago, I would have supported this kind of notion of voluntary sanctions or, at least, voluntary encouragement. Most Canadians generally, I think, respond to encouragement and persuasion rather than to coercion. However, we tried for over 10 years. We have had various systems of voluntary compliance and there has been very little progress. I am sure that most employers do not set out to discriminate against women, the handicapped, Canadian Indians and visible minorities, but it is often just more comfortable and simpler to hire the kind of person you know. It is often thoughtlessness rather than deliberate discrimination.

Financial factors enter into the case of the handicapped. To accommodate wheelchairs one must have wider doors, ramps instead of stairs and wider elevators. What one hears from employers—indeed, as my colleague from Winnipeg said earlier—is: "Why should I add to my cost of doing business if my competitors are not required to do so?" That is also an argument for mandatory requirements which apply equally to everyone.

● (1240)

I was in the House, Mr. Speaker, as you were, when the human rights code was amended to include the concept of equal pay for work of equal value. I believe that may have been the case in 1975. At that time we hoped that the amendments would lead to a considerable improvement in the economic status of women in the public service and of other disadvantaged groups. At that time we thought that giving the right of complaint and setting up procedures within the Human Rights Commission was an adequate way of redressing those grievances. It has not proved to be so, Mr. Speaker. It is now time to recognize that the complaints method has not worked. That method puts the onus on the employee to make the employer observe the law. It is now time to recognize that that puts an unfair load on the employee. It has not worked because the system is cumbersome. Many employees find it difficult and it is now time to make employers obey the law.

The commission headed by Judge Rosalie Abella, which examined the problems of employment equity, came up with some far-reaching recommendations. The Government has chosen not to adopt them, but to bring in a Bill which relies only on reporting. In terms of contract compliance, we are told that the employment equity requirements will apply only to contracts over $200,000. This includes only about 100 of the 25,000 to 30,000 companies with which the Government deals and it effectively excludes small business, the largest creator of jobs in Canada. The thinking may have been that if the 100 largest companies were required to set an example, other companies would follow them. Since voluntary measures of one kind and another relying on public opinion have not been effective until now, surely it is time to move on to new methods.

The only redress for an employee under Bill C-62 continues to be the Human Rights Commission, which is expected to monitor these reports without any formal extension of its mandate and without any increase in funding. We know that the Human Rights Commission has an enormous backlog at the moment. The Auditor General's Report which was tabled yesterday referred to it. It is simply not feasible to think that the Human Rights Commission will be able to do this additional work under those circumstances.

Let us look at some of the groups representing people covered by this Bill which have criticized the Bill as not going far enough. The National Action Committee on the Status of Women, the Coalition of Provincial Organizations of the Handicapped, the National Ethnocultural Council, the Canadian Association for Community Living, formerly the Canadian Association for the Mentally Retarded, the Urban Alliance for Race Relations, and the Canadian Congress for Learning Opportunities for Women are unanimous in saying that the Government's response to the Abella report, as represented in this Bill, is weak, ineffective, and a betrayal of the commitments and promises made to them.

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired. I will recognize the Hon. Member for Vancouver-Kingsway (Mr. Waddell).

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, it gives me pleasure to speak on this Bill and specifically on the amendment just introduced by the New Democratic Party to delay the implementation of the Bill until it can be changed. I want to take this opportunity to read into the record some suggestions for change from a group called S.U.C.C.E.S.S.

Mr. Turner (Ottawa-Carleton): Are they Tories?

Mr. Waddell: The Hon. Member asks whether they are Conservatives. I think this is a non-partisan group. It is the United Chinese Community Enrichment Services Society. It was formed in 1973 to help members of the Vancouver and Lower Mainland Chinese community overcome language and cultural barriers, to assume greater responsibility toward self-reliance, and to contribute fully to Canadian society. Last year the group served 42,250 people, which is quite a record. They are interested in the creation of employment equity for disadvantaged groups in our society.

I have a copy of a letter written to the Hon. Minister of Employment and Immigration (Miss MacDonald) by Sandra Wilking, who is the chairperson of the board of directors. She makes five suggestions which I would like to put on the record in order that they can be considered by the Government in

changing the Bill. First, she says that the possibility of expanding the definition of "designated groups" should be looked at to include minorities, for example, people from Mediterranean and Latin American backgrounds. These peole are just as disadvantaged as visible minority groups because, like the visible minority groups, they have limited knowledge of the English language with which to function in the workplace.

Second, she says that the Government should look at the possibility of including in the employer group unions that fall under federal jurisdiction. This group is also a potential group of employers.

Third, she says that they are concerned that the current proposed legislation remains silent on the enforcement factor. Who will be responsible for ensuring that there are positive results toward employment equity in the employer groups? Who will police the Act? The fine of $5,000 is not as effective as specific performance and other remedies, according to S.U.C.C.E.S.S.

The fourth point they make is that the current Bill is not clear on what types of relevant data would be required in the employers' reports. There may be data, for example on the number of applications from the designated group for a particular job opening and a number of appointments made in ratio with the number of application, and that data should be forthcoming.

Fifth, if an employer is to recruit for the various target groups, as outlined in the Act, it would seem that the relevant questions should be asked on the application form. This would include the ethnicity question and the group suggests that Anglo Saxon should be included as an ethnic background.

These are a number of interesting suggestions and I offer them to the Government. I certainly agree with one point in particular, that is, that there is no enforcement mechanism in this Bill. It is not good enough, Mr. Speaker, just to rely on reporting. We need some teeth. The subject is too important to ignore.

I would like to say something generally about employment equity. I would like to express some of my own views in this particular area. Employment equity is a polite way of saying equal pay for work of equal value. I think it is a good concept. Some of the recent reports recognize the reality that women will continue mainly to do women's work, but that women's work has been historically grossly undervalued and, therefore, should be much better paid. While we must make every effort to help women break into the traditional male jobs, it will be very difficult because it seems that our society is not set up to handle two-career families who must raise children at the same time. A sacrifice must be made and as a result of role conditioning and biology, to some extent, it is usually the woman who must make the sacrifice. Indeed, househusbands are rare.

• (1250)

Child rearing must be recognized as valuable labour in order to give women economic strength. Surely, parenting is the most important job in the world. Imagine a society which paid mothers the same amount as corporation presidents. That is not likely to happen but the difference between what mothers are paid—usually nothing—and what we pay corporate presidents shows how undervalued parenting is in our society. Parenting is a low status job and society must change its values in this regard.

The job of a Member of Parliament can only be carried out if that Member has a support person to look after the children and other household responsibilities. It is a job that is more easily carried out by a single person. One can see that a disproportionate number of women in the House of Commons are single or have no children. Of 282 Members of Parliament, only 28 are women, or 9.6 per cent. Of 39 chiefs of staff, only 4, or 10.3 per cent, are women.

The reason for this is that men have wives to look after the children. The problem is that the reverse does not occur. The real solution is not to have more househusbands but to provide for more work-sharing and to place a high value on child care so that families who choose to have children are not discriminated against economically in the workplace. For example, women who work in a law firm should not be forced to fit into the male mould but should have an equal footing with men. In this way, men will be just as interested in looking after the children after work rather than staying late to work on a case.

Employment equity is beneficial because it promotes women in the workplace and promotes equal pay for work of equal value. Placing a higher value on women's work gives women more economic strength. It lowers the barriers in job ghettos so as to make traditional women's work more financially attractive to men, thereby equalizing sex roles in our society.

I repeat that this Bill is inadequate because there is no enforcement mechanism. It is not sufficient to rely on a reporting system. The Bill must have more strength in order for it to work. That is why I commend to the House some of the suggestions made by my Party as well as some of the suggestions made by the United Chinese Community Services Society in Vancouver. I look forward to seeing some of those suggestions implemented.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I welcome this opportunity to take part in the debate. In fact, Bill C-62, which is aimed at legislating employment equity, arises from a private Member's Bill.

Mr. Speaker, as we all know, the House is considering a motion to suspend consideration of the Bill and resume debate in six months' time, in other to give the Government a chance to reconsider and make the necessary changes.

Mr. Speaker, on the face of it, as far as the principle of the Bill is concerned, I do not think anyone in the House is against employment equity. It is a principle we accept and which we want to support. It is a principle that commands respect, and in any case, it is high time it was put into practice.

However, Bill C-62 now before the House is a clumsy and extremely ill-planned piece of legislation, drafted with . . . It is almost amateurish, Mr. Speaker, and I am sorry to have to say this, but any Member of Parliament, upon reading the Bill over, will say it is not only ambiguous but is often so difficult to understand that it undermines the very objective and principle of the Bill itself.

Hon. Members will recall that Bill C-62 supports the hiring of women, native people, handicapped persons and persons whose race or colour make them members of what we refer to as Canada's visible minorities. To reach its objective, Bill C-62 is proposing to eliminate employment barriers. It also proposes to provide for fair proportional representation of members of these groups in various jobs, and I quote Clause 4 (*b*):

(i) in the work force, or

(ii) in those segments of the work force that are identifiable by qualification, eligibility or geography and from which the employer may reasonably be expected to draw or promote employees.

Mr. Speaker, Bill C-62 proposes that every year, starting on or before June 1988, every employer shall file with the Minister of Employment and Immigration a report providing a profile of the employer's employees, an annual report that will be tabled in Parliament. That is in the Bill.

Upon summary conviction, if the employer concerned fails to comply with the legislation and does not file this report, he will be liable to a fine not exceeding $50,000. And speaking of employers, Mr. Speaker, these are federal enterprises with 100 employees or more, and any corporate entity employing 100 or more employees on, or in connection with, a federal work or undertaking or business.

The exception, Mr. Speaker—I realize I do not have much time left, but I do want to raise this particular point—departments are excluded under the provisions of Sections 2 of the Financial Administration Act. When we examine this Bill and read that Departments are excluded under the provisions of the Financial Administration Act, we say to ourselves: Well of course, because several years ago, Treasury Board introduced an affirmative action program which, I think, reflects the intentions of the previous Liberal Government to set an example, at least with its own employees. So, in Bill C-62, departments are excluded. If we try and find out what is a department—

[*English*]

When we try to find out how that is defined, we look at the Financial Administration Act and note that those subject to Schedule 1 and Schedule 2 are exempted because they are covered by Treasury Board, which is the employer.

However, if one looks at others which may be Crown corporations or companies which have a mandate from Parliament, one finds that those are not covered by Bill C-62, nor by the Financial Administration Act.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member will have four minutes left in his speech when he resumes after Orders of the Day. It being one o'clock, I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 22

[*English*]

LABOUR RELATIONS

CANADIAN NATIONAL RAILWAYS—EFFECT OF CHANGE IN UNION REPRESENTATION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I want to draw to the attention of the House the Government's neglect in dealing with the concerns of those employees of Canadian National whose rights to union representation have been violated.

More than six months ago the Minister of Transport (Mr. Mazankowski) became aware that 50 Ontario workers were in limbo because of a change in union membership from the Canadian Brotherhood of Railway, Transport and General Workers to the Teamsters. These 50 workers were even denied the right to vote, and have been told that they have lost their right to seniority for modified jobs within the Canadian Brotherhood, and have further been denied representation by the Teamsters.

Workers like David Malcolmson and Henry Singleton of Hamilton have a combined service of 27 years with Canadian National, and have been told to quit their jobs and reapply in the normal fashion so they might be able to find modified work or to find the door.

When we inquired on their behalf, we were told to write a letter to the Minister. The Minister has had a letter on this subject for more than six months. David Malcolmson is about to lose his job because he remains in a state of limbo caused by the Government's inaction.

I call on the Minister of Transport to resolve this problem immediately and save the jobs of Canadian workers. These workers rightfully deserve better treatment. They deserve action on the part of the Minister of Transport, not letters and inaction.

* * *

EMPLOYMENT

SITUATION IN MANITOBA HOG PROCESSING PLANTS

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, many people are wondering how, if the Conservatives have

created so many jobs, the unemployment rate is still so outrageously high. I can give the House one example of Conservative job creation in Manitoba where they have robbed Peter to pay Paul.

This summer the Minister responsible for the Wheat Board announced a federal grant of $865,000 to a firm in his riding in order to build a new hog processing plant. It is supposed to create 70 jobs. At the same time, Mr. Speaker, there are already three hog processing plants in Winnipeg, all of which are operating at 50 per cent to 75 per cent of full capacity. They all employ unionized workers, but the new plant is not likely to do so. This will likely mean much lower wages and benefits for the 70 new workers.

The Conservatives should know that consumer demand for red meat is already on the decline, and farmers cannot produce enough hogs to keep existing hog processing plants going. But never did the Conservative Government consult with the workers. Never did the Conservative Government consult with the three meat packing plants in Winnipeg. Without listening to the local plants or the union, all of which are in opposition to the new plant, the Conservatives are prepared to throw 100 or more workers in Winnipeg out of a job to provide 70 new poorly paid jobs in the Minister's riding.

In other words, the Conservatives are not creating any new jobs, they are shuffling them around from non-Conservative ridings to Conservative ridings; from unionized shops to non-unionized shops. That is the Conservative idea of job creation. No consultation, no co-ordination—

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

* * *

[*Translation*]

SCIENCE AND TECHNOLOGY

TWENTIETH ANNIVERSARY OF SAINTE-ANNE-DE-BELLEVUE ARCTIC BIOLOGICAL STATION

Mr. Pierre H. Cadieux (Vaudreuil): Mr. Speaker, last weekend, the Arctic Biological Station at Sainte-Anne-de-Bellevue, in the riding of Vaudreuil, celebrated its 20th anniversary. In fact, we could even say its 40th anniversary, since the origins of this institution go back to 1946, thanks to the efforts of Professor Max Dunbar of McGill University.

Mr. Speaker, the Arctic Biological Station is unique in this country. Over the years, the station has received international recognition for its work, and there is no other institution like it in Canada, especially if we consider the expertise of its staff, its specialized library and its location.

[*English*]

The Saint-Anne Arctic Biological Station, Mr. Speaker, has the mandate to study Arctic marine life. The importance of this mandate becomes abundantly clear when one realizes that 90 per cent of all Canadian waters are either Arctic or sub-Arctic.

In addition, current projections estimate that for the remainder of the 1980s and through the 1990s, 25 per cent of all major Canadian capital projects will be in our North.

[*Translation*]

In concluding, Mr. Speaker, I would like to add that the excellent work done by all those either directly or indirectly concerned with the activities of the Station over the years deserved to be mentioned here in the House, and that we shall watch with interest as they continue in their quest to increase our knowledge and understanding of Canada's North.

* * *

[*English*]

ABORTION

OBJECTION TO PLANNED PARENTHOOD ORGANIZATION'S POSITION

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, there has been concern recently about funding levels for Planned Parenthood, both nationally and at the provincial level in Saskatchewan.

As one who supports the principle of public education on family planning and birth control, I agree with the general objectives of an organization like Planned Parenthood. However, there is one very objectionable aspect of Planned Parenthood's philosophy that cannot be tolerated by people of conscience. It is Planned Parenthood's stand on abortion.

Regardless of one's view on the subject, abortion is prohibited in the Criminal Code, except under certain circumstances. Yet Planned Parenthood continues to counsel that abortion is an equal alternative to women facing the birth of a child.

Planned Parenthood counsellors are instructed to state that an expectant woman has three options: carry a child to term and retain custody, place the child for adoption, or have an abortion. By doing this, Planned Parenthood is openly promoting an act which is illegal. Further, this counselling relegates Planned Parenthood to the role of an abortion referral agency.

I join with millions of Canadian taxpayers who feel that their tax dollars might be used for birth control information, but must not be used for the promotion of abortion.

* * *

[*Translation*]

INDUSTRY

NATURE OF DEMANDS MADE BY CANADIAN SHOE RETAILERS' ASSOCIATION

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I want to take advantage of this opportunity to condemn the short-sighted and demagogic attitude of the executive of the Canadian Shoe Retailers' Association.

S.O. 22

Despite huge profits as a result of the fact that more than 60 per cent of shoes sold to consumers are imported, the Association has the unmitigated gall to demand more imports.

These demands, made on the basis of a very poor interpretation by the Anti-dumping Tribunal, are just a way of seeking more and more profits, which are already exorbitant.

The demands being made by the Association are oblivious to the real interests of consumers, a large majority of whom are in favour of consolidating and expanding employment in the shoe manufacturing sector. The Association wants to wipe out 20,000 jobs in the shoe industry for the sole purpose of increasing the profits of a few big retail importers.

Mr. Speaker, I hope this shortsighted attitude is not being used by the Government to legitimize its next decision.

The situation is quite simple: Five-year quotas and 50 per cent of the market mean 20,000 jobs, the possibility of creating 6,000 more jobs and fully safeguarding the interests of the consumer. No quotas means these jobs will disappear and increased profits for a few big retail importers.

* * *

[*English*]

TRADE

FOOTWEAR IMPORT QUOTAS—CALL FOR FIVE-YEAR RENEWAL

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, across the country 14,000 footwear workers anxiously await the Government's decision on extending footwear quotas. Our caucus has considered this question carefully, and now calls on the Government to renew these quotas for five years.

The process of restructuring to modernize the Canadian industry is lengthy. Restructuring assistance given by the previous Government was late in coming. Only $2.2 million of the $14 million in earmarked funds from CIRB was actually handed out by December, 1984.

Clearly the restructuring effort has only just begun. It would be grossly irresponsible to end quota protection at this time. Thousands of jobs would be lost and the Government would have wasted its restructuring assistance.

Also, Mr. Speaker, we call for the tightening of the quotas and for their reallocation away from importers and retailers who now get most of the benefits. Most quotas should go instead to manufacturers and to retailers who are prepared to carry 50 per cent Canadian content in their stores. This strategy will revive—

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

ENVIRONMENTAL AFFAIRS

CRITICISM OF OFFICIAL OPPOSITION

Mr. Joe Reid (St. Catharines): Mr. Speaker, there are some things that take place in this House that drive one to distraction, even to the point of using unparliamentary language.

In over 20 years the most direct action the Liberal Government took in relation to the environment was a former Prime Minister writing a letter to a local Liberal candidate stating that he would urge the United States authorities to stop polluting the Niagara River. The present Liberal environment critic, who was once the Liberal Minister of the Environment, did not even do that much. If he had been serious about the concerns of those millions of people living within the Niagara River-Great Lakes basin, instead of writing about it now, he would have then improved the Canada-U.S. Water Quality Agreement; he would have then joined with the provincial Government in taking legal action against U.S. polluters; and he sould have then been working with the people in the municipalities of Niagara to fund the elimination of Canadian pollutants. However, he did none of those things. His response to questions at the time was: "The Government is monitoring the situation".

● (1410)

Now that the present Minister of the Environment (Mr. McMillan) works to clean up the mess which was left by 20 years of Liberal inaction, the Liberal critic stands by and says: "Not enough, not enough". This simply shows his Liberal roots and why they will be sitting on the sidelines for many years to come.

* * *

PUBLIC SERVICE

PENSION PLAN REVISIONS—PLEA ON BEHALF OF PRESENT SUPERANNUATES

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, in April of this year the President of the Treasury Board (Mr. de Cotret) announced that an agreement had been reached with the unions representing Public Service employees on the principles to govern the introduction of pension plan revisions. Both the Government and the unions agreed that Public Service pension plans would be funded and administered in accordance with accepted practices of major private-sector employers.

This means that current indexing of pensions would be replaced by an inflation protection feature based upon the earnings of the fund. Placing Public Service pension arrangements on a sound financial basis is a proposal with much merit.

I hope that an agreement can be made which would allow the retention of current indexing for those federal employees who have retired from the Public Service. This latter statement is one which I made public to federal superannuates in

my constituency on June 21 this year. I now state it again. My stand on this issue has not changed.

* * *

CANADIAN PACIFIC RAILWAY

CANCELLATION OF PENSIONERS' RAIL PASSES

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I am sure that all Members of the House will want to join with me in condemning the decision of CP Rail to cancel the rail passes of CP pensioners who retired prior to 1978. I remind the House that these pensioners are not represented at the table for purposes of collective bargaining. They are appealing to us to be their voice in reversing a decision which is both unjust and unfair.

Many of these CP pensioners have very meagre pensions. In many cases the widows of these men receive barely enough to make ends meet. I know this for a fact, as many of them reside in the constituency which I represent.

The CP rail pass was considered to be part of the retirement package prior to 1978. Now it is being unilaterally withdrawn by the company. This is shameful, and it means that in many cases retired CP workers and their spouses will be unable to visit family and friends. They will be prevented from taking some kind of modest vacation.

I ask all Hon. Members to protest and insist that CP Rail squelch this policy which punishes its pensioners.

* * *

[*Translation*]

PROVINCIAL AFFAIRS

SWEARING IN OF NEW ALBERTA PREMIER, HON. DON GETTY

Mr. Jim Edwards (Edmonton South): Mr. Speaker, tomorrow will be a special day for the people of Alberta: We will have a new Premier.

[*English*]

On the eve of Mr. Don Getty's swearing in as Alberta's eleventh Premier, I would like to welcome him back to the political arena. Of course Mr. Getty is no stranger to politics. He will bring to his office experience as Minister of Inter-Governmental Affairs and Energy during the Lougheed era.

Mr. Getty's first involvement was in 1967. He was one of the six Conservative candidates to win in the election of that year. History has proven that this victory was only the beginning. In 1971 he was part of the Lougheed team which broke the Social Credit dynasty after 36 years in office.

The Getty style is one of conciliation. He has always been in favour of federal-provincial negotiation and consultation. He is a man worthy not only of the office he has attained, but of our support as well. He has proven his commitment to the people of Alberta and of Canada in his capacity as Minister responsible for inter-governmental affairs. He is supportive of the initiative of the federal Government to seek a new trade agreement with the United States.

As an Albertan and as a Member of Parliament, I welcome the opportunity to work with the new Premier. He will bring to our Confederation a voice and spirit for Alberta of which we can all be proud.

* * *

PLANNED PARENTHOOD FEDERATION

INCREASED FUNDING ADVOCATED

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise today to support strongly the call by literally millions of Canadians for increased funding to the Planned Parenthood Federation of Canada. That Federation is in the forefront in Canada of the struggle for safe and effective birth control and sex education. I could think of no more positive and appropriate means of reducing the number of abortions in Canada than ensuring that our young people, particularly, have access to proper sex education and to safe and effective contraceptives.

Mr. Gormley: You are kidding.

Mr. Robinson: I suggest as well that the Planned Parenthood Federation has called for additional research into proper and effective forms of contraception.

Instead of accepting the counsel of the Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley), which will result in an increase in the number of abortions in Canada, and instead of accepting his suggestion that we cut off the funds to the Planned Parenthood Federation, which is what he is saying, I suggest that we should increase the level of funding to that Federation and thank it for the outstanding service it is providing to Canadians in promoting safe, effective birth control, and preventing unwanted pregnancies.

ORAL QUESTION PERIOD

[*English*]

ENERGY

EAST COAST OFFSHORE DRILLING

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. In her announcement yesterday affecting the oil industry, she hurt that part of the country which is already the most economically depressed, namely, the Atlantic Provinces. Offshore drilling off the coasts of Newfoundland and Nova Scotia is already drastically down, yet her decision yesterday made the situation worse. Why did she decide to cut the Atlantic Provinces adrift?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker—

Some Hon. Members: Hear, hear!

Miss Carney: —the fact that drilling is down in the offshore under the present grant-rich PIP program is the reason we brought in our new frontier policy yesterday. It provides a very handsome package of incentives, better management, and new royalty regimes, which will assist in the maintenance and the development of the offshore in the Atlantic region, will create jobs, and will benefit the region as a whole.

[*Translation*]

INQUIRY WHY NEW OIL PLAN FAVOURS MULTINATIONALS RATHER THAN CANADIAN COMPANIES

Right Hon. John N. Turner (Leader of the Opposition): I would like to ask a supplementary question, Mr. Speaker. The new oil plan announced yesterday by the Minister will benefit the multinationals at the expense of Canadian companies. Here is my question to the Minister: Why did she introduce a plan which will favour foreign companies rather than Canadian companies?

[*English*]

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, our program is aimed at both the multinationals and Canadian companies which are interested in exploring in the offshore. However, the Right Hon. Member should be aware that 65 per cent of the exploration being undertaken in the frontier regions is by Canadian companies which pay taxes.

Some Hon. Members: Was!

Mr. Turner (Vancouver Quadra): Mr. Speaker, of course the answer to that is that it was, but she killed it yesterday.

NATURAL GAS PRICING—EFFECT ON ONTARIO AND QUEBEC

Right Hon. John N. Turner (Leader of the Opposition): On June 17, the Minister told the Canadian Gas Association that any gas pricing scheme, and I use her words deliberately, "that is not supported by the buyer and the seller will be unacceptable". Why, then, did the Minister exclude from her discussions on natural gas pricing the two largest consuming provinces, namely, the provinces of Ontario and Quebec?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I will be announcing the new natural gas pricing agreement with the western provinces this afternoon, after Question Period, on Statements by Ministers.

I can assure the Right Hon. Member that consultations with the consuming provinces have taken place. I have personally spoken with or seen the Energy Ministers of the consuming provinces. We have had their principles and their concerns at the table with us, and they have both been briefed on the contents of the agreement which I will be tabling later this afternoon.

Mr. Gauthier: How about the consumers?

OFFSHORE DRILLING ACTIVITY

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is also directed to the Minister of Energy, Mines and Resources. The Minister has said that she has put the last nail in the coffin of the National Energy Program.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: Come on over.

Some Hon. Members: More, more!

Mr. Speaker: Order, please.

• (1420)

Mr. MacLellan: She has put the last nail in the coffin of the offshore exploration program. Drilling rigs are going to other areas like the North Sea. People are losing their jobs. Why does the Minister think that with a reduced incentive she can maintain activity in the offshore?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, our new frontier program has been welcomed by the Energy Ministers of Nova Scotia and Newfoundland who have benefited more from our policies than from the policies of any Liberal Government. Nova Scotia, for instance, can look forward to between six and eight wells being drilled in the next year, a very healthy level of development.

I do not understand why an Hon. Member from Nova Scotia would criticize a policy which is aimed at creating jobs and maintaining an oil and gas industry in his home province.

CANCELLATION OF PETROLEUM INCENTIVES PROGRAM

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, the wells to be drilled next year are because of the grandfathering of the PIP program and have nothing to do with this program that the Minister has introduced. The President of the Canadian Petroleum Association said that the cancellation of the Petroleum Incentives Program makes drilling in the offshore unprofitable. How can the Minister give billions of dollars to the multinational oil companies through the Western Accord without giving equal consideration to the East Coast and frontier areas?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I think that the Hon. Member is, without intent but probably in ignorance, misleading the House when he suggests that the President of the Canadian Petroleum Association has attacked our program. The CPA was consulted throughout the development of the program and

has endorsed the program as being a clear statement of policy and an incentive package which will benefit the offshore area.

OFFSHORE EXPLORATION

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I have a question for the same Minister that follows up on that. If Nova Scotia is benefiting so much from the present policies, can she explain to the House why there are only three offshore drilling rigs currently operating off Nova Scotia while there were nine a year ago, why offshore employment has gone from 3,300 to half of that, and why Nova Scotia's unemployment rate has gone up from 11 per cent to 13 per cent? Why are those things happening if Nova Scotia is benefiting from the present policies? Can the Minister also tell the House how many jobs will be created through her new offshore policy?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member has failed to point out that the decline in offshore drilling activities has taken place under the present PIP program under which taxpayers' money, sometimes as much as 90 cents on every dollar, is being given to oil and gas companies. All the Government grants in the world cannot guarantee geology. We want oil and gas companies to drill for oil and gas, not for Government grants. That is what our program is designed to do.

Some Hon. Members: Hear, hear!

Mr. Waddell: I think the Minister is using my line about drilling in Ottawa.

EFFECT OF NEW POLICY

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, how does the Minister think we can benefit from returning to a policy like the one we had before the 1970s when American companies were sitting on their butts not exploring, while benefiting from a tax based regime that they were ripping off through tax deductions? How does she think that we will help Atlantic Canada by going back to that regime? How is she going to encourage Canadian companies to get back into play? They will be completely lost under this new regime.

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, we are not returning to any past regime, and particularly not to one of a Liberal Government. We are putting in place a Conservative regime which is using energy as the engine of growth to create jobs.

Some Hon. Members: Hear, hear!

Miss Carney: May I point out, in regard to the Hon. Member's concern over the multinational oil companies, that the four biggest operators in the offshore are Shell, Mobil, Canterra, and Petro-Canada. Two of them are Canadian companies and two of them are multinational companies. The Government did more to create a Canadian oil industry owned by Canadians through the acquisition of Gulf Canada, and other measures that we have taken, than any other Government.

[*Translation*]

GAS AND PETROLEUM INDUSTRY—GOVERNMENT POLICY

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Would the Minister tell the House whether the Government has shelved its policy aimed at giving back to Canadians up to 50 per cent control over the gas and oil industry, as provided under the previous policy endorsed by the House of Commons?

[*English*]

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the policy clearly states that we are maintaining and strengthening the provision for 50 per cent Canadian ownership in the oil and gas industry. Not only do we say it, but we have done more to Canadianize the oil and gas industry in the last year than was done in the previous three years.

[*Translation*]

SECURITY OF PETROLEUM SUPPLY—GOVERNMENT POSITION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, can the Minister bring the House up to date on the energy policy goal, namely that Canadians must have security of petroleum supply should another oil crisis break out in future?

Will that goal be achieved now that drilling operations will be reduced on the Atlantic coast and in the Northwest Territories?

[*English*]

Hon. Pat Carney (Minister of Energy, Mines and Resources): No, Mr. Speaker, our policy is aimed at enhancing energy security for all Canadians. That is why we brought in a clear and efficient frontier policy. That is why we are maintaining the 50 per cent Canadian content. That is why we have created the conditions for the development of Hibernia, our largest oil field. That is why we are working on the development of Venture.

* * *

FINANCE

OIL COMPANY TAX CREDITS—REQUEST FOR ANNUAL REPORT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister of Finance. Yesterday the Minister indicated that the Government was in favour of moving toward a system in which the public would have the right to know if large sums of money would be going to corporations. Yesterday the Minister of Energy, Mines and Resources announced a new tax regime for the oil industry which includes a system of tax credits which will ensure that many millions of dollars will be going to multinational oil companies as well as others, while

remaining secret. Since the tax credit is calculated on an annual basis, will the Minister live up to what he has indicated in the past few days, by ensuring that we will have tabled in the House on an annual basis a list of the companies that receive tax credits and the precise amounts of the tax credits?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would like to draw a distinction for the Hon. Member. I was referring to remission orders yesterday when I said that I would consider whether or not it was appropriate to provide information on those orders to the House. Now the Hon. Member is asking for information on specific tax incentives. That is a very far-reaching question because he is saying that, in addition to the provision of broad information such as that which I provided during the summer, he wants individual taxpayer's personal tax information to be placed before the House. I think he should rethink his question. That is something that goes totally contrary to the intent of the Income Tax Act as it stands today.

REQUEST FOR ABOLITION OF TAX LOOPHOLE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I thought that the Conservatives were elected to effect some changes, not to maintain the *status quo*. That is what Conservative Members promised to do. We are not talking about individual taxpayers, we are talking about corporations. We on this side of the House happen to think that if Shell, Imperial Oil, or a Canadian company receives millions of dollars in taxpayers' money, the taxpayers of Canada have the right to know about it.

Since the Minister obviously does not want to do anything about that special tax provision, I would like to ask him about another one. This concerns the well known Little Egypt Bump that has been used at least six times—

Mr. Speaker: Order, please. Could the Hon. Member come to a question?

Mr. Broadbent: Considering that there is a specific loophole known as the Little Egypt Bump that has provided windfall profits without benefits in terms of jobs, particularly to oil firms, will the Minister abolish that particular loophole?

● (1430)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have indicated to the Hon. Member that we have abolished a number of tax incentives which were not performing the job that had previously been expected of them. I released a booklet this month—this past summer—

Mr. Broadbent: In August.

Mr. Wilson (Etobicoke Centre): —in August, which indicated the cost of a wide range of tax incentives. I was calling on Hon. Members to give me some comment with respect to whether or not they should be maintained. I will continue to look at all of these in the context of a continuing reform of the corporate tax system and the personal tax system.

CALL FOR FREEZE ON LITTLE EGYPT BUMP

Hon. Edward Broadbent (Oshawa): Mr. Speaker, a month before his last Budget I provided the Minister with a list of such loopholes which we thought should be omitted, and I gave the reasons. Since the Minister says he is willing to look at this matter and its impacts, will he turn it around? Is he prepared to place a six-month freeze on this particular benefit, which we contend has no net gain for Canada but which simply provides a tax windfall to companies? Will he place a six-month freeze on it for the time being, look into it and then, if it turns out to have benefit in his judgment, he could restore it some time down the road? Will he save the taxpayers money now by doing that?

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: Very good thinking.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, again I believe the Hon. Member should think carefully about the type of question he is asking.

Some Hon. Members: Oh, oh!

Mr. Broadbent: What condescending nonsense, Michael.

Mr. Clark (Yellowhead): You speak of nonsense?

Mr. Wilson (Etobicoke Centre): If the Hon. Member suggests we should just stop the clock and have a total review of everything then, sure, we can do that. However, I think there are a great many people whose jobs could be destroyed if that clock is stopped. I have said on many occasions—

Mr. Broadbent: Name one!

Mr. Wilson (Etobicoke Centre): —both to him and to other Members of the House, and many times publicly, that we have a continuing review of a broad range of corporate tax measures. I have indicated that I am very prepared to make those changes, have done so with the carve-outs, the scientific research tax credits, income splitting, limited partnerships—

Mr. Speaker: Order, please. This is becoming a speech.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SCOTTISH DELEGATION

Mr. Speaker: May I draw to the attention of Members the presence in our gallery of a delegation from Scotland led by Lord Gray, Minister of State, Scottish Office.

Some Hon. Members: Hear, hear!

[*Translation*]

BANKS AND BANKING

REQUEST FOR DETAILS OF NORTHLAND BANK INSTABILITY

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

The Northland Bank has been under the control of a curator since September 1 and, in addition, 45 Royal Bank employees have analyzed the institution's loan portfolio. As a result of that analysis the Minister asked the court to initiate liquidation proceedings, a decision she announced last September 30.

Mr. Speaker, I would like to ask the Minister to what extent the Northland Bank was insolvent. To put it another way, the specific question I want to ask her is this: What was the amount of potential losses on loans outstanding? What was the figure given the Minister which prompted her to make the decision she announced on September 30?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I spent two and a half hours in committee yesterday and I have agreed to go back to committee. I have said in the House on many occasions that this is not the place or the forum to try to discuss numbers in 30-second clips. I will be very happy to discuss the bank at the next committee meeting. That is exactly why we have an inquiry where all these facts will come out.

Some Hon. Members: Hear, hear!

[*Translation*]

REQUEST THAT MINISTER TABLE A DOCUMENT

Mr. Raymond Garneau (Laval-des-Rapides): I have a supplementary question, Mr. Speaker. I have no idea to what extent one can refer to the committee, but we cannot get answers there. I had to leave the committee room this morning to object and indicate my dissatisfaction about the fact that the witnesses do not want to answer.

I would ask the Minister whether she would be prepared to enlighten Hon. Members by tabling in the House the document on which she based her September 30 decision, for we would be better informed when she appears again before the committee.

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I do not regard walking out of committee as a very useful way to get information.

Some Hon. Members: Hear, hear!

Oral Questions

ROYAL CANADIAN MOUNTED POLICE

REPORTED ALLEGATIONS MADE BY SUPERINTENDENT

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Solicitor General. It concerns a very serious charge by RCMP Superintendent Al Nowlan that in 1977 Commissioner Simmonds deliberately lied to the then Solicitor General, Francis Fox, over the extent of RCMP illegality and wrongdoing by the security service. What action is the Solicitor General taking to investigate these very serious allegations that, in effect, the Commissioner lied to his political masters? Has the Minister asked the Commissioner on how many other occasions since 1977 he has deliberately covered up or lied to his political masters, either Ministers, or Members of Parliament?

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, I take very strong exception to the tone of the question which leaves the strong implication that the Hon. Member has come to the conclusion that Commissioner Simmonds has possibly lied on a number of occasions to members of Cabinet. I believe there is no basis for that, and the Hon. Member should retract it.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Now answer the question.

Mr. Beatty: The Leader of the NDP says: "Now answer the question." The question being asked was premised on a statement in the newspaper today by a man who, according to the Leader of the NDP, as reported in *Hansard* on January 30, 1978:

> —conducted the internal inquiry established last June into wrongdoings of the RCMP, was personally and deeply implicated in the illegal break-in to obtain information about the Parti Québécois in January, 1973—

And who, he alleged, withheld information from the then Solicitor General and who, the Leader of the NDP said, should be fired by the Solicitor General.

Mr. Hnatyshyn: Remember that, Ed?

Mr. Beatty: Mr. Speaker, that is the approach which the NDP took then. That is the sort of approach which they are taking toward the Commissioner of the RCM Police today.

Mr. Speaker, I want to respond to this question—

An Hon. Member: Well, do it!

Mr. Beatty: —because I think it is an important one to which Canadians are entitled to have an answer.

As the Hon. Member will know, this allegation dates back to 1977—eight years ago. The allegation deals with events which allegedly took place prior to the McDonald Commission which came down with a three-volume, two million-word report on the allegations into the RCM Police's activities. Mr. Nowlan was one of the witnesses before the McDonald Commission. If he had any evidence of any wrongdoing on the part

of the RCMP it was his obligation to bring that forward before Mr. Justice McDonald.

Some Hon. Members: Hear, hear!

Mr. Robinson: Mr. Speaker, it may have been eight years ago, but he is still the Commissioner of the RCMP today and there should be an inquiry.

Mr. Andre: Slander somebody else now.

Ms. Copps: Don't talk to us about slander.

Mr. Speaker: Order, please. Supplementary question.

REQUEST FOR INQUIRY

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my supplementary question is this. In view of the fact that this unprecedented charge by Superintendent Nowlan of lies and deception by the current RCMP Commissioner raises a very fundamental question about his ability to continue in his capacity as Commissioner—

Some Hon. Members: Oh, oh!

Mr. Robinson: —will the Minister immediately suspend the Commissioner from his duties pending a full inquiry into these very serious charges?

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, the tactics of the NDP are these. Just as the Leader of the NDP in 1978 attempted to attack the reputation of Superintendent Nowlan, now that it is convenient for the NDP they chose to use what Superintendent Nowlan says today to discredit the Commissioner of the RCMP.

Some Hon. Members: Shame!

Mr. Beatty: I had the opportunity this morning to speak with the Hon. Francis Fox who was Solicitor General of the day. He agrees with me that the appropriate forum to have considered any allegations of wrongdoing, the forum which had the ability to subpoena witnesses and to look at every single file and record within the Royal Canadian Mounted Policy, was the McDonald Inquiry. He has no evidence to indicate that he was misled by Commissioner Simmonds who then, at that point, was Deputy Commissioner for Administration and was not even the individual who answered for the RCM Police to the Solicitor General of the day.

Some Hon. Members: Hear, hear!

* * *

MULTICULTURALISM

MINISTRY'S RACE RELATIONS UNIT

Mr. Sergio Marchi (York West): Mr. Speaker, in the absence of the Minister of State for Multiculturalism I would like to direct my question to the Secretary of State. The Minister is aware that the equality of rights report endorsed all the recommendations of an earlier report on visible minorities entitled *Equality Now*. Yet in discussions with national organizations and his own officials it is very clear that the race relations unit within the Ministry has been allowed to wither away and has been rendered largely non-operational at the very time that its strength is urgently needed. Therefore, given the magnitude of the recommendations in the *Equality Now* report on the problems faced by visible minorities, is the Government prepared to endorse fully and restore the race relations unit to its former and proper functions so that the rights of visible minorities can be realized in fact, and indeed be protected?

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, the report has just been tabled. We will refer the matter to the Minister of State (Multiculturalism), hold discussions and take the appropriate steps in due time.

[*English*]

Mr. Speaker: A very short supplementary question.

EMPLOYMENT EQUITY INQUIRY

Mr. Sergio Marchi (York West): Mr. Speaker, I would like to ask a supplementary question of the same Minister. Given that countless organizations, including the Canadian Ethnocultural Council and the Alliance on Race Relations, have rejected out of hand the spineless—

Mr. Speaker: Order, please. The Hon. Member had a long preamble to his first question. Does he have a question, please?

• (1440)

Mr. Marchi: Yes, Mr. Speaker. Is the Minister prepared to support the organizations which are calling for a mandatory program in the employment equity legislation and a viable employment enforcement mechanism which will ensure that all Canadians, regardless of race and colour, will indeed have employment equity in the workplace? Or is the Minister prepared to buckle under to the whims of the Minister of Employment and Immigration?

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, I will repeat the answer, if the Hon. Member cares to listen. I would remind the Hon. Member that he directed his question to me, so I will answer if he wants to listen.

[*English*]

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. All the interjections do not help, wherever they come from.

[*Translation*]

Mr. Bouchard: Mr. Speaker, it is obvious, and I said so a moment ago, that along with the Minister of State (Multiculturalism) we will review or analyze the policies concerning . . . right now I simply do not feel any inclination to make a specific commitment with respect to the Hon. Member's request, we shall see. We will weigh the pros and cons of the various policies. One thing for sure is that we do not have to take any lesson from Members opposite concerning that question.

* * *

[*English*]

VETERANS AFFAIRS

NOTIFICATION OF PRINCE EDWARD ISLAND DEPARTMENTAL VACANCIES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the President of the Treasury Board. It concerns a meeting which took place on September 10 here in the City of Ottawa between Edgar Gallant, the Deputy Minister of Veterans Affairs, the Associate Deputy Minister of Employment and Immigration, and Peter White, who is the "prince of patronage" in the Office of the Prime Minister, two Conservative Members of Parliament from Prince Edward Island, and the Chief of Staff to the Minister of the Environment. The result of the meeting was that the Prince Edward Island Conservative Members of Parliament were to be notified of DVA and Canada Employment job vacancies seven days in advance of those vacancies being posted, in other words, before they were posted through the Public Service. Would the Minister tell the House whether or not he was aware of that meeting? And did he approve of this procedure of undercutting the merit principle in favour of blatant political patronage by the Conservative Party?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, first, to answer very directly the question put by the Hon. Member, I was not aware of that meeting. Quite honestly, this is the first I have heard of this meeting.

Mr. Broadbent: Check with your staff.

Mr. de Cotret: I would also like to remind the Hon. Member that the Public Service Commission does not report to the President of the Treasury Board. The Public Service Commission reports to Parliament. It does not have to report to me and tell me what meetings it has, and with whom it has them.

I will be happy to look into the matter, but it is certainly not the responsibility of the Government to follow the Public Service Commission's activities in that way.

REQUEST FOR INVESTIGATION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have minutes of a meeting in my hand which state that the open competitions to be held in DVA and CEIC will be sent to local Members of Parliament seven days in advance of being posted in the Canada Employment Centres. Will the Minister investigate this matter—

Mr. Clark (Yellowhead): He just said he would.

Mr. Nystrom: —or is this the new policy of the Conservative Party in terms of patronage in the Public Service of Canada?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I indicated in my first answer that I would be happy to look into the allegations made by the Hon. Member. Once again, in terms of patronage, I would like to remind the Hon. Member that the reason the Public Service Commission reports directly to Parliament as a whole rather than to the Government is to make sure that staffing decisions are outside the realm of direct political control.

I will be happy to look into the matter. I will talk to the chairman and try to get whatever information I can about that meeting, and report back to the House.

* * *

HUMAN RIGHTS

REDUCTIONS IN DEPARTMENT'S PERSONNEL AND BUDGET

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, my question is directed to the Secretary of State. The Minister will know that his Department's mandate gives it the central point of reference for domestic human rights issues. In that capacity, could the Minister explain why the Human Rights Program in his Department has suffered reductions in both personnel and budget at the very time when the Government should be implementing the recommendations of the Equality Rights Committee?

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, actually, I have not yet had time to consider the matter of staff and resources assigned to deal with the Canadian Human Rights Commission, but I will take the Hon. Member's question as notice and report my findings at a later date.

[*English*]

DUTIES OF PROGRAM MANAGER

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, this is the Minister's portfolio. It is the Human Rights Section of his Department. In fact I must point out to the Minister that not only has the Human Rights Program been downgraded in his Department—

Mr. Clark (Yellowhead): Order.

Mr. de Corneille: —but its manager—

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

Mr. de Corneille: How does the Minister square his rhetoric of pious intentions when not only has the Human Rights Program been downgraded but its manager is now expected also to run the very important Secretariat for the Disabled, and this is happening at a time when it has not even finished the work it was assigned, never mind about the new work which will be assigned to it now by the Equality Rights report?

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, we can confirm there has been a certain amount of internal reorganization at the Department of the Secretary of State. This does not mean that work formerly done by a person who has now been displaced will not be done by someone else. Reorganization does not necessarily mean reducing the number of employees. I said that we were evaluating our resources. As soon as the process is finished, you may start criticizing.

* * *

TRANSPORT

PURCHASE OF SHIP BY CN MARINE—GOVERNMENT POSITION

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, my question is directed to the Minister of Transport. Yesterday's *Le Soleil* reported that Mr. Tingsley, President of CN Marine, is considering the purchase in Europe of a ship, the *Viking Saga*. Is the Minister of Transport disappointed, and is he going to do everything he can to prevent this, so that Canadian workers can have jobs before foreign workers are considered?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, first of all I would like to acknowledge the very excellent report sent to me by the Hon. Member in connection with his support for Canadian-built vessels and, in particular, his keen interest on behalf of the shipyard workers in his constituency. This is a matter which is currently under consideration and I can assure the Hon. Member that his representation and, indeed, the thrust of his report, will be taken into consideration during the course of that evaluation.

* * *

[*Translation*]

NATIONAL DEFENCE

STRATEGIC, TACTICAL OR OPERATIONAL REQUIREMENTS FOR QUEBEC CITY ARMORY

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, my question is directed to the Associate Minister of National Defence.

The Quebec City Armory has been identified by the city's tourist industry, and by the Pluram group in its study, as having excellent potential as a tourism reception and interpretation centre.

Mr. Speaker, I would like to ask the Associate Minister what strategic, tactical or operational requirements are making his department retain use of the armory.

[*English*]

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, the Department has been approached in terms of the Department of National Defence giving up this facility for some community use in Quebec City. While I appreciate and agree that it would be useful to Quebec City, it is also very useful to the military. It is military property which is used on an ongoing basis. For the Department to give it up for this purpose would require the taking on of additional costs and inconvenience, and at this point in time we really cannot reach that decision.

[*Translation*]

UTILIZATION OF QUEBEC CITY ARMORY—MINISTER'S POSITION

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I have a supplementary for the Minister of State (Tourism) and I want to ask him whether he is prepared to support this project and to pursue the matter with his colleague?

[*English*]

Hon. Jack Murta (Minister of State (Tourism)): Mr. Speaker, we are prepared to pursue discussions on this particular matter with anyone who is interested and willing to talk to us. The Hon. Member surely knows that all monies going into any province—Quebec not an exception—go through the joint federal—in this case—Quebec Tourism agreement.

We are certainly prepared to talk, but until the issue with the Department of National Defence is ironed out, we are not prepared to do anything unilaterally on our own.

* * *

INCOME TAX ACT

INTRODUCTION OF RHOSP AMENDMENTS

Mr. Elliott Hardey (Kent): Mr. Speaker, my question is directed to the Minister of Finance. There is considerable interest on the part of Canadians in the Government's planned changes to RHOSP contributions and deductions announced in the May Budget. There exists at this time only a Ways and Means motion affecting this subject. Could the Minister indicate to the House and to Canadians when the legislation amending the Income Tax Act will be introducted? Could he be specific enough to predict if this will take place before the Christmas break?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not have a precise date, but I am hoping that the income tax legislation will be before the House toward the end of November.

[*Translation*]

EMPLOYMENT

DIFFICULTY OF SITUATION IN MONTREAL EAST

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. We are informed that Fonderie CSW in Montreal East will be laying off 125 people on November 8, which is one more example of how Montreal's industrial base is continuing to erode.

In view of the urgency of the situation, I would like to ask the Minister whether she is prepared to consult with other Cabinet Members, and especially the Minister of State (Transport), with a view to announcing some concrete measures, such as orders from CN or VIA Rail, that will provide job security for 125 workers who will soon be out on the street.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, yesterday we announced the creation of an adjustment committee. The purpose of this committee is to examine existing problems and provide solutions. I think the Hon. Member should give the committee some time to do its work and submit recommendations.

● (1450)

POSSIBLE LOSS OF 125 JOBS—MINISTER'S POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, the Minister probably already knows how the Montreal East Survival Committee reacted to this announcement. It's like prescribing aspirin for a cancer patient. I would like to ask the Minister what concrete measures she intends to take, and this is important, before November 8, to keep another 125 families from losing their breadwinners.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am surprised at the Hon. Member's question, because the unions, the private sector and the municipal authorities have expressed an interest in the committee. I would also invite the Hon. Member to pass on suggestions to this committee, for consideration.

* * *

[*English*]

EXTERNAL AFFAIRS

GUATEMALA—INFORMATION SOUGHT ON FATE OF MISSING PERSONS

Mr. Dan Heap (Spadina): Mr. Speaker, today 200 people are occupying the Metropolitan Cathedral in Guatemala City to demand that before the military leaves power it gives answers about the disappeared, and also to demand a commitment from the group that will assume power after the elections that they will get answers about the disappeared. Where are they? What happened?

Will the Minister ask the Hon. Gordon Fairweather, Canada's Human Rights Commissioner, who arrives today in Guatemala City for the elections, to visit this group in the Cathedral and to give them what aid he can to get the answers to their questions?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I take it that question is directed to me. I will see if it is appropriate to do what the Member requested and, if it is, I will so request Mr. Fairweather.

Mr. Heap: I thank the Hon. Minister for noticing my little slip in not directing it to him.

HUMAN RIGHTS COMMISSIONER'S REPORT ON ELECTIONS

Mr. Dan Heap (Spadina): I would ask the Minister again, will he also direct the Hon. Gordon Fairweather, in his report on Guatemala's elections, to tell us which candidates or parties show the honest courage to challenge the decree of President Mejia Victores that, as he said: "To take steps toward the reappearance alive of the disappeared is a subversive act and will be treated as such"? Will the Hon. Gordon Fairweather pursue that question?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, whenever the Hon. Member rises in his place I get ready to answer questions because very often they are directed to me. I am not sure whether it would be appropriate and consistent with Mr. Fairweather's activities to act upon the second request. I will look into it. If it would be appropriate and consistent, I will ask him to do that, but if not, I won't.

* * *

DAYLIGHT SAVINGS TIME

REQUEST FOR EXTENSION IN 1986

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. The Minister is aware that the United States House of Representatives has voted to extend Daylight Savings Time for four extra weeks starting next spring. Will the Minister and the Government urge the provinces to adopt a similar change, bearing in mind the fact that the National Research Council has indicated that it would result in a savings of some $24 million a year in energy costs for Canadians?

Mr. Hnatyshyn: Move to Saskatchewan and save.

Some Hon. Members: Oh, oh!

Hon. Thomas Siddon (Minister of State for Science and Technology): Saskatchewan is very progressive, Mr. Speaker.

The suggestion of my hon. friend indeed makes eminent good sense. I should point out that the proposal, which has passed the United States House of Representatives, has yet to pass the U.S. Senate, but indeed is widely supported in

Canada and the United States for some of the reasons upon which he elaborated. Indeed, Mr. Speaker, my hon. colleague, the Member for Winnipeg-Assiniboine presented a motion to the House in May of 1984 a motion that this matter be addressed with our provincial colleagues because it is indeed a matter which, under convention, falls within provincial and municipal jurisdictions, but I will take it up with my counterparts at the earliest opportunity.

* * *

[*Translation*]

AGRICULTURE

POSSIBLE CONSTRUCTION OF RESEARCH LABORATORY—MINISTER'S POSITION

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I wish to direct a question to the Minister of Agriculture.

In June 1984 the Minister in the previous Government was in Victoriaville, in Quebec, to announce the construction of a $13 million agricultural research laboratory which was to create a number of good job openings. In November 1984 the project was put on the back burner because you thought there had not been enough studies.

Does your Department now have sufficient information to make a decision and, if so, what is the decision and, if not, when will you be in a position to make a decision?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I regret that I do not have sufficient information to respond specifically about the project to which the Hon. Member refers. I am very happy to take notice of the question and will get back to the Hon. Member.

[*Translation*]

BRIEF PRESENTED BY CANADIAN FEDERATION OF AGRICULTURE—GOVERNMENT POSITION

Mr. Alain Tardif (Richmond-Wolfe): Yesterday, Mr. Speaker, we had an opportunity to meet with spokesmen for the Canadian Federation of Agriculture and a major part of their brief stressed the need for massive research investments.

Can the Minister make the firm commitment that he will support this specific and well structured research project which is ready to proceed?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Hon. Member should know that dollars invested in research and development have always been a very high priority of the Government. I can assure the Hon. Member that as far as the budget of the Ministry of Agriculture, over which I have some control, is concerned, that will continue to be a number one priority.

CANADIAN WHEAT BOARD

GRADES 2 AND 3 WHEAT QUOTAS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is directed to the Minister of State responsible for the Wheat Board. Many wheat producers in the northern Prairies are still in the process of harvesting and drying grain. The Canadian Wheat Board has had a five-bushel quota on dry grades 2 and 3 wheat. The quota expires tomorrow. Would the Minister prevail upon the Canadian Wheat Board to extend that quota for a week or so to give all farmers a fair opportunity to deliver their grain?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Member raises a very fair and serious question of concern to a lot of prairie producers. I am happy to tell him that as of Tuesday the Board decided to terminate the quota, but to reinstate it as quickly as possible after November 1 to allow producers who did not have a chance to deliver prior to the termination date an opportunity to deliver after that date. As far as the Board is concerned, that will assist all producers in being able to manage the stocks that come into the system. Those concerns will be looked after, Mr. Speaker.

* * *

PORTS

PORT OF CHURCHILL

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of Transport. It relates to his meeting yesterday with the provincial Minister of Transportation on the Port of Churchill. In a press release issued by his Department earlier today the Minister said that the only thing the Government is guaranteeing is that it will meet with Manitoba Hydro and provincial officials by the end of November. When will we finally get action? Why are we only having a meeting? Why will the Government not live up to the agreement which was signed over a year ago?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, it is unfortunate that the Hon. Member cannot read, because the press release clearly says that the issue will be resolved by November 30. That means that we will not only have a meeting, we will have a resolution to the problem.

* * *

● (1500)

ENERGY

TAX TREATMENT OF OIL COMPANIES

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Yesterday, when referring to the incentive grants for petroleum exploration, the Minister said: "There are other

ways in Canada to spend money than giving it to oil and gas companies".

If the Minister really believes that, why did she reduce the taxes to oil companies last spring by $2.4 billion a year and increase the value of their reserves by $800 million? Could she explain why she made that statement?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I can tell the Hon. Member why we reduced taxes on the oil and gas industry and would now follow that up with reducing cash incentives. It is because we want an oil and gas industry that is economically viable and will create jobs for all Canadians.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Wednesday, October 30, 1985, meet the requirements of the Standing Orders as to form.

The petitions presented by Hon. Members by filing with the Clerk of the House also meet the requirements of the Standing Orders as to form.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to ask the Government House Leader for the customary statement on the business of the House for the coming week.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I am glad to report on the legislative platter, appealing as it is, for the next few days.

We are now dealing with Bill C-62, an Act respecting employment equity. The back-up Bill is Bill C-42, respecting the dissolution of Canagrex. We will continue with Bill C-62, notwithstanding the motions that have been put forward by the Opposition today, and I hope opposition Members will allow second reading to take place early. We have had a very substantial and long debate at second reading stage and it would be appropriate to move along.

I indicated earlier this week, certainly to House Leaders if not publicly, that it is my intention to initiate second reading debate on Bill C-45 tomorrow, which is the Bill relating to employer and employee relations in the Senate and House of Commons. I hope that we will have a good debate tomorrow and possibly see that Bill go to committee.

The House will know that I have given notice with respect to Bill C-80 and I hope to deal with the time allocatio motion on Monday. I also want to deal with Ways and Means motions on Monday. My colleague, the Minister of Finance (Mr. Wilson), will be tabling certain motions which we will want to have brought forward so that the details will be made public. We will attempt to deal with that on Monday. Hon. Members will have an opportunity to see the contents of those Ways and Means motions over the weekend. Depending on our progress, it might be appropriate to deal with Bill C-45 if there is some time left on Monday.

On Tuesday we will probably deal with Bill C-80, if that is appropriate. I am not anticipating the vote of the House on the time allocation motion, but assuming that we win that vote, we might proceed with that final day of debate.

For the remainder of the week there is the report stage of Bill C-66, the reorganization of Canada Development Corporation; and Bill C-81, an Act to amend the Criminal Code with respect to lotteries. There are other items of legislation coming out of legislative committees. I want to consult with my colleagues and the opposition House Leaders to see if we can deal with these matters at report stage and third reading. As always, I will give as much notice as possible to Hon. Members if there is any change. I will monitor progress to make sure that the people of Canada are well served.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I notice that no mention was made of any allotted days for this coming week. Am I to assume from that that there will be no allotted days during the course of next week?

Mr. Hnatyshyn: Mr. Speaker, there is the possibility of allotted days next week. As the Hon. Member knows, we have had some discussion about that. I am just looking ahead at the conventional week. As I have indicated, on the basis of what progress is made, there may indeed be an allotted day if not more, next week. I would certainly give adequate advance notice to the Hon. Members so that they can give some consideration to an appropriate form of motion, in the event there is an allotted day. However, that is a distinct possibility.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

CUSTOMS ACT—PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Mr. Neil Young (Beaches): Mr. Speaker, as Chairman of the Legislative Committee on Bill C-59, I have the honour to report the Bill, with amendments, in both official languages.

Tabling of Documents

[*Translation*]

SEEDS ACT AND CANADA GRAIN ACT

PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Mr. Marcel R. Tremblay (Quebec East): Mr. Speaker, I have the honour to present the report of the Legislative Committee on Bill C-64, an Act to amend the Seeds Act and the Canada Grain Act, in both official languages.

[*English*]

STRIKING COMMITTEE—PRESENTATION OF TENTH REPORT OF STANDING COMMITTEE

Mr. Chuck Cook (North Vancouver-Burnaby): Mr. Speaker, before presenting my report, I would like to preface it with a brief remark. I have had questions from some Hon. Members and the public with regard to why I am on my feet each week as the Chairman of the Striking Committee.

I would simply bring to the attention of the House that it is an onerous and difficult task involving all Parties that meet each week to decide who will be sitting on what committee.

Mr. Speaker: Order. The Hon. Member will know that the Speaker is going to cope with bootlegging, wherever it comes from.

Mr. Cook: Mr. Speaker, I have the honour to present the tenth report of the Striking Committee in both official languages.

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

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MEMBERS OF PARLIAMENT

TABLING OF PROVISIONS RESPECTING RETIREMENT BENEFITS

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, pursuant to Standing Order 47(2), I would like to table copies, in both official languages, of the Members of Parliament Retirement Allowances Act and relevant provisions of the Supplementary Retirement Benefits Act dated March 31, 1982.

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IMMIGRATION

TABLING OF ANNUAL REPORT OF FUTURE LEVELS OF IMMIGRATION

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, in accordance with the provisions of Standing Order 47(2), I wish to table, in both official languages, the annual report on future levels of immigration.

Pursuant to the provisions of Standing Order 47(4), this report is to be referred to the Standing Committee on Labour, Employment and Immigration.

IMMIGRATION

FUTURE LEVELS OF IMMIGRATION—STATEMENT OF MINISTER OF STATE (IMMIGRATION)

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, I rise to indicate that the Government is today signalling that Canada is once again welcoming immigrants.

[*Translation*]

Today the Government reiterates its intention of welcoming immigrants.

[*English*]

I have tabled in the House the report on future immigration levels for the next two calendar years. Immigration levels are being increased to 105,000 to 115,000 in 1986 and 115,000 to 125,000 in 1987. This is up from the 85,000 to 90,000 announced for 1985. The Government believes that, contrary to myths, immigrants do not take jobs away from Canadians but instead contribute positively to our economic and social development. This view has been confirmed by comprehensive consultations undertaken this year, by reports of the parliamentary Committee on Labour, Employment and Immigration, and by the recent report of the Royal Commission on Canada's Economic Prospects.

The two-year plan announced today represents a new era for immigration policy and stresses the postive longer term impact of the program. During this period, the level will be rebuilt in a moderate, controlled manner which will, in a balanced way, support the reunion of families, the admission of humanitarian immigrants and the selection of economic immigrants. Taken as a whole, this plan will place the immigration program back on the path of the more traditional and widely accepted post-war levels.

• (1510)

[*Translation*]

Taken as a whole this plan will place the immigration program back on the path of the more traditional and widely accepted post-war levels.

[*English*]

Specifically, the Government will be implementing the policy through its major programs.

First, family class. The family class will remain the cornerstone of immigration policy, and we will continue to process applications on demand.

[*Translation*]

The family class will remain the cornerstone of immigration policy, and we will continue to process applications on demand.

[*English*]

Government projections suggest that 45,000 landings may occur next year. But I want to stress that this is not a quota or a ceiling, and this projection may be exceeded if demand rises.

Second, the humanitarian program. Canada will increase its growth of Government assisted refugees in 1986 by 1,000 from 11,000 to 12,000. This is at a time when many refugee receiving nations are becoming more restrictive.

[*Translation*]

Canada will increase its growth of Government assisted refugees in 1986 from 11,000 to 12,000. This at a time when many refugees receiving nations are becoming more restrictive.

[*English*]

These refugees will be aided by an additional provision of $3 million to the Adjustment Assistance Program. An additional $750,000 is being provided to agencies to provide direct aid to refugees and other needy immigrants. In total, the 1986 plan allows for some 20,000 to 23,000 humanitarian landings, the second largest plan in the world next to the United States.

Some Hon. Members: Hear, hear!

Mr. McLean: Third, Mr. Speaker, we have independent immigration. The Government is going to emphasize increasing the number of assisted relatives and other independent applicants who have, since May, 1982, been unable to immigrate without a validated job.

[*Translation*]

The Government is going to emphasize increasing the number of assisted relatives and other independent applicants who have, since May 1982, been unable to immigrate without a validated job.

[*English*]

These individuals will be admitted on the basis of a revised selection system. Qualifications and skills will be stressed. Preference will be given, however, to assisted relatives through the allocation of bonus points. Landings for this group are projected to double in 1986 to 12,000 to 15,000 applicants, and to increase somewhat more in 1987. This contrasts with the 1985 level of 5,500 to 6,500.

Fourth, business immigration. The business immigration program stands out in terms of its direct impact on job creation and investment in Canada.

[*Translation*]

The business immigration program is limited but stands out in terms of its direct impact on job creation and investment in Canada.

[*English*]

We are setting a goal of 4,000 landings in this program in 1986, an 83 per cent increase over the 1985 announced level of 2,200 landings. Let me assure you, Mr. Speaker, that this increase will not be at the expense of family or humanitarian immigrants.

The creation of a new investors program will encourage immigration of business people with proven track records, who have resources to invest in Canada. This new program will directly support the efforts of Investment Canada.

These changes represent an important first step in revitalizing the immigration program on a longer term basis. They recognize the important contribution that immigrants make to national economic development. This rationale was easily understood by our forebears but it has been all too quickly forgotten in an era when we have become overly preoccupied in solving our short-term problems. The Government is committed to a longer term role for immigration and, as the Minister responsible, I intend to engage Canadians in a dialogue to develop the next steps of this program.

[*Translation*]

The Government is committed to a longer term role for immigration and, as Minister responsible, I intend to engage Canadians in a dialogue to develop the next steps of this program.

[*English*]

We may need to consider in the next two years significantly higher levels of immigration if we are to sustain our population growth and economic development.

Today, the Government has presented a plan which will restore the balance among the major immigration themes in a moderate, controlled way. It will also be conducting a demographic review under the Minister of National Health and Welfare (Mr. Epp). We will be closely monitoring these changes to ensure their effectiveness and, if needed, I will bring further revisions to the House next fall.

I trust all Members of the House will join with me in supporting these positive changes, which the Government is introducing today. Canada is sending a message world-wide that from now on this country will be welcoming more immigrants to support its longer term economic and social goals.

Some Hon. Members: Hear, hear!

[*Translation*]

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I was pleased to hear the Government's position on future immigration levels for the coming year. I am also happy to recognize, with the Minister, the contribution made by immigrants to the economic development of this country, and to hear that immigrants are not taking jobs away from Canadians.

However, I am also happy to see that the Conservative Government is going back to the immigration levels set by the Liberal Government a few years ago, because quite frankly, legislation passed by the Liberal Government made it possible for such large numbers of immigrants to settle in Canada.

I wholeheartedly agree with the Minister when he says that Canada intends to admit more immigrants to help support the longer term social and economic goals of this country.

I would also like to point out that recent improvements in our economy are also due to long-term policies established by the Liberal Government.

Actually I would like the Minister to give particular consideration to visa procedures. It is a fact that some immigrants, depending on the standards in their countries of origin, have trouble obtaining immigration visas for Canada. Further more, I would like to see the Minister make it easier for handicapped persons to immigrate to Canada and set standards based on ability, not on their handicaps.

In concluding, I want to wish the Minister the best of luck and say that we, as Opposition Members, intend to watch carefully and make sure that the new levels of immigration established by the Government are well received.

[*English*]

Mr. Dan Heap (Spadina): Mr. Speaker, I am glad to welcome this report to the extent that it does increase our immigration levels in the areas that are needed, to a small extent. It is a very small extent. As the Minister knows, because of the studies done this year with the aid of his Department and through the Standing Committee on Labour, Employment and Immigration, the figure he quotes is nowhere near enough even to maintain the existing population level of Canada. We would need between 150,000 and 175,000 just to stay where we are, according to the information received by the parliamentary committee and tabled this spring. However, granted, it is a move in the right direction, and the Minister says that there will be further moves in other years, which is also encouraging, although it is unnecessarily slow for the reasons I will point out.

● (1520)

The category of families and the category of assisted relatives are being unnecessarily held back by the practices of the Employment and Immigration Commission. They are being held back in three ways. One is that excessively high incomes are demanded of Canadians who wish to bring over, to sponsor an assisted relative. During the past year when the cost of living went up 4 per cent, the amount of income required of a sponsoring relative here went up 9 per cent. This was similar to increases in previous years, but this is the one for which the Minister's Government is responsible, and I think it is very regrettable.

There is also the matter of the visa offices which are very poorly distributed in the countries from which many of our immigrants come, and it takes sometimes years to process an application because there is one office for India, two offices for all of Africa, two offices for all of Central America, and those have to go through Trinidad. The third way it is limited is that the health and welfare requirements are becoming more and more nit-picking. When a whole family is kept out because a 12-year old child has a speech impediment, then it is clear that it is something that happens to Third World immigrants and would not happen to somebody from my old country, that is to say, Great Britain.

The figures are royally confusing because the Minister's figures do not jibe with the figures in the report which was distributed about five minutes ago. Apparently he has only selected some of the items, but they are also confusing because of their comparison with the report of a year ago. He has implied that there might be an increase—he has not stated it—in the family class. In fact, there is no increase. He has given a figure for refugees and humanitarian immigration which is, at maximum, 23,000, the same as the maximum for last year. There is no increased for family immigration, no increase for refugees, members of designated classes and people who are landed under special humanitarian measures.

There is an increase for selected workers, principal applicants and their spouses and dependents. That is where the main increase comes. That is nearly doubled from about 13,000 last year to perhaps—it is more than doubled—13,000, depending on which figures one uses, to about twice that or a little more for this year. Then there is a doubling—more than a doubling, really—of the figures for business immigrants. No, perhaps it is not more than a doubling—I just had these figures a few minutes ago—but they are up from 7,000, including the families, to 12,000 now.

The Minister's figures given in his statement would total 97,000. The figures in his report total 105,000 to 115,000, so I do hope the Minister will disregard his statement and act according to his report, and I do hope he understands that there has been no increase in humanitarian immigration this year.

I have one further point, and that is, I welcome the statement by the Minister that there will be an increase of, I think it is, $3 million in the Adjustment Assistance Program. This is long overdue and very welcome. He also says there will be $750,000 to agencies providing direct aid to refugees. I hope that will cure some of the difficulties now provided by lack of counsel to immigrants arriving at Toronto and Montreal.

All in all, the improvements are very small, most of them are in the right direction, and we hope that they indicate that the administration of immigration will be much more humane in the coming year.

* * *

ENERGY

FEDERAL-PROVINCIAL NATURAL GAS AGREEMENT—STATEMENT OF MINISTER OF ENERGY, MINES AND RESOURCES

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, as I announced in the House yesterday, the Government of Canada has reached agreement with British Columbia, Alberta and Saskatchewan on a new domestic pricing and marketing formula for natural gas.

Some Hon. Members: Hear, hear!

Miss Carney: This agreement, achieved after weeks of intensive negotiations, completes a task which we set for ourselves when we signed the Western Accord last March. It was concluded in the spirit of co-operation and national reconciliation our Progressive Conservative Government set out to achieve when it was elected to power nearly 14 months ago.

Mr. Gauthier: It seems like 14 years.

Miss Carney: Our Government promised to use Canada's vast energy resources as the engine of economic growth, to create new jobs and bring unity to a nation divided by past energy policies.

Mr. Gauthier: Nonsense.

Miss Carney: One of the opposition Members says that it seems like 14 years instead of 14 months since we assumed power. As you know, Mr. Speaker, we expect to be here for 14 years because of policies like this one.

Mr. Gauthier: Double nonsense.

Mr. Foster: Don't brag; you will be the next one to resign.

Miss Carney: We have now created the conditions to stimulate economic renewal throughout Canada.

Mr. Tobin: There will be only 14 of you left when it is all over.

Miss Carney: The Atlantic Accord, the Western Accord, the frontier energy policy which I announced yesterday, and this latest agreement on natural gas, represent the beginning of a new era for consumers and producers. We have moved Canada into an environment which is free of excessive regulation, unfair taxes and intervention in the market-place. It will be an era of economic promise.

Some Hon. Members: Oh, oh!

Miss Carney: I would like to point out that it is a policy of the Government to make important ministerial statements in the House instead of in press conferences outside the House.

Some Hon. Members: Hear, hear!

Miss Carney: If we are to continue that practice, which is in the interests of the House of Commons and of our parliamentary tradition, I would suggest that Opposition Members allow me to read the statement.

Mr. Gauthier: Where were you yesterday?

An Hon. Member: She was right in the House making a statement.

Mr. Tobin: She ran away yesterday.

Mr. Keeper: Let her speak.

Miss Carney: Our achievements have been of historic significance. Our first step toward market-sensitive pricing came last November when we lifted restrictions on the sale of Canadian natural gas in international markets. This step increased our volume of natural gas exports in the current gas year by 23 per cent and increased our share of the important U.S. market. That was our first step toward removing Government from the natural gas market-place.

Our next step was the deregulation of oil prices on June 1 under the terms of the Western Accord. We promised to let industry get on with the job of exploring, producing and selling its product.

The agreement which I am tabling today completes the task we imposed on ourselves. Canada and the producing provinces have reached an agreement which is fair to both consumers and producers. We expect the agreement to have favourable regional and national effects on investment, employment and trade.

For the first time in a decade, all Canadians should benefit from an industry which is free of unnecessary Government intervention and is responsive to market conditions. Consumers will have freer access to supplies, and producers will have freer access to both domestic and international markets.

Because of complexities such as existing contractual arrangements in moving to a market-oriented pricing system, the agreement provides for a one-year transition period between the old regime and the new. This agreement is an excellent example of balanced compromise in the national interest.

During a transition period between tomorrow, which is the start of the new gas year, and November 1, 1986, the cost of natural gas will be frozen at both the Alberta border price and the Toronto wholesale price. As markets adjust to our new regime, the Alberta border price will remain at $2.79 per gigajoule, and the Toronto wholesale price will be frozen at its current level of $3.79 per gigajoule, which includes the costs of transportation from Alberta.

The price freeze at the wholesale level will mean that price levels for eastern Canadian consumers should decline as distributors pass on benefits provided to them through provisions contained in the Western Accord. Residential consumers will pay lower gas costs this winter than last as they benefit from the removal of the Canadian ownership charge of 8 cents per gigajoule due to be applied on November 1.

• (1530)

Under our new gas agreement, further benefits should result to consumers as producers, absorb the November 1 rise in the TransCanada Pipelines' transportation toll for the transition period. This was an important contribution by the producers which will benefit consumers. In return, the producers will get increased access to export markets.

Some Hon. Members: Hear, hear!

Miss Carney: In addition, the agreement calls for direct sales at prices and terms freely negotiated between producers and distributors or large industrial users provided transportation is made available by the consuming provinces' regulatory bodies. That will exert downward pressure on prices during the transition year.

Competitive marketing programs under which distributors will be permitted to offer discounts to meet competition will also be available. Export floor prices based on a regional price

test rather than a single Toronto price will go into effect, and we have promised a National Energy Board review of TCPL's services in light of the new pricing system in order to ensure that there will be equitable access to this system.

We are also removing volume restrictions on short-term natural gas exports. That will lead to an immediate increase in spot sales. We are also proposing a comprehensive review of the role and operations of interprovincial and international pipelines.

In addition, arrangements have been made to provide equitable access for British Columbia gas through the Alberta pipeline system to new markets both in the U.S. and eastern Canada. As a Minister from British Columbia, I must say that that gives my province enormous opportunities. Similarly, the agreement leaves room for consuming provinces such as Quebec to deal with regulatory issues that are within provincial jurisdiction. Nothing in our agreement intrudes on provincial jurisdiction.

Effective tomorrow, the Government of Canada will amend its policy on conditions for natural gas exports to ensure that the price of exported natural gas recovers its appropriate share of production and transportation costs incurred, that the price of exported natural gas shall not be less than the price charged to Canadians for similar types of service in the area or zone adjacent to the export point. Canadians will never pay more for gas than their American neighbours.

Some Hon. Members: Hear, hear!

Miss Carney: Export contracts will have to contain provisions which permit adjustments to reflect changing market conditions.

I believe that we have reached an agreement that will benefit all Canadians. The Government was guided in these negotiations by its non-interventionist philosophy, and I would like to take this opportunity to thank members of the summit group, which was a group representing all of the elements of the natural gas industry and which helped over the last few months—

Mr. Foster: Except the consumers.

Miss Carney: And the consumers were consulted as well. They helped me over the last few months to focus on the important elements. At the same time, we were compelled to honour contracts that were freely entered into by producers and distributors and also to recognize that the regulations controlling the industry are complex and that a transition period is required to change them.

We have also put an immediate stop to what would have been a guarantee of rising prices scheduled by our Liberal predecessor in its National Energy Program.

Mr. McDermid: Fifty-six cents a gigajoule by now.

Some Hon. Members: Hear, hear!

Miss Carney: This agreement hails the birth of a revitalized domestic natural gas industry. Above all, it is fair to both consumeres and producers. Again, this agreement is also a measure of our Government's commitment to restoring national unity through co-operation and harmony in this vital economic sector.

With the unanimous consent of the House, Mr. Speaker, I would like to table, under the provisions of Standing Order 47(2), in both official languages, a copy of the agreement between the Governments of Canada, Alberta, British Columbia and Saskatchewan on natural gas markets and prices.

Some Hon. Members: Hear, hear!

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I would like to mention the fact that my colleague, the Hon. Member for Vancouver-Kingsway (Mr. Waddell), and I did not receive a copy of this document until five minutes to three. I know the Minister is sorry about that.

Miss Carney: Neither did I.

Mr. MacLellan: I would like to apologize to me on her behalf. I can see from this document that the Minister has not lost her recipe for failure.

The natural gas supplies to this country are tremendously important. They provide 25 per cent of our energy needs. It is an important export as well for western Canada. Western Canadians and in fact the entire country depend on these natural gas exports. They have brought into the country approximately $4 billion worth of benefit each year. It is one of our greatest resources. As such, this statement is tremendously important for all Canadians.

Miss Carney: Particularly for Nova Scotia.

Mr. MacLellan: Obviously the Minister does not know the difference between exploration and prices to the consumer. I think this is the reason she has failed to come through with a program in either case that will be beneficial to the country. In fact, she has come up with programs that are detrimental to the country.

The Minister has gone back on her own promises to consumers. On June 17, she said that the Government's constituency includes producers, transporters, distributors and consumers of gas and that there are more than two million households out there using natural gas which will be looking for a fair price this November. They did not get a fair price this November. The Minister had the audacity to say that she was cancelling the price increase that was the responsibility of the former Liberal Government under the National Energy Program. The price that the consumers in Ontario paid was a good price at a time when there was a much higher world market price for natural gas than there is at the present time. The Minister did not lower this price. She backed out, she copped out and she froze this price.

Mr. Foster: Shame.

Mr. MacLellan: One June 17, the Minister said as well that she wanted to see the details on domestic gas pricing worked out before any more changes were made to export pricing. The details on domestic pricing were not worked out. The Government and the Minister are great at making easy decisions but when they get points of view from more than one source, they freeze at the switch. That is what the consumers who cannot afford these prices and who are depending on the Government for reduced natural gas prices will be doing this winter.

Mr. McDermid: Your Government was going to put them up by 56 cents.

Mr. MacLellan: This is not to say that a deadline of November I was heaped upon the Minister and that she was a victim of some unfriendly source or alien from another world who said she had to have this agreement in place by November 1. She imposed this deadline on herself. She said that she would be ready by this date. She said that she would have a consumer price by November 1.

Miss Carney: Wrong, wrong.

Mr. MacLellan: What happened? After seven months of waltzing around the negotiation table, she has come up with nothing for consumers. It is a disgrace.

Mr. Foster: Right. Deregulation frozen up.

Mr. MacLellan: The Minister says that the price of exported natural gas shall be less than the price charged to Canadians for similar types of service in the area or zone adjacent to the export point.

Mr. McDermid: It could never be less.

Mr. MacLellan: How is the Minister going to enforce this by freezing the price at the same time? The price in those areas by certain indexes in the United States is higher than it is for Canadian consumers. If the price is frozen for the year, we will have the same problem. The Minister will not be able to live up to the promise and she will break the promise she made to the consumers. Canadian consumers will be paying more for natural gas than their American neighbours, even with the formula that she has put into place today. The Minister says that export contracts will have to contain certain provisions which permit adjustments to reflect changing market conditions. It will be interesting to see how the Minister works that one out. What does she mean by that? They are nice words if one does not have to place any meaning on them. They are nice words if they do not have to be acted upon to the benefit of the consumer. The consumer is receiving nothing except a frozen price for one year. It is a disgrace.

• (1540)

Miss Carney: You don't understand it.

Mr. MacLellan: It is a disgrace to leave consumers in this country with nothing more than that.

On June 17 the Minister said that she wanted to see the details on a domestic—

Some Hon. Members: You don't understand.

Mr. MacLellan: Listen to the ducks quacking over there.

The Acting Speaker (Mr. Paproski): Order, please. I would like to hear the Hon. Member.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): I hope that it can be a little quieter. I cannot seem to hear the Hon. Member. I do not know what it is. Is it because it is Hollowe'en or something? I do not understand it.

Mr. MacLellan: The trouble is that this arrangement was prepared by the goblins on the other side.

On June 17 the Minister said she wanted to see the details where more charges are made on export prices. She then went on to say that what will be part of any new export price test is the fundamental principle that domestic consumers will not pay more for Canadian gas than their American neighbours. She admits that she has said that. It will be interesting to see, as the year goes along, how many times she will repeat that. There should be a lottery with respect to how many times that particular phrase will be thrown up by the Minister as her promise to Canadian consumers is broken.

She then goes to say that she must tell us frankly that she stops at proposing a partial solution which is not supported by both buyers and sellers. It certainly was not supported by the buyers because the consuming provinces of Ontario and Quebec were not represented at the bargaining table.

Some Hon. Members: Shame, shame.

Mr. MacLellan: She said it would be unacceptable to not have the support of both buyers and sellers. She has said that half measures will simply bring governments reluctantly back into the pricing game after a short recess.

The Government had better come in tomorrow with a better arrangement than it has given to the people of Canada here today. There was not a reduction for consumers in the country. Consumers know it. The Minister insults their intelligence on top of that by saying that the price levels for eastern Canadian consumers should decline as distributors pass on benefits provided to them through provisions contained in the Western Accord. Those benefits are the Canadian Ownership Special Charge, the credit for which was taken by the Government when the Western Accord was announced. The Government is now trying to take credit for the same thing again. What has happened is that this whole thing was negotiated in the Western Accord and the benefits have not been passed on. These charges are still being collected by Ontario utilities. This is a travesty to consumers and to the natural gas industry in the country.

What about the request to have something said about the 25-year reserve level? What has the Government said about

that? Not one thing. It is just one other thing on which it has bailed out. The whole question is just left up in the air.

The Minister says that for the first time in a decade all Canadians should benefit from an industry which is free of unnecessary Government intervention and is responsive to market conditions. I tell Members of the House that this is not such an agreement. The conditions which have been imposed on the consumers of the country are to their detriment. This is a far worse scenario for consumers in Canada than was the case under the former Liberal Government. The people know that. The Minister will not be able to sell this program in her own constituency of Vancouver Centre.

Some Hon. Members: Hear, hear!

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I would like to respond to the Minister's statement on behalf of the New Democratic Party. First, I would like to thank the Minister and her Parliamentary Secretary for making their best efforts to get me a copy of the statement before it was given. I understand the difficulty in doing that. However, I only received it somewhere between 2.30 and 3 p.m.

Mr. Dick: An hour ago.

Mr. Waddell: That is right, about an hour ago. I will do my best to respond to it in short detail.

First, I want to explain to Canadians generally how important natural gas is. I suppose it is only Canadians who could feel that this is a fundamental debate. However, it is in Canada because next to oil natural gas in Canada's most important fuel. There has been a growth in its use to 25 per cent in the three decades since the trans-Canada pipeline was built to bring gas from western Canada to the East. By the year 2005 gas will catch up with oil as Canada's top home heating, cooking, industrial and transportation fuel. We will even be fueling some of our cars with natural gas. The National Energy Board estimates that oil and gas will each fill 31 per cent of Canada's energy needs in the year 2005. That is quite incredible, which is why this measure is so important. What we are discussing today may be the policy for the next decade.

On top of that, we are seeing a tremendous growth, according to *Oilweek* magazine, of gas exports to the United States. Somewhere between 15 per cent and 22 per cent of our production is exported. I would ask Members of the House to keep that in mind as we discuss this document today.

I can sum it up this way, Mr. Speaker. The mountain has laboured and brought forward a mouse. After a year of different committees, meetings of different groups, a year of consideration, this is what has been brought forward. If one looks at this document one will see that it is all shoulds, all reviews—it is all fudge. In effect, there is no real deregulation at all if one really looks at it. Perhaps it is impossible to deregulate the gas market because it is such a complicated one. It is much more complicated than oil.

However, the fact is that there is not much deregulation here. As a matter of fact, there is a retention of monopolistic practices by gas distribution firms, the established intermediaries in the market which have exclusive rights of sales and services. They have long-standing regional franchises and contracts. There has been no effort to break up TransCanada Pipelines, the monopolistic carrier, which really could have brought lower prices for eastern consumers rather than fudging it with an announcement that the producers will absorb the recent increase in the transportation costs.

Miss Carney: A $100 billion gift.

Mr. Waddell: The Minister could have taken that out of the hide of some of those transportation companies which are big, fat-cat transportation companies which deserve to be broken up. I am not just saying that, the Economic Council of Canada has said that. The Minister could have taken that action.

If one looks at what the Minister said one will see that she said that this is a new era for consumers and producers. Even as a westerner I have to say: Who was making this deal? Who was sitting down at the table? It seems to me that it is a deal of four Tory Energy Ministers, three from the western provinces and one from the federal Cabinet. It seems to me that in the interests of fairness and equality there should have been some representation from the Governments of Quebec and Ontario which are the largest consumers, especially the Government of Ontario. I know Mr. Kerrio, the Energy Minister of Ontario, is sometimes given to making absurd pronouncements. Sometimes he flies off the handle. For example, he has said that Ontario should buy gas from the United States. That is not the way Canada should work. Ontario should buy gas from Alberta and there should be a fair deal. However, Ontario should be consulted.

Miss Carney: They were.

Mr. Waddell: I see the Conservatives applauding whenever there is any mention of putting the nails into the National Energy Program. I would like to warn them that the constituency they are looking to is a very narrow one. It is a couple of special interest groups in western Canada, the oil industry and some Tory Governments in western Canada. They are forgetting the consumers which are the majority, even in my constituency, and in the constituency of Vancouver Centre. I am concerned that the consumers and the consuming provinces were not sitting down at that table. I think that is wrong.

The Minister says there should be no intervention in the market-place. That is nonsense. Of course, there is intervention in the market-place. There are decisions with respect to exports. There are decisions with respect to prices. The Minister is interfering. She is freezing the prices for one year. Let us be realistic.

When the Minister says that the agreement she is detailing today completes the task which we imposed on ourselves, I do not think it does that at all. If one looks at the Western Accord one will see that it spoke about deregulation of natural gas on November 1. This is not complete deregulation. In fact, this is

a holding action for about a year. That is what I see in this agreement. The Minister says on page 3 that the price levels for eastern consumers should decline as distributors pass on benefits. I have two comments to make on that. The Minister says: "should". I prefer "will". Let's have some guarantees that they will decline. After all, if we go by the market—as I am constantly told by the Conservative Members opposite and all around me—if we have a surplus then prices, it seems to me, should decline. They should and they would decline, but here we are dealing with simply a hope that they may decline. Prices would decline in a free market but we are just hoping they may decline.

● (1550)

There is something else which causes me problems. Were we not promised this with the Western Accord? Were we not going to have declining oil prices? Were not the consumers going to benefit? All we saw was more federal Government taxes and more money to the oil industry. The consumers did not benefit. I warn the Minister that consumers at the pump are starting to write. They are asking where are the reductions in prices.

The Minister says that the Canadian ownership charge of 8 cents per gigajoule due to be applied on November 1 will not be applied, it will be removed. My colleague, the Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan), dealt with that matter. The Government is really foregoing an old tax. I think that is again a fudging of the situation.

The Minister says further benefits should result to consumers as producers absorb the November 1 rise in the TransCanada Pipelines transportation toll. I hope that benefits will result to consumers because I believe there is room for that. If that is so, why does the Minister not say that?

The Minister says that export floor prices are based on regional price tests rather than a single Toronto price test. This is a complicated issue and I think the Minister has fudged her promise. She basically said that Canadians would not pay any more than Americans. Now it is that Canadians will not pay any more than their American "neighbours".

Miss Carney: I have always said that.

Mr. Waddell: Whether that is a good or bad policy remains to be seen. There are certain arguments for it as long as it is just the transportation charges. However, we will be in a situation where people in California will be paying less, perhaps, than people in Toronto. We have to look at those transportation charges very closely. The Minister says that the NEB will review TransCanada Pipelines services in light of the new pricing system to ensure equitable access to this system. The Government has had about a year to look at this. It should have deregulated the TransCanada Pipelines. It should have given a real commitment to consumers that prices would decline. It should have given a commitment to the industry that there would be freer access to the producers in western Canada if it broke up TransCanada Pipelines. It should have given a commitment to the Canadian people that for sure there would be a 25-year supply of gas before there are any exports because we are going to export all of our cheap gas and in the future consumers in Toronto, Vancouver or Montreal are going to have to take gas from the Arctic. This is what the largely American-dominated gas industry is trying to do to Canadians. The Minister is going blindly into a continental energy policy in which we are going to be exporting to beat hell our natural gas today and we are going to have a problem tomorrow.

The Acting Speaker (Mr. Paproski): Order.

Mr. Waddell: Mr. Speaker, may I say one last sentence?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): Go ahead, quickly.

Mr. Waddell: I trust we will have further debate on this matter. I appreciate that all of us were under some sort of time handicap today. I think there is a lot of fudging in the Minister's statement which is going to come to light in the near future.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to President of Privy Council): Mr. Speaker, question No. 411 will be answered today.

[*Text*]

TOURISM MARKETING PROGRAM

Question No. 411—**Mr. Robichaud:**

1. Does Tourism Canada have a marketing program and, if so, what amount was (*a*) spent in 1984 (*b*) allocated for 1985, and will additional amounts be allocated?

2. Will Tourism Canada allocate additional funds to compensate losses caused by the devaluation of the Canadian dollar and, if so, in what amount?

Hon. Jack Murta (Minister of State (Tourism)): 1. Yes. (*a*) $31,286,000 was spent in 1984/85. (*b*) $30,000,000 has been allocated in 1985/86. In addition, for the fiscal years 1984/85 to 1989/90, an amount of $28.71 million is available under the Economic and Regional Development Agreement (ERDA) tourism subsidiary agreements signed with all the provinces and territories.

2. No.

[*Translation*]

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

[*English*]

The Acting Speaker (Mr. Paproski): The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): I wish to inform the House that because of the ministerial statement, consideration of Government Orders will be extended by 46 minutes this day—you lucky people. Therefore, Private Members' hour will begin at 5.46 p.m.

Mr. Gauthier: I take it, Mr. Speaker, that you will be in the chair for the almost hour and that your enthusiasm will be forthcoming.

Mr. Parry: Mr. Speaker, I rise on a point of order. I am quite willing to be subject to correction but I don't think I heard the Chair call Petitions.

* * *

PETITIONS

TESTING OF CRUISE MISSILES

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, it is my honour to present a petition today signed by residents of the communities of Winnipeg, Manitoba, and Fort Frances, Stratton, Devlin and Black Hawk, Ontario, who call upon the House of Commons and the Government of Canada to end the testing of Cruise missiles in Canada.

CPR TRAVEL PASSES

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, I have a petition from a number of retired Canadian Pacific Railway employees in Swift Current, Saskatchewan, who protest the loss of their travel passes and request the assistance of this honourable House in securing the reinstatement of those passes.

FULL INDEXATION OF FAMILY ALLOWANCE AND CHILD TAX CREDIT

Mr. Neil Young (Beaches): Mr. Speaker, I also have the honour to present a petition in which the petitioners state that the deindexation of the universal family allowance is an unfair attack on women and families. They further state that this attack will not be offset by changes to the child tax credit and other tax increases in the May Budget, and will place an unfair burden on low and middle-income earners.

[*Translation*]

Mr. Carlo Rossi (Bourassa): Mr. Speaker, I have the honour to present a petition from a number of people of the federal riding of Pontiac-Gatineau-Labelle in the Province of Quebec.

Mr. Speaker, I also have the honour to present a petition from a number of citizens of the federal riding of La Prairie, in the Province of Quebec.

I have the honour to present a petition from a number of people of the federal riding of Montmorency-Orléans in the Province of Quebec.

I also have the honour to present another petition from the federal riding of Regina East in the Province of Saskatchewan.

I have the honour to present a petition from a number of citizens of the federal ridings of Montréal-Sainte-Marie and Hochelaga-Maisonneuve.

I also have the Honour to present a petition from a number of citizens of the federal riding of Saint-Hyacinthe-Bagot, in the Province of Quebec.

And, finally, Mr. Speaker, I have the honour to present a petition from a number of people of the federal riding of Louis-Hébert, in the Province of Quebec.

And those undersigned, Mr. Speaker, urge the Government of Canada to restore full indexation of family allowances and the child tax credit.

As in duty bound, your petitioners will ever pray.

• (1600)

[*English*]

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have the honour to present a petition from a number of people from British Columbia, particularly Vancouver, who say that the present Government is launching an unfair attack on women and families by deindexing the family allowance, that this will not be offset by changes to the child tax credit and that the sales tax changes and excise tax increases in the Budget will put another burden on middle and low income families. They call on the House of Commons to reinstate full indexation of universal family allowance and to rescind the unfair tax increases.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I, too, have a petition signed by a number of citizens concerned about two issues. The first is the deindexation of family allowances and the second is the unfair tax increases in the last Budget. They are telling the Government to reindex the family allowances for the kids of the country and also to rescind the unfair tax increases.

[*Translation*]

And I know, Mr. Speaker, that you approve of such a proposal.

GOVERNMENT ORDERS

[*Translation*]

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Miss MacDonald that Bill C-62, an Act respecting employment equity, be read the second time and referred to a legislative committee.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, in speaking once again to Bill C-62, I just want to say that although I agree with the principle of the Bill, I am against buying a "pig in a poke". The Bill's substance is weak, its presentation is clumsy, it is poorly drafted, and I think it should go back to the drawing board and be redone and re-thought and submitted again to the House, so that we can then adopt a Bill that is truly positive and constructive. Mr. Speaker, that is why I am glad of this chance to speak to the motion to postpone adoption of the Bill for six months, so as to give the Government a chance to reconsider, re-think and re-draft the Bill.

Mr. Speaker, I just want to discuss a few provisions of the Bill which are basically quite valid but which are poorly defined and as such unsatisfactory. In the Bill it says that the purpose is to give Canadians who suffer some form of discrimination, the right to be hired by Canadian employers, whether they are handicapped, aboriginal peoples, women or, as it says in the Bill, people who because of their race or colour, the so-called visible minorities, have until now been discriminated against.

Mr. Speaker, the Bill does not define these terms. It does not say what an aboriginal person is, but Hon. Members will recall that Section 35(2) of the Canadian Constitution gives a very clear definition of what "aboriginal person" means. So what definition are we to use when we read this Bill? I really do not know. And if we consider the handicapped, for instance, how should we define a handicapped person? Is it someone who wears glasses, like me, or someone who wears a hearing aid, like you, Mr. Speaker, or is it someone who by definition should be recognized as having a physical problem, some kind of difficulty, a handicap that prevents him from finding a job? I think the program we had under the previous Liberal Government, set up by Treasury Board for federal employees, is an excellent program, an affirmative action program for hiring handicapped persons. I think we could agree on something like that. The Government could call Mrs. Suzanne Azzie at the Public Service Commission, for instance, and she could explain, Mr. Speaker, what she is doing at the Commission to promote and support the hiring of handicapped persons. I think that we would get a far more appropriate and a fairer and more precise definition.

Mr. Speaker, the Bill also covers people suffering from congenital or acquired deficiencies and mental or physical disabilities which prevent them from working normally. Well, Mr. Speaker, I ask the Government to give us a clear and specific definition of a handicapped person.

I said so and again I repeat that the Bill is ill-defined and restrictive. For instance, why is there no reference to the various religious groups? Are they not entitled as well to employment equity? Clause 3 of the Bill excludes departments as defined in the Financial Administration Act, federal departments are excluded, the House of Commons is excluded, the Senate is excluded, separate employers are excluded. I appreciate that the Treasury Board has a good law, a good regulation concerning affirmative action, but I wonder how a Minister can be excluded under this Bill C-62 which does not come under the Treasury Board because it is not an employer, how anyone is justified to tell the House: Pass a piece of legislation, but as a Minister you will have to exclude me. Mr. Speaker, I find it totally unacceptable that a Minister would come to the House without being able to give us a more serious and more reasonable argument in favour of this Bill.

Mr. Speaker, there are a number of Crown corporations and a good many important agencies which are excluded under Bill C-62, they are not covered under the affirmative action program proposed in Bill C-62.

Mr. Speaker, I see that you are getting impatient and prepared to cut me off, but I would simply like to say that some of the provisions of this Bill are unacceptable. We will vote against the Bill, not because the principle is bad, on the contrary, but the Bill is deficient. We simply cannot support this Bill, Mr. Speaker.

[*English*]

The Acting Speaker (Mr. Paproski): Order I just want to say to the Hon. Member for Ottawa-Vanier (Mr. Gauthier) that I am not impatient. I do not have a hearing aid, but I appreciate his comments. I did cut him off because I gave him an extra minute.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Broadview-Greenwood (Ms. McDonald)—Public Service (a) Resignation of woman manager. (*b*) Request for independent inquiry; the Hon. Member for

Algoma (Mr. Foster)—Agriculture (a) Saskatchewan farmers' losses. (b) Request for assistance payments; the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart)—Shipbuilding (a) Construction of frigates in Montreal. (b) Situation in East Montreal—Prime Minister's position.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Miss MacDonald that Bill C-62, an Act respecting employment equity, be read the second time and referred to a legislative committee; and the amendment of Mr. Keeper (p. 8197).

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I know you do not have a hearing aid and I am glad you gave the Liberal Member an extra minute. He needs an extra minute to explain his position. It is part of your western generosity, I am sure, Mr. Speaker.

Mr. Gauthier: It has nothing to do with that. He forgot.

Mr. Nystrom: I guess we should not reflect on a decision made by the Chair. I want to say a few words on the motion before the House, specifically, a motion for a six-month hoist. I want to direct my comments specifically to why I support the idea of delaying the Bill for an extra six months. Bill C-62 supposedly would provide for employment equity for four target groups in our society; namely, women, the native people of Canada, visible minorities and Canadians who are disabled. We have heard from organizations representing all these groups. They are all saying that even though they like the idea of Parliament talking about employment equity, the problem is that the Bill before the House is strictly a voluntary measure. A voluntary measure is not good enough to ensure employment equity, Mr. Speaker. We need mandatory action. I have copies of various statements made by organizations representing the four target groups. They are all telling us that we need mandatory affirmative action. They are telling us that good sentiments and voluntary measures are not enough, that we need targets, goals, specific action and timetabling by the Government of Canada.

For that reason the Member for Winnipeg North Centre (Mr. Keeper) this morning moved a motion for a six-month hoist. He said that Conservative Members of Parliament need an extra six months to think this over. I am pleased to see the Member for Etobicoke-Lakeshore (Mr. Boyer) in the House. He chaired a subcommittee on equality in recent months and did a superb job, along with the Member for Burnaby (Mr. Robinson), a Member of the Liberal Party and other Members of his Party. After a great deal of work they issued a unanimous report along with recommendations to the House of Commons on equality.

• (1610)

One of their comments was that Bill C-62, introduced by the Minister of Employment and Immigration (Miss MacDonald), was not adequate. They said that rather than leaving this strive for equality to the goodwill of Government and big business, mandatory rules, laws and regulations were needed in this country. I commend the chairman of the subcommittee for that recommendation.

By moving this motion for a six-month hoist, we are helping the Member for Etobicoke-Lakeshore to persuade his colleagues that the Bill must be changed. We are helping him persuade his colleagues that they must listen to native Canadians, to women, to the disabled and visible minorities in this country who need specific goals, targets and mandatory action to provide equality in the workplace. That is why we have moved this motion for a six-month hoist. I know that you and many Members of the Conservative Party are intelligent and can understand this quickly but there are many Members of that Party who need another six months to catch up to the Member for Etobicoke-Lakeshore and the subcommittee in order to understand what these four target groups are saying about this Bill.

I appeal to Canadians to telephone their local Member of Parliament in the Conservative Party and ask them to support this motion to delay the Bill an extra six months so that the Minister of Employment and Immigration can introduce a new Bill that reflects the four groups in society whom this Bill is supposed to help. That is specifically what we are debating this afternoon and specifically the reason why we are attempting to delay this piece of legislation for an extra six months. I wish we were dealing now with a Bill that those people want and could pass it quickly so that we could make sure there is equity in this country. However, that is not the case with the Bill before us.

I will not go through the statistics again relating to discrimination against women in this country and the fact that their pensions and salaries are much lower than those of men. We know that their opportunity for advancement is much lower than that of men. In this very House of Commons, there are only 28 female Members of Parliament and well over 250 male Members of Parliament. There is great inequality even in this Chamber. There are very few female chiefs of staff of cabinet Ministers. There are very few women who have important functions in the Public Service.

Mr. Epp (Provencher): Look at the proportions in my office.

Mr. Nystrom: The Minister of National Health and Welfare (Mr. Epp) may be different, I do not know. If it is different in his office I wish he would take some time to enlighten the House and perhaps some fellow Ministers about how he does it. Certainly people like the Minister of Labour (Mr. McKnight), need to be taken by the scruff of the neck and told to make sure they have more women with important

positions in their office. Perhaps by delaying this Bill for six months that equality can take place in the offices of cabinet Ministers in Canada. If you were a cabinet Minister, Mr. Speaker, I know that you would have equity in your office and that you would employ women and people from different minority groups in this country. That is what Conservative members of the subcommittee are saying, what our Party is saying and what the four target groups are saying. On my left we have—

[*Translation*]

—another Conservative member who is sitting on a quality committee who supports the notion of equality within our society for all Canadian women, our native people, our visible minorities and our handicapped. I am in favour of that and so is he. Unfortunately, his Minister does not agree at all with the means to achieve equality in this country. The Hon. Member should read over and over again Judge Abella's report where it is stated that what is needed in this country is compulsory affirmative action.

[*English*]

We must go in that direction. I invite the Member to join us in trying to persuade the Minister of Employment and Immigration to make those changes in her Bill. There is no doubt in my mind that she is a woman of goodwill who would like to do more. I am sure that she has made these arguments in Cabinet, but has lost. She has lost because she is outnumbered in that Cabinet.

The back-benchers of the Conservative Party should rise up, like the Member of Etobicoke-Lakeshore and demand a tougher Bill that will implement employment equity in this country with no reservations. Let some Conservative back-benchers have the courage to say so because Conservatives are supposed to be rugged individuals.

Mr. Epp (Provencher): We are.

Mr. Nystrom: The Minister of National Health and Welfare says: "We are". I recall some courageous stands he has taken and that is a reason why he is a prominent cabinet Minister. I want to see other Conservative Members of Parliament have the courage of their convictions and take a stand to fight for real equality in this country. In that way they will back up the Minister of Health and Parliament will have the kind of Bill that is demanded by women, native people, visible minorities and disabled Canadians.

[*Translation*]

Mr. Speaker, I am sure that you agree with this position and I know that a lot of Progressive Conservative members do too. But, unfortunately, they are all scared of the Prime Minister, even those representing Quebec ridings . . . They are all scared.

[*English*]

However, they should not forget what happens to a back-bencher who is afraid to speak out. We saw what happened to Liberals when they lost in the 1984 election.

I invite my friends in the Conservative Party back-benches to make a name for themselves, fulfil their election commitments and speak up on behalf of their constituents. They should follow the example of the Hon. Member for Etobicoke-Lakeshore and some of his colleagues, along with the Member for Burnaby and the Member from the Liberal Party and take a stand on behalf of equality, fairness and justice in this country.

You are holding your hands like you are about to pray, Mr. Speaker. I agree with you. If we take a stand on behalf of fairness and justice in this country we will have a society that is better for everyone. That is why we were elected and I invite my friends in the Conservative Party to take that stand now. I know that the Prime Minister (Mr. Mulroney) is tough, sometimes vindictive, sometimes very unfair and he may by-pass some of those Members for a Cabinet position. However, that is not the most important thing in life. It is more important for those Members to say what they believe and represent their constituents. I ask them to take a position of conscience and not forget that the Prime Minister will not be around for very long, considering the tradition of getting rid—

Mr. McKnight: Mr. Speaker, I rise on a point of order. I heard the Hon. Member for Yorkton-Melville (Mr. Nystrom) speak about fairness, equality and equity. I would suggest that he did not have that in mind in his reference to the Prime Minister. I am sure he understands that.

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I am glad that the Minister of Labour (Mr. McKnight) stood up to talk about equity and fairness. I am glad we are talking about a Bill dealing with employment equity because we want to remind the Minister of Labour that the federal minimum wage is $3.50 an hour. The minimum wage in all of the provinces is more than $3.50 an hour. In fact, the difference is some provinces is a dollar an hour.

When talking about employment equity and equal pay for work of equal value, the Minister should listen because someone can be working for a federal Government Department in Ottawa on one floor, making $3.50 an hour, and the next day go to the next floor to work for a private enterprise or the provincial Government and make $4 an hour. In another province, you could make $3.50 an hour on federal property under the Canada Labour Code, on any contract that is awarded. You could have minimum wage for doing the same work one week and about a dollar an hour less for doing exactly the same job the next week.

• (1620)

Mr. Tremblay (Lotbinière): In your province does an MLA get the same salary as yours?

Mr. Baker: I just bring that to the attention of the House because the difference is getting greater.

Mr. Tremblay (Lotbinière): A provincial Member in Newfoundland is paid less than you are.

Mr. Baker: I did not hear the Hon. Member.

Some Hon. Members: Oh, oh!

Mr. Baker: The Hon. Member, I presume, is in favour of a low minimum wage for the federal Government and a higher minimum wage for the provincial administration. When you talk about equal pay for work of equal value, Mr. Speaker, it is a very important point for the Minister of Labour to keep in mind.

Let me get back to the Bill, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Baker: The Bill before the Chamber is flawed in certain areas. We have the Government of Canada saying it is bringing in a Bill to force employers to hire women and to hire people in the other designated groups. That is what the Governmenmt is saying. That is what the Minister said in her speech when she introduced the Bill. Then you have the Opposition saying that the Bill does not go far enough.

What is the truth in the Bill, Mr. Speaker? I had a look at the Bill a moment ago to see what was in it. I suppose the Hon. Member for Ottawa-Vanier (Mr. Gauthier) is correct when he says that the Bill is perhaps poorly drafted. I would not say that exactly, Mr. Speaker, because drafting of a Bill is a very specialized field of work. People who draft legislation are specialized people. We in Canada have some of the best drafters of legislation. Years ago provincial administrations had to bring people from Britain or Scotland just to fulfil those functions. What you give the drafter to put in the legislation is the problem. How can you be specific and write a law that a judge is going to look at and give the proper interpretation to, saying that this was the intention of Parliament when it passed that law?

Some things are quite obvious in the Bill, as the Hon. Member pointed out. The Bill excludes "Department" as defined under the Financial Administration Act. You and I know, Mr. Speaker, that when you look at the Financial Administration Act and you look at "Department", it does not define Government "Department". That is a part of the definition, yes, in Schedule A, but you have Schedule B and Schedule C which are not Government Departments at all. The definition of Department comes under the Financial Administration Act. As the Member for Ottawa Vanier pointed out, it excludes the House of Commons, the Senate, commissions of inquiry and all kinds of agencies of the federal Government. That is not a flaw by the drafter. That is what was fed into the Bill by the Department, I believe, intentionally.

The important clause and the important words are "that the various positions of employment with the employer are proportionate to the representation in the workforce or in segments of the workforce. If you have a law, Mr. Speaker, which says that you must hire proportionate to, then the numbers never change, do they? In other words, if you have B.C. Tel hiring telephone operators and its percentage of women is 90 per cent hiring and B.C. Tel is going on an average of Bell Telephone which is 99 per cent average, then B.C. Tel would feel when it looked at this Bill that it would have to hire more women.

If Bell were hiring the women and the situation were reversed, that the average number of women was more than it had, the company would have to say: "To comply with this legislation, we have to hire less women as telephone operators". Do you get my point, Mr. Speaker? It is a very important point.

What should be inserted there to satisfy the Minister's demands is that: "it is at least proportionate to" a percentage of their representation. I do not think this is the fault of the drafter, but I think some of it is actual intent.

One section says that the Minister "may" issue guidelines. The Minister demands of an employer that you have to do this, that or something else, but you do not then turn around and say the Minister "may" issue some guidelines to the employer. What is the employer supposed to do? He has this Bill and he says "I have to comply with this Bill. I have a contract from Supply and Services." The Government better listen to this because it is important. What if you have a contract from Supply and Services and your first clause in the contract is that you must abide by all laws and regulations of the federal Government and the provincial Government where the work is being carried out? If this is the law, a person has to look at it and say: "What am I supposed to do? To whom am I supposed to go to get the information on the number of women to hire and the number of people in the other categories? The word should not be that the Minister may issue guidelines directed to employers. It should be that she must issue.

There are other mistakes in the Bill, such as the occupational groups of the employer and the degree of representation of persons in the designated groups in each occupational group—the occupational groups of the employees, not the employer. There are obvious small errors in the Bill, perhaps some of them typographical.

Let me get back to the Minister of Labour and the minimum wage when you list salary differences and so on. I believe the federal legislation on the minimum wage is in the regulation. It states that it should approximate the provincial minimum wage as an understanding, which it presently does not. I know what the Minister is talking about. I have been searching for something, and I think I have found it in the general guidelines. It says the federal Government should have increased the minimum wage. The Liberal Government always did prior to that, Mr. Speaker. It always did, but the Conservatives do not.

I have one minute left, so let me tell the Minister of Employment and Immigration (Miss MacDonald) that the most discriminatory rules and regulations as they relate to employment are in the Minister's own direct employment programs in the federal Government this year. For example, you have to be out of work 24 of the previous 30 weeks to get work in the biggest employment program of this Minister.

That excludes all students coming out of school, all new entrants and all re-entrants. If a woman is out of the workforce for a year trying to get back in, she has not been unemployed for 30 months because she has not been registered for employment. It excludes people who actually work seven weeks for the previous seven months.

When you talk about equity in employment, Mr. Speaker, equity means fairness. I suppose any dictionary would say that. The Minister should look right in her own back yard and see how unfair she is being to people who want jobs and want training programs in Canada.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I want to support the very wise motion to delay this Bill. It is very important that there be a redraft of the Bill so we can all support employment equity in the real sense and have it implemented and enforced in a way that will not only be possible within designated companies but within society as a whole.

The New Democratic Party cannot support the Bill as it is because we believe it will not achieve the goals we all desire. We all want women, minority groups, native people and disabled persons to have equal opportunities in the workplace to get a job in the first place, and equal opportunities to have decent rates of pay, equal pay for work of equal value, to training opportunities and promotions. We are concerned that there is not the enforcement mechanism in the Bill as it stands now to achieve this important goal.

• (1630)

Experience has shown that voluntary affirmative action, which is really what the Bill is advocating, will not achieve this goal. I refer particularly to a study of affirmative action in Canada called *Ten Years After*. It was a summary prepared by the Department of the Secretary of State. The consultant who prepared the report said that voluntary affirmative action had not worked and that the observable and measureable results after 10 years must be classed as disappointing. This was a study of voluntary affirmative action in the provinces of Canada and in the federal Government to date. Surely the Conservatives do not want to be the same as the Liberals, and just leave this to chance.

Mr. Malone: Hear, hear!

Ms. Mitchell: That is what you are really doing. The Conservatives are suggesting a voluntary kind of employment equity. Changing the name does not change the nature of it, and we are very concerned.

To those colleagues who are in support of business, I want to say that the heads of a number of notable corporations in the United States have supported mandatory affirmative action. They have not done it just because they feel it is better for their employees, but because they have found, through experience, that it is productive and gives economic results within their companies. Let us not have any more of this hog-wash about being afraid to make the business community conform.

Mr. Holtmann: That is my line.

Ms. Mitchell: We are not dealing with hogs; we are dealing with employment equity.

We are opposed to the Bill in principle because it is based upon voluntary employment equity rather than mandatory employment equity. As I said before, employers are not required to impose clear goals, targets and timetables for change. Only record keeping is required, not necessarily change. There is no independent enforcement agency named which can really do a job in establishing what changes are needed in given corporations and in enforcing them. There are no sanctions for compliance. Also there is no reference to equal pay for work of equal value. That is a very significant omission.

The Canadian Human Rights Commission has been named—and the Minister has referred to this several times—as the agency which would evaluate programs and take individual complaints from employees. I want to stress again that the problem with that is that it is individual complaints. It is up to a woman somehow to find the resources to document here case, endanger her job, obtain the necessary information and go to the Human Rights Commission if she has a complaint. That is not the way it should be. It should be systemic change. It should be built into the system what changes are necessary to make employment equal in a given field or place of employment.

Also I should like to point out that this will place an impossible load upon an already overloaded Human Rights Commission. I have referred to an article which appeared in *The Globe and Mail* on October 30 by Michael Harris indicating that there was a two-year backlog in the work-load of the Canadian Human Rights Commission. Also it indicated that the backlog was caused by heavy work-load and staff changes. Last spring the Minister said in the House that she would make extra resources available and that the commission would be able to deal with these matters. It is six months later, and it still has a two-year backlog. There is no way the commission can take on the extra load expected in the Bill. Even if it did, it does not have the power to enforce, as I have already said.

I should like to refer to the recently tabled report *Equality for All* of the Parliamentary Committee on Equality Rights. It contains a very detailed section on employment equity. The Bill was out when the committee looked at the matter. Unfortunately I do not have the time to refer to all its recommendations, but quite a number of improvements were recommended. It would only make sense to take the time to look at these, to have another look at the Bill and to try to redraft it so that it will get at these things. I should like to mention two or three points which I feel are particularly important. Recommendation No. 61 reads:

> We recommend that representatives of the appropriate designated groups (women, underrepresented visible minorities, native peoples and disabled people) be involved . . . with management and labour in developing employment equity programs.

There is nothing in the Bill about that or about collective bargaining. Recommendation No. 62 reads:

We recommend that legislation on employment equity contain enforcement mechanisms providing for the review of special programs by the Canadian Human Rights Commission, and that the Commission be given additional financial and human resources for this purpose.

I have just referred to how inadequate we are in that area. Recommendation No. 63 reads:

We recommend that, to assure employment equity, a contract compliance program be established by legislation and that it apply to all firms providing goods and services to the Government of Canada—

There is no contract compliance in the Bill. Recommendation No. 66 reads:

We recommend that federal training and education programs be made accessible to women, disabled people, native people and members of underrepresented visible minorities to assist in achieving employment equity.

There is no reference to that in the Bill. We know that the Abella Commission strongly recommended training opportunities so that people in disadvantaged groups could move into jobs and upward in an equal way.

I am rushing because I want to put several recommendations on the record. I should like to refer to a group in Vancouver East, the United Chinese Community Enrichment Services Society, an agency which is particularly concerned with services and advocacy for Chinese Canadian people in Vancouver, and indeed in the province. It has reviewed the Bill very carefully, as it always does, and the chairperson, Sandra Wilking, recommended the following:

We agree with the spirit of the legislation. However, we would like the Legislative Review Committee to reconsider the following areas... (1) The possibility of expanding the definition of "designated groups" to include "minorities—

These are not necessarily visible minorities. That is a very interesting point. I do not think many of us have considered it. She continued by indicating, for example, that people from Mediterranean and Latin American backgrounds who do not speak English face considerable discrimination in the workplace and that they should be included. I think it was particularly sensitive to suggest an expansion of the groups which should be included.

Her second point on behalf of the society referred to including unions in the employer group which falls under federal jurisdiction for example, that the Public Service Alliance, which is responsible for employing quite a number of staff, should be considered in this employment equity jurisdiction. That was another sensible point. Her third recommendation was:

We are concerned that the current proposed legislation remains silent on the enforcement factor. Who will be responsible for ensuring that there are positive results toward employment equity in the employer group? Who will police the Act?

That is a very good question. She continued:

The fine of $5,000 is not as efficient as specific performance and other remedies.

I see your signal, Mr. Speaker. Her fourth point was that the Bill was not clear on what types of relevant data would be required in employers' reports. Her fifth point was that if employers were to recruit for various target groups, they should look at the ethnicity question. It is very interesting that this visible minority group would suggest that Anglo-Saxons be included as an ethnic group to be considered. Perhaps we Anglo-Saxons are very patronizing in what we think of as the majority, which perhaps is the minority. We tend to think that we are not ethnic, that everyone else is ethnic.

I ask that these matters be referred to committee for consideration. I urge all Hon. Members of the House, particularly Conservative Members who have the power to make changes, if they would only use it, to consider seriously a delay in the Bill and trying to improve it so that there will be true equality for women and minority groups in employment.

Hon. Herb Gray (Windsor West): Mr. Speaker, I rise to support the motion which would have the effect of sending this Bill back for further consideration. The motion is very important and worthy of support, because even a superficial reading of the Bill shows clearly that it is deeply flawed. Whatever the worthy intention or purpose of this Bill may be, the Bill is so flawed and is so far from meeting that worthy purpose that it does not deserve second reading in its present form.

• (1640)

On June 23, 1983, the Minister of Employment and Immigration under the previous Liberal Government appointed Judge Rosalie Abella to head a royal commission on equity in employment. Judge Abella tabled her report last November. The principal recommendations of the report were that legislation enacting mandatory employment equity for employers under federal jurisdiction be presented to the House and adopted by Parliament; second, that provincial Governments be persuaded to adopt similar legislation in the areas of provincial jurisdiction; third, that contractual compliance be established for all federally regulated employers; and finally that an agency be established to enforce mandatory employment equity.

What does the Abella Commission mean by employment equity? As defined by Judge Abella, employment equity is the elimination of discrimination and the promotion of employment opportunities among four target groups representing 60 per cent of the population: women, native people, disabled persons and visible minorities. By the way, Judge Abella preferred the expression "employment equity" to the one that had previously been in use. "affirmative action".

The Government, under the rules of the House, is required to respond to reports like the report of the Abella Commission that are tabled in the House. The response by the Government to the Abella Commission Report gave the impression that the Government was going to respond meaningfully and to some substantial degree to the recommendations of the Abella Commission. First, the Government said it would extend employment equity to federally regulated businesses with more than 100 employees, although it would not deal with the smaller firms, even though they are large in number and may well be the place where many women and visible minorities are employed. Second, the response spoke of extending employment equity to government purchasing. It indicated that the Government would be committing its contractors to employ-

ment equity and that those not meeting the commitment, provided the contracts were for over $200,000 for goods and services, would not be given future contracts. Furthermore, the response of the Government indicated that the Canadian Human Rights Commission would be responsible for seeing that the provisions the Government would put in place in response to the Abella Report were followed.

The Government finally presented a Bill to the House on June 27. That is the Bill we have been debating for some days now and the Bill to which this motion applies. As I suggested when I began my remarks, the Bill has a very worthy purpose. Clause 2 of the Bill reads:

> The purpose of this Act is to achieve equality in the work place so that no person will be denied employment opportunities or benefits for reasons unrelated to ability and, in the fulfilment of that goal, to ameliorate the conditions of disadvantage in employment experienced by women, aboriginal peoples, persons with disabilities and persons who are, because of their race or colour, in a visible minority in Canada by giving effect to the principle that employment equity means more than treating persons in the same way but also requires special measures and the accommodation of differences.

When I read that Clause at the beginning of the Bill, I said to myself that that sounded great. But then I asked myself what the Government was going to do as spelled out in the rest of the Bill to make this purpose come true in a meaningful and significant way. I read the Bill and I re-read the Bill and I read the Bill again. I found absolutely nothing in it to assure that the laudable purpose of the Bill as set out in Clause 2 could be put into effect.

The Bill says nothing whatsoever about contract compliance even though the Government promised in its response to the Abella Report that contract compliance would be part of its policy on employment equity. The Government, in its response, created the general impression that there would be something meaningful in its legislation to carry out what I think we all agree is a very worthy purpose. However, this measure contains nothing whatsoever regarding mandatory enforcement of employment equity. There is nothing about it that is compulsory. No matter how flagrantly an employer may ignore its provisions, there is no way that the Canadian Human Rights Commission or any other body can issue an order that the Bill's provisions be carried out and, that if they are not carried out pursuant to that order, that proper charges can be laid.

The Bill has no provision for a separate monitoring agency. I have already said that according to the initial response of the Government, the responsibility will be conferred on the Canadian Human Rights Commission. The Minister has said something about promising additional resources for the commission but there has been no indication of the additional amount of money and staff members to be provided.

The Auditor General's Report tabled just the other day made very clear that the Canadian Human Rights Commission is simply overloaded with work under its existing jurisdiction. There is no way, even with the best will in the world, that the Canadian Human Rights Commission, even with additional staff, resources and budgets, can monitor the provisions of this Bill. In any event, the monitoring would be without any meaning, purpose or effect because the Canadian Human Rights Commission wil not have any authority to enforce the provisions of this Bill over any employer who wants to ignore it even though the Bill nominally may apply to such an employer.

The Bill sets no targets or guidelines for employers to follow. The Bill contains some very vague wording. The Bill has a laudable purpose, but even for employers who have the best will in the world and want to live up to the purpose of this Bill, there is nothing for them to do by way of seeking advice or guidance on how to live up to the purpose of the Bill in a meaningful, binding and significant way. As I have already said, there will be no penalties whatsoever when, as is bound to occur, there is an unwillingness on the part of employers to conform to the Bill.

I think we have learned over the years that when it comes to setting standards of acceptable conduct on behalf of the community, these standards are not going to be followed and do not have any meaning unless there are sanctions applied to those who do not live up to them. That is a great flaw in this Bill among other flaws. In fact, the Bill does not provide for definitive standards of conduct. It simply sets out a purpose which we all consider laudable.

We in the Official Opposition have been urging the Government to implement fully and promptly the recommendations of the Abella Report concerning employment equity as they affect federal agencies and Crown corporations. We say that the Government must ensure that the legislation is mandatory, comprehensive and enforced. This is exactly what is not contained in this Bill. Therefore, no matter how laudable its purpose or intention, the Bill is fundamentally flawed and must be sent back to the drawing-board.

The motion before the House to give the Bill the six-month hoist should be adopted by the House in the interests of the important objective of employment equity. If we do not adopt this motion and the Bill goes forward, we will be perpetrating a cruel deception bound to lead to frustration and disappointment on the part of the target groups designed to be helped by the concept of employment equity. They deserve better. The country deserves better. As a result, this Bill should not be given second reading. It should be sent back to the drawing-board for a complete redrafting. Therefore, this motion should be adopted and we should get on to some other business rather than continue with this Bill.

• (1650)

Some Hon. Members: Hear, hear!

Mr. David Orlikow (Winnipeg North): Mr. Speaker, you will not be surprised to see me entering this debate. You and I, Mr. Speaker, belong to that very large number of Canadians who have been described, quite correctly, as ethnics. "Ethnics", in Canada has come to mean people who are neither of Anglo-Saxon nor Francophone origin.

Mr. Speaker, I know that over the years, you and I have seen in many places, until very recently, large employers who would not hire ethnics. I am speaking of some of the largest

retail and sales organizations in Canada. I am speaking of the banks and the trust companies which were, until not so many years ago, forbidden territory for those who were not white, Anglo-Saxon and Protestant. It took a long time for us ethnics—and I am now speaking about the older ones whose parents came before or just after World War I—to be accepted for employment in some of the largest business organizations in Canada. Similarly, accommodations in terms of housing and apartments for rent were areas in which people from certain groups, from various ethnic origins, were not acceptable. There were summer resorts where people of certain religious or racial affiliations were not acceptable. To a large extent for the older ethnics that type of discrimination has disappeared. Unfortunately, however, that discrimination which we experienced years ago is now here, prevalent and active for newer ethnics, the non-white people who have come from Asia, Africa and the West Indies. Studies have been conducted which show that their chances of gaining a job are probably one-third of what the job opportunities are for people who are part of the majority. I spoke about this matter several days ago and other Members have put a great deal of the evidence on the record.

We now know that there are other groups which are discriminated against. For example, the handicapped. I have in my hand a telex from Mr. Jim Derksen, Chairperson of the Coalition of Provincial Organizations of the Handicapped in Winnipeg, which states as follows:

The Coalition of Provincial Organizations of the Handicapped, Canada's major coalition of disabled persons, feels betrayed by the employment equity legislation being proposed by the Progressive Conservative Government. The legislation, as presented, bears no resemblance to the election promise made by the Progressive Conservative Party during the 1984 election campaign. Canadians with disabilities were promised contract compliance affirmative action along the lines proposed in recommendation 26 and 27 of the Obstacles report. This commitment has not been kept in the proposed legislation which does not include any legally binding contract language.

We received the same response from women's organizations which have also reacted sharply. They know that despite the gains which have been made by some women others are still discriminated against. Women are still second class citizens. I would like to put just a few facts about the situation pertaining to women on the record. The average earnings of a woman in the paid workforce are only 60 per cent of the average earnings of a man. Women workers are still confined to job ghettos. Some three out of five work in clerical, sales or service occupations. Some 42 per cent of families headed by women have incomes below the poverty line, while 62 per cent of single elderly women live below it.

The best way to deal with this matter is to refer Hon. Members to the reply given to me by the Minister of Finance (Mr. Wilson) who when I challenged him to do something about the increasing number of Canadians—more than four million who, in 1984, live in poverty—said that we are going to do that by finding jobs for them. Jobs will help but not jobs at the lowest end of the scale.

In recent years we have educated and trained more women in professions than ever before. There are now more women doctors, lawyers, architects and engineers than there ever were before. However, the number of them who are working for the Government has not increased by very much. The number has not increased because we do not have a mandatory equity program. The federal Government Departments, the people in charge of the employment offices of the Government, have not been instructed that it is a high priority for them to employ women who are qualified.

I would like to mention just one other group which is really at the bottom of the ladder in every situation, whether it be education, health, housing or employment. I speak of our native people. In cities in western Canada, in Winnipeg, Regina, Calgary and Vancouver, there is a rapidly increasing number of native people. They are moving into the cities because the economic base on most of their reserves does not permit them to earn a living which will keep them in comfort. We have schools in the core area of the city in which 95 per cent of the students are native. Their opportunities to gain employment, even if they are qualified, are very slight.

Some studies have been done with respect to this situation and we have some facts and figures with regard to it. They show very conclusively, as far as the federal Government is concerned, that the need for an affirmative action program for indigenous peoples which was first identified in 1973 has not worked. The program has not met the objectives. The problem is simple. The Departments did not follow the voluntary guidelines of 1978 because they were voluntary. They were not held accountable for the lack of progress. Since the Office of Native Employment was set up hirings have increased; but they still fall below the 4 per cent level identified by the program. Indeed, the current level of native people in the Civil Service is just over 1 per cent and hardly any have jobs which are of any importance.

• (1700)

This program will not work on a voluntary basis as is proposed in this Bill. This program will only work if we have mandatory programs and if those public servants, those who are involved in the hiring for the federal Government—and I say the same about the provincial Governemnts—are given targets. We are not saying to hire people just because they come from minorities. We are saying hire minority people who have the qualifications. It has not happened up to now and it will not unless we have mandatory programs.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, the decision of my Party to support the motion to hoist Bill C-62 was not done without considerable thought and deep and careful consideration. I might say that that attitude seems to be in contrast with the great regulatory with which closure is being imposed on the House these days, even on Bills which will be of enormous cost to the taxpayers. However, let us leave that for another day and another opportunity.

We have decided to support a motion to hoist this legislation because it is a small and very thin Bill, and I do not mean only in its pages, words and clauses, but a very thin Bill in substance. It is a vessel which contains next to nothing. It largely ignores the much-heralded Abella report. The Abella

royal commission and the recommendations contained therein are not reflected in this legislation.

It has been said on more than one occasion that a Bill like this cannot rely upon voluntary compliance. There has to be some mandatory program for affirmative action or employment equity. There must be some compliance provision, some mechanism to enforce the provisions of this Bill. The only way one can get into trouble with Bill C-62 is if one fails to fill out a report. What if one reports no action at all? If it is a large company doing business with a Government, perhaps the Government may take some action but then again it may not.

The *Obstacles* report stated that the net should be much more extensive than simply the large companies which do business with the Government, that it should include even small companies, for instance, those doing about $20,000 worth of business a year with the Government. Without trying to sound unkind or unduly critical, I have to agree with a colleague who said that Bill C-62 represents a lip-service approach to employment equity. It wants to make use of the Human Rights Commission in order to carry out what is somewhere behind the Bill, a long way behind it, and that is good intentions. The Human Rights Commission of Canada, as we all know, is a very over-taxed institution. It needs more resources and needs them now. The Minister has promised these resources some day in the future but it needs them now in order to deal with the backlog of work it faces.

All that is really required in Bill C-62 is for a company to declare that it is an equal opportunity employer. Voluntary action in a field like this, as you and I both know, Mr. Speaker, is next to useless. We need something which has the possibility of giving effect to the ideals we love to espouse in this Chamber.

Kathleen Ruff, a spokesperson for the Canadian Association for the Mentally Retarded, stated on June 12, 1985, and I quote:

> This is not employment equity, this is misleading advertising, this is a dishonest statement on the part of the government. It is a broken promise.

Mr. Jim. Derksen, national chairman of the Coalition of Provincial Organizations of the Handicapped, who has been quoted in this debate, said that this legislation is a betrayal of election promises.

It is interesting to contrast the Bill with the fanfare which accompanied the introduction of it. This Bill was supposed to do quite remarkable things in terms of rights for Canadians. It was to remove employment barriers, not shift them gently aside, and to promote equality, not take a small modest step in the direction of equality. The employment equity working paper went even further in telling us what this legislation was going to do, and I quote:

> Employment equity constitutes a major step in the efforts to ensure that women, aboriginal peoples, visible minorities and persons with disabilities participate fully in the economic life of this nation.

What an outrageous assertion of what this legislation was to accomplish. One would think from all of the promotion that what we had here was a bold new move. I do not believe it is even one small step. I must say, Mr. Speaker, that it bothers me in no small measure to see that one of the designated target groups within this legislation are the aboriginal peoples of Canada. It is very far-fetched indeed to believe that Bill C-62 is going to provide equality of opportunity for the aboriginal peoples of Canada and will allow them to participate fully in the economic life of this nation. Judge Abella knew that and told us that quite clearly. In her report, Judge Abella demonstrated that she had grasped very quickly and very well the magnitude of the problems facing Canada's aboriginal peoples. She looked at the date—and it has been quoted in this House and in many Government reports—which clearly indicated that native people have the lowest participation rates in the labour force of any group of people in the country. They have the highest unemployment. Did Judge Abella say to us that to help the aboriginal peoples we must bring in a modest, meek, mild, little piece of legislation which says to the companies which do business with a Government: "On a voluntary basis, give them the chance for an interview"? Can you imagine that, Mr. Speaker? Most aboriginal peoples do not even get inside the building much less past the receptionist and into the office where the interviews are given. They never get that far. How is Bill C-62 going to help them?

Judge Abella stated on page 4 of her report, and I quote:

> For native people, equality in employment means effective and relevant education and training, accommodation to cultural and geographic realities, a primary voice in the design of the education, training, and funding programs established for their benefit, meaningful support systems, and the delivery of services through native-run institutions.

That is where I would take my stand, Mr. Speaker. If this Government would bring in a separate Bill—let us call it "equity employment opportunity for aboriginal peoples in Canada" or "access to employment" based on that recommendation—there would be something to support. The Government knows this because the National Economic Conference, which was a very worth-while undertaking—I am sorry it turned out to be more fanfare than substance—and the papers which were submitted to that conference are valid. In one of the papers submitted regarding access to employment for native people, the first sentence reads: "Access to employment for native people is a complex and difficult issue to address". It goes on to say:

● (1710)

> Severe social and economic problems are compounded by the realization that the majority of Native people have lower education levels than most Canadians, are unskilled and generally have inadequate opportunities that would allow for positive changes.
>
> Our paper attempts to highlight these problems with a view to identifying some alternatives that, if undertaken, would increase the opportunities for more Native people to acquire higher education, adequate and relevant training, and ultimately, create the access to employment.

Although Bill C-62 claims that it will do something in this regard, it is because it does nothing that we have introduced this motion. We want the Government to take the solid and commendable motivations of the other side and put them to work in order to give us a Bill with some teeth. We want the Government to up-grade the quality of this Bill and give us a

separate piece of legislation to meet the very complicated needs of the aboriginal people.

[*Translation*]

Mr. Maurice Tremblay (Lotbinière): Mr. Speaker, I would like to say that I am proud to support Bill C-62 as it shows the tremendous progress made by the Government to ensure equity in the Canadian labour force. I am aware, Mr. Speaker, that this Bill does not deal with all the problems related to employment equity, but it is still a good starting point. This initiative will have a substantial impact on the human resources and the economy of our country. It will also be a basis for the development of our human resources, which will have surprising results within a few years. In addition, this development will take place in a context of economic renewal.

I say this because, in my opinion, the principle of employment equity makes perfect sense economically. Indeed, by implementing effective mechanisms, we shall be able to a great extent to meet our economic objectives. The competitiveness of Canada will depend on its ability to adjust to any future change. Our productivity will depend not only on technology, but also on the extent to which the employers are able to manage their human resources. Productivity will increase if the members of the designated groups can be trained and integrated into the labour force. Nowadays, the Government must put its resources to the test if it wants to stimulate the economy while bearing the social costs resulting from the problems of disadvantaged workers. By continuing to underutilize our human resources, we are jeopardizing our own future. We can no longer afford to ignore the skills available to us, to import an unprofitable labour force and to tolerate the high rollover of manpower or an inadequate matching of required qualifications and available skills. Such an attitude hinders our productivity.

Our country is facing a dilemma: Either we continue not to develop our human resources and to bear the costs of the transfer payments and social upheavals caused by our failure to face international competition, or else we take a concerted approach to ensure employment equity and harmony between the labour force and the labour market. Ensuring employment equity will cost money, Mr. Speaker. We shall need resources to make an exhaustive analysis, to amend and adjust our present employment systems or to create more equitable ones. However, if we consider that employment equity is a valid effort to improve the productivity of our labour force and to appease the general controversy, the results achieved should be positive as a whole.

Mr. Speaker, we must take steps in order that women, native people, the handicapped, and visible minorities learn the skills needed to be competitive on the market-place, if we are to make major changes over the next decade.

This is why employment planning has such an important role in the overall plan to ensure employment equity. It provides us with a perfect opportunity to devote money, time and effort to human resources. It puts the accent on training and employment development which are closely related to the private sector.

Further, each of the six programs under it fulfills the needs of target groups.

Bill C-62, as I said, Mr. Speaker, is but a first step. This Government has not been in power for very long, but we have identified the problem and have acted accordingly.

Also time is ripe for requesting the co-operation of the industrial sector and special interest groups. We must choose between thinking that no major choice is required, and seriously considering the opportunities offered by human resource management and employment equity.

The opportunity to put our economy back on course is there. Let us make sure that the recovery benefits all Canadian men and women.

I also listened closely to the comments—if the word is right—made by the Opposition parties. What I find interesting is that they even slap themselves on the back about a report entitled *Equality for All* to try and put forward an interpretation that no one ever had in mind. Mr. Speaker, in case you were not aware of it, I personally was a member of that Committee. When, in her introductory paragraph to the chapter dealing with employment equity, Judge Rosalie Abella defined the phrase "employment equity", she had this to say:

> Employment equity is a means of eliminating discrimination faced by many Canadians in that area. According to Judge Rosalie Abella, it is a strategy designed to do away with the present and residual effects of discriminatory actions and to establish equity in competition for employment opportunities for those men and women who have been arbitrarily excluded. It requires—

And this is very important—

> —a special blend of various components, namely what is essential, what is fair and what is practical in the work place.

Mr. Speaker, we have the first recommendation in that chapter, Recommendation No. 59, which states, and I quote:

> We recommend that legislative measures be implemented to establish equity employment programs at the federal level to require employers: (*a*) to set up and maintain employment practices aimed at abolishing discriminatory obstacles; and (*b*) to increase the proportion of women, natives, handicapped persons and members of visible minorities in the work place, without however imposing mandatory quotas.

This indeed is exactly what Bill C-62 is all about. We never said, when we referred to mandatory measures, how to go about making them mandatory.

Mr. Speaker, if that committee was established, the subcommittee on equality rights, it is because there was a problem. Yet, in private discussions with various people, everyone supports motherhood, everyone supports equity. But when at the collective level it comes to ensuring that such a concept will be implemented, then things are different. It is for that reason that a committee was set up, it is for that reason that the committee made its recommendations, although its membership was aware that the way to solve this long-standing

problem was not to impose penalties for non-compliance, but rather to prompt people to change their views through incitations, and that if this does fail, we could then impose penalties.

To conclude, Mr. Speaker, I will say this, because enough is enough. I was listening to a comment from the Opposition—I do not remember exactly who was speaking—the reference being that this was a Liberal report. This is false, Mr. Speaker. It is not a Liberal report, but a forward looking report that was supported by a majority of Conservative Members.

Mr. Speaker, I am very sorry that my time has expired, because I would have more to say.

• (1720)

[*English*]

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, today's debate goes to the heart of the kind of society in which we, as Canadians, want to live in the future. As I think about that society and consider the questions we are attempting to deal with in Bill C-62, there are four occasions that stand out in my mind that I would like to share with the House of Commons.

One occasion which strikes home in a particularly strong way occurred during the election campaign last year in the debate that was organized by the National Action Committee on the Status of Women. I recall watching the debate and noting the interesting exchange which raised many important questions. There was one question in particular which I believe would strike all Members of the House of Commons very hard. This very tough question on behalf of women in Canada was: "Why should we trust any of you politicians to put into effect the measures that you have talked about to us here tonight? Why should we trust you?" While that is a tough question, it is one to which we must respond not through words but through action.

As I think about this piece of legislation before us today I cannot help but consider that this Bill represents a failure to respond through action. It is this failure that the women of Canada were making us face in their tough questions last year.

I also think of a visit to my office by the committee of the people representing handicapped Canadians across the country shortly after I was elected to the House of Commons. They put a strong case to me that the battle for equity in our society is not just a battle that affects women. I was told that it is a battle that is equally important to those who must live their lives in wheelchairs and must face major physical handicaps that constrain and diminish their lives. As legislators we obviously cannot entirely overcome these constraints but we can take serious steps to establish equity in the workplace for these people who are physically handicapped.

I think of the presentation made to our action group on jobs in Toronto this past March by Carol Tator of the Urban Alliance. That group, drawing together black Torontonians in particular, talked to us about the absolutely incredible results of a study they had conducted in Toronto to test the depth of discrimination within perhaps the most liberal of our cities. They found that 28 per cent of employers felt that non-whites simply could not meet job performance criteria compared to whites. Some 82 per cent of employers had no policy to deal with discrimination in the workplace, and, in one-third of the 438 work-places tested, preference was given to white applicants over non-white applicants who were equally qualified. This revealed a systematic discrimination against visible minorities that is simply not acceptable in Canada in 1985.

I think of another occasion during that action group trip when representatives of Indian groups, native groups in northern Ontario, spoke to us about their efforts to establish training systems which would provide for their special training needs. Each of these occasions brought home to me the sense of a Canada of inequity, unfairness and inequality, which is not a part of the Canada in which I want my children to grow. It is not part of the Canada in which I want to live.

I believe we all must have a commitment to equality, not only because it will give a chance for a fair life to those who presently experience inequality but because it will give all of us in this society the experience of living in a community in which equality does exist. It will give us a sense of human solidarity in a society in which there is fairness for all. That is what equity in a society is all about.

When the Minister of Employment and Immigration (Miss MacDonald), for whom I have special regard, brought forward this Bill and introduced it for first reading, I applauded vigorously. I hoped that it would be a Bill that would achieve this vision of an equal place for all of us as human beings. It was a great disappointment to read the details of the Bill and see its inability to implement this vision of equity. That disappointment has been shared by all of those groups which feel this inequality the greatest in our society.

The National Action Committee on the Status of Women has condemned the Bill as not meeting the promises that had to be met. The Canadian Congress for Learning Opportunities for Women says that an enforcement mechanism is crucial. The conclusion of the Urban Alliance on Race Relations about this Bill is that the reality of the Government's response simply does not take into account the complexity, the pervasiveness and the intractable nature of discriminatory barriers. I could quote from the Coalition of Provincial Organizations of the Handicapped who say that this Bill leaves this group of perhaps the most disadvantaged of our countrymen feeling betrayed by this proposed employment equity legislation. That sense of betrayal is not what we should be supporting as a House.

• (1730)

I urge the Government to withdraw this Bill, to rethink it and to bring back a Bill that will put affirmative action into place with tough enforcement mechanisms to make it work.

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased to participate for what is the second time for me on Bill C-62. I am pleased about my second opportunity. Perhaps

I can use the seven or eight of my 10 minute allotment on a more specific focus than my first participation on this Bill.

I am pleased to support the amendment moved by my friend in the New Democratic Party that will have this Bill hoisted for six months so that the Government, and particularly the Minister of Employment and Immigration (Miss MacDonald), can have another go at the blackboard. It is important this Bill receive extra work and a finishing on two accounts. First, it is a poor Bill and a weak one. It lacks the courage I would have loved to have seen in it. Having said that, let me preface those remarks by saying I do not think there is a Member in this House, regardless of political stripe, who does not agree that the Bill is a timely one in the sense of trying to achieve equality for all and in trying to achieve for all Canadians equality in the workplace. That principle is shared by all Members. What we should be asking as parliamentarians is whether this piece of legislation will simply speak to equality or deliver equality to the Canadians mentioned in the four target groups.

It is my opinion, and one shared by a number of different organizations from the target groups right across the country that the Bill will not deliver the equality it was intended to deliver. The purpose is far nobler than the process or the mechanism incorporated within Bill C-62. The programs are not stringent. They are not mandatory. There is no specific mention of an enforcement mechanism in the Bill.

The Minister and the Government have said since its introduction that the Canadian Human Rights Commission will have the opportunity to be the watch-dog on a national basis for an employment equity program. We all know that the Canadian Human Rights Commission is very busy these days. It is a body that reacts on a one to one, case by case basis. It is also a commission, as highlighted by the Auditor General's report, that is backlogged with a huge number of complaints from Canadians whose rights have been abused.

I must ask you, Mr. Speaker, and this House whether it is fair and proper to put the watch-dog mechanism to the Canadian Human Rights Commission when it is already strapped for financial and human resources. There should have been an enforcement mechanism, provided independent of the Canadian Human Rights Commission and this Government, to ensure that the words in the Bill would be reality.

There is no mention in the Bill of contract compliance. There is no mention of the federal Department and bureaucracy where visible minorities are reflected in the bureaucracy only to the tune of 1.2 per cent. Yet we have what the Government says is a monumental Bill on employment equity and it lacks all the various sectors I have outlined.

There is no criteria for the programs to be carried out by the different entities announced in the Bill. There are no penalties going to the firms or Crown corporations that do not attain employment equity. However, there is a penalty that if you do not report, you can face a fine of up to $50,000. If we are to fine anybody, we should be fining on the basis of not achieving what this Bill wants to achieve rather than saying that if you do not submit a monthly or a yearly report, a letter or a document, you will be fined. That is a perverse sense of logic.

On the second aspect, Mr. Speaker, we should be holding off this Bill for another six months because introduced in this House the other day we had the Equality Rights Report which speaks boldly to the rights of Canadians in the four target groups. This report accepted the visible minorities report, *Equality Now* and it reflects the Abella Commission. It was the Abella Commission which triggered this piece of legislation. The Abella Report said two fundamental things. First, you need a mandatory program, one that will deliver equality rather than only speak to it. The second thing Judge Abella mentioned was an enforcement agency. Both these central elements in the Judge's report which triggered this legislation are missing.

Expectations were raised upon receipt of the Abella Report that the Government would move swiftly on its recommendations. The Government did not do that. We should be reviewing and rethinking what Judge Abella said, what *Equality Now* recommended and more recently, what the equality rights committee said, a committee made up of Members from all sides of the House who removed the partisan element that is always alive and well in every issue. We should be paying attention to those three landmark pieces of work, and we should reflect those recommendations in Bill C-62. As a Parliament, we should be united in trying to improve this Bill.

I rise not to see the defeat of this Bill from a partisan view—that is the furthest thing from the truth—but I rise on this occasion to urge my colleagues on all sides that the Bill merits a review and a strong number of amendments to ensure that employment equity will be delivered, will be a reality and that Canadians from the four target groups receive not a special privilege or a gift but receive what is yours, mine and dutifully theirs as Canadians, namely equality for one and all.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I want to thank my friend, the Hon. Member for York West (Mr. Marchi) for the opportunity to say a few words on this Bill before time ends for tonight. He had an opportunity to speak much longer but he offered to step down allowing me to say a few words today. I appreciate that very much.

As the Hon. Member for York West has indicated, as have many other speakers before him, this Bill is basically about rights and fairness. It fails by and large to deal with the situation faced by women in society and in the workforce as a result of obvious discrimination which they face on a regular basis in a variety of ways.

The Bill recognizes that the disabled have a very difficult time, again in terms of playing their rightful role in society as a result of the discrimination they face in perhaps some subtle and perhaps not so subtle ways. In my own riding there are five large Indian reserves. We have an ongoing saga. Discrimination stories have been told in my office time and time again. Perhaps the discrimination is not intended overtly, but it certainly exists in subtle and not so subtle ways.

• (1740)

In referring to visible minorities, I should like to indicate that I have the good fortune of having a large Sikh community in my constituency. Not many weekends go past when I do not spend a few moments speaking with individuals and small groups that lay out in a very precise way the discrimination which they face on a regular basis in the workplace and, actually in some cases, before the courts of the land. It is a sad situation.

Many of us hoped that Bill C-62 would go a long way toward alleviating some of these problems and removing discriminatory practices by requiring firms, which do business with the federal Government, to enact affirmative action programs that provide equal opportunity for all workers doing business with the federal Government. It is a small step in that direction in that the Bill itself, by its presence, recognizes that discrimination exists. However, the disappointing aspect is that it will only relate to those companies with more than 100 employees, bidding on contracts of $200,000 or more. In other words, it is too restricted. It is restricted to a handful of firms doing business with the federal Government. What about those firms not doing business with the federal Government? It does not require firms to introduce affirmative action programs to assist the disabled, native people, visible minority groups or women. It simply requires them to keep statistics on the numbers of women, disabled, visible minorities and natives on staff and to keep lists of the positions they hold. This will be reviewed on an annual basis. It is a very watered-down version of any kind of action which the Government may be taking to eliminate discrimination in the workplace.

However, what I find amazing is that not many days ago an article appeared in *The Globe and Mail* headlined "United States big business bullish on affirmative action laws". Large corporations in the United States have found that if they introduce mandatory affirmative action programs, it is actually good for business, is good for the economy and is good for their corporations. They have done well and, in the end, it has been to their advantage in a variety of ways.

We have to ask our friends in the Government to take note of the fact that the corporate sector in the United States is bullish on affirmative action programs. Hopefully it will motivate Hon. Members opposite to go into committee with an open mind, if it ever gets to committee. We felt that it was so weak and inappropriate at second reading stage that it should be hoisted for six months and hopefully come back in a form which is affirmative action, which has some teeth and requires firms doing business with the federal Government, as a starting point, to provide equal opportunity for visible minorities, women, native people and the disabled. In other words, it would really do something, as opposed to this "limp wrist, Milquetoast, Casper the Ghost approach" to affirmative action programs.

I want to indicate for the record that there is no shortage of statistics which describe the situation faced by women in the workplace of a discriminatory nature. I should like to read a few statistics which are relevant to women. The average earnings of women in the paid workforce are only 60 per cent of the average earnings of men in the workforce. Therein lies, I suppose, one of the most obvious areas of discrimination. By and large, women workers are still confined to work ghettos. Three out of five work in clerical, sales or service occupations. The best example can be found by walking into one of the banks in Ottawa. As one walks through the door, one notices that all persons doing the public relations work for the bank are low-paid women or poorly paid, one might say. If we ask bank tellers what they are paid after five years or ten years of employment, I do not think we would feel proud of the salaries which they are receiving. However, if one looks through the doorways into the back rooms, one finds that the management positions are filled by men. It is probably the best example or model of the discriminatory workplace.

Mr. Epp (Provencher): That is not necessarily true.

Mr. Riis: I hear the Minister of National Health and Welfare (Mr. Epp). Perhaps 3 per cent of the people involved in bank management are women, but that certainly does not reflect what ought to be happening. Those major institutions ought to be providing some leadership as opposed to being perhaps one of the most outmoded, medieval types of work structures when it comes to equality.

The statistics indicate that 42 per cent of families headed by women have incomes below the poverty line and that 62 per cent of single, elderly women live below the poverty line. If we look down the list, we find that over the last 10 years the average unemployment rate for women was 9 per cent, whereas the average unemployment rate for men was just over 7 per cent.

I notice that you are signalling, Mr. Speaker. I hope to have an opportunity to continue when this matter comes before the House once again.

The Acting Speaker (Mr. Paproski): It being 5.46 o'clock p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

COPYRIGHT ACT

AMENDMENTS RESPECTING AUDIO AND VIDEO RECORDINGS

Mr. Gordon Taylor (Bow River) moved that Bill C-227, an Act to amend the Copyright Act (private recordings), be read the second time and referred to the Standing Committee on Communications and Culture.

He said: Mr. Speaker, I have great pleasure in moving second reading of Bill C-227, an Act to amend the Copyright Act in respect of private recordings. The purpose of the Bill is

to allow the making of a recording through the use of home video recorders and tape recorders by individuals for their personal use, where such recording is made from a public broadcast, noting that any compensation under the Copyright Act has previously been made to the holder of the copyright by the public broadcasting system used for the original broadcast.

Subsection 17(2) of the present Copyright Act reads in part as follows:

The following acts do not constitute an infringement of copyright—

(*c*) the making or publishing of paintings, drawings, engravings—

(*d*) the publication in a collection, mainly composed of non-copyright matter, bona fide intended for the use of schools—

This Bill would add the following section:

àed10

—the making of an audio or video recording of a work, where such recording is made by an individual from a public broadcast for his or her private use, and the recording is not used in a commercial nature, nor sold, exchanged, bartered or given as a gift.

In other words, the Bill would add to the Copyright Act something which will please thousands of people throughout the country.

In March, 1984, Statistics Canada carried out a survey of home appliances, in which survey forms were sent to 8,857,000 residents in Canada. The results of this survey showed that 1,104,000 VCRs were already in use. I might add that if members of the general public in a country respect the law, they will obey it. If the law is not respected, more and more will disobey it. Bill C-227 will correct that error.

In *The Globe and Mail* of July 12, 1984, a story appeared under the headline: "Copyright Jungle: Which way out?". It was written by Paul McGrath, a Toronto freelance writer and broadcaster. In the story, the following appeared:

—out of this miasma has recently come the first clear suggestion of proposed government action: *From Gutenberg to Telidon*, a federal White Paper on copyright. The title suggests that the Government has looked closely at the entire range of intellectual property and the document is as thorough an outline of the proprietary rights as could be expected. Based on a five-year series of background papers, the White Paper deals, most importantly, with the urgent copyright issues that have been the topic of public debate.

● (1750)

I would draw your attention to this sentence in particular, Mr. Speaker:

—duplication of film and video material for private use will not be an offence under the new Act—

That was from the White Paper issued in 1984 by the previous Government. Surely this makes common sense when a tape is made for a family's own personal use. The actors, performers and producers of a television broadcast have been financially compensated by the broadcasting company and therefore should not be entitled to additional funds if their broadcast is viewed at 4 p.m. or 10 p.m. rather than at 3 a.m.

It must be kept in mind that this amendment will not allow recordings to be made for rebroadcast, sale, gift or trade but for personal viewing only. This Bill makes copying legal for personal use.

Why do people make copies? First, it may be that a particular program is being shown at a time that is inconvenient for the family to watch. Rather than racing away from work 30 minutes before quitting time in order to catch a continuing soap opera or rather than staying up until 3 a.m. to see a particular program, it is far easier to record the program and view it at a time suitable to their schedule. Second, with the rapid changes in today's technology, it may be that a copy of a program was legally purchased by an individual but machinery or equipment on which to play it has become defunct or non-existent. This happened with 8-track tape players. In this case, it is necessary to duplicate the program onto a new format in order to continue enjoying same. Many citizens would carry out such a duplication but would not repurchase the same old recordings in a new format, nor should they.

In today's society, we encourage science and technology to create new devices in order to speed up the processing of information. The present Government has even appointed a Minister of State for Science and Technology. This is good. Yet existing copyright laws penalize the public for using the very devices we are encouraging our scientists and technologists to create. Video recorders and tapes have become a multimillion dollar industry employing thousands of Canadians in what is, because of an antiquated law, an illegal and improper business under existing legislation. This Bill would change that.

For any Member of Parliament who may not think that this is a serious matter or feels that it may be dealt with at a later date, may I point out that this Bill also covers an illegal activity that Members of Parliament may well be performing in their own offices right here on Parliament Hill. If a Member of Parliament makes a recording at home or in his or her office of any proceedings of the House of Commons, he or she breaks the law even when recording his or her own speech and even when he or she did not know that the broadcast of the House of Commons is covered by copyright. Ignorance of the law, they say, is no defence.

Through some special arrangements which state that the House of Commons is not subject to the Copyright Act, the OASIS Network is able to record and show *Video Quorum* each day so that Members of Parliament can see how statements made by the leaders of all three political Parties are carried in the press. Do that at home and you break the law. It is time the law changed to keep pace with today's society.

Up until five years ago, 8-track tapes and players were very popular. Many people purchased pre-recorded 8-track tapes. Today it is almost impossible to find 8-track tapes or players on the market. Most recording studios and stereo systems have changed to the cassette format. As a result of this, thousands of members of the public are left with hundreds of 8-track tapes. I was once in a home where there must have been 300 of them on the shelves. The entertainer or composer was paid a fee by the individual consumer at the time the 8-track tape was purchased. Whether the song or recording is now played directly by means of an 8-track player or converted to a

cassette and played by means of a cassette player will have no effect on the composer or producer provided that the converted tape is not publicly sold.

Many of today, modern hits are sold on long-play records. These are recordings on which there may be up to 12 songs or numbers on each. In most cases, the LP was purchased in order to listen to one or two songs only. For a member of the public to purchase the LP and then record one or two songs from each LP onto a cassette tape for his own personal listening should not be an offence as the performing artist was paid under the Copyright Act at the time the LP was purchased. Further, in most cases, the finished cassette tape would not be available through the market-place.

Since technology is constantly changing entertainment systems as it did when it changed from mono to stereo, 8-track to cassette and LP to the new laser discs, these changes are making existing systems for playing recordings obsolete. The composer has absolutely nothing to do with technological changeover from one type of stereo system to another. For members of the public to be able to continue to enjoy the works of art they have already purchased, they must be able to convert the recordings they own to a system that can be played on the machinery they own without fear of having broken the laws of Canada.

At the present time, there is on the market a device which allows a consumer to play cassette tapes in an 8-track player. There is not, however, any device which enables the consumer to play 8-track tapes in a cassette player. Surely no one is suggesting that a cheque should be sent to a composer when an individual consumer plays a cassette tape in an 8-track player. Why then should it be illegal to re-record an 8-track tape onto a cassette tape for playing in today's modern equipment?

In the field of video recordings, there are presently four formats on the market: VHS, Beta, disk and the new eight millimetre format. Already the disk format has lost popularity with the consumer and the Beta format may be following the same route. It is expected that within the next decade, at least two of the other formats will disappear from the market-place. There is also the possibility that all four formats will vanish from the market-place and be replaced by a new type of format not yet introduced as changes in this field are taking place almost daily.

Members of the public should not be condemned to breaking the law if they use copying devices to change movies they have legally purchased from one format to another. As I previously mentioned regarding cassette and 8-track tapes, there is presently a device on the market which allows the consumer to play a Beta tape in a VHS player. There is no logical reason why the producer of a movie should be paid an additional royalty simply because the film was viewed by playing it in a machine of a different format.

It may be argued that the Copyright Act is coming before the House of Commons at some time in the future and that all changes should be made at that time. We have been waiting for changes to the Copyright Act for many years. I suggest that even though the Act may come before us shortly, that is no reason for refusing to make the Act sensible and reasonable at the present time by passing this Bill. As a matter of fact, it could well be that the discussion in committee of this particular Bill would be assurance that when the total Copyright Act comes before the House, we would be better prepared to handle it in a sensible and logical way.

In closing, I again emphasize that the making of audio or visual recordings of broadcasts for the personal use of the individual family must not be used in any way in a commercial nature or sold, exchanged, bartered or given as a gift. I have never made any such recordings but some one million people in Canada have. I suggest that the House would be wise to give reason to their voices by sending this Bill to committee.

• (1800)

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, the Bill which is before us this evening, Bill C-227, is effectively a Bill to make an exemption from the Copyright Act for home copying purposes. The fact of the matter is that there is a great deal of home copying in Canada. Canadians are pirates, outlaws and criminals in terms of stealing intellectual property from creators. Most Canadians are copyright pirates in some way or another, be it the Sunday school teacher who xeroxes her lessons for her Sunday school class or an ordinary Canadian who tapes programs from the CBC on a home video cassette recorder. Common as this is I suggest it does not make it a good enough reason to change the law in the direction proposed by the Hon. Member. Just because a great many Canadians are breaking the law does not mean that we do not need that law at all. That law is there for a purpose.

We know that artists receive a bad deal from our country. They serve the country well. They subsidize the creative lives of Canadians to an enormous extent, far more than they should. Burdens are being placed on them to give of their services voluntarily; and when they are not recompensed by royalties for their work it means they have to suffer unduly. It seems extremely unfair. They have to pay the same for their groceries, their rent and mortgages, and they have a tougher time doing it. In fact, a much higher proportion of our artists live in poverty than people in other occupations.

Copyright does entail intellectual property. This property is created by people using their minds or their hands. It can be stolen just as other types of property can be stolen. I suggest that the consequences of this type of theft are not altogether harmless, even though the crime may take place in the home and it may be something which has the most innocent of purposes. Indeed, the type of uses which the Hon. Member has pointed out are quite proper and reasonable forms of use for entertainment. There is no suggestion that there should be an exemption which would allow anyone to take commercial advantage of this form of copying. However, even this use in the home has consequences for the owners of copyright material.

I had the pleasure of sitting on the Copyright Committee for the better part of last year. In the committee artists told us

that they did not want to see any exemptions in the Copyright Act which would impair their very precarious livelihoods. They did not want to see any further exemptions. Indeed, they asked us to close the loopholes where exemptions already exist.

The whole thrust of the Bill which is before us is to take us in the opposite direction from—

Mr. Taylor: On a point of order, Mr. Speaker. The Hon. Member should recognize that I was not saying that they should not have to pay. They have already paid for these cassettes—

The Acting Speaker (Mr. Paproski): That is argument and not a point of order. The Hon. Member for Broadview-Greenwood.

Ms. McDonald: Mr. Speaker, in fact, the extent of violation of copyright is enormous. This is a question in which technology has created problems which we never imagined it would. More than one million households in Canada now have copying equipment, VCRs, of some sort or another. It is expected that that number will increase greatly every year and that very soon half of the households of Canada will have some type of recording equipment. This means that there will be an enormous use of this type of equipment. We do not know to what extent it is being used to copy material for which other copyright royalties might have been paid. However, we do know that a great deal of it is. It is estimated that as high as 90 to 95 per cent of the machines are used to some extent for copying copyrighted materials. They are not just being used to delay, to take out commercials or to switch times in order for a family to watch a program later in the day than its airing time. A lot of this use is to replace what might otherwise have been purchased. People go out and buy a record, a video cassette, or whatever, and when that happens the artist concerned receives a royalty. However, if there is another recording made then the artist does not receive that royalty.

The effect of this new technology can be seen in a Quebec study which shows that revenues from video rentals are now greater than revenues from movie attendance. So people who are showing movies are getting away from paying royalties and, as a consequence, artists are suffering.

There is clearly no way to control home copying and there is no suggestion that we should try to think of any way to control it. I suggest that the right proposal is to not forget about the problem and say: "Go ahead and do it," but to institute a practice such as the one proposed in the copyright report. That is a matter I deal with in my own minority report because I think I have a slightly better way of dealing with it. In either case, the idea is to allow for a levy on the tapes, on the cassettes and the equipment itself. The moneys thus collected—and there is some dispute as to how it should be collected—would be in lieu of royalties. This would mean that artists would receive some compensation to make up for the loss of royalties they do not receive as a result of home copying. Perhaps this compensation would only be a small part of the royalties which artists might have received if they had sold their works directly and if there had not been any home copying. However, it is at least a recognition that they have a right to be paid for their work and that they need money to pay for their groceries the same as everyone else needs money. It is at least a partial recognition of this fact and it seems to me to be a reasonable one.

Artists have been asking for this type of provision and, indeed, it became clear in testimony to the subcommittee that a great many Canadians are concerned about the difficult lives artists lead and that they are ready to see that there is more compensation paid to them. Even though people recognize that they would have to pay more money there was a great deal of acceptance of this principle. It was felt that it is time we stopped making artists pay all the subsidies for our culture. It is time for the burden to be more equitably borne by Canadians in order to get artists out of poverty and in order to give them more recognition for the work which they do.

I think there is a great deal of public support for measures such as the ones proposed in the copyright report. That is to say, in lieu of royalties being paid for home copying there should be a levy on all of the equipment for making the recordings and all of the mechanisms needed for doing it, be they tapes, cassettes or whatever new technology brings us. It has been recognized that this money should somehow go to the artists.

The way I propose it be done is by way of a tax because that is money which can be directed. We received a recommendation from the National Film Board to the effect that the money should go into Telefilm Canada and be directed toward further production works. That is certainly a good recommendation. The majority report for the committee on copyright recommended a straight royalty. My concern in that respect is that there would be a large outflow of funds from Canada as a result because so much of the copying which is being done is copying of material of a foreign origin. That would mean another burden being placed on the arts community with respect to money leaving the country. In a period in which we have had substantial cut-backs, it did not seem to me to be the best procedure to follow. Nevertheless, it is a clear recognition that artists deserve to be paid for the work which they do. I support that move as such, although I would prefer to see a different method put in place.

The idea of providing compensation by way of levy has been accepted in a number of other countries. We are not the only country considering this move. Nor are we the only country where artists have been demanding that such a move be implemented. We are not the only country where the public has reached the state in which they consider it an acceptable and fair provision.

Legislation to compensate copyright owners for home copying has been enacted, or is in the process of being enacted, in Austria, West Germany, Hungary, Norway, Sweden, the Congo, Finland, Iceland, Turkey and France. That is a sizeable number of countries. Further, legislation is under consideration in Denmark, Italy, the Netherlands, Switzerland, the United States and the United Kingdom. In Canada itself

we have the beginning of a recognition. It has not worked out well, I might add, but nevertheless, there is the beginning of a recognition in Quebec with a tax of $2 on blank tapes.

• (1810)

The delivery of this money into the arts community has been fouled up rather seriously and we very much regret that. Nevertheless, it is a recognition and the principle is the right one. Clearly, the mechanism to get the money delivered to the artists should be put in place immediately.

As to the amounts, there is debate as to what would be a reasonable compensation to the artists concerned. In the United Kingdom, the recommendation is up to 10 per cent for audio tapes; and 5 per cent for video tapes. In France it is 56 cents per playing hour. In Finland it is up to 60 cents. West Germany it is down to 7 cents. This is just to give an idea of the amount of money which consumers might expect to have to pay in addition in order to see that artists are compensated.

With respect to machinery, in the case of Iceland, it is 4 per cent. The United States is considering levies in the order of 10 per cent to 25 per cent. In Canada, the recommendation is that the tariffs would be established by the Copyright Board.

To conclude, Mr. Speaker, I would simply point out that we do have other options. This ongoing problem of artists not being compensated—and with home copying going on in great numbers—can be dealt with in a reasonable way. We are Canadians. We are masters at practical compromise. We should not just ignore the problem and put in an exemption in the Copyright Act, but we should make the exemption contingent on there being another and fair method of compensation for our artists. They have been serving us very well and I ask that we in this House give them the support they deserve. They have been paying the way for Canadian culture all too long. Let us share the burden with them and see that their needs are really justly met.

The Acting Speaker (Mr. Paproski): The great Hon. Member for Edmonton South (Mr. Edwards).

Mr. Jim Edwards (Edmonton South): Mr. Speaker, I would have to ask that *Hansard* be amended to excise that word. I am not sure that it is parliamentary.

The distinguished Hon. Member for Bow River (Mr. Taylor) has introduced a Bill in this House to amend the Copyright Act and it is a great privilege for me to speak to his Bill. I have followed the career of this distinguished parliamentarian for many of the 45 years he has served the public and I admire his initiatives and vigour very much.

[*Translation*]

Bill C-227 aims at allowing private recordings of a public broadcast for personal use.

I would like to thank the Hon. Member for having supported the motion. This issue is very important and complex.

[*English*]

At first, the provisions of this Bill appear straightforward. However, the Bill provides an excellent example of a problem of immense proportions which affects the life of every Canadian. The problem concerns the law of copyright. At the consumer level it is copyright law which sets the rules under which market forces determine what music is heard, what records are made, what film are seen, what books are published, and what programs are seen on television.

The problem can best be described in terms of two ends of a spectrum. At one end there is the creative talent of this country such as authors, poets, composers, film producers, script-writers and publishers. In order to earn a living, creative interests depend upon copyright royalties being paid for the use of their creations. At the other end of the spectrum there is the user of these creations, the general public, who pay royalties by buying books, sound recordings, and theatre tickets but who also want to be able to copy these works with a variety of recording devices.

There is a dual purpose in the copyright system. On one hand, copyright stimulates creativity by granting exclusive rights to creators. On the other hand copyright responds to the public interest in the widest possible availability and dissemination of the subject matter of copyright. New copyright legislation is required to restore the balance between the legitimate interests of creators to be paid for the use of their works and the needs of users to have access to those works.

Before individual recording devices were available, creators were able to control, and be paid, for the use of their creations. For example, a broadcasting station would pay for the right to broadcast a program and the owner of the program would license the broadcast. Modern reproduction technology, which is used in individual homes, cannot be licensed in the same way. Now creators do not have control over their works and, in the case of home taping, are not being paid for their use.

The solution proposed in Bill C-227, although direct and relatively simple, does not address the need of copyright owners to be compensated for the copying of their works. The owner of the copyright in a film or television program has the right to authorize the broadcast and the right to authorize the reproduction or copying of the film or program. When a broadcaster pays a royalty to broadcast, the payment is for broadcast only. The royalty does not cover what would be paid to copy the film or program. Copying is a separate use from broadcasting which requires a separate payment.

Bill C-227 proposes that no compensation should be made for copying at home. That is one solution. However, it is not the only one. Another solution would be to pay compensation to copyright owners on the basis of a levy or tax on blank tape or recording equipment. As my hon. friend, the Hon. Member for Broadview-Greenwood (Ms. McDonald) said, this solution to the home taping problem is used in a great number of countries and others are contemplating doing so. Right here in Canada, the Province of Quebec introduced, in 1983, a tax of $2 on each blank tape sold to compensate for royalties lost due to home copying. My information is that, unfortunately for

creators in the Province of Quebec, that money finds its way into general revenue and not into the hands of the creators.

When the magnitude of the problem is assessed the solution proposed in Bill C-227 may not be the most appropriate. It is estimated that 1.8 million Canadian homes have a video cassette recorder. Home taping is no longer an isolated activity. As home taping grows in magnitude so too does the damage to creators. In a larger context home taping is just one particular example of revising the copyright law to balance the needs of creators and the public.

New reproduction technologies are one of the reasons why the Government is committed to a complete revision of the law. The law in question is the Copyright Act which was first enacted in 1924. This law is hopelessly inadequate to deal with new technologies such as home taping, computers, satellites and photocopying machines.

Because of the inadequacy the Government has already taken steps to completely revise the law to bring it up to needs of the present day. In January of this year the Minister of Communications referred all matters of copyright revision to the House of Commons Standing Committee on Communications and Culture for a complete and thorough review. Its subcommittee has considered over 300 briefs and submissions from interested parties and has heard 111 witnesses at public hearings. The subcommittee filed its report to this House on October 10. It contained recommendations for appropriate solutions to the problem addressed in Bill C-227 as well as to the many other problems involved in copyright revision. The report recommends that a compensation system be introduced together with an exception from copyright liability which would permit home copying. The system which has been proposed will be considered by the Government. When a copyright Bill is introduced in the House full debate on the most appropriate solution to home copying will take place in the context of the overall revision of the copyright law.

To prejudge this involved an complex work by proceeding to deal with one of many related problems in isolation would be ill-advised. First, it would be a duplication of effort to have two separate parliamentary debates to consider the same problem. Second, the complexity of revision of the copyright law requires a concentrated and intense intellectual effort. All of the many issues are interrelated. The selection of a particular solution to one problem will dictate the choice of similar solutions to other similar problems. Without a consistent approach the revision of the law will be a hodge-podge of unrelated solutions with no central policy to further the cultural goals of the Government, or the country.

The issue of home taping addressed in Bill C-227 illustrates the complexity of copyright revision and the consequential need for the already completed committee work on revision. The Bill proposes one particular solution to the home taping problem. The committee has proposed another. An examination of the issue reveals not only the complexity of the problem but also alternative solutions to it. I have already stated that modern technological development has called into question the ability of existing copyright legislation to adequately protect the interests of copyright owners. This had led to appeals for revision of the Copyright Act to incorporate the same form of compensation for copyright owners for use being made of their works. In contrast, Bill C-227 proposes that no compensation be paid.

• (1820)

The present copyright law provides copyright owners with the exclusive right to reproduce a work. There are some exceptions to this exclusive right, the purpose of which is to strike a balance between the needs of creators and the needs of users. There is no specific limitation in the existing copyright law relating to the copying of copyright works for personal use. It is not certain whether some limited personal use might be permitted as falling within the exemption for fair dealing set out in the Copyright Act. In any event, it has been generally concluded that the concept of fair dealing is no longer able to deal with the new reproduction technologies such as home video recorders and photocopying machines which involve, in the aggregate, multiple reproduction of entire works. Consequently, it is generally concluded that the issue of copying for personal use should be dealt with in its own right.

Two polarized solutions are possible. One is to exclude home taping from the category of infringing actions by means of a specific exemption. The other is to construct a system which would provide for reproduction with compensation paid to copyright owners by either the manufacturers of the reproduction equipment or those who purchase blank tape.

The amount of home taping is increasing. Statistics tell us that the number of people purchasing video recorders has increased enormously over the past few years. Opponents of a compensation scheme for home taping argue that the amount of home taping cannot be quantified. It is true that the extent to which copyright owners have been harmed by home taping is disputed. But, however large or small the harm, it is clear that home taping is a major use of copyright works for which creators receive no payment.

The inability of copyright owners to control or to receive fair compensation for copying may disrupt the economic foundation of the motion picture and television production industries. Copyright owners face an even greater risk of economic loss than they did before in a competitive market-place. Their works are subject to widespread, uncompensated copying. Many directors, writers, actors, cinematographers, craftsmen and others depend for their livelihood on revenues earned by copyright works. They are harmed, as are many others, as a result of home taping. The loss is also occurring in many segments of the market-place: displaced attendance at movie theatres, prerecorded cassette sales lost to home-made copies, displaced viewing of cable and television transmissions and reduced royalties from broadcasters due to the adverse effects of time shifting. This amounts to direct economic harm to Canadian creators and copyright owners.

In conclusion, Mr. Speaker, Bill C-227 would deprive copyright owners of any compensation for home taping. From what I have just outlined, it is apparent that the enactment of

legislation, which would deny copyright compensation for home taping, requires a thorough and careful examination. The issue is complex and its solution is far from clear. A parliamentary reference of this problem, as well as the whole matter of copyright revision, to the subcommittee of the Standing Committee on Communications and Culture has recommended that compensation should be paid. When the copyright revision Bill is tabled in the House a full debate on the very complex problem of home taping will take place. Mr. Speaker, any further debate should be postponed until the complete copyright revision Bill is introduced.

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Mr. Speaker, in rising to speak on Bill C-227 proposed by the Hon. Member for Bow River (Mr. Taylor), I would like to bring to the attention of the House certain broad public policy considerations and some particular aspects of the Bill which must be taken into account. I would like to thank my distinguished colleague, the Member for Bow River, for flagging the attention of the Department of Communications and the House of Commons to his particular concerns which I know are shared by many Canadians. The Member for Bow River has done the House a considerable service in bringing to our attention an issue which is of significant interest to consumers, creators, the film and sound recording industries, and those charged with developing a national copyright policy and legislation.

The Hon. Member for Bow River will know that in Canada today national copyright legislation is ridiculously outdated and is unresponsive to the needs of creators, entrepreneurs and users of copyright material. While the Copyright Act of 1924 was perfectly suited to such mechanical devices as player piano rolls and wet photography, it is totally inadequate for today's electronic communications age. Technological developments and advances are not addressed in the present law, nor is any provision made to accommodate change. I refer to television, cable systems, photocopiers, computers, satellites and video machines by way of example.

When we speak of the need to revise the legislation dealing with copyright, and indeed the Government has announced its intention to do so at the earliest possible opportunity, we must not forget the principle upon which the present law is founded. The present Act grants to creators exclusive private property rights in their works. These rights provide the legal foundations for industries which rely on the property rights of creators. Copyright legislation enables creators to exploit their works through the publishing, film production, sound recording and broadcasting industries. In turn, it is copyright which provides the legal basis for the creation and operation of these industries.

By licensing their rights to these industries creators make it possible for consumers to read books, see films, listen to music and enjoy television. Consumers and users have a wide choice of cultural material available to them through the operations of the market-place. However, because of the technological change the present law has become more and more unsatisfactory to creators, the industries using copyright material and, indeed, to consumers. This is because the law is uncertain and those who wish to benefit from the law or to use copyright works are uncertain as to their rights and obligations, particularly in the context of using the new devices made possible by technical advances.

Since 1977 the Departments of Consumer and Corporate Affairs and Communications have been engaged in studying and reporting on the necessity and urgency of revising copyright legislation. In May of 1984 the former Government tabled in the House of Commons a White Paper on copyright revision entitled *From Gutenberg to Telidon.* That paper discussed revisions and advanced certain proposals based on the considerations of protecting creativity and responding to technological change. A major shortcoming of the copyright White Paper, Mr. Speaker, was its failure to identify the significant relationship that copyright legislation has to economic growth.

That deficiency was rectified on November 8, 1984 when the Minister of Finance (Mr. Wilson), in delivering his address on the economy in the House, tabled the document *A New Direction for Canada—An Agenda for Economic Renewal.* In that document the Minister of Finance identified and underscored the particular and strong importance that copyright legislation has for economic growth, particularly with respect to the creation, transmission and processing of information. The Minister said:

> Canada's Copyright Act, unchanged since 1921, has been overtaken by new technologies. This has created abiguities and uncertainties and has, in some cases, left Canadian copyright owners with less protection or compensation than would be available to them in other countries which have more modern copyright laws. Impacts are particularly significant for the vitality of our cultural and computer services industries. This is a real obstacle to economic growth, particularly in an economy which is increasingly service-oriented, with a growing role for the creation, transmission and processing of information, and in which automation may be a powerful source of productivity gains.
>
> A broad-based update of Canadian copyright legislaton is needed to create an appropriate and balanced copyright environment. Much preparatory work has already been done and extensive consultation will continue.

It is manifest that it is a central policy concern of the present Government to address and resolve the issues created by technological developments. These developments represent major challenges to the interest of creators and the industries based on copyright.

● (1830)

Technological advances have made it possible to use copyright materials in ways not envisaged in 1924. Copyright works which are broadcast can be picked up and delivered around the world by satellites, and photocopying machines can reproduce books at the touch of a button.

It is because of these changes and the legal uncertainty of the present law that revision of the legislation is urgent. I recall that the Government House Leader (Mr. Hnatyshyn) moved a motion in the House on January 24 that all matters of copyright revision, including the White Paper on Copyright be referred to the Standing Committee on Communications and Culture for examination and report. The motion received

unanimous consent, thus approving the urgent need to get on with the revision.

I lay stress on what I consider to be a key phrase contained in the November 8, 1984 statement of the Minister of Finance (Mr. Wilson) almost a year ago on the need for copyright revision. He said:

> Much preparatory work has already been done and extensive consultation will continue.

Given the necessity of taking into account a range of factors and considerations in revision of copyright legislation, I believe fully consultation is fundamental to arrive at a consensus which will permit an equitable revision of the law. The committee report represents another stage of consultation which will receive a full debate when a copyright Bill is tabled in the House as soon as possible.

In considering particular proposals to revise the law to permit certain things to be done, it is my view that the broadest possible approach should be adopted. That approach should include taking into account not only the views of those affected by any change in the law, but the results which would flow from adopting any change. Here, in dealing with the possibility of making recordings or of certain works, the interests involved appear to be those of the creators of the work being broadcast, the owners of the copyright in the work being broadcast, the broadcasters themselves, and the individuals who make the recordings.

This activity, popularly called "home-taping", is an issue of some importance as the Hon. Member for Bow River (Mr. Taylor) has pointed out. The omnipresent video-tape recorder has made possible the recording of broadcast material an everyday occurrence.

The issue has been litigated in other jurisdictions with varying results. Indeed, the Committee on Copyright Revision of which I had the honour to be a member, had representations made to it that the incidence of home taping is seriously affecting the interests of copyright owners. By attempting to make copying a non-infringing activity, are we saying, in effect, that technology which makes copying possible should prevail over the rights of those who create works of the mind? Is such an exception compatible with Canada's international responsibilities? Is it in the public interest to provide such an exception? If the exception is enacted, what principle can be derived in order that it may be applied in other instances where similar or even different exceptions are sought?

These are very important questions which are at the heart of the many issues that will be debated when the copyright Bill is introduced in the House. It is my view that this particular matter before us cannot be addressed and answered in the narrow confines of a Bill designed to address a particular issue. Rather, I think that the answer has to be sought in the broadest context of the committee's report and the soon to be introduced copyright Bill where the many and manifold aspects of this question can be fully addressed.

I sympathize with the Hon. Member for Bow River and the sentiments behind this particular Bill. As I said earlier, I know that he shares the concerns of many Canadians about what is to happen regarding this particularly important aspect of home taping, which is among the some 137 recommendations we made in the Subcommittee on the Revision of Copyright. We received more than 300 applications and heard from 111 different witnesses. Many of them were speaking on the same topic that the Hon. Member for Bow River has raised this afternoon. Hundreds of thousands, indeed millions of words were submitted to the five members of the subcommittee, three of whom have spoken in this debate this afternoon. It was an enormous job in the course of 10 months, even through the summer, to come up with recommendations which we believed would update the copyright legislation from the archaic law that has existed since 1924 up to the 1980s to the end of this century, until some other parliamentary subcommittee will have to meet in the year 2035 or 2050 A.D. to deal with the technological developments that will have taken place.

As the Minister of Finance and I have pointed out and as the Member for Broadview-Greenwood (Ms. McDonald) and the Member for Edmonton South (Mr. Edwards) have made clear, it is not possible to consider one aspect of copyright revision in isolation. It must be put into the context of those 137 recommendations made by our subcommittee. We must ensure that whatever is enacted in the form of legislation is consistent with the economic statements that have been made by the Government.

If the Hon. Member for Bow River and his friends have any concerns that the home-taping regulations are not fairly dealt with in those recommendations of the subcommittee he will know that once the legislation comes before the House of Commons it will go through the normal legislative process and back to the Standing Committee on Communications and Culture.

I say for the benefit of any hon. Member who is concerned about any of the recommendations which are made by the Government of Canada in that legislation, it is in that legislation where amendments can be brought forward. That is when we can debate all of the matters we have been discussing in the last 10 months. That is how we can bring about true copyright revision for the people of Canada, legislation which we believe to be a charter of rights for creators.

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, the issue of legalization of home taping of audio and video material is one which certainly warrants discussion. However, with utmost respect for my hon. colleague, the Member for Bow River (Mr. Taylor), it would be premature to adopt the solutions proposed in Bill C-227.

In January of this year the issue of copyright reform was referred to the Standing Committee on Communications and Culture which, in turn, formed the Subcommittee on the Revision of Copyright to examine all aspects of copyright revision, including the issue of home taping. In referring to that subcommittee, I cannot help but congratulate the participants who spent many long hours this past summer hearing many presentations. That subcommittee advertised for submissions and held public hearings in June. A number of submis-

sions addressed the issue of home taping and the subcommittee issued its report on October 10. The report contained 137 recommendations dealing with virtually all aspects of copyright law reform. Recommendations 93 to 96, both inclusive, addressed the issue of home taping or home copying in particular. The report dealt with all forms of home copying, not just recording from public broadcast.

The subcommittee recommended that audio and video home taping be permitted, subject to a royalty on the blank tapes and the recording equipment. This royalty would be paid to domestic and foreign copyright owners on the basis of tariffs approved by the Copyright Appeal Board. It did not recommend compensation for broadcasters. The minority opinion, while it agreed that copyright owners should in some way be compensated for home taping, felt that the compensation should be on the basis of a tax on blank tapes and equipment as opposed to a royalty. It favoured the tax approach because it was concerned with the outflow of royalties, while a tax would allow revenues to be channelled to creators and copyright owners in Canada.

• (1840)

Under Item 70(16) of the Standing Orders, the subcommittee requested the Government to respond to its report. It would be premature to act on this very complex issue until we have had the benefit of the Government's response.

The following are some of the points which must be considered in developing a policy on home taping. I will expand on some of them in a few moments. Audio home taping from broadcasts is a fact of life, Mr. Speaker. Many Canadian households have an audio cassette recorder that can make reasonable, and even high fidelity recordings, from FM broadcasts which can be used in personal stereos, cars, boats and at home. Such devices have been available for many years.

Video home taping is also commonplace. Somewhere between 10 per cent and 30 per cent of Canadian households now have a VCR, depending on what figures you use. Many studies have confirmed that these machines are mostly used for time shifting or library purposes. In either case, copyright owners are not pleased with the result.

How does one balance the realities of newly available technology in private households and traditional compensation to copyright owners? This is a delicate balance and any discussion must take both factors into account.

Because of this balance, one must examine carefully changing the law in the way the Hon. Member for Bow River suggests. The problem is that copyright owners and broadcasters would demand some sort of compensation for any such change in the law. Many experts will support them. To accomplish this, as we will see, is extremely complex and may or may not even be desirable.

Accordingly, Mr. Speaker, and in view of the Government's commitment reiterated here this evening to an overall revision of the law, I recommend that we wait until the Government has responded to the report of the subcommittee before acting.

I would like to expand on a couple of these points. Home taping is a fact of life. It takes place in several ways; for example, video taping for time shifting purposes. A recent study in the United States showed that, as the largest single use of VCR was the recording of afternoon soap operas so that they could be viewed in the evening. Of course, many people time shift other types of programs as well. Perhaps someone somewhere might even time shift proceedings such as these.

Second, we have library or collection purposes. Many viewers tape TV broadcasts for repeated viewing or permanent storage. This type of taping typically involves movies or collectable dramas or comedies, such as Star Trek or M.A.S.H. Radio broadcasts are also taped, not so much for time shifting as for more or less permanent collection purposes. Many young people tape FM broadcasts of new hit records and thereby avoid, so the argument goes, having to buy the record. In fact, for less than $300 one can now buy a portable mini studio that will play and record FM and cassettes in stereo and even duplicate the cassettes for a friend, and I might add, with surprisingly good quality.

Some would say that this proliferation of emerging technology may actually be beneficial to copyright owners. This theory works in the following way. By creating new uses for recordings, technology has encouraged consumers to buy them. Indeed, this makes some sense. A consumer can purchase a record and make a copy of it to use in the car or personal stereo. If, on the other hand, a person makes copies directly from the radio, at some point the user has to hear the inevitable commercial message, which is how everyone in the system gets paid. Although there are studies that indicate that this is the case, most copyright owners, broadcasters and advertisers loudly disagree.

I wish now to summarize possible problems with Bill C-227 and then explain some of the points in greater detail.

The solution may be too simple. It fails to reflect that certain home taping off the air is seen by some as an illegal act, while on the other hand some types of home taping off the air may actually benefit copyright owners.

Second, the Bill is based upon the premise, as stated in the explanatory note that:

—compensation under the Copyright Act has previously been made to the holder of the Copyright by the Public Broadcasting System used for the original broadcast.

Most copyright owners, broadcasters and advertisers would strenuously disagree with that assumption.

Third, there is considerable evidence that most types of home taping material off the air are harmful to copyright owners.

Fourth, creator interests would argue that if any type of home taping of copyrighted material is to be legalized, it is only fair that there be some kind of tax or royalty on blank tape or recording equipment, or both. The implications of such a compensatory tax or royalty would have to be studied to determine whether it is feasible.

The Acting Speaker (Mr. Paproski): Order, please. The hour provided for the consideration of Private Members' Business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

PUBLIC SERVICE—RESIGNATION OF WOMAN MANAGER. (B) REQUEST FOR INDEPENDENT INQUIRY

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, the case of Isobel Goligher is representative of those of a large number of Canadian women. When an injustice is done to any person it is wrong and it should be resisted. I would be speaking today as if Isobel Goligher were the only person to be affected by the kind of discrimination she has experienced. But, she stands for many women, which is one of the reasons she is continuing her fight.

Let me explain the facts. Ms. Goligher was made chief of the EDP Section of Supply and Services in the London district office on September 22, 1980. This was the first time a woman had achieved a post this high in that Department. Within a year, on August 25, 1981, she resigned from that position under duress. What happened in that time?

Ms. Goligher was very competent; she proved her competence. The information we have from her evaluation, for example, indicates that she was evaluated at her probation period, six months afterward, and that Ms. Goligher's progress to date in adapting to her computer operation had been excellent. "She exhibits sound administrative qualities and I consider her a pleasure to work with". She passed her probation exceeding the Department's expectations. Yet one would wonder how a person doing this good a job could, six months later, be out of that same job.

One of the reasons her reports were so good was that she had a non-adversarial management style. This is something which makes the case a woman's case. Isobel Goligher did not have the same kind of confrontational tactics which apparently had been rife in that Department. Productivity went up and complaints went down. Morale was much better and staff worked harder as a result and felt happy about their jobs.

We might think the Government would be pleased with these developments. These are the kinds of managerial skills we want to encourage. Indeed, it is one of the hopes of the women's movement that as women move into management positions the beneficial aspects of a different kind of socialization and a more co-operative spirit, could be achieved.

Let me note, and let me be very clear, that productivity did go up. It is curious that she should be told later that she was not managerial material, evidently because she was not adversarial enough. She was too chummy with members of the union, for example, a statement made about her. What a curious thing to say when the evidence is so strong that all the results of this chumminess were better morale and a better job done for the people of Canada.

Ms. Goligher was told when she was promoted that her case would be a test and that people would be looking at her. What the Department failed to do, I regret to say, is look at the managers around her to be sure that she got the back-up she needed.

We do not need to have women tested when they are promoted to managerial positions. It should not be surprising that a women can handle such a position. This is not the first time a woman has been in a managerial position. That should not have been a matter for the test. We do know that in some work environments they are not ready for women yet.

• (1850)

Perhaps there should have been more back-up to ensure that she was accepted and that she would be able to continue in the job. That is why this is an important case for us today. If we are to have employment equity, if women are indeed to be promoted, they must get that back-up. It is not good enough to have a program on paper which indicates that women will be promoted in the Public Service; it is extremely important that there be adequate back-up and that their competence and participation are treated on a reasonable basis. If there are problems, they should be looked into promptly and solved, so that ill will does not develop.

What can be done about it? The only remedy available at this point is to have an independent inquiry established by the Prime Minister (Mr. Mulroney). Ms. Goligher has exhausted all means at her disposal. She has tried a grievance and the Public Service Commission. No other remedies are available to her. This is why she and the Public Service Alliance of Canada have asked for an independent inquiry.

There has been much correspondence, including correspondence with the present Prime Minister and when he was Leader of the Opposition. He took some interest in the case and hoped that it would be resolved. I would suggest that it is not good enough to take an interest or to say, as he said: "Over 30 months have passed since Mrs. Goligher's resignation and, as public interest in this case appears to be increasing over time, I hope that you"—and this was directed to the Minister in question—"will personally give this case the consideration it merits".

I will tell the House what consideration this case merits. It merits an independent inquiry and action accordingly. There should be a possibility of this inquiry establishing, as I expect it would, that Ms. Goligher is perfectly competent and should be in that position. The relevant authorities should be given the option of putting her back into that position, or another suitable position should be found for her.

It is important that justice be done. It is important for us in Canada, now that we are beginning to see women treated equally in the workplace and beginning to get promotions, that women be able to do their jobs. This is why I call upon the Government this evening to set up an independent inquiry to make employment equity a reality, not make it mere rhetoric.

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I appreciate the Hon. Member bringing this matter forward. I want her to know that the Prime Minister (Mr. Mulroney) and the President of the Treasury Board (Mr. de Cotret) are concerned about it, and I want to put some facts on the record.

The Hon. Member made the point that the Prime Minister has taken an interest in the matter. I think it is important for that to be on the record. The Prime Minister and the Government are adamant about equality for women in the Public Service.

My information is that Mrs. Goligher joined the Public Service in July, 1976. In September, 1980, she was promoted to the position of Chief of Eletronic Processing Section in the London regional office of the Department of Supply and Services. Obviously that was a responsible supervisory position. My information is that she was a competent employee and that management, at no time, had any intention of dismissing her for any reason.

On August 10, 1981, she submitted her resignation without reasons, and this took effect on August 24, 1981. Since that time she has made considerable efforts to convince Members of Parliament, union officials, departmental management and independent tribunals that her resignation was submitted under duress, at a time of emotional stress, that it should be rescinded and that she should be reinstated to her position.

Ms. Goligher has made the following formal applications to independent bodies, in each case alleging that her resignation was submitted under duress and should be rescinded. The formal bodies are the following: the Public Service Commission Investigations Directorate, the Public Service Staff Relations Board, the Federal Court of Appeal, the Federal Court Trial Division and the Public Service Commission Anti-Discrimination Directorate. In every case the independent body dismissed her complaint, finding no evidence of duress or disciplinary motive on the part of management.

The Hon. Member, who in my experience does not bring forward these matters, lightly, has asked for an independent inquiry. I submit that these inquiries are about as independent as one can get. If there is some reason that they are not independent, I would like to know. In fact, I think every Member of the House would like to know. Mr. Speaker, do I have 10 minutes?

The Acting Speaker (Mr. Paproski): No.

Mr. Foster: You have three minutes.

Mr. Lewis: I am trying to do something here, and I do not need to be heckled. I would like to talk to the Hon. Member afterwards because if there is a case, I want to hear about it. If those five bodies are not independent, I want to hear about it, as do the Government and every Member of the House. I think that is the important thing which the Hon. Member for Algoma (Mr. Foster) should realize.

We have tried to find her alternate employment in the London area, and I think that is the productive solution in this case. However, if there is any question that those inquiries were not independent, I want to know, and I want to follow up on that particular aspect with the Hon. Member right now.

AGRICULTURE—SASKATCHEWAN FARMERS' LOSSES. (B) REQUEST FOR ASSISTANCE PAYMENTS

Mr. Maurice Foster (Algoma): Mr. Speaker, on October 16 I directed a question to the Minister of Agriculture (Mr. Wise) inquiring as to when the Government would come forward with financial assistance for the people in Saskatchewan and Alberta who suffered as a result of the worst drought in the history of western Canada, certainly since 1937. I had an opportunity to visit Assiniboia this summer and to see some of the devastation which was clearly biblical in proportions.

On September 10, I put a question to the Minister. It was the first day Parliament came back after the summer recess. He said at that time that he was waiting for the Hon. Member for Assiniboia (Mr. Gustafson) to make a report and that he would have it in a couple of weeks. I put another question to him some two weeks ago, and he said that he would be taking it to Cabinet.

The real problem with the Minister is that he has no clout. I do not doubt for a moment that he wants to do something, but he has zero impact on his cabinet colleagues and on the Prime Minister (Mr. Mulroney), because he never gets an answer to anything. I could run through a list of at least a half dozen items. Canadian farmers are waiting for stabilization payments and stabilization agreements. They are waiting for action on the part of the Government, whether it be on potatoes, sugar-beets or the farm debt crisis. The new Government of Ontario which was elected in July brought down its Budget this past week and announced a $50 million program to assist with the farm debt crisis.

It is not only that the Minister cannot get decisions; when he makes up his mind to do something he proceeds to change it. This summer he announced that he would bring in legislation fearlessly dealing with a pre-foreclosure arbitration procedure for farmers facing foreclosures or bankruptcies. He backed down on that this week right here on the floor of the House of Commons.

The disaster faced in western Canada and in terms of the agricultural portfolios of the Government are not only apparent to Hon. Members on this side of the House. I should like to refer to a *Canadian Press* report out of Saskatoon earlier this week which indicated:

A conference involving a who's who of Saskatchewan agriculture evolved into an Ottawa-bashing session Monday.

I point out that this conference was sponsored by Grant Devine, the Tory Premier of Saskatchewan. It continued:

About 450 producers, grain and chemical company officials, farm leaders and a smattering of provincial politicians attended the Toward a National Agriculture Policy Conference.

● (1900)

Just to show that the agricultural community is totally fed up with the Minister of Agriculture and the Minister of State responsible for the Canadian Wheat Board (Mr. Mayer), I will read into the record what Lorne Hehn, President of the United Grain Growers, a farmer-owned grain company, had to say, according to a Canadian Press telex:

Federal Agriculture Minister John Wise and Charles Mayer, Minister in charge of the Canadian Wheat Board, are not the men who can make fundamental changes in Canadian agriculture policy, Hehn said:

"Our lobby should be with (Prime Minister) Mulroney and (Deputy Prime Minister) Nielsen, not with Mr. Mayer and Mr. Wise," Hehn said.

Hehn went on to say that that is why it is so fitting that we have this conference with Premier Devine. Obviously the problem is a massive one. I hope that the Parliamentary Secretary will deliver to the Minister that message from the farmers of western Canada who are totally fed up with the inaction and lack of decision by the Government.

Clearly there is a massive agricultural disaster in western Canada costing somewhere in the order of $2 billion. The Saskatchewan western wheat pools have called on the Government for an assistance program of $50 per seeded acre in order to help get the producers through this disastrous situation. It is time the Government stopped bobbling around on this matter and made it clear to the agricultural producers on the Prairies and in the drought regions that it will come forward and provide this assistance which is simply desperately needed in western Canada today.

There is no excuse for putting this matter off any longer. The report the Hon. Member for Assiniboia was working on last summer was brought before the Government a month and a half ago. It went to the Cabinet a couple of weeks ago. It is time the Government made a decision and announced the assistance it will make available to the literally thousands of farmers, many of whom are already in a difficult financial position. It is time the Government got those cheques in the mail.

[*Translation*]

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, it gives me pleasure to reply to my hon. colleague for Algoma (Mr. Foster) about the problem he has raised. It is not the first time that we deal with the issue in this House, and if we put both the question and the situation in their proper context, I think that the Hon. Member will have to admit that our Government has assumed its responsibilities and responded as diligently as possible to the requests of producers affected by the drought.

[*English*]

The Hon. Member asked if the Government can give any hope at all to the young farmers who are suffering severe financial difficulties as a result of the drought and in particular what the Government is doing about the request for an acreage payment. As the Minister of Agriculture (Mr. Wise) replied at the time, Cabinet is now considering the recommendations made by the task force headed by the Hon. Member for Assiniboia (Mr. Gustafson). My hon. friend knows that.

In further response to the first question put by the Hon. Member for Algoma (Mr. Foster) regarding the over-all problem of farm income on the Prairies, I would like to remind the Hon. Member and the House of the many concrete actions that have in fact been taken by the Government to assist western farmers in the past years.

● (1905)

One of our first actions on October 1, 1984, was to implement a $60 million Livestock Drought Assistance Program in co-operation with the prairie provinces. That is a great deal of money.

Mr. Foster: It was Liberal money.

Mr. Blais: You speak about Liberal money. Do you also speak about the Liberal deficit? Do you talk about the $200 billion deficit? We do not speak of that. It is your deficit and not ours.

A month later we announced a $123 million final payment under the Western Grain Stabilization Program. That is a great deal of money as well. I am sure the Hon. Member opposite will say that it too is Liberal money. It is always Liberal money. When we give something it is Liberal money and when we spend money it is Progressive Conservative money; is that what the Hon. Member would suggest? We cannot understand that.

Mr. Foster: Tell us what you are going to do this fall.

Mr. Blais: Also, in November we provided emergency cash advances under the Prairie Grain Advance Payments Act to help farmers in the Peace River district of British Columbia who could not harvest their grain because of snow cover. We could give a great many examples with respect to other years and the help we gave to farmers everywhere in Canada.

[*Translation*]

In closing, Mr. Speaker, I am convinced that the Hon. Member for Algoma (Mr. Foster) will recognize that our Government has taken a stand on this issue, which is more than his colleagues did for twenty years.

SHIPBUILDING (A) CONSTRUCTION OF FRIGATES IN MONTREAL. (B) THE SITUATION IN EAST MONTREAL—PRIME MINISTER'S POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, the Hon. Member who spoke before me took a stand, but it was down on his knees. That is normal for him.

I think that everyone is aware of the problem which now exists in Montreal East. Because of the inertia of this Conservative Government, Montreal East could lose 5,000 jobs. At this very moment, they are 5,000 workers who are unable to decide whether they can buy Christmas presents for their children.

I know that the Parliamentary Secretary will read me a text prepared by officials and tell me that so many thousands of jobs have been created.

Mr. Speaker, my question was addressed mainly to the Minister of Supply and Services and concerned the risk of a close-down by the Vickers plant in Montreal. The problem is that, in a spirit of equity and to distribute jobs equitably in Quebec and the rest of Canada, the previous Government has decided to grant contracts for the manufacture of three frigates to the Versatile Vickers shipyards in Montreal to ensure employment equity with the Lauzon shipyards in Lévis, and as they were not on the list of accepted bidders for the building of the frigates, the previous Government had decided to grant them a contract to repair five ships under the TRUMP Program. This was a political decision, a contract without a call for tenders, for the purpose of distributing jobs throughout Quebec and Canada and in the Maritime provinces.

Mr. Speaker, in the meantime, Versatile Vickers decided to purchase the Lauzon shipyards and to cancel the previous contract and have the frigates built in Lauzon rather than in Montreal.

The Parliamentary Secretary will say that there is nothing legally binding in the contract. This was a political decision to create jobs in the three Quebec shipyards.

Mr. Speaker, if the Government had wanted these frigates to be built in Quebec, it would not have asked Paramax to set up shop in Montreal, but in Quebec.

Mr. Speaker, let us say that this Conservative Government is so very much afraid of employers, so very much dependent on their party contributions, that it will not have the guts to compel the Vickers management to live up to its previous commitments. Supposing that it cannot do that, it can say: OK. The Vickers firm has decided to build the frigates in Lauzon. The $650 million contract which the previous Government had adjudicated to the Lauzon shipbuilding yards to repair the five ships, together with the other $500 million, you are going to execute in Montreal, where it is not going to cost taxpayers a cent, the contract is not yet signed, and we are going to save directly 650 jobs at the Vickers shipbuilding plant.

Mr. Speaker, let us say that they lack the courage to talk to the company management—perhaps they are too deeply involved with the election funds—they can adjudicate the contract to Versatile Vickers in Montreal for the next ships which would require repair jobs, and the Minister had forbiden all shipbuilding firms to bid, supposedly because of the ice on the river . . . And we know there were underhand dealings for the benefit of . . . because the decision was made after the new Minister was appointed.

Mr. Speaker, it is a human problem and a human tragedy. It is not a matter of statistics or unemployment, not a matter of principle. It is a human problem.

My colleague from Saint-Denis (Mr. Prud'homme) was with me when we met the employees of Vickers. All those people are between 50 and 55 years of age, Mr. Speaker. They all learned their trades on the job and not at school. They worked strenuously to obtain what they have today, to raise their children and look after their family.

They are proud. And I tell you, Mr. Speaker, that if this Government does not move in to save the jobs of those people, their life will be shattered. They want to work, they do not want to be on welfare or live on unemployment insurance benefits. They do not want, as was announced yesterday, to pay $500 per day to have an expert look into the problem. There is no need for research, for any scientist or economist. There is only one organization in Canada which can let contracts for boat repairs and it is the Government of Canada.

The Prime Minister of Canada during the election campaign in Montreal promised publicly before a large crowd that Montreal would become an international city. Mr. Speaker, the Prime Minister actually closed down Schefferville, but I can tell him that the people in Eastern Montreal will not let him shut their place down.

• (1910)

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I do not know whether the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) is doing this on purpose, but I think that under the circumstances . . . Even before answering his question I would like to congratulate him on his decision to stay with us. Apparently provincial powers had been arguing over him, they simply had to have him, but his ultimate reaction and soul-searching decision was to stay here in Ottawa with us and forego a provincial career. But considering this is October 31, Mr. Speaker, he seems to be changing and I almost see him as a witch with a pumpkin walking the streets of Montreal East. He talks about electoral slush funds and suggests that is exactly what is involved in this case, yet he knows full well his own Government got mixed up in this contract with the St. John's shipyards, that a subcontract was awarded, he knows that. He spoke about it. Never did his Government have anything to do with this. When it was time, his Government did not even bother to ask for a special provision as they could have done. No, Sir, it did not matter in those days!

Mr. Malépart: It was decided a month ago!

Mr. Blais: All you had to do was to provide for that in the contract. You did not, so now there is no provision for that in the contract. We cannot... I wish the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) would stop action up with his pumpkin! Let me speak. I listened to you, so hear me out. It is my turn. We each have our turn here!

What strikes me as being rather obvious in all this, Mr. Speaker, is that when we needed those people a few years ago they were not there, they were not there to create the 300,000-odd jobs that we have created in one year. That is what the Government has done, Mr. Speaker. In this case, he knows very well that there is nothing we can do from a legal standpoint. The Minister of Supply and Services (Mr. McInnes) responded to the appeal of Members of our Party from the Montreal region who got together. The Hon. Member for Hochelaga-Maisonneuve (Mr. Desrosiers) held the first meeting with his colleagues and the Minister. On a few hours' notice, the Minister met with union and management representatives and did everything he could legally do in the circumstances.

However, since the previous Government had failed to take the most elementary precautions, the company has the right to do what it wants to do, to deal with whom it wishes, in a country where free enterprise reigns. Those are the facts, my hon. friend, and you ought to know, though you said nothing during all those years. You could have said so that your Minister at the time. You had the power, but you did nothing!

• (1915)

The Acting Speaker (Mr. Paproski): Order, please.

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

The House adjourned at 7.16 p.m.

HOUSE OF COMMONS

Friday, November 1, 1985

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 22

[*Translation*]

EMPLOYMENT

MONTREAL EAST—DEMANDS OF SURVIVAL COMMITTEE

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, this morning's headline in the *Journal de Montréal* reads "SOS from Montreal East concerning eight plant shutdowns and possible loss of 7,000 jobs". In addition, the same newspaper reports the shutdown of another plant which will lay off 47 employees before Christmas.

Mr. Speaker, the problem caused by lay-offs in Montreal East is growing much worse because the workers involved are middle age men and women of 45 to 55. If the Government does not do anything to remedy the situation those people will draw unemployment insurance benefits and eventually end up on social welfare.

I would remind the Government that the Montreal East survival committee has urged the Government, first, to give Montreal East a zone four designation so it can avail itself of benefits related to plant upgrading and installation of new facilities, as well as of the so-called early retirement program for employees.

Second, Montreal East residents are asking that the Canadian Government assume its responsibilities by giving contracts to the Vickers company, allocating funds to the prospective buyers of Montreal East's Gulf refinery, and awarding contracts to the Bombardier company.

Mr. Speaker, when he was on the hustings the Prime Minister said that Montreal would become an international city, and all I can hope for is that it does not become a ghost city.

Mr. Speaker: I regret to interrupt the Hon. Member, but his allotted time has expired. The Hon. Member for Kamloops-Shuswap.

[*English*]

BANKS AND BANKING

CONFIDENCE IN SYSTEM

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, the Continental Bank has recently been given a clean bill of health by the Inspector General of Banks. The Prime Minister (Mr. Mulroney), the Minister of Finance (Mr. Wilson) and the Minister of State for Finance (Mrs. McDougall) have all said repeatedly that the Canadian banking system is sound. However, recent events have demonstrated just how profoundly the Government's mishandling of the CCB and Northland affair has shaken the public's confidence. Now, the fact that sophisticated investors and money managers are reluctant to invest in one of Canada's largest and most established banks, provides a clear signal as to just how far confidence has eroded.

Ordinary Canadians and investors alike have lost confidence in the Government's ability to regulate and supervise our banks. Confidence must be restored to this pivotal sector immediately. What the Government has done up to this point has obviously been inadequate.

I suggest that the first step to restoring confidence in our banking system would be for the Prime Minister to provide some strong leadership and remove the Minister of Finance, who must accept ministerial responsibility for this colossal financial bungling, and for the Prime Minister also to ask the Minister of State for Finance to say absolutely nothing about the stability of the banking system, for her comments on stability in the past have always turned out to be the kiss of death for the institution involved.

* * *

POLITICAL PARTIES

NEW DEMOCRATIC PARTY'S FUND RAISING MAIL CAMPAIGN

Mr. Jim Edwards (Edmonton South): Mr. Speaker, I want to draw to the attention of the House a matter which is most disturbing. Yesterday I received, as thousands of Canadians have been receiving through the regular mail, a business envelope with the words "Taxation Notice; *avis d'impôts*" in bold, red print in the upper left-hand corner. Through the cellophane window of the business envelope Canadians see their name and address, postal code, and a number preceded by the letters "TX".

Clearly anyone seeing such an envelope would be led to believe that some level of Government was writing to them with regard to taxes assessed or owing.

S.O. 22

[*Translation*]

Mr. Speaker, does one get a tax assessment notice or a reminder when opening the envelope? Or does one get an official Government document? No, Mr. Speaker, one gets a picture of the Leader of the New Democratic Party and a letter asking for a financial contribution to the NDP.

[*English*]

This technique is one which is a misrepresentation, at best. It misleads Canadians into thinking their municipality or federal Government is corresponding with them when, really, it is only an NDP ploy for money.

Canadians will not appreciate this joke being played on them. They will find this brand of NDP humour to be in bad taste. All Canadians who are victimized by this NDP brainstorm should demonstrate their disgust by throwing this so-called "taxation notice" in the garbage.

The only good thing which can be said about this trick is that the NDP has finally admitted that it, its policies and its tactics, are taxing to all Canadians.

* * *

STATUS OF WOMEN

FUNDING OF FORT GARRY WOMEN'S RESOURCE CENTRE

Mr. Rod Murphy (Churchill): Mr. Speaker, for some time women's centres across the country have been experiencing severe financial problems due to federal funding cut-backs.

The Fort Garry Women's Resource Centre in Winnipeg is but one example. This centre provides an invaluable service to many Manitoban women, offering information and referral services, crisis intervention, counselling and volunteer training, to name only a few of its services. Much is done at these centres, and it is done at a very low cost and in an efficient manner.

Ongoing funding must occur, and once again the Manitoba Government is stepping in to replace vanishing federal funds. The Manitoba Government is willing to offer $21,000 in core funding, which is in addition to the $24,000 offered by the province for programming moneys.

We are asking the federal Government to be prepared to match that amount, knowing full well that, without core funding, programs are difficult to deliver, with no place to deliver them from and no staff to provide the services.

Given the promises of the Prime Minister (Mr. Mulroney), not only during the election campaign but during the televised debates, to offer money for such centres, will the Government finally deliver on the many promises made to Canadian women, starting with the Fort Garry Women's Resource Centre?

AGRICULTURE

ELECTION CAMPAIGN LETTER TO ONTARIO FEDERATION OF AGRICULTURE

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, on July 17, 1984, the Leader of the Conservative Party wrote to Mr. Harry Pelissero, President of the Ontario Federation of Agriculture. I should like to read what he said. The first promise made to the OFA was:

A Progressive Conservative Government will commit its share of the necessary funds in order to ensure completion of the municipal drains in eastern Ontario under the Eastern Ontario Subsidiary Agreement.

Thus far that is a broken promise. The second promise was:

A Progressive Conservative Government will establish an Agri-Bond Program to provide loans at reduced interest rates to agricultural producers. A tax exemption for earned income on these bonds would be provided to attract investment capital to this program.

That is a second broken promise. The next broken promise was:

We will reduce the price of farm fuels by 20 cents per gallon by removing the 9 per cent federal sales tax and by not collecting the current excise tax.

Strike three. The Government is out on that one as well. Another promise was:

A Progressive Conservative Government would look to expand the role of the Farm Credit Corporation to take into account . . . interest rates—

That is another broken promise. Finally:

A Progressive Conservative Government would be very aggressive in dealing with subsidized agricultural imports.

And the biggest lie of them all:

My colleagues and I look forward to working closely with you in the future.

* * *

● (1110)

MEMBERS OF PARLIAMENT

PRESENTATION OF PETITION BY MR. RIIS

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, last Wednesday after I had presented a petition to the House, the Member for Kamloops-Shuswap (Mr. Riis) stated:

I too have a petition from the fine city of Victoria, British Columbia, containing a few hundred names of people—

I was surprised to learn later that his petition did not live up to his boast. A petition it certainly was, sent in by concerned citizens of Canada, but not several hundred. Actually the number was only seven, of whom two actually live in Victoria. The only part of his presentation that was true was the part about Victoria being a fine city.

The Member for Kamloops-Shuswap, for whom up until now I have had a high regard, should realize that he discredits himself and the party of Woodsworth, Coldwell, and Stanley Knowles with such a gross exaggeration. It is probably the NDP staff who dole out these petitions to the NDP members to table, but the Member must accept responsibility for what he says in the House of Commons. No amount of tolerance in

debate can excuse a Member from claiming that seven equals several hundred.

I am sure the Member for Kamloops-Shuswap will want to take the first opportunity to apologize to the petitioners for trivializing their serious concerns in this matter, and I expect he will also apologize to the House for his misleading remarks.

* * *

THE ECONOMY

IMPROVEMENT IN ALBERTA—OPENING OF CANADA PLACE IN EDMONTON

Mr. William G. Lesick (Edmonton East): Mr. Speaker, from time to time I have risen in this House to report on the economic progress in Alberta. Today there is more good news in Alberta, which means good news for all of Canada. In Alberta projected investment is up 12 per cent. Oil and gas drilling is also up with a 22 per cent increase in well completions in Alberta from last year. The unemployment rate in Alberta has declined from 11.8 per cent to 9.2 per cent. Twenty-five thousand jobs have been created in Alberta since the election. This is a record of which this Government can be proud.

Monday will mark the fifth anniversary of the National Energy Program, but it will be the last. It is finally dead and gone. Now Western Canada can regain the positive spirit in which new investment can create more new jobs for Albertans.

Next Wednesday the Prime Minister will be in Edmonton to participate in the official ground breaking ceremony for the new Canada Place building. This new federal complex will be a mark of progress in downtown Edmonton. It is an indication of economic development. Edmontonians are looking forward to this event and we are proud that the Prime Minister will be there to share our enthusiasm.

The Canada Place complex is a $200 million project for Edmonton. It will create hundreds of jobs for my constituents in Edmonton East. We are on the move in Edmonton and this Government can take credit for the progress.

* * *

[*Translation*]

EMPLOYMENT

MONTREAL EAST—GOVERNMENT POSITION

Hon. André Ouellet (Papineau): Mr. Speaker, there is in today's issue of the *La Presse* newspaper an article indicating that Montreal East is crying out for help and damning the Conservative Government for the closing of a great many plants, insisting that the area has been in a slump ever since the new Government came to power, in spite of the fact that the Prime Minister had promised during the election campaign that Montreal would regain its status as Canadian metropolis.

There is a similarity... the closing of plants and the laying-off of employees is the result of the Government's failure to act and put pressure on the various companies to continue the work they had been doing for many years.

I am blaming especially the Minister of Transport (Mr. Mazankowski), as well as the Minister of State (Transport) (Mrs. Blais-Grenier) who is from the Montreal area, for their failure to provide the Bombardier firm with the support it needed to continue building railway engines in Montreal East as it has been doing for decades, or to adjucate contracts to the Canadian Steel Wheel, a firm with much expertise and well-trained workers in the area of smelting works—

Mr. Speaker: Order, please! I must regretfully advise the Hon. Member that his time has expired.

• (1115)

ORAL QUESTION PERIOD

[*English*]

BANKS AND BANKING

CONTINENTAL BANK OF CANADA

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance. Yesterday the Chairman of the Continental Bank of Canada announced that his bank had been forced in recent days to borrow up to $2.9 billion from the Bank of Canada and the chartered banks in order to prop itself up. Has the Minister anything to say to the House in respect to this particular matter?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would like to take the Right Hon. Member back to September. At that time, because of the uncertainty that was in the market-place, I met with the chairmen of the largest chartered banks and initiated a broad inspection process which was focused on the smaller Canadian-owned banks. As a result of that, the Continental Bank was subjected to a very extensive inspection involving representatives from those banks. The Continental Bank came up with a clean bill of health which was endorsed by the members of the inspection team.

Since that time there has been a reduction in the funding capability of the bank. It has been forced to seek liquidity financing from the Bank of Canada. This arrangement that was announced yesterday was designed to put that funding on a broader and more sound basis which involved the chartered banks which, by their actions, endorsed the results of the inspection process. In that way they are sending a signal to the rest of the market that the bank is—

Mr. Speaker: Order, please. With respect, the question invited a long answer but there must be a limit, I am afraid.

[*Translation*]

MINISTER'S ROLE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, yesterday we were informed that the Continental Bank of Canada, the seventh largest in the country, was obliged to borrow almost $3 billion to stay afloat.

Was the Minister of Finance consulted in this matter? Did the Minister take part in negotiations to stabilize the bank? And what position did the Minister take with respect to protecting the Canadian taxpayer?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I indicated in my first response that I initiated the inspection process to establish for the bankers and the general public the solvency of the Continental Bank. As a result of the participation of the Bank of Canada in this financing arrangement, we have obviously been very much involved in the discussions and the arrangements that the Continental Bank announced yesterday.

REQUEST FOR REPLACEMENT OF MINISTERS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my supplementary question is for the Prime Minister. At a press conference two or three weeks ago when reporters put questions to the Prime Minister about the situation of the Canadian Commercial Bank and the Northland Bank, the Prime Minister stated to the country that it was merely a blip. It has now been recognized, because of what happened yesterday, that the crisis was not over then.

My question to the Prime Minister derives from the fact that this crisis really began in March when the Minister of Finance and the Minister of State for Finance botched up the initial bail-out and sapped the confidence of the country. In the circumstances in which we now find ourselves, does the Prime Minister not feel that the confidence of the country can best be restored by replacing the Minister of Finance and the Minister of State for Finance?

• (1120)

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it must be Friday; that is a Friday question. In point of fact we would find many people who would suggest that the crisis or difficulties did not begin in March.

Mr. Foster: Four banks have gone bust now, Brian.

Mr. Mulroney: They began some years ago with Government policies which had the effect of really debilitating the economy of Canada.

I would have thought that rather than asking questions of a crepe-hanger nature the Leader of the Opposition would have been referring us to the fact that new figures released yesterday by Statistics Canada indicate that the economy expanded at an annual rate of more than 6 per cent.

[*Editor's Note: And the incandescence of the lighting in the Chamber increasing momentarily:*]

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Mulroney: Even the lights agree. Let the *Hansard* reporters record that from on high there was agreement.

Some Hon. Members: Hear, hear!

Mr. Gauthier: Mostly darkness.

Mr. Mulroney: And darkness was avoided by the Government once more.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

[*Translation*]

Mr. Garneau: Mr. Speaker, a serious question does not deserve such a frivolous answer.

STATUS OF CONTINENTAL BANK—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Minister of Finance. Yesterday, the President of the Continental Bank announced at a press conference that if the support package failed to restore depositor confidence in his bank, he would have to consider a merger with other institutions. My question is as follows:

Are the Minister of Finance and the Government concerned about the high degree of concentration that would result? If so, what does the Government intend to do to avoid this?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I want to draw the attention of the House to the actions of the Hon. Member for Laval-des-Rapides as well as of the Hon. Member for Kamloops-Shuswap in relation to the previous two questions. It is the politics that are being played by Members opposite—

Mr. Broadbent: He didn't ask a question yet.

Mr. Wilson (Etobicoke Centre): —that are causing these problems, which was directly alluded to by the President of the Continental Bank.

Some Hon. Members: Hear, hear!

Mr. Deans: That is paranoia, I'll tell you.

Mr. Hnatyshyn: It is the evidence before the tribunal.

Mr. Deans: He has not even asked a question.

Mr. Wilson (Etobicoke Centre): In specific answer to the Hon. Member's question, he is posing a hypothetical question, a question with respect to events that we have no reason to believe at this point will happen. So let us follow things along and give the support which should be there for the Continental Bank.

[*Translation*]

INQUIRY CONCERNING GOVERNMENT'S INTENTION TO RESTORE CANADIAN AND FOREIGN CONFIDENCE IN BANKING SYSTEM

Mr. Raymond Garneau (Laval-des-Rapides): I have a supplementary, Mr. Speaker. I am absolutely flabbergasted at the comments made just now by the Minister of Finance, especially since it was at his request that we avoided asking questions about banks other than the Northland Bank and the CCB. Since the Minister of Finance is taking that attitude, I may add he even thanked us for doing so. Mr. Speaker, today we realize the harm that has been done to our banking system in Canada as a result of the incompetence and amateurish approach of the Minister of Finance and the Minister of State (Finance). What does the Government intend to do to truly restore the confidence of the Canadian public and the public outside our country in our banking system?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have indicated both privately and publicly to the Hon. Member the various things that we are doing to re-establish confidence in the Canadian banking system.

Mr. Riis: It's not working, Mike.

Mr. Wilson (Etobicoke Centre): I think we have gone a long way; but every time there is an irresponsible question put by either the Hon. Member who has just posed the question, his Leader, or the Hon. Member for Kamloops-Shuswap, there is a direct impact on what goes on in the banking system.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): I encourage Hon. Members to act responsibly, including the Leader of the Opposition who should know better as a former Minister of Finance.

Some Hon. Members: Hear, hear!

Some Hon. Members: Resign.

Mr. Speaker: Order, please.

• (1125)

ENVIRONMENTAL AFFAIRS

ST. CLAIR RIVER—PRESENCE OF DIOXINS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I have a very serious question for the Minister of the Environment. Action is finally being taken on the Niagara River, but an even more dangerous situation is becoming apparent on the St. Clair River. Will the Minister confirm that diving has once more found the substance first discovered in 1984, with massive concentrations of cancer-causing dioxins? And will the Minister tell us whether lab tests have now shown heavy concentrations of dioxins in these new samples?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I can certainly confirm that a tar-like slick has been found in the St. Clair River as recently as this fall, in addition to the slicks which were found earlier, I believe in August of 1984. It is clear that the substances do contain chlorinated hydrocarbons, including the cancer-causing agent, dioxin.

As soon as I found out about the most recent discovery I mobilized the top experts in the country, including those within my Department, but not excluding outside experts, for the purpose of confirming the preliminary findings and advising on the potential source.

Briefly, there are two possibilities; first, a direct discharge into the river from industries along the river; second, the possibility of a seepage from underneath the river bed from dump sites which are 30 or 40 years old. I will advise the Hon. Member when the analysis has been completed.

COLLECTING OF SAMPLES

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, we understand from ministry officials that a significantly larger number of samples are needed to show conclusively the sources, and to provide the methods of potential clean-up for these toxic matters. Will the Minister immediately launch full testing throughout the chemical valley section of the St. Clair River so that real action can be taken in the six weeks remaining before ice freezes the river over and makes it very difficult to proceed?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, as I indicated in my first reply, experts from across the country within my Department, within the Department of the Environment of Ontario, and the universities, have been mobilized for the very purpose to which the Hon. Member has addressed his question.

We will accelerate things, but I can assure the Hon. Member that everything is being done that can be done. There is some real doubt as to where the gooey substance is coming from. If the substance is coming from underneath the river bed from dump sites which are 30 or 40 years old and leaking into the river, the problem becomes much more serious for us than if the discharge is coming directly from the chemical companies along the river. I will keep the Hon. Member, and through

him, the House, apprised of our progress on those analyses, and he can be sure that those analyses will be accelerated—

Mr. Speaker: Order, please.

MINISTERIAL ACTION

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, that is exactly the point. We respect the Minister's sincerity, but I ask the Minister at once to authorize immediate, direct, and urgent action to do the testing which will answer these questions which the Minister himself recognizes are still very much up in the air. Will the Minister take the action required to get this substance dealt with before the river freezes?

• (1130)

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I do not know whether I am speaking the same language as the Hon. Member. I have told him twice that everything possible is being done.

The Minister of the Environment in Ontario, my own officials in the Department of the Environment at the federal level, and university experts have been mobilized into a team to produce the analysis that he is seeking. We cannot rush scientists, but to the extent that we can do so, we are riding herd on them as heavily as we can.

* * *

HEALTH

DISCOVERY OF DANGEROUS SUBSTANCE IN ITALIAN WINES

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In this age of packaged and bottled products with additives, preservatives, colourants and sweeteners, the public must have complete confidence in the health inspection system of the Canadian Government. Otherwise credibility in these products in the market-place completely falls down. This was demonstrated during the recent tuna crisis.

When did his officials first find out that certain Italian wines contained diethylene glycol, a substance dangerous to health? Why would they not advise the Canadian public directly instead of simply advising the liquor boards of Ontario and Quebec? Will he tell the House if these wines are also found in other provinces?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member is correct in terms of the premise that there can be absolutely no compromise on vigilence in terms of health and safety. With that as a general principle, let me answer his question.

The Department was advised when, as he will recall, there had been earlier similar incidents with wines from another European country. We advised the Quebec liquor authorities that they should look at these wines because of the information that we received that there should be testing done immediately. That information was conveyed to the Quebec liquor authorities in early October.

REQUEST THAT LIST OF AFFECTED WINES BE PUBLISHED

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I would like to know when the Minister's officials first advised him of this, because during the tuna crisis it was brought to our attention by the Canadian public that these matters are considered so important that they should be dealt with the Minister.

When did he first know about this, and would he not now at least make a full list of these wines public, and also tell us what other provinces have these wines on their shelves so that all Canadians will know? Would he not accept the principle that the public should be informed directly about these products which endanger health, rather than simply leave it to the liquor boards of the provinces, since Ottawa has jurisdiction over products like these which enter our country?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I operate very much along the lines recommended by the Hon. Member. The first note that I received on the issue was October 17, 1985, I believe. I also learned that information had been given to Quebec earlier to check the wines that were in question. I believe some of the information also came from the United States.

I might say that there is very close co-operation and exchange of information between the various national Governments if, in fact, a problem might exist. I am willing to give him the list containing the names of the wines. I think that they have been made public. This was also done at Queen's Park yesterday by the Minister responsible for the LCBO. Obviously, we are checking which other provinces are involved.

I might also say to him that in terms of testing there might always be the argument of what is an acceptable limit. From our point of view and the Government's point of view, these chemicals which were used in wines for sweeteners and/or thickeners are simply not acceptable for Canadian standards.

* * *

THE MINISTRY

REQUEST FOR APPOINTMENT OF MINISTER OF FISHERIES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Prime Minister. Serious problems are facing the fishing industry in Atlantic Canada with respect to factory freezer trawlers and a poor catch of cod this year.

It has been over a month since the Fisheries Minister resigned. Will the Prime Minister tell the House when he intends to appoint a full-time Minister to such an extremely important and sensitive portfolio?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I know that my hon. friend will join me in expressing congratulations to the Acting Minister of Fisheries, the Deputy Prime Minister, who has done a tremendous job in fulfilling those responsibilities on an interim basis.

Some Hon. Members: Hear, hear!

Mr. Mulroney: However, at the earliest possible moment I shall be announcing a change. It is a very important and sensitive portfolio and I hope to be announcing some changes shortly.

Mr. Rodriguez: That answer is not good enough for the people working in the fishing industry in Atlantic Canada and on the West Coast.

TIMING OF ANNOUNCEMENT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, will the Prime Minister give a more firm commitment to the House that by next week at the latest we will have an announcement of a new Fisheries Minister who will be able to conduct that portfolio on a full-time basis rather than the part-time operation we are getting at the present moment?

Some Hon. Members: Louder.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not want the gentleman to get exercised, but—

Mr. Broadbent: We want you to get exercised.

Mr. Mulroney: The last time we gave you some exercise was September 4, 1984, and we will give you some more the next time. Keep it up.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Just keep it up, Ed.

I have had the honour of representing Central Nova and Manicouagan where the fishing industry is vital and the role of fishermen is indispensable. I am aware of the importance of this. We will be making some announcements at an early moment.

* * *

HEALTH

DIETHYLENE GLYCOL IN IMPORTED WINES

Mr. George Baker (Gander-Twillingate): Mr. Speaker, the Minister of National Health and Welfare knew last spring that diethylene glycol was being used as an additive in certain wines imported to Canada. He also knew that it is illegal to use that substance as a food additive in Canada. Why did he allow the product into the country? Why did he not remove it from the shelves, especially in certain provinces, such as the Atlantic region, that do not have inspection?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I think the Member must be careful about what he says. I told his colleague from Notre-Dame-de-Grâce-Lachine East that there had been another incident with wine from another European country concerning, as we all know, the Austrian wines. If he wants to go back to that incident, we can. However, I think he will know that that wine was pulled from the shelves and that not only did we work closely with provincial Governments, but they worked with their liquor boards.

I do not believe he should confuse that incident with this incident of Italian wines. We have said in the Department of National Health and Welfare that it is not acceptable to have any traces of diethylene glycol in wines, either for sweetener or thickener. I make that point, and it is on that basis that that information has been given to the provinces. Obviously we are pleased with the action taken by Ontario and Quebec. Obviously we are also looking at other provinces to see whether the problem exists there too.

Mr. Baker: The general public will then ask, if it is illegal to sell this for use in Canada, why was it in the liquor stores in the first place.

ACTION TAKEN IN BRITAIN

Mr. George Baker (Gander-Twillingate): My supplementary question is directed to the Minister of National Health and Welfare. Britain removed nine German wines from its shelves on August 2, and notified the federal Government. Is the Minister saying that what is a health hazard in Britain is not a health hazard to Canadians? What will he do about that?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I repeat to the Member exactly what I have said. If we have any notification, either internationally or from our own testing, that information is conveyed directly. However, I think he should be somewhat fair in his statement. If there has been a wine imported and we do not know about the contents, but find out through international or Canadian testing, immediately we want to take action, and that is obviously the approach we must take.

* * *

PROVINCIAL AFFAIRS

PRINCE EDWARD ISLAND ELECTION EXPENSES ACT

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Minister of National Revenue. It concerns an attempt by the Conservative Government of Prince Edward Island, aided and abetted by the Liberal opposition in that province, to thwart the dramatic and surging growth of the provincial New Democratic Party on the Island—

Some Hon. Members: Oh, oh!

Mr. Robinson: —by passing amendments to the P.E.I. Election Expenses Act. Will the Minister, in his capacity as the Minister responsible for the federal Income Tax Act, meet immediately with his colleagues from Prince Edward Island and urge them to rescind these unfair and undemocratic provisions immediately?

• (1140)

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I can well understand the concern of my hon. friend opposite for the precarious condition in which his Party finds itself in Prince Edward Island where it is so threatened that it is almost in the category of an endangered species. Under the circumstances, I will be very pleased to accede to his representation and ensure that fairness and equity are used in dealing with this situation.

CHARTER OF RIGHTS APPLICABILITY

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I appreciate the Minister's undertaking. I ask that in the course of that review he have his departmental officials review these provisions in light of the Charter of Rights to ensure that they do not breach the federal Charter of Rights in an attempt to try to keep politics on the Island as some sort of an old boys' club. I ask him to look into that on a priority basis in view of the by-elections which are currently under way.

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I repeat that I will certainly do that. I am sure all Members will agree with me that there is no place in this great country where politics is practised in a more decent and traditional manner than in the Province of Prince Edward Island.

Mr. Broadbent: Decent and traditional are frequently contradictory.

* * *

ENERGY

PRICE OF NATURAL GAS IN ONTARIO AND QUEBEC

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. The natural gas pricing deal which she struck this week really does very litle or nothing for consumers. The Minister talks about lower prices for consumers, yet she knows that the vast majority of Ontario consumers are locked into long-term, fixed-price, taker-pay contracts until 1995. What is the Minister going to do to lower prices for consumers of natural gas in Ontario and Quebec?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the Government has provided a break for consumers which was never offered by the previous Government. I point out that starting today contracts which come up this year can be negotiated freely between buyers and sellers without interference by the Government, provided the provinces of Ontario and Quebec and the consuming provinces put the necessary transportation system in place. Therefore, those benefits can occur immediately.

CANADIAN PRICE LEVELS

Mr. Maurice Foster (Algoma): Mr. Speaker, in view of these long-term contracts for consumers in Ontario and Quebec, can the Minister guarantee that consumers in these provinces will not pay more for western Canadian gas than will new customers in adjoining states of the United States?

Hon. Pat Carney (Minister of Energy, Mines and Resources): In our agreement with the western provinces we made it very clear that Canadians will never pay more for gasoline than will their American neighbours. At the present time in the States adjacent to Ontario natural gas prices are 25 per cent higher than they are in Ontario. Therefore, there is a lot of protection built in for Ontario consumers and industries.

* * *

CHALLENGE '85

JOBS FOR STUDENTS

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question is directed to the Minister of Employment and Immigration from whom I have requested, as have others, data which will provide specific information on the job producing effectiveness of Challenge '85. In order that I can join in providing the constructive suggestions for program improvements which she said she wishes to have from all Members, will the Minister indicate when precise information will be available on the number of student jobs produced, their average duration, the income earned, the distribution of jobs by region, whether they are career oriented, and whether they are business or private industry supported?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, it just so happens that last night I signed a letter to the Hon. Member giving him exactly those statistics.

Mr. Broadbent: That should get there in two weeks.

Miss MacDonald: I hope he will read it with real interest. It shows that over 100,000 jobs were created during the summer through Challenge '85, the highest number ever.

Some Hon. Members: Hear, hear!

Some Hon. Members: More, more!

Miss MacDonald: It shows that the jobs were for the longest duration of any period for young people during a summer program. It shows that on average they received the highest income during that period.

Some Hon. Members: Hear, hear!

Some Hon. Members: More, more!

Mr. Broadbent: Did you plant that question?

SITUATION IN CAPE BRETON

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I am very happy to have gotten such a timely response upon my return. I wonder whether those figures will reveal why fewer jobs were in fact produced in some of the most economically depressed areas of the land, such as in Nova Scotia, where in Cape Breton 20 per cent fewer jobs were produced this year than last.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, there are always regions of the country which need to have more attention and concern shown them than others which are more economically viable. Cape Breton is one such area and I can tell you, as a Cape Bretoner, that I will continue to ensure that that happens.

Some Hon. Members: Hear, hear!

* * *

SENIOR CITIZENS

HOUSING NEEDS IN OWN NEIGHBOURHOODS

Mr. Terry Clifford (London-Middlesex): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Canada's seniors population will increase by 20 per cent in the next five years. At the same time many, many Canadians are seeking shelter. Will the Minister consider these factors and tell us whether there is a new policy directive forthcoming that will ensure that seniors can remain in their own residences in their familiar neighbourhoods in order not only to ease the problem of housing but to increase and improve the quality of the senior's lives?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I want to thank the Member, not only for the question, but, more important, for his continuing interest in the well-being of Canada's seniors. He has had a number of conversations with me on the personal initiatives which he has been taking. The premise from which he starts, namely, that we can support the greatest amount of independence for seniors of any age group or health condition is, of course, a principle which the Government wants to pursue. I want to indicate to the Member that this is an on-going consideration of myself and of the Minister responsible for the Canada Mortgage and Housing Corporation. We are looking forward to further suggestions from the Member.

ENERGY

OFFSHORE EXPLORATION ACTIVITY

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I hope the statement of the Minister of Employment and Immigration for special status for Cape Breton comes to more than the Prime Minister's promise did for that.

My question is directed to the Minister of Energy, Mines and Resources. The Minister said that she does not expect a stampede of activity in the off-shore. The Minister can expect a stampede away from it. That activity which does take place will be by the multinationals. Will the Minister do something to help Canadian companies participate in the off-shore, or is Canada going to be the only country to give its complete off-shore future to the multinational oil companies?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I have already told the House that 65 per cent of the exploration occurring in the frontiers is being carried out by tax-paying Canadian companies. I do not know why the Hon. Member keeps trying to portray the Canadian sector of the industry as a bunch of small "gyro" operators who cannot compete. The regime which we have put in place is internationally competitive. In his own area, where the geology has been disappointing to date, he can look forward to between six and eight new wells next year.

Mr. MacLellan: Mr. Speaker, the reason that 65 per cent of the participants are tax-paying Canadian companies is because of the Petroleum Incentive Program which exists now and is being taken away by the Government.

TAX CREDITS INQUIRY

Mr. Russell MacLellan (Cape Breton-The Sydneys): My supplementary question is directed to the Minister of Energy, Mines and Resources. The Minister may or may not have heard that the Canadian oil companies will be coming to Ottawa looking for the ability to—

Mr. Speaker: Order, please. Supplementary questions should not have long preambles at all.

Mr. MacLellan: Will the Minister allow Canadian oil companies to transfer their tax credits or to pass them on to consumers? Is he going to give them the benefit of that consideration?

Mr. Wilson (Etobicoke Centre): Is that question addressed to me?

Mr. MacLellan: Yes.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member said he was addressing his question to the Minister of Energy, Mines and Resources. That is why I was not sure to whom he was addressing it to. The Minister of Energy, Mines and Resources has indicated quite clearly what the tax regime is. I think it is a generous regime and, as she

has indicated, it is internationally competitive and it stands in the form that has been presented.

* * *

IMMIGRATION

ADMISSION CRITERIA

Mr. Dan Heap (Spadina): Mr. Speaker, my question is directed to the Minister of State for Immigration. Canadians who, for several years, have been frustrated in trying to bring their relatives to Canada under the Family Reunification Program were glad to hear the Minister of State say yesterday that he will now allow some independent immigrants to enter without a validated job offer in advance. Will the Minister assure us that all assisted relative applicants will be considered without the validated job offer? Will he lower the high level of income that is presently required of the sponsors of these relatives?

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, I would like to thank the Hon. Member for his question and tell him that we are opening the doors and sending out a signal that immigration is welcome.

● (1150)

We are seeking Canadians with skills to come not only in the context of family but to establish a wider family contact. This provision for minimum wage is not something established by myself, but is from Statistics Canada. It is seen to be the minimum needed for a family base.

ADMISSION ON HUMANITARIAN GROUNDS

Mr. Dan Heap (Spadina): I will ask the Minister further, Mr. Speaker, in the light of the response of the Canadian Labour Congress's warning about sudden increases of immigration but asking for humanitarian increases, how does the Minister justify that he is nearly doubling the intake of people who each own at least half a million dollars, while he gives no increase to family class, and he reduces by 1,000 the number of people being brought in under humanitarian programs and special measures?

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, in response to my hon. colleague, he quite misses the point. In fact the family class is merely a level and is very responsive. If more come, it is a category to which we can be responsive.

As to the question of humanitarian level, the Hon. Member will notice that the Government has increased that by 1,000. It is subsidized by the Government. In the other areas, we cannot predict where there will be an earthquake or a tragedy. Canada has a tradition of responding. We want to have the mechanisms in place so that we can give leadership and invite the non-governmental sector and others to join with us.

That is the intention, and if the Hon. Member reads the documents he will see that we have balanced both the economic and the social in this announcement.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

TRADE

CLOTHING IMPORTS—GOVERNMENT POSITION

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I have a question for the Minister for International Trade. Last July in the clothing industry, over 28 million units of clothes were imported in Canada, which represents an increase of 4.4 million units or 19 per cent over the same month the previous year and means lost jobs for Canadian textile and clothing workers. Does the Minister intend to take action to correct this situation since the domestic market has only absorbed an increase of 1.5 per cent a year in the last five years?

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I would advise the Hon. Member that we, too, are very concerned about the textile industry and wish it to remain a healthy and a viable one.

This summer we began negotiations, in full co-operation with the industry, for the multifibre agreement in Geneva. Just this past month we concluded agreements with Bangladesh, Malaysia, and Indonesia for the restraint of low cost imports into this country.

Some Hon. Members: Hear, hear!

* * *

LOBBYING

INTRODUCTION OF LEGISLATION

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is for the Prime Minister. Yesterday Canadians were made aware that Canada's second most controversial lobbyist, right after Richard Hatfield—I am speaking of Frank Moores—was lobbying in favour of a foreign takeover of Prentice-Hall.

In view of the fact that it has been almost two months since the Prime Minister presented this House with his blue ribbon document concerning public sector ethics, can he now inform the House if and when there will be a Bill concerning lobbying activities?

Right Hon. Brian Mulroney (Prime Minister): It will be brougt in, I expect, very shortly, Mr. Speaker.

The record will show, I believe, that about 98 per cent or 99 per cent of the lobbyists in this town are Liberals.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

[*Translation*]

LOBBYISTS—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my supplementary is for the Minister of Consumer and Corporate Affairs, and I am happy to know that 98 per cent of the lobbyists in the National Capital still are Liberals. Can the Minister of Consumer and Corporate Affairs, who will introduce the Bill in this House according to what the Prime Minister told us the other day, guarantee that this legislation will include not only the names of parliamentary lobbyists, but even more important, the name of their clients, the purpose of their lobby and the fees paid to those who do this type of work?

[*English*]

Mr. Clark (Yellowhead): Is that the Taiwan model?

Some Hon. Members: Oh, oh!

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I would simply like to point out that we are now considering the recommendations which will be submitted to Cabinet about this Bill. Of course, we are examining all options to prepare a Bill which will meet the needs of the business sector.

* * *

[*English*]

SEARCH AND RESCUE

OCEAN RANGER COMMISSION RECOMMENDATIONS

Hon. James A. McGrath (St. John's East): Mr. Speaker, I would like to direct a question to the Associate Minister of National Defence. His colleague, the Minister, said in this House that the Government had set a target of 120 days in order to give a comprehensive response to the recommendations of the Royal Commission on the *Ocean Ranger*, especially those dealing with search and rescue.

That time period has now passed, and I ask the Minister whether the Government is prepared to indicate to the House how it intends to respond to the recommendations of the Royal Commission, especially those dealing with search and rescue, as we approach winter drilling?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, the Deputy Prime Minister made the mistake of assuming this report on the *Ocean Ranger* was in the same category as a parliamentary report required by the rules of the House to be responded to within 120 days. It was an honest error.

I can say to the Hon. Member that a submission to Cabinet is in its final stages. As soon as my colleague gets back from Brussels early next week, we will be discussing it and making a submission to Cabinet. I feel certain the recommendations will meet with the Hon. Member's approval.

REQUEST FOR COMMITTEE REFERRAL

Hon. James A. McGrath (St. John's East): Mr. Speaker, this Royal Commission has cost the people of Canada $14 million. It has been the subject of an inquiry of the U.S. Congress, but it has not come before this House as yet.

Will the Government refer the report, in view of the fact that it touches on a number of Departments, to a committee of this House?

Hon. Harvie Andre (Associate Minister of National Defence): That, of course, is not my responsibility, Mr. Speaker. It is that of the Government House Leader. I will certainly take the Member's representation to the House Leader and discuss it with him.

* * *

AUDITOR GENERAL

PETRO-CANADA'S ACQUISITION OF PETROFINA—AUDITOR GENERAL'S ACCESS TO DOCUMENTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have just learned that the Federal Court has announced its decision in favour of the Auditor General. The Auditor General is now going to have access to certain cabinet documents that pertain to the Petro-Canada takeover of Petrofina—

Some Hon. Members: Hear, hear!

Mr. Broadbent: —which the Government of Canada was refusing to turn over. All Canadians who believe in freedom of information will truly welcome this decision.

Having that decision now before us, will the Prime Minister assure the House that all those documents will be made available on a priority basis to the Auditor General?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have not read the decision, which I understand the Associate Chief Justice was to deliver at about eleven o'clock. I will take cognizance of it immediately after Question Period and respond to my hon. friend and to the House at the earliest possible moment.

We are very much in favour, as my hon. friend knows, of the fullest access to information on the Government side. We have complied in all circumstances with that. We will examine the decision carefully and respond as quickly as we can.

Mr. Broadbent: I am pleased to hear that from the Prime Minister, Mr. Speaker.

GULF TAKEOVER DOCUMENTS

Hon. Edward Broadbent (Oshawa): Considering that a section of the Income Tax Act that was used in the Petro-Canada takeover of Petrofina is precisely the same that was used in the Olympia & York-Gulf takeover transaction, and considering I have discussed this with the Auditor General this morning, will the Government be in agreement to turn over to the Auditor General this morning, will the Government be in agreement to turn over to the Auditor General all the pertinent documents relevant to that takeover?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as I indicated, I think prudence would require that we read carefully such an important decision and see exactly the wording and the thrust of the decision, which is what we will do immediately after Question Period. As I say, we will give a response not only to my hon. friend but to the House and the country just as quickly as we possibly can.

* * *

AIR TRANSPORT

ARCTIC SOVEREIGNTY—DROPPING OF FLAG FROM AIRCRAFT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Prime Minister. Given the Prime Minister's professed personal interest in the question of Arctic sovereignty, and given the fine work that was done by the Council of Canadians last summer when it brought to the attention of the Canadian public the *Polar Sea* voyage, would the Prime Minister tell us whether he agrees with the position taken by the Minister of Transport, who is now choosing to charge the pilot involved in the action taken by the Council of Canadians? Or, does he agree with the position taken in a letter two weeks ago by the Secretary of State for External Affairs when he indicated that the Government had no such intention and stated: "I have been advised that there are no plans to take this matter before the courts"? Does he support the position of the Minister of Transport, or does he support the position of the Secretary of State for External Affairs on this matter?

● (1200)

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, as I indicated to the House the other day, the matter is being investigated. It would appear that there was a contravention of the air regulations, specifically air regulation No. 508. For the information of the Hon. Member, I might just quote it to her.

Ms. Copps: I have it here.

Mr. Mazankowski: It indicates: "No persons shall create a hazard to persons or property on land or water by dropping anything from an aircraft in flight". I think it is incumbent upon the Minister of Transport to ensure that the regulations are enforced and carried out, and that is what the Department is doing.

CONSEQUENCES FOR AIR PILOT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Prime Minister. He will know that a violation of regulation No. 508 could mean, for the pilot, a loss of his job, or a possible fine of up to $5,000, or one year in prison. Does the Prime Minister believe that this should be the fate of the pilot who, with the Council of Canadians, brought this very serious issue to the attention of the Canadian public? And that is directed to the Prime Minister, please.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the Hon. Member is simply drawing conclusions before the investigation is completed.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Thursday, October 31, 1985, meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

FITNESS AND AMATEUR SPORT

TABLING OF ANNUAL REPORT

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker, I have the honour to table in the House, in both official languages, the Fitness and Amateur Sport annual report for 1984-85.

* * *

WAYS AND MEANS

TABLING OF NOTICE OF MOTIONS

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have two sets of documents to table. Pursuant to Standing Order 65(1), I wish to table, in both official languages, copies of Ways and Means motions pertaining to the Petroleum and Gas Revenue Tax and, pursuant to Standing Order 65(2), I ask that an Order of the Day be designated for their consideration.

TAXATION

TABLING OF ORDER IN COUNCIL RESPECTING DOUBLE TAXATION

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, in accordance with Section 32, Chapter 44 of the Statutes of Canada, and pursuant to Standing Order 47(2), I should like to table, also in both official languages, two copies of an Order in Council respecting a protocol between the Government of Great Britain and North Ireland, amending the convention for the avoidance of double taxation.

* * *

PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is my pleasure to present a petition today on behalf of five individuals from the City of Vancouver.

Mr. Dick: How many hundreds?

Mr. Hnatyshyn: How many thousands?

Mr. Riis: Just five, Mr. Speaker. They are concerned about the deindexation of the family allowance and ask the Government to reinstate full indexation of the universal family allowance.

Mr. Sergio Marchi (York West): Mr. Speaker, I have a number of petitions to present from the following ridings: Montreal-Sainte-Marie, Richmond, Lac-Saint-Jean, Rimouski and Rosemont. In these petitions the petitioners are asking the Government to turn back its regressive decision to deindex family allowances to the tune of some $55 million.

[*Translation*]

ENCOURAGEMENT OF PEACE INITIATIVES

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, this morning I wish to present to the House of Commons a petition which was given to me last week by grade school children between six and twelve years old who send us a message of peace. These children are worried and saddened by the present situation and ask the honourable House of Commons to continue to promote all efforts made in pursuit of this ideal. This petition has been put together to mark the fortieth anniversary of the United Nations and was presented in a very unusual form by young students—boys and girls alike—from the Trefflé-Gauthier Primary School in Jonquière.

[*English*]

FULL INDEXATION OF FAMILY ALLOWANCE AND WITHDRAWAL OF TAX INCREASES

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I have a large number of petitions to present from my own riding of Broadview-Greenwood and from other Toronto ridings. The petitioners indicate that the family allowance deindexation will not be offset by the temporary increases to the child tax credit and that even the poorest families will be worse off as a result. Accordingly, they request Parliament to reinstate full indexation of the universal family allowance.

Similarly, I have another large number of petitions from various places in Canada. The petitioners indicate that the accelerating cut-backs in child benefits, on top of sales tax increases, excise tax increases and stiff income tax increases, are unfair and place an extraordinary burden upon middle and low-income households.

These petitioners call on the House of Commons to reinstate full indexation of the universal family allowance and to rescind unfair tax increases.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have the honour to present a petition from a number of residents of Winnipeg. They indicate that the cut-backs in family allowances and the tax increases for ordinary Canadians are unbearable in face of budget hand-outs such as the tax-free capital gains provision, the billions of hand-outs to oil companies and the billion dollar bail-out of banks. They call upon the Government to withdraw its legislation to deindex family allowances.

Mr. Dan Heap (Spadina): Mr. Speaker, I also have the honour to present another petition from people in Toronto, Canadian residents in Toronto, who are protesting against the Government's Bill that would reduce the buying power of poor people by cutting into the family allowance, at the same time as it gives more money to those who have the most, such as the banks.

Therefore, the petitioners ask the House of Commons to make sure that we reinstate full indexation of the universal family allowance, and that we block or rescind the unfair tax changes.

* * *

EXCISE TAX ACT AND RELATED ACTS

ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-80

On the Order: Government Notices of Motions:

October 30, 1985—The President of the Privy Council:

That, in relation to Bill C-80, an Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof, one sitting day shall be allotted to the consideration of the second reading stage of the said Bill;

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

Mr. Speaker: Pursuant to Section (2) of Standing Order 26, this Government Notice of Motion stands transferred to and ordered for consideration under Government Orders later this day or at the next sitting of the House.

Parliamentary Employment and Staff Relations Act

EMPLOYMENT EQUITY ACT

NOTICE OF ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-62

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I wish to inform the House that there have been consultations among the representatives of the Parties and that it has not been possible to reach an agreement pursuant to Standing Order 82 or Standing Order 83 with regard to the allocation of time on the second reading stage of Bill C-62, an Act respecting employment equity. Therefore, at the next sitting of the House, it is my intention to propose the following motion, pursuant to the provisions of Standing Order 84:

[*Translation*]

That, in relation to Bill C-62, An Act respecting employment equity, one sitting day shall be allotted to the consideration of the second reading stage of the said bill; and

[*English*]

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

Some Hon. Members: Shame.

* * *

QUESTIONS ON THE ORDER PAPER

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

Mr. Speaker: Shall all questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

PARLIAMENTARY EMPLOYMENT AND STAFF RELATIONS ACT

MEASURE TO ENACT

Hon. Ray Hnatyshyn (President of the Privy Council) moved that Bill C-45, an Act respecting employment and employer and employee relations in the Senate and House of Commons, be read the second time and referred to a legislative committee.

• (1210)

He said: Mr. Speaker, I am very pleased to rise today to begin the second reading debate of Bill C-45. This Bill is a progressive step towards reforming the labour relations process on Parliament Hill. It is based on legislation which was first proposed by the Standing Committee on Management and Members Services and which was unanimously supported by all three political Parties. It is a major step along the road to parliamentary reform and creates for the first time a modern and responsible statutory framework within which a positive approach to labour management relations can be achieved.

Given the subject matter of the Bill, I think it only appropriate that I begin my remarks by acknowledging the tremendous contribution of all parliamentary employees. It is their professionalism and dedication that makes this institution function. Each employee, whether he or she is employed in the House of Commons, the Senate or the Library of Parliament plays a unique and vital role in the effective operation of our institution.

[*Translation*]

Too often, Mr. Speaker, we forget how lucky we are to be able to rely on such qualified and professional staff to help us in our work. On behalf of Hon. Members on both sides of the House I want to assure parliamentary employees that their efforts do not go unnoticed and are greatly appreciated by all Members of Parliament.

[*English*]

Mr. Speaker, the House of Commons has grown rapidly in the past several years. It is now a large and complex organization which employs over 3,000 persons. Unfortunately the evolution and growth of this institution has not been paralleled by the creation of a modern system of labour relations. As a result parliamentary employees do not enjoy the benefits of a contemporary labour relations regime tailored to the special circumstances of Parliament. This Bill will resolve that problem in a progressive and comprehensive fashion.

Because there appears to be some genuine confusion and misunderstanding about the nature of rights presently enjoyed by parliamentary employees, it may be useful to review the history of the collective bargaining debate on the Hill. It is that history which provides the context for the action which we are embarking on today.

The subject of collective bargaining rights for the employees of Parliament has been under discussion for some considerable period of time. In the formal sense the subject was first considered in 1967 by the Special Joint Committee of the Senate and the House of Commons on Employer and Employee Relations in the Public Service during that committee's deliberations on Bill C-170, namely the Public Service Staff Relations Act.

In its report of February 3, 1967 the committee stated, and I quote:

Your Committee recommends that consideration be given to the introduction of legislation to amend the Senate and House of Commons Act and the Library

of Parliament Act to extend to the employees thereunder advantages and rights similar to those provided public servants under Bill C-170.

Unfortunately, no further action was taken with respect to this recommendation.

On a number of occasions since 1967 private Members have tabled Bills which would have provided a legislative framework for collective bargaining by parliamentary employees and questions have also been raised on the floor of the House of Commons. One such question prompted the undertaking of a study on this matter in 1982. This report, known as the Weir Report, after its author Mr. Robert Weir, was tabled in the House in February of 1983. The report analysed the issue and outlined a number of options but made no recommendations. The Weir Report was referred to the Standing Committee on Management and Members Services for further study on February of the same year and, in late 1983, this committee, with the assistance of the Privy Council Office, developed draft legislation on this subject. Events leading up to the election in 1984, and the change of Government which resulted, precluded immediate action on this Bill.

I must indicate at this time that the Hon. Member for Papineau (Mr. Ouellet) who was my predecessor in this particular capacity, during the summer of 1984 issued a press release in which he indicated the intention of the Liberal Government of the day to proceed with legislation with respect to allowing parliamentary employees the right of collective bargaining, which was in a similar vein to the recommendations which were made to that committee.

The Bill before the House today closely reflects the all-Party consensus which was reflected in the draft legislation that I referred to in 1983. Beginning in the fall of 1983 unions seeking certification as bargaining agents for parliamentary employees filed a series of applications pursuant to the Canada Labour Code. The Canada Labour Code governs labour relations in those areas of the commercial and business world which are subject to the jurisdiction of Parliament, but it does not apply to the Public Service.

There are clearly differences of opinion as to the jurisdiction of the Canada Labour Relations Board in this dispute. The legality of the question has not yet been determined to the satisfaction of all concerned and, because of the way in which legal proceedings have a way of carrying on, it could take months indeed, if not many years, for the element of uncertainty which surrounds this question to be cleared up through the judicial process.

[*Translation*]

In the end, after lengthy and costly legal proceedings, it is conceivable that, owing to the particular situation of Parliament, parliamentary employes be considered as having no rights, that is without the right to join a union, establish a certified association, or bargain collectively.

In the Government's view, Mr. Speaker, such a situation would be unsatisfactory. Parliamentary employees ought to have the right to bargain collectively and be able to resort to a progressive labour relations system.

[*English*]

Bill C-45 clears away all the jurisdictional doubts which presently exist with respect to the matter by proceeding quickly with a reasoned and reasonable approach to labour relations. It states clearly and unequivocally that parliamentary employees do have the right to organize and bargain collectively. The Bill introduces a comprehensive modern structure for the resolution of labour-management relations on Parliament Hill.

Bill C-45 has three principal aspects. First, it provides a collective bargaining framework for parliamentary employees which is similar to that contained in the Public Service Staff Relations Act. Second, it makes Part III of the Canada Labour Code applicable to parliamentary employees whether or not they are organized. Part III regulates labour standards, including such items as vacations and hours of work. Finally, the Bill makes Part IV of the Canada Labour Code applicable to all employees. Part IV regulates such items as occupational and safety standards.

As indicated, the Bill itself is based very closely on the Public Service Staff Relations Act. The logic of this parallelism is readily apparent. Notwithstanding the special place that Parliament occupies in our governmental system, the role of parliamentary employees is very similar to that of public servants generally.

It is our view that the labour relations framework which governs the Public Service commends itself very strongly to the parliamentary scene because of this fact. The Bill provides that, with specific exceptions, parliamentary employees are entitled to organize and bargain collectively. Exceptions are provided with respect to persons in a managerial or confidential capacity. Persons employed in the offices of Members of Parliament and caucus research groups will not have access to the bargaining provisions provided for in Part I.

• (1220)

These exceptions are in line with the all-Party recommendations of the Standing Committee on Management and Members Services based on its assessment that such persons occupy positions of particular trust and sensitivity. However, I wish to emphasize that in an effort to protect employees excluded from the collective bargaining process, we have included additional provisions to those which were included in the original all-Party recommendations to which I have just referred. I reiterate the fact that this legislation is a matter of some substantial accomplishment in making progress from the original proposal. Parts III and IV of the Canada Labour Code will be made applicable to all parliamentary employees regardless of whether or not they are organized. In this way, minimum protection with respect to working conditions and labour standards will be available to all who work on our behalf in this place and on the precincts of Parliament Hill.

Part I of the Bill closely resembles the Public Service Staff Relations Act which at present governs labour relations in the Public Service. The Public Service Staff Relations Board is established as the advisory board to administer this legislation.

Parliamentary employees will now have the right to present a grievance concerning various matters relating to the terms and condition of their employment. Part I provides that certain of these grievances may be pursued through to adjudication.

The certification process under Bill C-45 which is also located in Part I will be very similar to that which exists under any modern labour relations statute. Certification applications will be made to the Public Service Staff Relations Board and the PSSRB will conduct hearings and have the power to determine the appropriateness of the bargaining units and the certification of bargaining agents.

[*Translation*]

In the interest of parliamentary employees, it is imperative that we adopt a legislative measure which will dispel this uncertainty once and for all. I hope and believe that, by eliminating disputes before the courts with respect to the jurisdiction of the CLRB, the ultimate effect of this measure will be to speed up the efforts of the employees concerned to form a union.

[*English*]

The last two Parts of this Bill are those which incorporate Parts III and IV of the Canada Labour Code. These provisions go beyond the proposed legislation, which was agreed to by the Management and Members' Services Committee. I think it reflects the Government's continued commitment to fairness and progressive reform. As a result, Hill employees will have such benefits and protections as minimum standards respecting hours of work, overtime, holidays and vacation, entitlements to maternity leave, family bereavement leave and sick leave and they will also have the right of access to adjudication for wrongful dismisssal and the right to a hazard-free workplace.

[*Translation*]

Mr. Speaker, should the employees fear that this is the end of it, I want to assure them that, in my judgment, these measures are in fact only the beginning. In introducing this Bill, the Government wants to bring the working conditions of parliamentary employees to the same level as those of their counterparts in the Public Service.

[*English*]

I am confident that this legislation does strike a careful balance between the legitimate expectations and aspirations of parliamentary employees and the public expectation that the central institution of Government be able to function without disruption. My colleague, the President of the Treasury Board (Mr. de Cotret), is at present involved in negotiations to amend the Public Service Staff Relations Act. Without prejudging the outcome of these negotiations, it would be my hope that any amendments that would be brought forward to the Public Service Staff Relations Act would also be brought forward as amendments to the Parliamentary Employment and Staff Relations Act so that we and the employees on Parliament Hill will keep pace with the Public Service and never again allow a situation to arise in which employees on Parliament Hill are so far behind in terms of labour relations.

The Government considers the question of parliamentary labour relations to be a high priority. We believe that parliamentary employees deserve and have the right to a modern labour-management relationship and that the people of Canada have a right to a parliamentary institution which is responsive and humane in its dealings with its employees.

This legislation has been promised many times and parliamentary employees have been, in my humble estimation, more than patient. Now is the time to bring forward true reform with respect to labour relations on Parliament Hill. In this sense and spirit, I urge all Members to join with me in supporting this legislation to ensure that we can embark on a new era of labour-management relations on Parliament Hill, a place that we all love so deally and respect so highly.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, the President of the Privy Council (Mr. Hnatyshyn) said in his comments that this Bill has a very high priority. We hope he will keep his word and see to it that the Bill is expedited through this House, so as to correct a somewhat unusual situation that has existed here for many years.

Mr. Speaker, the issue of bargaining rights for parliamentary employees working for the House, the Senate and the Library of Parliament has been debated for quite some long time. In fact, the debate has been going on since 1967 at least, and I am happy to see the House of Commons considering Bill C-45 today.

Mr. Speaker, in 1967, the Parliament of Canada granted public servants collective bargaining rights. In 1967, the House adopted the Bill on Public Service Staff Relations.

This legislation was introduced to replace a unilateral consulting process for determining most of the working conditions of Public Service employees, by a bilateral process, under which employees were to play an active and important role in determining their working conditions.

At the time, Mr. Speaker, parliamentary employees were not considered to be employed by the Public Service, and were therefore excluded from the provisions of the Public Service Staff Relations Act.

The adoption of the Charter of Rights and Freedoms in 1982 has had a considerable impact on this question. The House will recall that in the Charter of Rights we adopted, it says in Section 2,

Fundamental freedoms

Everyone has the following fundamental freedoms:

d) freedom of association.

Mr. Speaker, I realize that this right to freedom of association is often legislated in order to establish clearly the rights involved.

I heard the Minister saying earlier that he was happy to set a high priority on a Bill he considered to be complex, but also progressive and modern, and that it would have a major impact on labour management relations.

Mr. Speaker, although I do not begrudge the Minister the credit he is due, I may remind him that in 1983, the Public Service Alliance of Canada, with the consent of many groups of employees here on the Hill, started organizing and explaining the concept of collective bargaining, so that parliamentary employees working for the House of Commons, the Senate and the Library of Parliament could belong to a union.

The Canada Labour Relations Board examined the question and announced it was in a position to consider these applications, but up to now, the Board has not issued any orders for certification. Mr. Speaker, yesterday I received a copy of a press release from the Public Service Alliance, dated October 28, which reads as follows:

The Canada Labour Relations Board is today reconsidering its deliberate inaction in deciding on an application by parliamentary employees for bargaining rights.

Mr. Speaker, I believe that confirms . . . in fact that the Canada Labour Relations Board "is reconsidering"—I have had no answer from the Board—but if that is the reason, I can understand why today, we should want to consider Bill C-45 in order to put on the table and put before the public and before this House a Bill whose time has come and which should be passed.

Mr. Speaker, why did we go the route of extraordinary legislation? Why could we not simply let our employees come under the Canada Labour Code? Why bother introducing extraordinary legislation that is largely inspired by the Public Service Staff Relations Act and which contains, as the Minister said, two parts, namely Parts III and IV of the Canada Labour Code? Mr. Speaker, all this is the reason why I am taking part in the debate today. I shall try and explain to the House, with the little expertise I have on the subject, how we on this side see this legislation and how we perceive the importance of Bill C-45.

● (1230)

[*English*]

Bill C-45 replaces a unilateral system for the termination of most terms and conditions of employment for employees in the Parliament of Canada. It replaces the unilateral approach with a bilateral system. It ensures that a certain measure of participation will be provided for employees in the determination of these terms and conditions.

To establish this bilateral relationship an appropriate bargaining until will be determined and a representative bargaining agent will have to be certified. The employer will be defined as coming from the House of Commons, the Senate or the Library of Parliament. We find that the definition is under interpretation. It will be determined at some time who the employer will be.

The Public Service Staff Relations Board is charged with a large part of the general administration of Bill C-45. I think that is good. My experience with that board over the 13 years that I have been here has been constructive. I can tell the House that I have a great deal of respect for the Public Service Staff Relations Board and the challenging and complex issues with which it deals.

One cannot help but notice the similarities which exist between the Public Service Staff Relations Act and Bill C-45. Some of the strong points of the PSSRA have been noted by the Minister. Equally, many of the traditional weaknesses and shortcomings of that Act, unfortunately, are incorporated in Bill C-45.

It is rather frustrating for me to note that in 1975-76 the House was asked to establish a joint committee with the Senate to look into possible amendments to the Public Service Staff Relations Act following a thorough and interesting study conducted by Mr. Jacob Finkelman, Q.C., who is a past Chairman of the Public Service Staff Relations Board. Mr. Finkelman conducted a thorough study of the Act at the request of the Government a few years after it was enacted and he made some far-reaching recommendations. I still hide my copy of the report because some people always seem to want it. In fact, I have hidden it so well that I cannot find it now.

Mr. Wilson (Etobicoke Centre): It's over here.

Mr. Gauthier: Anyway, it is a black-covered report which recommended a number of amendments.

Mr. Côté (Lac-Saint-Jean): It's in the garbage.

Mr. Gauthier: On the contrary, it is a constructive document. I invite the Hon. Member who just said that it is in the garbage to read it because it was at the origin of that report that the D'Avignon Committee on the merit principle was established. We also proceeded with a thorough review of management practices in the Public Service and in Government. This report contained some 72 recommendations for amendments. Some of them were interesting to us because they represented about a year and a half of intensive work. Justifiably, I think, all members of the committee from all Parties voted unanimously for its adoption. As I have said, there are some unfortunate weaknesses and serious shortcomings in Bill C-45 which we addressed in 1975-76 and upon which we reported at the time.

I commend the Government's reading of this report. If possible, it may inspire members of the Government to come forth with the much needed amendments to the Public Service Staff Relations Act, which I am sure was the Government's intention when it made its promises in last year's election campaign. It said to us that it would come forth with amend-

ments. I hope the Government will follow through with its promise and come forth soon with the required amendments.

We are told that Bill C-45 is a sincere effort, and I noted some of the other adjectives which the Minister used. I agree that there is a sincere effort here to bring forth a new era in employee-employer relations in Parliament to try to bring employees on the Hill up to par with the Public Service employees of Canada.

I noted a statement made by the President of the Privy Council (Mr. Hnatyshyn) to this effect, and I quote: "The Government desires to create a modern and progressive system of labour relations for the employees of Parliament". We find nothing very modern in the Public Service Staff Relations Act which, as I have said previously, is 18 years old and badly in need of progressive changes. In my view the Government has missed a good occasion to bring forth leading, modern and progressive legislation which could lead the way in putting forward urgently needed amendments to the Public Service Staff Relations Act. What we have before us today in Bill C-45 is not a very inspiring document in terms of leadership for improved public employer-employee relations. With the information available to this Government—and I refer to the Finkelman Report, to the report of the joint committee and to several studies made over the years—I would have thought the Government could have brought forth a model document which would give us the benefit of the evidence which was given over the last seven or eight years.

• (1240)

Mr. Heap: Why didn't your Government do it?

Mr. Gauthier: The Hon. Member for Spadina (Mr. Heap) asks me why my Government did not do it. Well, we worked on this document for many years. I take it that Bill C-45 is an inspirational legislation, in that it was taken from the previous Government's draft of the Bill. So the Hon. Member should perhaps refer to the present Government. I was not as close to the order of business at that time, but I did take an interest in this matter, although I was not a member of the joint committee or the Committee on Management and Members' Services, which drafted the first Bill on this matter, as was, I understand, my friend.

Although I can see that Bill C-45 is a start, it surely requires, in my view, a step which we must take unanimously. This legislation will mean the end to an era of unilateral decisions in matters of employee-employer relations for most employees of Parliament. It establishes a system whereby Parliament and its employees will jointly determine the terms and conditions of employment in collective bargaining. We have in Canada a good log-book of experience in employee-employer relations. At the federal level we have, as I said, accumulated 20 years of experience with the Public Service Staff Relations Act. We should be able to build upon this strong background. Both parties, in my view, the employee and the employer, should adapt quickly to their new relationship. We should not have to go through the growing pains we did in 1967. I am sure that with good will and patience, numerous benefits will come to both sides.

One can justifiably ask why we do not make the Canada Labour Code applicable to employees of Parliament rather than an Act which draws inspiration itself from the Public Service Staff Relations Act and the Canada Labour Code. While substantial differences exist between the two labour relations statutes, it is believed by some—and I take it this is going to be debated in committee—that there is good and sufficient reason to adopt special legislation with particular characteristics to accommodate Parliament with its complexities and necessities such as the maintenance of essential services. Of course, some people would wonder how one could say that Parliament is an essential service. I would take it that some people at some time would rather not have us here debating and would say that we are not that essential. However, I still believe that Parliament is an essential service to Canadians and I believe we need to have special legislation which covers it.

I would like to address a few problems pertaining to this Bill which I feel needs discussion and change.

[*Translation*]

As you know, Mr. Speaker, it is the Public Service Employment Act which governs hiring practices and methods based on the merit system, that is, any nomination must be based on merit. More specifically, Section 10 of the Public Service Employment Act states:

> Appointments to or from within the Public Service shall be based on selection according to merit, as determined by the Commission—

Although I have read this Bill from cover to cover, Mr. Speaker, I have not seen anywhere that appointments would be made on the basis of the merit system. I think that when the time comes for us to deal with this Bill in committee, we would be well advised to consider devising a system with a view to eliminate all possibility of interference or patronage on the part of the Government and to provide a better exposure of our hiring practices. I think also that we would have to be very explicit and include in the Bill provisions for the hiring of Parliamentary employees of all categories.

Mr. Speaker, another weakness of this document is the issue of job classification and job classification standards.

In a report to Parliament by the Special Joint Committee on Employer-Employee Relations, we examined the entire subject of classification. I would ask Hon. Members to refer to the document on page 4720 for the explanatory text on classification, which reads, for instance, and I quote:

> Your Committee is of the opinion that the law should provide for some extension of the scope of bargaining so as to include classification standards, and recommends as follows:

There are seven or eight recommendations. The first one is interesting, because it says:

> That, having regard to the established jurisdiction of bargaining agents in the Public Service, bargaining classification standards be interpreted to mean the determination of the relative worth of jobs within an occupational group.

That is the definition of classification. It is the "relative value of jobs within an occupational group".

In Bill C-45, job classifications and classification standards are not negotiable. That is a function of the employer, and personally, I think it is high time we amended the legislation in order to include the possibility that either party be able to negotiate classification standards.

Mr. Speaker, I intend to raise this point in committee, and I may remind the Government that the Opposition Leader at the time, the Hon. Brian Mulroney, signed a letter dated August 14, 1984 to Mr. Jack Donegani, President of the Professional Institute of the Public Service of Canada, which reads as follows:

[*English*]

The PC Government will negotiate directly with Public Service unions and associations toward the establishment of an improved collective bargaining system based on the provisions of the Canada Labour Code.

[*Translation*]

And my quote goes on:

[*English*]

Staffing procedures, classification, technological change, designations and other issues will become negotiable.

[*Translation*]

Therefore I take it for granted that the Government will keep its word and that the committee will be able to amend the Bill so that classification standards will be included as negotiable items in collective bargaining agreements.

Mr. Speaker, I beg Hon. Members' indulgence if I should take a somewhat technical approach to this Bill, but I made a few notes on it as it is rather complicated and difficult to follow. I simply want to refer to two or three points raised by critics of the Bill.

One of the criticisms is that we will have to go back to square one concerning the question of certification of the group which until now, for instance, was dealing with the board. The Canada Labour Relations Board will have to start from scratch because a new board, the Public Service Staff Relations Board, will be empowered to hear and accept or, if you will, certify the bargaining agents.

Mr. Speaker, I would think that Clause 26 of the Bill can be interpreted in such a way as to answer that criticism in part, in the sense that Clause 26 might be deemed to be permissive and allow the Public Service Staff Relations Board not to insist on beginning anew the whole certification process and agree that the elements of proof submitted to the PSSRB will be sufficient to establish the bargaining unit.

Once in committee, Mr. Speaker, I will elaborate on this point of view and, if need be, introduce appropriate amendments to clear up this question.

There is also the question of classification to which I referred a moment ago. According to the Alliance, job security is another point. There is the matter of arbitration as well. We will certainly comment on all those points and we hope our contribution will bring the required clarifications to the Bill.

Mr. Speaker, the suggestion that special legislation be adopted to govern labour relations in Parliament is a compromise between two extreme positions, namely that it is a question of parliamentary privilege. It is the kind of argument which has often been used here. We used to be told: Of course, parliamentary privilege eliminates any possibility for Parliament Hill employees to become unionized. There has been a certain evolution over the past few years, so that thanks to the Constitution and the unions' persistence before the Staff Relations Board, Parliament is finally starting to move and doing something which I feel is both constructive and necessary.

Designated employees of Parliament will be divided into three categories: House of Commons, Senate, Library of Parliament.

The employees hired by Hon. Members and working for them in their offices will not be subject to collective bargaining, although they will be covered, as all parliamentary employees, by Parts III and IV of the Canada Lobour Code which govern their terms and conditions of employment. There are also provisions governing occupational safety and health which apply to all employees working on Parliament Hill.

Bill C-45 will determine every aspect of the staff relations system which will apply only to employees working on Parliament Hill for the Senate, the House of Commons, and the Library of Parliament. As stated in this legislation, some of these employees will be designated employees.

According to the General Provisions of the Canada Labour Code, the right to collective bargaining stems only from legislation. Until now, no collective bargaining legislation had applied to Parliament. Parliament employees could not benefit from the Public Service Staff Relations Act because they did not belong to the Public Service and were not subject to the Canada Labour Code because of the privilege of Parliament to which I referred earlier.

Part I of Bill C-45 indicates that certain categories of parliamentary employees could join a union to protect their rights and set up a legal structure for collective bargaining and grievance procedure.

Mr. Speaker, the purpose of Bill C-45 is to create a framework very similar to that applicable to all Public Service employees, with a number of restrictions in line with those currently in force in the private sector.

The Canada Labour Code generally recognizes the right of workers to organize for the purpose of bargaining collectively their working conditions. The law creates a structure within which this agreement is made and which is administered by a labour relations board. As I said earlier, Mr. Speaker, the fact that you have a constitutional right does not necessarily make

the issue any clearer. The constitutional right is there, but in most jurisdictions, there is a law to define it.

The law creates a structure within which this agreement takes place and which is administered by a board. Employees in the groups judged apt to collective bargaining, or bargaining units, then choose their union representatives.

● (1250)

Generally, the union must have the support of the majority of the group involved to be certified by the Commission as exclusive representative of the group. Once certification is granted, negotiations can begin. The union, on behalf of the employees of the bargaining unit, can require the employer to negotiate in good faith to conclude a collective agreement, which is a document stating the terms and conditions of work as well as the rights and duties of the employer. In the private sector, Mr. Speaker, if it is impossible to come to an agreement after following all these steps and after a certain period determined by law, the employees can exert pressure by initiating a strike and the employer can do the same with a lockout. As soon as the collective agreement is signed, it is binding on each party; there can no longer be a strike during the term of the agreement, and any dispute as to the interpretation and application of the agreement must be settled by submitting the matter to an independent third party, known, as we are all aware, as the arbitrator for grievances.

Bill C-45 follows the restrictive model of the public sector, Mr. Speaker. Strikes are forbidden, disputes in bargaining are settled by arbitration; negotiable issues are restricted; any partisan political activity is forbidden for employee organizations or unions; and in addition, of the great number of people working on Parliament Hill, many are excluded from the collective bargaining system by being designated.

The Bill as a whole applies to people employed by or engaged in work in or for the Senate, the House of Commons, the Library of Parliament, Members of Parliament, and members of the research staff of parliamentary groups, but a number of these people are excluded from the application of Part I whose purpose "is to provide to certain persons employed in parliamentary service, collective bargaining and other rights in respect of their employment". A number of additional restrictions are contained in the preliminary clauses, such as the provision that nothing in Part I shall be construed so as to affect the right or authority of an employer to determine the organization of the employer and to assign duties and classify positions of employment. All this is stated in Bill C-45, but as I said earlier, I shall try, and I hope that the Committee will do the same, to make classification standards negotiable. Persons excluded from Part I are those on the staff of Cabinet Ministers, Senators and Members (employees of the Whip, the Leader of the Opposition or any person in an official position and all those who work for a Member of Parliament). Researchers for parliamentary groups, and persons in temporary employment with a parliamentary committee are also excluded, because they do not come under the definition of "employee", as given in the Bill. Persons appointed by the Governor in Council, part-time, that is working one-third of the normal work period, and casual, working less than six months, and also people in a managerial or confidential position.

After having provided for exceptions, there remains a core of people employed by the House, the Senate and the Library who can enter into collective bargaining. Those persons may be members of an employee organization and participate in the latter's lawful activities. Those activities are protected against any intervention or discrimination by the employer, but they may not take place on the employer's premises during working hours.

Mr. Speaker, the administration of the labour relations system as provided for in Part I is the responsibility of the Public Service Labour Relations Board, the tribunal established to administer and adjudicate any matter subject to collective bargaining within the Federal Public Service—that is the body I mentioned earlier—which was established in 1967. The Board has the power to decide over the certification of labour groups, the extent of bargaining units, the hearing of complaints—it establishes rules of procedure both for the adjudication and the settlement of grievances. Mr. Speaker, it is interesting to note—

You indicate there is one minute left, Mr. Speaker?

The Acting Speaker (Mr. Charest): Yes, one minute.

Mr. Gauthier: Mr. Speaker, I would like to deal with another matter, but if you wish I can call it one o'clock. I can wait and resume after two, but I will not be very long.

[*English*]

The Acting Speaker (Mr. Charest): Shall we call it one o'clock?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Charest): I will point out to the Hon. Member for Ottawa-Vanier (Mr. Gauthier) that he has approximately seven minutes remaining in his speech. It being one o'clock, I do now leave the Chair until two o'clock this afternoon.

At 12.59 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[*Translation*]

The Acting Speaker (Mr. Charest): When the House rose at one o'clock the Hon. Member for Ottawa-Vanier (Mr. Gauth-

ier) had the floor. At that time I believe I mentioned he had approximately seven minutes left.

Mr. Gauthier: Mr. Speaker, I realize there are Hon. Members who want to speak on the Bill, I will not use all of my allotted time.

Mr. Speaker, I was referring to the legal process, saying that under this Bill the Public Service Staff Relations Board would be the authority for the settlement of disputes, and that the Courts would not be empowered to rule on disputes. It is interesting to note that the Public Service Staff Relations Board is empowered under this Bill to enforce all orders issued. In general, the decisions made by the Staff Board are enforced as we know by the courts, and this is not possible where Parliament is concerned.

In order to preserve, and I would like to return to this, the principle of the separation of judiciary and legislative powers, Bill C-45 sets up a mechanism for enforcing the Board's decisions, under which there will be tabled before each House of Parliament one copy of its order, a detailed report and all documents pertaining or relevant thereto.

Mr. Speaker, at this point, I think we will be discussing that in committee and we will know how to proceed to table those reports.

As we know, there usually is in the House of Commons a Minister responsible for liaison between the House and the agency or organization concerned. As a matter of course, when an organization such as the Public Service Commission, for instance, wants to table its annual report, it usually asks the Secretary of State to do it on its behalf.

In this case, the Bill does not state clearly who will be accountable for the employer in the House. I think that during its consideration in committee, we will have to deal with the matter to elucidate the following phrase: "The employer represented by a Minister responsible to the House." A nameless employer hard to get in touch with and not accountable to the House would seem inadequate to me.

The Bill should specify who will table the report, whether a Minister or the Speaker. Once again I would find it difficult because the Speaker is not accountable to the House for the activities of the commission. Perhaps the commission itself will be empowered to table it in the House as happens with the Commissioner of Official Languages and the Auditor General, and a committee of the House would look after the accountability and the administration of the law.

In any case, Mr. Speaker, the matter dealt with in Clause 84 of the Bill is not clear enough.

Mr. Speaker, in short, Bill C-45 creates a system of rights and duties which regulates staff relations. I have tried to examine during the few minutes allotted to me the more important aspects of the legal system proposed in Bill C-45. A mere reminder though: Any person working on Parliament Hill will be subjected to the provisions of Parts III and IV of the Labour Code with respect to the minimum standards of health, employment and security at work. Previously, as we know, none of those sections of the legislation applied to the House of Commons, to the Senate and still less to the Library.

Mr. Speaker, some people will be able to organize and form a union to negotiate working conditions through the collective bargaining process. I think it is a step in the right direction. For me, it is clearly something we have all been seeking and which, I hope, will be constructive.

There are problems, of course, that will have to be discussed. I know, for instance, that the New Democratic Party is going to support the right to strike. Mr. Speaker, my Party and I, have made it pretty clear that, as far as essential services are concerned, we do not favour amending the general legislation. There are designated jobs. Staff that is essential to the administration and proper functioning of Parliament should be excluded from the right to strike. I am open and my Party is open to negotiating or discussing the following: Whether drivers, messengers and general support staff may have the right to strike. I think it would be an interesting subject for debate in committee, and I will reserve my comments until then.

We must not forget the prerogatives of Parliament. We must remember our parliamentary privilege and preserve it.

[*English*]

Mr. Speaker, in conclusion I want to say that Bill C-45 means the end of a unilateral decision taken by the employer.

• (1410)

We are putting in place a bilateral system which I hope will work to the benefit of all Parties. I know it will be taken seriously by the employees. I understand that they are willing and quite anxious to get this legislation passed. I give the House the assurance that my Party will not prevent or unduly delay passage of this Bill.

In general, the principle is good. We approve it. As far as the details are concerned, I think discussions are required. Therefore, we hope that in committee we will be able to improve upon Bill C-45 and make it a better piece of legislation than it is now.

Mr. Rod Murphy (Churchill): Mr. Speaker, I have looked forward to having some legislation before this House of Commons for many years to provide rights for workers on the Hill.

Members of Parliament have been embarrassed because of incidents that have occurred in these buildings over the years. I have only to refer to the unexpected announcements made by former Speaker Francis when he talked about incidents on the Hill as a result of not having labour protection for people here. This litany of horror stories no other institution would accept, and if they had there would have been prosecutions for unfair labour practices, sexual harassment and so on.

We have had a rotten borough as far as the rights of workers are concerned. We have one of the last bastions in Canada that has no worker protection.

This legislation moves us a bit along the road to what happens in most workplaces. What annoys me the most, Mr. Speaker, is that we are not setting forward model legislation for our own employees. We are not saying that this is what should be the case in Canada. Parliament Hill, of all places, should be looking after the interests of workers in a fair and equitable manner, but that is not the case in this legislation.

In introducing the legislation, the President of the Privy Council (Mr. Hnatyshyn) admitted that he was taking some parts from the Public Staff Relations Act but not going quite as far as that present Act allows. He was not going to the Canada Labour Code except for Parts III and IV. He is taking a few pieces from each of those major pieces of legislation and putting them together so we can have something for the people on the Hill.

If you look at the abuses mentioned by former Speaker Francis and if you look at what has happened to people working on the Hill, working for us, for the people of Canada, I would say that there is a strong case to be made for a good piece of legislation instead of that which we have before us today. Even now, we are not moving forward on this legislation because of willingness of Members of the House and we are not doing it because we think it is the right thing to do.

Unfortunately, the Government is bringing forward this legislation only because there are cases in front of the Canada Labour Relations Board and our courts which are forcing us to move.

Without any legislative protection whatever, over 1,000 people working on the Hill have joined the Public Service Alliance of Canada. They have done so because of what has happened here. Appointments have been made on the basis of patronage. They have seen nepotism and people getting promoted for granting various favours to their employers. People have seen that happen and they know it is happening. They know also that transfers take place without consultation and reductions in the number of workers take place without any input employees. They know they can be fired or transferred without any grievance procedure. Because of that, they have gone to the Canadian Labour Relations Board and said: "We believe we are Canadian citizens and that we should come under the Canada Labour Code".

The Canada Labour Relations Board listened to the complaints and made a decision that because the House of Commons, the Parliament of Canada, was a federal institution, people on the Hill should have the protection of the Labour Code, and it was in the process of granting a number of groups on the Hill the right to join a union under the protection of the Canada Labour Code. Parliament sat—and may I say it sat on its ass—for years.

An Hon. Member: Order.

Mr. Murphy: Sat on its seat, Mr. Speaker. We are known for sitting, and how we sit is also very well known. It is not something new, the Government House Leader in his introduction pointed out how long it has taken for Parliament to act. He did a very good job of explaining how little action has taken place. We are now forced to act because there is an application before the Canada Labour Relations Board and an indication from the Federal Court of Appeal that the matter is probably something which can be decided by the Canada Labour Relations Act.

We have people in the restaurants and cafeterias, people working as messengers and in the distribution service, people working in the broadcast service, committee reporting service, maintenance, the Library of Parliament, the Senate maintenance and messenger service, the French and English indexes, the staff of Members of Parliament, mainly the New Democratic Party staff, the printing staff, the nurses, the constables and security and the committee clerks all asking to be certified under the Canada Labour Relations Code.

The Government's reaction, and I admit it was supported by all three Parties a year and a half ago, was to bring forward a piece of legislation. We do not believe that the legislation is strong enough. We do not believe the legislation is providing the protection necessary for workers. This legislation is quite weak. This legislation has six major weaknesses.

First, the classification of position in the assignment of duties cannot be dealt with in negotiations. Second, staffing, job appointments, appraisals, promotions, demotions, transfers and lay-offs cannot be dealt with under this legislation. Third, grievance procedures are limited. Grievances cannot go to third party arbitration except in certain circumstances. Fourth, union grievances are not allowed in many areas. Fifth, Members of Parliament staff are excluded from the right of collective bargaining. Sixth, the right to strike is prohibited.

At the present time, certification procedures will require that the thousand or more people who have signed union cards will have to start again from scrath. The people who have had the nerve in this House over the last three years who are working for us with no protection and who have signed union cards in order to take cases forward to the courts about the House of Commons are now having to start all over again. That is plainly unjust. If the Canada Labour Relations Board is right, they have the right to go forward right now with the union cards they have presently. The Government by this piece of legislation will be taking away what they have fought to obtain over the last three years.

• (1420)

I have given notice to the Government House Leader that when we go forward in committee, I would like some indication from him as to whether or not he will act on this very unjust matter. Despite many things which I have said about him in the past, I believe he may act quite favourably in response to this reasonable recommendation. Certainly it would undo an injustice in the legislation.

There are many things I could say and will say about the legislation before my time is up. However, one of the most ironic things about it is that a worker in a support role for the Privy Council, in other words for the Prime Minister's Office, would have more rights under legislation than one working for the Parliament of Canada. Do you know, Mr. Speaker, that legally people working in the Privy Council Office have the right to strike? Do you know that they are covered by all aspects of the Public Service Staff Relations Act? Do you recognize that in many parts of Canada we have given people who work for the Government of Canada, for the Supreme Court, for the Governor General and for various Crown corporations, rights which we are denying our own people under this legislation? That is a very serious problem.

Why are we doing it? Are we saying that the Privy Council Office is not an essential service? Some may say that after the last month or two, it might be a good idea if it closed down for a while. Certain Tory back-benchers would probably be quite grateful if it closed down for a while. We are saying that that is not an essential service, but people here are providing essential services. I am not sure whether the messenger service is essential in the way this legislation means it. Certainly it is an essential service to us. However, if they wanted to go out on strike to protect their rights, and if it were the only way in which they could solve a problem, I think we should allow that. If that is the only way in which they can resolve the difference with us, I believe they should have that right.

Before talking about the people covered by the legislation, I should like to spend a few minutes talking about those who will not be covered. Earlier I mentioned that among the groups which applied for certification under the Canada Labour Code were the people who worked for the NDP caucus, the members of our staff on the Hill. The working relationship which we have had with the New Democratic Party caucus staff over the years indicates how things could work for Members. This legislation runs the danger of even taking away the rights which our employees have, the employees of Members of Parliament, at the present time. Right now they have an application before the Canada Labour Relations Board to allow them to have full certification as opposed to the voluntary certification which they have with us. This will be taken away by this legislation.

We have had a collective agreement with our staff since 1977. This agreement has been renegotiated three times. It sets out working conditions for the employees hired by caucus and by individual caucus members. It provides for the resolution of staffing problems through a grievance procedure. It includes the appeal of difficult problems through third party arbitration. I have sat on those appeals, and I know they can work. Our collective agreement also provides for agreed procedures for staffing of vacant positions, for technological change, respect for overtime, standards for vacations, education and travel. Our employees understand that they can meet with our caucus and talk about their rights. We think that is something with which we have survived quite well, not without some difficulties, since 1977. There have been over eight years of success through negotiating.

Why is it being said that that cannot happen any more? Why is the Government saying that Liberal and Conservative staff members cannot join a union? The legislation says that they cannot. The Government is taking away an existing right, and I do not think that is fair. I am not sure how the staff of Members of Parliament of the Conservative and Liberal Parties feel about that. It is a problem for us because we have recognized the rights of our employees. We want to ensure that this legislation recognizes their rights as well.

Speaking about the rights of Members of Parliament and explaining why there needs to be some protection, I should like to take a look at what happens in Ministers' offices and in the Privy Council Office, compared with what happens to us as Members of Parliament. At this time we are being asked to do more as Members of Parliament. The Auditor General is saying that we have to do a much better job of keeping Ministers on track in terms of Government spending. Also, reform of Parliament is taking place, indicating that we should be doing more on committees and doing a much more careful job not only of amending legislation but perhaps of introducing our own legislation through the committee system. At the same time the budgets of Members of Parliament are not being increased. I see other members of the Standing Committee on Management and Members' Services in the Chamber this afternoon. We have been fighting for over a year to obtain an increase in the budget for the staff of Members of Parliament. We have had no success. However, at the same time, the Prime Minister's Office has been increased by a third in terms of numbers of people and its budget has gone up by over 50 per cent. Members of Cabinet have increased their staff allocation tremendously, again by over 50 per cent, and have increased the number of people working for them, yet the same has not been done for Members of Parliament. One of the reasons for this happening is that our staff do not have any negotiating power with the administration of the House of Commons. They do not have the right to say: "Look at what is happening, look at the expectations you are putting on us, look at the expectations you are putting on Members of Parliament, look at the new role which is being set out for Members of Parliament. Yet you are not giving us any more money for it". I think that is also a problem.

We also suffer with regard to how Members' staff is treated in comparison with Ministers' staff in the long run. At the present time there is a system in place, whereby people working in Ministers' offices, after a number of years, are able to be integrated into the Public Service, that they will be given preferential hiring for various posistions within the Public Service of Canada.

That is a form of favouritism which can be justified. It is a recognition that someone who has worked in a Minister's office for a number of years has a certain skill, ability and knowledge, and obviously has spent a fair amount of time working for the people of Canada. However, we do not do the same thing when it comes to people who have worked for

Members of Parliament. For example, someone who has worked in the office of the NDP immigration critic could have spent five years working on immigration problems, and I suspect that one could have spent five years in the last ten months working on those problems. However, if that person wanted to apply for a job in the Department of Employment and Immigration, he or she would not receive any recognition whatsoever. That is an injustice, and it is an injustice that our own employees do not have any particular rights under present legislation and that what they do have will be taken away by the Government.

I do not want to be the only Member who has a chance to speak on the legislation this afternoon, but I have a few other points to make. It is important to realize that we are not setting forth on a new path. What we are doing here is accepting that we are being forced to move along that path. I think that is regrettable. In his presentation the President of the Treasury Board (Mr. de Cotret) indicated that the Government might be willing to make some changes to this legislation, if some negotiations take place successfully between the Treasury Board and the Public Service of Canada.

Mr. Hnatyshyn: When, not if.

Mr. Murphy: However, what I would like to hear—and I am sure the Minister responsible will tell us about it in committee—is when that will happen. What will happen if there are successful negotiations between the Public Service Alliance of Canada and Treasury Board? If we move away from some of the restrictive provisions of the Public Service Staff Relations Act and guarantee the workers of the Government of Canada some of the protections that are there under the Canada Labour Code, if that happened—and it is certainly something that I fought for for many years—then I want to make sure that this House provides the same protection for the people who work here. I do not want that to happen 15 or 20 years down the road or when there is some other court action being contemplated. I would like to be guaranteed by the Minister responsible for this legislation that the Government will move at the same time for the people who work on the Hill as it moves for the other people who work for the Government of Canada right across this land. In other words, what I am saying is that if there is legislation moving people who are presently under the Public Service Staff Relations Act under the new provisions of the Canada Labour Code, or changing the Public Service Staff Relations Act to include some of the same guarantees as are in the Canada Labour Code, at the same time this Act should be amended so that our people on the Hill will receive those same types of guarantees. I think that is the crux of the matter.

● (1430)

One of the reasons that there has been a fight against this legislation, even before it came before us, is that there is a recognition that, for the people who work on the Hill especially, the Public Service Staff Relations Act is not adequate legislation that will really protect their rights. Under the Public Service Staff Relations Act there are many things that cannot be negotiated which are the very crux of the problems that people who work on the Hill face. They want to be able to discuss, at a negotiation table, classification of jobs and assignment of duties. They want to able to talk about staffing decisions. They want to be able to grieve staffing decisions to an outside body. That is not possible under this legislation. Some of that is possible under the Public Service Staff Relations Act and some of it is not, but what we are setting up here is that we are accepting the Public Service Staff Relations Act and then we are watering it down.

I want from the Minister, in committee—and I have explained it to him already so it is not a surprise—some guarantee that we are going to move away from this system. I think we have to expect that the Government has a good chance of passing this legislation sometime in the future. The last time I counted Government Members outnumbered us slightly in this House of Commons, 27 to one, so they have a chance—not a good chance but they have a chance—of passing this legislation. But I want guarantees from the Government that when improvements take place for the Public Service of Canada, they should also take place for the people on the Hill, and that it is not just another watered down version of improvements but a real improvement, so that we are protecting the people who work for us and work for the people of Canada. Thank you, Mr. Speaker.

[*Translation*]

Mrs. Claudy Mailly (Gatineau): Mr. Speaker, there is no doubt that the adoption of Bill C-45 will prove to be a significant milestone in Canadian parliamentary history.

For the first time ever, Mr. Speaker, the relations between Members, senators, senior parliamentary officials and their staff will be subject to a whole series of rights, obligations and restraints. In addition, a new element—the union movement—will play a leading and legitimate role in these relations.

Whatever the outcome may be, chances are indeed that parliamentary activities will never be the same, and we rejoice for Canadians because extending the rights of our own employees can only enhance this institution.

[*English*]

I would like to reassure the Hon. Member for Churchill (Mr. Murphy) that in committee or perhaps even sooner, as the House Leader of the Government said in his speech, we will be considering matters which are concern to him, such as the efforts which have been made up to date by employees to get themselves organized and so on. We will do our utmost so that their good efforts are not wasted. At the same time, we want to protect the rights of all employees, those who up until now have not been interested in the word that was being done to organize them in the existing unions, as well as those who had already accepted that situation.

[*Translation*]

Mr. Speaker, the purpose of this Bill is to make working conditions of parliamentary employees similar to those of their counterparts in the Public Service. It will also give collective

bargaining rights to parliamentary employees. For the first time therefore they will enjoy certain rights and some protection.

The Bill is divided in three parts and goes a long way towards improving the labour relations climate on Parliament hill. Part I is similar to the Public Service Staff Relations Act. It designates the Public Service Staff Relations Board as administrator of the act and defines the collective bargaining process, whereas Part II applies Canada Labour Code Part III to parliamentary employees. That part therefore will determine terms and conditions of jobs, including annual leave and working hours. The last part stipulates that Part IV of the Canada Labour Code applies to Parliament employees and determines occupational safety and health standards.

The purpose of Bill C-45 is therefore to create a structure for collective bargaining between the House and its employees. If and when adopted, it will grant Parliament employees the collective bargaining rights normally prescribed in this kind of legislation, including the right to join a union without any fear of reprisals from their employer. Moreover, it will provide all employees with the wide range of rights and guarantees listed in Parts III and IV of the Canada Labour Code, including the right to refuse to do hazardous work, and minimal guarantees concerning vacation leave, maternity leave, working hours, etc. The legislation will provide workers on Parliament Hill with a wide range of rights and regulations, giving them a protection to which they had no access until now. Moreover, Bill C-45 will provide them with more rights than those contemplated in the draft bill which our Committee on Management and Members' Service had supported in 1984.

In two areas, Mr. Speaker, Bill C-45 incorporates through reference Parts III and IV of the Canada Labour Code, extending to Parliament employees the rights granted to all employees under Federal jurisdiction. If we consider, for instance, some of the rules which forbid discrimination for workers under federal jurisdiction, for instance in Crown Corporations, as well as the new Canadian Government contract compliance policy, we can see that making Parts III and IV of the Canadian Labour Code apply to Parliamentary Hill employees, we are certainly giving them more rights than they had before.

● (1440)

The other aspect of Bill C-45 which goes further than the recommendation of the Committee on Management and Members' Services concerns the fact that Parliamentary Hill employees will be covered by the provisions of Parts III and IV of the Code, even though the staff of Members of Parliament, Senators, research services and caucuses will not be covered by the other parts of this Bill. However, they will be subject to Parts III and IV, which means that they will have extended rights and a better protection than the Committee on Management and Members' Services had recommended in 1984. It is therefore better than what the Committee had recommended.

Naturally, Mr. Speaker, some might say, like the Hon. Member for Churchill (Mr. Murphy) did earlier, that the Bill does not go far enough. But still upon looking at the history of the protection of the rights of Parliamentary employees, we must realize that indeed this legislation is bringing something very important into the life of those employees, and it will have a rather massive impact on working conditions and environment in Members' offices.

The impact on Members and Senators of the implementation of Parts III and IV of the Code to their staff will be extensive. For instance, if a Member wishes his or her employees to work after the so-called standard hours provided for in Part III of the Code, meaning an average eight hours a day or 48 hours in any week, he or she will need permission from the Minister of Labour. Further, a Member's employee with more than one year of service who is being fired may ask the Minister of Labour to have his dismissal reviewed by a third party. In my view, that is quite a protection. Many of my constituents are civil servants, in the neighbourhood of 17,000, and I must tell you, Mr. Speaker, that many representations have been made to me concerning employees that were fired somewhat high-handedly. So this is a protection employees were impatiently waiting for.

Besides, where a Member's employee . . . where the dispute cannot be settled through informal mediation, the Minister may submit the matter to a referee who has much more extensive powers, including that of ordering the reinstatement of the employee involved, and this order can even be supported by a Federal Court judgment.

Therefore, Mr. Speaker, this is something very significant, and very deserving to be noted. It is true that job classification, staffing, and all that, are not covered by this legislation. But when you consider the somewhat unusual relationships that exist between MPs and their staffs and the emergency work that can come up, the very rapidly changing situations, and also sometimes the very special projects that must be dealt with, if Members of Parliament were to be deprived of their freedom to manage their own offices, to allocate tasks to persons who are capable and qualified to deal with them, or, in cases of absence, to be able to transfer people between jobs in order to fill any gap created by reason of illness or whatever, they would be unable to fulfill their duty and would not at that point provide their constituents with the quality of services they promised to deliver when elected, with the commitment to adequately represent their constituents.

Therefore, as Lloyd Francis aptly said, labour relations between Members of Parliament and parliamentary staff must retain some sort of specificity, a character that do not apply, for instance, to other occupations under Federal jurisdiction that are related to transportation, maintenance, or whatever.

There is something very special about parliamentary work and we must preserve that specific character.

We also recall that conditions altogether different existed between 1908, when the Public Service was established, and 1961, when the permanent staff of the House of Commons, the Senate and the Library of Parliament came under the Public Service Employment Act as far as appointments, classification, salaries and promotions were concerned. However, Parliament kept its control over the duration of employment, the provisions regulating annual leave, standards for work performed outside, etc.

Mr. Speaker, in other words, the employee in those days was not protected as he will be under Bill C-45. Now why should the employees of the Members of Parliament be excluded? In Part I, it is stated that they are excluded from collective bargaining; on the other hand, in Parts II and III of the Bill they are included as I said previously, as parliamentary employees to whom Parts III and IV of the Canadian Labour Code apply.

Therefore, the employees of Members of Parliament will be far better off because they will benefit from improved labour conditions as provided to all employees while enjoying that very special relationship with their bosses which is necessary in parliamentary work.

Mr. Speaker, in addition, the President of the Treasury Board is now undertaking negotiations with unions to amend the Public Service Staff Relations Act. The Government hopes that the amendments to that legislation will also be included in Bill C-45.

The purpose of the Bill before the House today is to bring the working conditions of parliamentary employees up to a level comparable with that of their counterparts in the Public Service. This is another example of the Government's commitment to parliamentary reform, and the emphasis is on fairness in relations between the Government and its employees.

Unfortunately, Bill C-45 does not enshrine all the principles of personnel administration, such as merit, and does not deal with staffing, promotions, transfers, competition, and so forth. Many of my constituents come to my office to complain that they have been treated unfairly in a competition or did not get the promotion they deserved. Their files often contain numerous recommendations attesting that their work is superior and even excellent. However, when it is time for them to move on in their career, their advancement or promotion is stalled as a result of habits that have developed in the last twenty years. Mr. Speaker, if there is anything that demoralizes our public servants, it is that. Corrective action must be taken.

It is clear, therefore, that the principles governing these matters should be dealt with at another level, as recommended by the Auditor General in his 1983 report. We must give careful and speedy consideration, as was said several times in the House, on both sides of the House in fact, to the merit principle in the Public Service. It is to be hoped that negotiations between the President of Treasury Board and the unions will result in something positive that will truly improve the working conditions of our public servants. And it is also to be hoped that we will be able to reach an amical agreement with the unions so that parliamentary employees, as a result of Bill C-45, will get better working conditions, will feel that their work counts, and that as a result, productivity, which may be slack sometimes in certain areas, will improve. Because you know, Mr. Speaker, that the days when we had an inexhaustible pool of resources that could be used in emergencies when it was necessary to set up special teams to cope with a given situation, those days will soon be over if they are not already.

Mr. Speaker, cutbacks in the Public Service for budgetary reasons must not be made in a cavalier fashion and without consideration for the individual. We must ensure that the staff we have on Parliament Hill is working under conditions that will promote better productivity, high moral and quality service to the public, through its Members.

Mr. Speaker, I thank you for your attention and, in concluding my remarks, I want to reassure my Opposition colleagues by saying that this Bill is considered as a major piece of legislation by the Government and the Member for Gatineau, indeed by every Member whose riding is home to a great many public and Parliament Hill employees, not simply because those people are electors who will vote in the next elections, but because we know very well that our work as Members is not quite up to par if our employees are demoralized or lack the necessary facilities or assistance, or the favourable environment and surroundings to give the best of themselves.

I therefore hope the Bill will be quickly referred to the legislative committee for closer scrutiny and improvements, as the Government House Leader has already suggested, and that it will be adopted without delay so that our employees may benefit from it and that all of us may be better parliamentary representatives of our electors.

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

● (1450)

[*English*]

Are there questions or comments? The Hon. Member for Spadina (Mr. Heap).

Mr. Heap: Mr. Speaker, the Hon. Member for Gatineau (Mrs. Mailly) has indicated a desire in committee, or a willingness in committee, to resolve some of the matters with which some of us may be dissatisfied or which, perhaps, some of our employees may be dissatisfied. I am wondering if she would care to indicate her view on Clause 4 of the Bill—perhaps I should not speak so specifically about a clause. But the Bill does exclude all Members' of Parliament staff. They exclude my staff, her staff, the staff of all of the Members of Parliament. I am wondering whether the Hon. Member is of

the opinion that our staff should all be excluded from union rights.

I wish to specify the question a little more precisely as well. In many jurisdictions there is unionized staff and there are people specifically excluded by individual designation. You know, the manager of an office and that sort of thing. In this case it is a rather blanket exclusion. It is unlike the practice in the Ontario Legislature, the practice in many other legislatures in Canada and abroad in excluding all—everyone—who might be employed, even perhaps just a typist, by a Member of Parliament. I would ask the Hon. Member if she cares to indicate whether she thinks it is just to deprive, in the year 1985, in a country such as Canada, all our parliamentary assistants of the right to choose a union.

[*Translation*]

Mrs. Mailly: Mr. Speaker, I am pleased to answer my colleague. As I said in my remarks, the specific nature of the work done by parliamentary assistants prevents us from considering them as we do all other employees on Parliament Hill. As former House Speaker Francis said when he was faced with the same decision, he had considered, and I will say this in English—

[*English*]

However, Speaker Francis considered the application of the Code to House employees as inappropriate and potentially disastrous for several reasons. For example, the Canada Labour Code does not provide for the continuation of essential services in the event of a strike nor does it in other ways recognize the unique functions and responsibilities of parliamentary institutions. Accordingly, the Speaker responded by seeking from the Federal Court (Trial Division) an order prohibiting the Canada Labour Relations Board from continuing to take jurisdiction.

He said:

"It is evident that Parliament, as an employer, is not like any trucking, rail, shipping, bank, or radio and television company that comes under the Canada Labour Code. The uniqueness of Parliament suggests the need to define a suitable legal framework for granting its employees the right to bargain collectively."

[*Translation*]

Therefore, that is not quite the case put forward by my hon. friend, but it shows the sort of context in which Parliament employees' rights, privileges and protections were discussed. Mr. Speaker, I am sure that if my hon. friend thought about it seriously, he would realize that there is a big difference between the job of a Paliamentary assistant who must deal sometimes with urgent situation and show initiative, and that of an employee who must perform day in day out the same routine tasks which are assigned to him or her. He is perfectly aware that our employees on Parliament Hill are faced with constantly changing situations. There are really no standard formulas or patterns to define the jobs of our Parliamentary assistants.

He has to reinvent his routine each day because new situations are always coming up. Some constituents might need a certain thing, and he has to reorganize his priorities as well as those of his boss. Because of this, if he were constrained in an administrative straightjacket which did not provide the flexibility he needs to do his job, he could not serve his Member of Parliament as well as he should, and I believe that this would make the employees themselves quite unhappy.

I discussed this with employees before speaking about this Bill in the House, and they told me that, as long as their working conditions are protected, as long as their work is safe, free of any danger for their health, and so on, as long as there are rules to determine their hours of work, the length of their working day, their holidays, and so on, they are very happy to have different labour relations and conditions than those applying to the maintenance, library or services employees, who wait for people to ask them questions or to request something from them, while our own employees must very often be creative in order to help us, and they would not have the freedom of action necessary if the framework of their job was too restrictive. This is why there are differences between our own employees and other workers on the Hill.

The Acting Speaker (Mr. Charest): The Hon. Member for Spadina (Mr. Heap) for a supplementary. There are only two minutes left.

• (1500)

[*English*]

Mr. Heap: Mr. Speaker I agree with the Hon. Member. She mostly avoided answering the question even though she talked for eight minutes. Since employees of the Supreme Court, the Privy Council, The Prime Minister's Office, the Governor General and the legislators of Ontario, Quebec, Australia and Westminster are covered by union agreements, those have not broken down and their obligations are as difficult as ours, how can she justify her ridiculous claim that it is impossible to do the work here with unionized employees?

[*Translation*]

Mrs. Mailly: Mr. Speaker, I shall let the offending comment made by the Hon. Member pass. I thought that we were having a serious debate, but he obviously wants to play politics.

To reply to his question, what is going on in Ontario, Quebec, the Yukon and the Northwest Territories concerns only those jurisdictions. We are in the Federal Parliament and the situation is different because we have to serve an entire country and we often have to set some priorities. It is essential to have an environment which fits our pourposes and we should not try to imitate what others have done just because they found it convenient themselves.

Beside, we saw it in one of the cases where collective bargaining rights were involved in the Yukon, I believe. It was said that there might be areas where it did not prevent a municipality from doing this or that but that in a provincial context, at that point where the comparison was made, it could prove to be prejudicial at the provincial level. It is therefore

obvious that there must be a work environment compatible with the institution involved. The federal level is not the provincial level nor the municipal level. We need our own Bill, our own regulations to govern and protect our employees.

The Acting Speaker (Mr. Charest): The period for questions and comments is over. We will now resume debate. The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), unless the Member for Hamilton East (Ms. Copps)—

[*English*]

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, on October 25, 1966, I walked into this building for the first time in my life. On that day I walked up to the sixth floor of this building and asked the maître d' of the Parliamentary Restaurant for a job. He said: "Yes, we have openings. We have them frequently", and the next day, October 26, I started here as a busboy. That was the first job I had in my life.

I worked in this building from 1966 until I left to become a Member of the Ontario Legislature in 1981. Of course, for that period of time I had two jobs. I was an employee of this House as well as being in a municipal office in the Township of Cumberland prior to my election in 1981.

The job I did in the beginning as a busboy was not as glamorous or as highly paid as other jobs. The job of busboy at that time paid $2,368 per year. I still have the stub of my first pay cheque and last night when I was reviewing my notes to speak today I examined it very closely. Needless to say, with that kind of salary it was difficult to keep busboys and other employees here for any more than a few weeks. There was a very high rate of turnover among the employees of the restaurant and certain other departments.

When I came back here in the fall of 1984, I noticed that there had been considerable change in the three and a half years I had been absent from Parliament Hill. Notwithstanding the fact that the salaries were not all that great when I was an employee here, there was, nevertheless, a good feeling among staff members on the Hill, whether they were blue-collar or white-collar workers. The staff, regardless of where they worked, felt good about working here because this was and, of course, still is, a very special and unique place to work. It was a privilege to be able to work here, at least that was the feeling felt by the employees when they worked here. They felt they were working in a very special place although, yes, one had to work hard and, yes, the benefits were dispensed in unusual ways. One never knew when a benefit was a benefit and when it would be taken away. Employees worked here at the so-called pleasure of the Speaker. In other words, there really was not such a thing on Parliament Hill, and still is not, as security.

By and large, the staff of this palce accepted that because it was an interesting and challenging place to work. I would love to say to you today, Mr. Speaker, that this is still the case but for the people who work for us on Parliament Hill, this is no longer the situation.

[*Translation*]

Unfortunately now, the congenial spirit, the good relations that prevailed between parliamentary staff and managers are for the most part things of the past. What has happened, Mr. Speaker? We pointed out earlier today in this House that, formerly, there were often occasions where a certain amount of patronage was the rule. There have been cases of nepotism, of favouritism even on Parliament Hill, where people were promoted or tried to go up the ladder in order to earn salaries, a better standard of living. Often that was unfair. Still there was in that structure an informal grievance procedure because we knew that there were 265 members in the House and if an employee thought he was ill-treated, he could at least go and see his Member of Parliament and state his grievance and the Member could raise the matter with the Speaker. It was not a very good nor a very efficient procedure, but at least there was something. What do we have today?

An Hon. Member: The same thing!

Mr. Boudria: No, not the same thing. And if the Hon. Member opposite would listen, he would understand. Mr. Speaker, I do not suggest that I have great expertise on many issues but I have worked in this House for 14 years and perhaps if the Hon. Member would take a few minutes to talk to the employees on Parliament Hill, whose services are so useful to us, he would also understand a little better.

What is happening today is something different. On the one hand, the administrative structure now existing is supposed to be better than in the past. On the other hand, the necessary counterbalance to enable the employees to be heard is not there. The Hon. Member opposite knows as well as I do that if a Parliamentary employee has a grievance and goes to his office—and many of them come to mine every day—we cannot do a thing for him. We can write a letter to the Speaker or to someone else, such as a senior official of the House, but the result is always the same. Nothing happens because there is no official structure for employee grievances. That is the difference. I would invite the Hon. Member to look into the matter and consult other people if he wants to understand the difference.

I shall give you an example of what I mean, Mr. Speaker.

[*English*]

In 1982 there were 50 cleaning people cleaning the Centre Block on Parliament Hill. It is a very large structure and most Canadians listening to this broadcast will know that. There are three managers or persons in a supervisory capacity here in the Centre Block. Some people said this was too much. They said: "There is not enough for them to do, so we will restructure it". Now there are 20 people who clean this building. There are still three managers. If a manager, or supervisor, is off work for one day, they take one of the cleaning people and make him a manager for that day. While they replace the managers when one of them is away, on a day like today when there are three or four cleaners away, nobody replaces them. Why is

that? Why do we replace the manager but do not replace the worker?

• (1510)

The room in this building for the messenger staff is about 15 feet by 23 feet. There are 25 people who work in that room. If this occurred anywhere else the health inspectors would be sent in to tell them that this is a ridiculous situation in which to make people work.

On the sixth floor of this building, the women's change room is behind the men's washroom. The women who work here cleaning our offices must walk through the men's washroom in front of the Parliamentary Restaurant, out the back door to go into their dressing room. That is the way we treat the women who are working here in 1985. Is that the way to treat our workers?

We should be an example for the rest of the country. We should be demonstrating how well people are treated. If we cannot care for 3,000 people who work for us, then why are we so qualified to take care of the 25 million whom we represent in the Parliament of our country? I invite you to think about that, Mr. Speaker, and I invite all Members of the House to think about what we do.

Not only are we here to represent the people in our constituencies, we are here to represent the country, which means every voter. Yes, it means the officials of the House but it also means the people cleaning the floors in this building, cleaning our offices and doing those other jobs in the building which too many of us forget about too often.

The Parliamentary Restaurant closed the pastry shop. Not long before, it had just hired a pastry chef from a restaurant in Ottawa. What happened to him? He was sent to drive the delivery truck. Where will that person find another job? He has no choice: he has to take the job.

As a result of new directives the staff of the Parliamentary Restaurant are on duty just about all the time. They can be called at home with little notice. The managers of the restaurant did not make the rules—they came from higher up—but they are doing their best to give as much notice as possible. The butcher shop in this building was moved to the basement of the Confederation Building for some time while the place was under construction. The butcher who was working there cut his hand on an electric saw which was not even equipped with a guard. Would we allow anyone else to do that in private business? Surely not. We would not put up with that and would not allow anyone else to permit it. We stand here, telling the country how things are supposed to be done but we do not do it ourselves.

[*Translation*]

Mr. Speaker, I believe that our effectiveness as Members of this House can be measured at least partially by the way we treat our employees and the staff of the House of Commons and the Senate, as well as the other employees who are here to assist us in our work.

It is obvious, Mr. Speaker, that when we watch the debates of the House on television, we do not see all the people who cleaned up the House before we got here, the people who work behind the cameras, the people who work for *Hansard*, the translators, and so on. These people are often forgotten. In my opinion, it is wrong for us as Members of Parliament collectively not to be more aware of those who work for us, Mr. Speaker.

[*English*]

The staff here attempted to organize into a union. They have been given as much hindrance that could possibly be mustered against them from almost everyone. The people who attempt to organize unions here have told me that people were accidentally opening the door when they were trying to have a meeting about organizing into a union. They believe that there has been snooping at their meetings. They believe there has been intimidation because threats were made against a number of them who attempted to have leave in order to circulate throughout the buildings to obtain signatures on documents in preparation for organizing a union. Is that the way for us, as Members of Parliament, to treat our people in this building? Surely not.

When the issue of certification of the union was before the courts, boxes and boxes of documents were presented to the courts as evidence. I suggest that providing so many boxes of documents is not evidence but can be seen as a process of intimidation. It will take six months to a year to review all of that documentation. During that time, nothing is being done. Why do we do such things?

Not long ago, employees of the cleaning staff and the Parliamentary Restaurant and others were told that they had to give thousands of dollars back to the Government of Canada.

Mr. Thacker: That is what you Liberals did. The Conservatives—

Mr. Boudria: I invite the Member opposite to stop his partisan nonsense for a minute. We are talking about the employees of all of us, collectively and individually, in this House. Maybe he can learn something. If not, perhaps he can talk to the workers downstairs for a few minutes and they will tell him.

Mr. Thacker: Why don't you sit down, then, and let somebody who knows what he is talking about say something?

The Acting Speaker (Mr. Charest): Order.

Mr. Boudria: Mr. Speaker, I will not pretend to know many things, but having worked here for fourteen and a half years with those people, as one of them, I think I know a lot more than he will ever know. I have probably forgotten more than he will ever know.

Let me talk about superannuation for our employees. Until approximately 1970 there were essentially two categories of employees of the House of Commons. They were sessional employees and permanent employees. The sessional employees

of the House of Commons were those who worked here every year, but only for the duration of the session. The permanent employees worked here all of the time. The sessional employees could not contribute toward superannuation. Of course, this was unfair, particularly in view of the fact that starting in the late 1960s sessions became longer and sessional employees in fact became year-round sessional employees.

Around 1975 it was decided that these sessional employees, because they were in fact permanent, should be contributing to superannuation. However, it would be a matter of choice on the part of the employees about whether or not they wanted to contribute. While some of these employees began to contribute to the superannuation plan of the House, others could not because of their low salary. I can understand that somebody who worked for $13,000 or $14,000 a year could not afford to have some $50 deducted from their cheque, no matter how beneficial in the future. Therefore, some of them contributed and some did not. A few months ago they all received a notice which indicated that in 1975 the Government made a mistake, that they should have all contributed to superannuation and, therefore, the employee who works for $14,000 a year owes the Government $8,000 or a similar amount. We told people earning $14,000 and $15,000 that they had to pay back $8,000 to the Treasury of Canada because we forgot to tell them 10 years ago that they were supposed to pay.

• (1520)

Finally, I want to bring to your attention something which I raised with you in the past, Mr. Speaker. As you know, outside the door of this Chamber there is a plaque which says that a Member of Parliament died in the great fire in the Parliament Buildings in 1916. When I first came to this building after the election last year the security guard giving me a tour of the building showed me the plaque and told me that six employees also died in the fire. I asked him the names of the six employees and he told me he did not know them and that they were not recorded. That day I asked you, Mr. Speaker, and all our colleagues to join me in asking that a plaque be erected in the name of those workers who died in the fire. A year later that has not been done. That tells me that we do not care enough to have done the job. If it is otherwise, I would like to have that done as a small gesture to prove to the people who work for us that we do care.

Mr. Heap: Mr. Speaker, I would like to ask the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) a question similar to the question I put previously, but I want to vary it. He explained to me privately that the staff of Liberal and Conservative Members of the Ontario Legislature are not members of a union, however, I think he knows that staff of NDP Members there are members of the OPSEU Local 593. Since he has had experience there, I would be interested to know whether he thinks it would be appropriate for some or all of the staff of Members of the Ontario Legislature to be given the right to form a union. Perhaps they have that right now and have not exercised it, which is their choice, but I am not sure whether they have the right. If they have the right, does he believe it is a good thing for them to have it? If they do not have the right, does he believe they should have it? Does he, as a Member of Parliament, think that his employees should have the right to form or join a union?

Mr. Boudria: Mr. Speaker, I would like to thank the Hon. Member for his question. As he correctly states, when I was a Member at Queen's Park the staff working for the caucus members of the Liberal and Conservative Parties did not have a union. He is also correct in saying that the staffs of NDP members were unionized. As far as I know, there were no problems associated with the fact that there was a union for the staff of the NDP caucus. I cannot think of one instance when that led to anything that others in other Parties would have become aware of. Whenever people group together it provides for some form of discussion, but that does not mean it is good or bad, it just means that it's there. With regard to whether the other two caucuses had the right to form a union, I believe that they did. However, to my knowledge, it was never exercised. At least the staffs of the Party that I belonged to were not unionized when I was there.

The Member is asking for my personal feelings with regard to unionizing the staffs of Members of Parliament. My answer to that is that I personally do not have much difficulty with that proposition. I can think of only one possible difficulty that could arise. The Member for Spadina (Mr. Heap) explained to us that the staff of his office are in a union involving the NDP caucus.

Mr. Benjamin: All our staff.

Mr. Boudria: Another Member refers to the fact that it includes all their staffs. I take the view that the staff that work for me do not work for the Liberal caucus or the Liberal Party. They work, through me, for the voters of Glengarry-Prescott-Russell and nothing else. I suppose that this depends in part on the way in which the different caucuses are structured. The difficulty I see is that you would almost have to have a local in every office because of the way in which my Party works. If there are other alternatives, I have no personal objections to them.

I asked the staff of my office how they felt about that and the three of them did not view it as something they wanted. However, as I say, I have no personal difficulty with the proposition other than to wonder how it could possibly be structured given that other Party caucuses do not work in the same way as that of the NDP. That would be the only difficulty that I can see.

Mr. Benjamin: Mr. Speaker, I appreciate the response of the Hon. Member. We will be happy to send him a copy of the collective agreement.

Mr. Boudria: I have it.

Mr. Benjamin: He has it and he, therefore, knows that the members of our caucus signed a collective agreement along with the representatives of the members of all of our staffs, including research staff, individual Member's staff, and the

Leader's staff. As the hon. Member said, we have no control over the amount of wages paid to our staff as that is under the jurisdiction of the Speaker of the House of Commons. However, we do have jurisdiction in terms of working conditions, hours of work, and how we run our own offices.

Through my readings of *Hansard* I have seen that since 1935 people in my Party have proposed that employees of the national Government and the House of Commons should have the right to bargain collectively. On every occasion for the past 50 years when that subject came up, whether through debate or questions in the House, it was refused or talked out by the Party of the Hon. Member. Can I take from his speech today that he and his Party have changed their minds—I will not ask him to admit that they were wrong—and are now prepared to give the employees of this Chamber the same rights as those enjoyed by other employees of the Government of Canada and Crown corporations under the jurisdiction of the Government of Canada?

Mr. Boudria: Mr. Speaker, to answer the last part of the Hon. Member's question first, he knows that all public servants do not enjoy the same rights now. Some are under the jurisdiction of the Canada Labour Code and some are under the jurisdiction of other pieces of legislation. They do not enjoy identical rights at the present time so one cannot ask whether they will be the same as everyone else since everyone else is not the same.

Mr. Benjamin: I have a point of order.

Mr. Boudria: Notwithstanding that—

Mr. Benjamin: On a point of order, Mr. Speaker, I am referring to in-scope employees, not Order in Council employees.

• (1530)

The Acting Speaker (Mr. Charest): That is not a point of order, sorry.

Mr. Boudria: Mr. Speaker, I recognize that, but even they are not all the same as the Hon. Member will know.

To answer the Hon. Member's question why legislation was not introduced in the past, the Hon. Member will know that it was under the previous Government that the Finkelman Report and other reports were done. The legislation was largely prepared under the previous administration and has now been introduced by this Government. It is not to say that nothing has been done.

Has enough been done, Mr. Speaker? No, I just spent half an hour saying that not enough has been done. I agree with that proposition. It is inherent on us now to give our employees their rights.

The Member is asking me whether the employees of the House of Commons should have the right to strike. My view is that quite possibly a number of them could. However, should we give that right to everyone? With that I have some difficulty. The Parliament of Canada is in charge of this country and nobody else can be in charge of the Parliament of Canada. Providing that certain positions are exempt to ensure the full and proper functioning of Parliament is the important issue, that Parliament be sovereign. The supremacy of Parliament has to be guaranteed. Beyond that, Mr. Speaker, obviously we could give better rights to our public servants and to House of Commons employees. Much of what I am saying, I remind the Member, was promised during the 1984 election campaign in terms of employees of the Public Service by the Government, the then Opposition.

[*Translation*]

Mr. Dan Heap (Spadina): Mr. Speaker, I am very happy to be able to say a few words about this Bill because I was a plant worker and a union member for eighteen years. In fact, I was secretary of my union for two years and this subject has a special interest for me.

[*English*]

The arguments we have heard against allowing full union rights to the majority of employees of Parliament are very old arguments that have been disproved time and time again. A hundred and fifty to 200 years ago we heard the same sort of argument essentially from the industrial employers of Great Britain.

The same people who argued that they would go broke if 10 year old children were not allowed to work in the mines also argued they would go broke if their employees were allowed to have unions. It is less than two centuries since membership in any union in any industry was a crime. There was the famous case of the Tolpuddle Martyrs, agricultural workers. People in every country have to eat. I guess the argument was that those six or seven agricultural workers who committed the crime according to the statutes of the day of paying a shilling or two apiece membership dues in a union were threatening to starve all the people of England. In fact, the people of England decided that that was not so. Eventually the Government had to allow them to come home again, except one of them decided he had had enough of England and he came and settled in London, Ontario. In fact, at every stage, workers have been told: "We can't let you form a union because it would be disastrous to our industry", or in this case, disastrous to the Government of the country.

The attitude, of course, is that workers are a foolish, wicked, irresponsible lot who cannot be trusted to do an honest job. If they got a little power through being able to join together, the same power that the owners of capital exercise all the time, to counterbalance that power, then it would bring the country to ruin.

By the end of the last century, most workers in Britain were organized into unions and Britain reached the peak of its well-being in many respects according to most historians at that time. The workers of most of the western countries who have organized unions, often at the cost of martyrdom, death, imprisonment, harassment, are in countries now considered to be leading in prosperity and leading in good order. It is not only a matter of whether union members are satisfied enough

to work, it is also a matter of whether a person has the recognized dignity to speak in terms of moral equality with his or her employer.

In my 18 years as a factory labourer it was very important, not just to me, but to all others in the factory that a worker knew that his or her right to speak as an independent human being was protected by the union which was founded on law, the laws of Ontario. It did not mean that a worker did not have to work. The union could not protect a worker who was slacking. It did not mean that a union member could violate the ordinary relationship, insult the foreman or something like that. It did mean that the foreman could not insult the worker. It did mean that the foreman could not drive the worker mercilessly. It did mean that there were rules applicable to both sides, that both sides had to observe.

The rules were broken on both sides from time to time. From time to time management and supervisors did what was wrong. From time to time union members did what was wrong. There was a system for adjudicating those. There were disciplinary procedures jointly recognized. There were grievance procedures jointly recognized. We had recourse to arbitration. We did not do it very often but once in a year or two the union might take a case to arbitration. We might win it or we might lose it. It was healthy because it kept the company on its toes and it kept the union on its toes.

We had to be serious about our grievances to make sure that we had what we thought was a reasonable case. The company had to be serious about its answers because it knew if it simply ignored an honest case, the company could get smacked down in arbitration. There are millions of workers in Canada who enjoy that kind of protection today. It is one of the things that makes Canada a healthy, prosperous and peaceful country.

Forty years ago that was not the case. Forty years ago during the latter part of the Depression when the unions were organizing, there was the potential for utter chaos. We had the then Premier of Ontario bringing mounted troups in to smash up the union organizing in the City of Oshawa of General Motors and so on. He got tossed out in the next election of course. He was wrong, and the voters said he was wrong.

What was established then in North America generally as the pattern of labour law was the concept of the contract. It is not necessarily the same in Britain or in Europe but in the United States and Canada for forty years, on the pattern of the Wagner Act, we have had a deal. The deal is for the life of a contract, let us say for a year, the company agrees that it will pay certain wages, maintain certain conditions and will not change them except by mutual agreement with the union. In return, the union agrees that it will not strike. It will not indirectly strike through an organized slow-down or disruption. For one year, or it can be for longer, there is labour peace. That was the basic pattern worked out. It has worked very, very well. Far more than 90 per cent of union negotiations are carried on within that general concept to a conclusion without a strike, certainly without the bitterness of violence on the picket line—carried out to a conclusion that is never perfect but is normally found to be workable. I mean, at the end of contract negotiations between the executive of my local in which I sat and the management, the general feeling was: Well, it was not all we wanted, but we can live with it, and we did. It saved a great deal of heartache, and it meant that employees and managers or supervisors could talk to each other with mutual respect. I did not have to be afraid that the manager or the supervisor could trample on my rights. I did not have to be so defensive, and he knew that I could go so far within my rights as a human being but no farther, that we would not try to wreck the place economically. We recognized that we wanted jobs there next year too. There was an atmosphere of peace and stability created by the assistance of the union and the contract arrived at. That method of arriving at it included not only recourse to arbitration; it included even the right to strike. There were times when we took a strike vote. While I was there, we never in fact did go on strike, but we had that possibility and we could contemplate whether or not we thought it was in our interests to do it. In fact, when we took strike votes, and the strike vote gave the executive a mandate, we never chose to go out on strike and the company never chose to exercise its corresponding right of lock-out. The system works, not perfectly, but far better than anything that went before it.

• (1540)

The trouble with this Parliament is that it is living in the beginning of the 19th century in which it is afraid of its own employees. This Parliament, collectively speaking, fears truck drivers, bus drivers, waitresses, cleaners, security men, constables and clerks. It fears those people. It says that if they are allowed to have the same freedom as is enjoyed by law by all other workers in Canada or practically—let us say more than 90 per cent of other workers in Canada—if we allow our employees to have the human rights that the huge majority of Canadians enjoy, well, we could not do our job as a Parliament; we could not run the country, supposing that it is Parliament that runs this country. There is some ground for questioning that when we see how impossible t is for us to get information about how the country is being run. That is another problem. Supposing this Parliament does run this country, what we are being told on the opposite side is that that would be impossible, if we allowed truck drivers and bus drivers and people like that on the Hill the right to strike. It is a ridiculous proposition which goes against all the experience in Canada, the United States, Britain and most western countries.

Because public opinion and the courts and boards like labour relations boards are crowding us, the Government has decided it has to do something. It is doing it as slowly as possible. It has sabotaged the original organizing effort by our employees by introducing a Bill to block it and to give decidedly less rights than our employees were entitled to under the Canada Labour Code. It has sabotaged any possibility of the employees of this Parliament doing what the employees of the Ontario Legislature are able to do, and some of them are doing, namely, create a union as free people. It has ruled that that is impossible.

Considering the poor wages, the unjust working conditions, the patronage and so on, which has been much better explained by my colleague from Churchill and by the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), whom I respect highly for his authority in his knowledge as a worker on this subject, in spite of the known, rotten conditions and rotten relationships at work, we still refuse to allow—that is, this Government and, therefore, the Parliament it controls—our employees to have the rights that practically all other Canadians enjoy. I agree with the Hon. Member for Glengarry-Prescott-Russell that we do not necessary have to say that it is all or nothing. Every management jurisdiction that uses the labour relations system established throughout North America has the right to claim certain exclusions. There are certain employees or certain positions within which the employees may not come within the jurisdiction of the union.

The president of a company has to have a secretary who can type a letter from him to the union if the union is on strike—that is the ultimate example—since the president of the company, of course, would not demean himself by typing his own letter, if he could. That is not a problem. If the issue here were which of the positions should be excluded, a minority of management-type positions being excluded, we could discuss that and, I believe, arrive at a reasonable agreement. There would be some borderline cases, and we might go this way this year and that way next year on some of them, according to experience. That principle is well established, and everybody here who has worked anywhere else knows that that principle is well established. The principle of job classification is well established. It is not a disruption of management's rights.

The company I worked for, Continental Can, which insisted on bringing in a much more sophisticated job classification system and job evaluation system. It wanted it. The union resisted it for a while, and then we finally accepted a system in a modified form. The company felt it was better off. Instead or arguing with each individual about whether he should get a nickel more or a dime more in his job, the company wanted it done by a recognized set of criteria.

I want to say a little bit now about our experience in the NDP caucus. As a trade unionist, I and some others have found it embarrassing to say that sometimes we have engaged in an activity, perhaps thoughtlessly, which we would not tolerate and did not tolerate when we were on the other side of the table in our bargaining as union members or representatives. We got brought up short by our union, the Parliamentary Association of Support Staff. It was embarrassing, but in fact the relationships have been improved since then and there was an equality established, a moral equality. I am still the employer in my office, but I am not an absolute monarch, and I do not want to be. I could not handle it. I believe the same would apply to all other Members of this Parliament. Having a union to represent the employees, even though each Member is the employer under the present rules, is not uncommon. That happens in the fur industry, in the boot and shoe industry, in many industries and small factories—one union and one employer's association, and that is the model we are using in our caucus. We might find better models, but it would in fact not only bring justice to a thousand employees on the Hill, but it would bring a much more stable working relationship to the employers on the Hill and Members of Parliament, and we would then be able to hold up our heads instead of being ashamed of being one of the worst employers in Canada.

• (1550)

Mr. Les Benjamin (Regina West): Mr. Speaker, I am delighted to speak on this Bill because I and many of my predecessors in my Party in this House of Commons have been proposing this matter for a lot of years. The rights of employees of legislatures, city councils or the Parliament of Canada to bargain collectively for their wages and their working conditions and whatnot has been established for a number of years in many places. I am very proud of the fact that in 1947, almost 40 years ago, the Government of that day in my province, under the respected and lauded person of one Tommy Douglas, granted collective bargaining rights to all the employees of Crown corporations, the Public Service and the legislature employees of the Province of Saskatchewan.

Mr. Hnatyshyn: Except Crown Corporations.

Mr. Benjamin: It does not matter whether it is cafeteria workers, security guards, messengers, cleaning staff or whatever, the people employed in the legislature of the Province of Saskatchewan have had those rights for almost 40 years.

Since 1935, this matter has been raised in Parliament, as I said earlier to my colleague from the Liberal caucus when I was asking a question. In fact there were even some members from the Progressive Party in the 1920s, whom I know my honourable friend from Bow River (Mr. Taylor) will recall, even though he is younger than I am, who raised the same matter back then, but especially since 1935, and the Government of the day gave the darndest variety of reasons and excuses and protests that you could imagine. There were probably only seven or eight years out of those 50 years when it was not a Liberal government. Quite often, and I have even had this experience in this House since 1968, when the matter was raised my colleagues from the Conservative Party agreed with us and supported us because of those darn, mean, miserable old Liberals sitting on the other side of the Chamber. There was more than one occasion when we had unanimity between the Conservatives, the NDP and the Social Credit Party in this House, in Private Members' Hour, in Question Period, in committees on this right of the employees of the Parliament of Canada to belong to a union and bargain collectively.

Now I ask the question rhetorically, where are all of those Conservatives now that they are the Government? I hope that they will show up to persuade the Minister in charge of this Bill of the inadequacies in it, which would certainly remarkably speed its passage. I accept the word of the Hon. Member from the Liberal Party who said that the members of his Party have had a change of heart; they have changed their minds; so that is one third of the battle won.

I say to any colleagues in the Conservative Party that I hope that they will leap to the occasion as they did in previous times when the Liberals formed the Government to fight on behalf of the rights of the employees of this place.

In the case of employees of Members of the Legislature in Saskatchewan, and I suspect this is similar in at lease some other provinces, the staff of the Leader of the Opposition, the research staff of the political parties, any individual staff member of individual MLAs in my province do not have a union. They are Order-in-Council appointments. Therefore they are sort of what is called out of scope.

However, in the Province of Saskatchewan those direct employees of the Speaker and of all Members of the House including the Leaders of the Parties and their research staffs never at any time receive anything less than, and at most times more than, other employees of the Legislature or the Public Service of Saskatchewan.

Mr. Hnatyshyn: Parts III and IV of the Canada Labour Code.

Mr. Benjamin: I want to tell the Government House Leader there are members of MPs staff in this House who receive less money than people holding an equivalent position anywhere else in the Public Service.

Mr. Hnatyshyn: This Bill will give minimum standards of employment and full rights.

Mr. Benjamin: All I am telling the honourable gentleman is that this has been the practice in Saskatchewan since 1947 and I am confident that there have been a few other provinces that have done the same thing. If there has not been, that is to their disgrace. People who work in this building, whether in the cafeteria, the Parliamentary Restaurant, as a messenger or a guard or whatever are subject to the whim, in terms of a layoff, a firing, a hiring on whether or not they happen to be a relative of somebody or other or whether or not they happen to have some pull or influence. They are subject to those kinds of vagaries. We are at least 50 years out of date around here. These people really do not have any rights when it comes to their income and their security of employment. I think this is a reprehensible situation, assuming that they do a conscientious reasonably competent job, and as far as I am concerned the employees of this place do exactly that. There will always be the odd exception but I think the same would apply to maybe a very small minority of honourable Members of this place. If you put 100 people together on a job there is bound to be one or two of them who do not do the job but you do not condemn all the rest because of the one or two who might be goof-offs. That applies to us as well as it does to our employees in this Chamber.

Mr. Speaker, I know it is Friday and it is getting on to 4 o'clock and I presume I will still have the floor at 11 o'clock on Monday. We will adjourn the transport committee hearings on railway pensions so I can resume my speech at that time.

May I close, sir, by saying to the Government House Leader that if he does not see to it that his people organize the holding of committees and subcommittees and legislative committees around here better than they have been, he is going to have a lot of trouble over the coming weeks.

Mr. Speaker, I would like to resume my remarks on Monday at 11 o'clock.

• (1600)

The Acting Speaker (Mr. Charest): The Hon. Member will resume on Monday at 11 o'clock if this matter is on the Order Paper again, of course, which is not necessarily the case.

[*Translation*]

Order, please. It being four o'clock, the House will now proceed to the consideration of Private Members' business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

WAYS AND MEANS MOTIONS

LANGUAGE USED IN DRAFTING

Mr. Dave Nickerson (Western Arctic) moved:

That, in the opinion of this House, Notices of Ways and Means Motions should be drafted in plain language and that the practice of incorporating complicated draft tax bills into the text of such notices be discontinued.

He said: Mr. Speaker—

Mr. Benjamin: Explain!

Mr. Nickerson: The Hon. Member for Regina West (Mr. Benjamin) has just requested that I explain. That is precisely what I intend to do over the next 20 minutes.

Mr. Benjamin: In plain language.

M. Nickerson: In plain language. I know no other, Sir.

What brought about my putting of this motion on the Notice Paper was the receipt on my desk on September 9, not too long ago, of a Notice of Ways and Means Motion dealing with proposed changes to the Income Tax Act. This Notice of Ways and Means Motion reads as follows: "That it is expedient to amend the statute law relating to income tax and to make a related amendment to the Tax Court of Canada Act as follows," and what follows, Sir, is a draft Bill of some 240 pages in length consisting of complext gobbledegook, for want of a more parliamentary word.

The Income Tax Act is the most complex, complicated and technical statute we have on the books. If we wanted to find out what this Notice of Ways and Means Motion was about, we would have to put the draft Bill side by side with an

existing compilation of the Income Tax Act and compare the two. It would probably take a week to find out what it was all about. This should not be necessary and I will try to show in my argument that it runs contrary to the spirit of the rules of the House and contrary to the procedure which is very often correctly adopted by the Government to bring down Ways and Means Motions in such a way that people can read them find out what changes are proposed to these very complicated tax statutes.

Although my motion is pretty specific and deals only with the drafting of Ways and Means Motions, it is part of a greater whole, the whole question of simplicity and comprehensibility in legislation. It should be that any person of reasonable intelligence and comprehension of either the English or French languages ought to be able to read a statute and know what the law is and what penalties are imposed for any infraction of that law. One should not have to have experts like accountants or lawyers to interpret a law. Any citizen should be able to read through a statute book and know what the law means.

Just this morning as an exercise I went through the Criminal Code. Statutes that were drafted many years ago were drafted in simple language and made sense. We can understand what they say. I looked at Section 72 of the Criminal Code dealing with duelling. Everything I could want to know about the legality or illegality of duelling and the penalties imposed for it takes eight lines—and some of those lines are only one word long—in my copy of *Martin's Criminal Code.*

The Section of the Criminal Code dealing with the unlawful movement of monuments and survey boundary lines takes 23 lines. In the Good Book, I think it takes one line and says something like: "Thou shalt not move the monuments of thy forefathers". The Criminal Code can say the same thing in 23 lines and that ain't bad. Turning to recent legislation, the statutes and commentaries that deal with operating a motor vehicle while under the influence of alcohol take something like 30 pages of Martin's. It ought not to be that way.

The people who are drafting statutes these days do so in the most esoteric manner possible. They aim for such a degree of precision that it does not make sense any more. They try to contemplate in the law every possible conceivable technical eventuality. This leads to all kinds of technical defences in courts of law that need further expounding by the courts themselves. We do not solve any problems by going into great detail in the statute itself. All we do is make it worse and create the need for yet more interpretations by the courts.

There are frequent complaints about the complexities of legal drafting. These complaints usually come from the Opposition. It does not matter which Party is Opposition, these complaints come from the Opposition. When members of the Opposition get to this side of the House, they tend to forget about these complaints, that being human nature, I suppose. However, in certain jurisdictions these complaints have become organized. There is a movement toward plain language legislation. I understand that this movement is quite active in the United States of America and Australia. I understand that in certain states of Australia, when a law is brought in there must also be a plain-language explanation of what that law is all about. Where the request for plain language legislation is becoming more organized, the chances of having plain-language legislation are much greater than they appear to be in Canada at this time.

I would hope that soon it will be taught by the law schools to those who would become drafters of laws that the best way of doing something is usually the simplest way of doing it. When people who are taught that way are hired by the Department of Justice, they will then have that in mind when drafting Bills. They will win points for shortening a proposed law rather than lengthening it.

I return to the issue at hand, the question of the drafting of Ways and Means Motions. The rules as they exist in the House of Commons about the Business of Supply and the Business of Ways and Means make very little sense. They would never have been put together the way they are if they were done as a result of rational thought on this subject. They are like Alice in Wonderland or Topsy, they just growed.

I suppose we would have to go back in history to find out what the Business of Supply and the Business of Ways and Means was all about in the past. We can do that by taking as an example a Parliament of some European country several hundred years ago. The monarch would approach Parliament and say: "I have a new venture in mind. It is an expensive venture. Perhaps we will invade the next country and it will require more money than that which normally accrues to the Crown by the existing taxes". The monarch would make his pitch to Parliament and say that he has had the matter looked at by the Lord Chief Justice and has been assured of its legality and that he has had the matter looked at by a Conference of Bishops and has been assured that it is a just and holy cause. Of course, there will be certain spoils of victory to be divided by those who support this venture. The legislature of the day would resolve itself into a committee of supply and debate the requested amount of money. They might increase it or decrease it a bit and perhaps even vote for it. The next stage would be to find out how the money would be forthcoming. They would again resolve themselves into a committee of Ways and Means and debate the best method of raising the money. It might be necessary to put an extra tax on the peasants or an extra tax on imports such as tobacco or ardent spirits. They would decide among themselves the best way of raising these revenues. Out of that committee of Ways and Means would come a resolution suggesting that taxes be increased on tobacco products, or whatever it might be. A Bill would be drafted after that dealing with the wishes of the resolution which would then go through the legislature in the same fashion as any other Bill.

• (1610)

This type of system was incorporated into early Canadian practice. It involved the principles of free debate upon matters relating to the collection of revenue from the citizens of the

country. There is an interesting quotation from Bourinot which states:

> The cardinal principle, which underlies all parliamentary rules and constitutional provisions with respect to money grants and public taxes is this—when burthens are to be imposed on the people, every opportunity must be given for free and frequent discussion, so that parliament may not, by sudden and hasty votes, incur any expenses, or be induced to approve of measures, which may entail heavy and lasting burthens upon the country.

In these days of executive constraint we have changed over a period of time. The idea of a free and independent committee of Ways and Means no longer exists. Not long after the establishment of a Canadian Parliament it was held that only a Minister of Finance could, for example, bring in Ways and Means resolutions. Despite this type of encroachment, at least until 1968 when the great changes were made in parliamentary procedure, the concept was always that tax Bills should be based on Ways and Means resolutions. Again, I would like to quote from Bourinot, page 439 of the Fourth Edition:

> When the resolutions amending the tariff, or imposing any changes upon the people, have been agreed to, they are embodied in one or more bills which should pass through the same stages as other bills—

If we look to the Standing Orders of the House of Commons, in particular Standing Order 65(11), we will see that it reads:

> The adoption of any Ways and Means motion shall be an order to bring in a bill or bills based on the provisions of any such motion.

Thus, the concept is there. There is a resolution which came out of the Ways and Means Committee and the Bill was to be based on that resolution. However, matters have changed, perhaps for the worst in 1968, to which I have previously referred.

I would now like to quote from the recently published *House of Commons Précis of Procedure* which was put out by the Table Research Branch of the House of Commons. I think this publication will quoted many times in the House, just as we often refer to Bourinot, Erskine May, or any of the established reference works. It is a very useful document which the Table Research Branch has put forward. With respect to the 1968 changes the document reads as follows:

> With the changes to the Standing Orders in 1968, Ways and Means motions replaced the traditional resolutions of the Committee of Ways and Means.

Further down on the page, page 95, we will see another change which was snuck in which reads as follows:

> Notices of Ways and Means motions are sometimes tabled in the form of draft bills.

That is what I am trying to get at today. I do not think this practice should take place except perhaps when the Bill is extremely simple. We can see the way the executive part of Government has encroached upon the previous powers which were held by Parliament and that there has been a change in concept. Today we wonder what the point is of the Ways and Means motions which are now put before the House. There does not seem to be any real reason for them. In fact, certain jurisdictions do not use that system at all. The tax Bill just comes in straight to the first reading stage and is not dealt with any differently from any other type of legislation. The Northwest Territories from whence I hail uses that system. There is no such thing as a Ways and Means motion in the legislature of the Northwest Territories.

If we are to have it, then we must ask ourselves what useful function a Ways and Means motion serves. The answer has to be that it puts down in an understandable form, at least to tax practitioners if not the public or Members of Parliament in general, what it is that the Government wishes to accomplish by the Bill which will be brought in later. We can see that when the Government uses that type of procedure things work out pretty well. When the Budget of last May 23 was brought down, regardless of whether or not one agrees with the specific contents of it, the notice of Ways and Means that was tabled on that day was an excellent piece of work. One can read through the document, which is just a few pages, and find out precisely and exactly what it was the Government wished to accomplish with the legislation it would bring in later. Obviously, there was a good deal of thought which went into the drafting of this notice of Ways and Means. In fact, I would like to compliment the people who put it together.

The Minister of Finance (Mr. Wilson) was in the House not too long ago and I would have liked to have been able to bring that matter to his attention. That is the way we ought to go. That is the way which is the historically right way. It is in keeping with the traditions of the House. It is in keeping with the concepts which have developed over the years. It makes sense. It is a useful procedure for Members of Parliament and for those in the tax community, which includes just about everyone in the country. One can tell from the notice of Ways and Means motion of May 23 exactly what will happen whether one likes it or not. However, that is not the case all the time. The Government sometimes tends to be somewhat lazy. I am sure that is the real reason for it. Perhaps those drafting the legislation feel rushed. One can see that when they come in with a notice of Ways and Means such as they did on September 9, to which I referred in the initial part of my presentation, it is absolute gobbledegook. It is impossible to understand what they are up to and what they are trying to hide. It makes no sense whatsoever.

The purpose of my motion which is before the House today is to encourage the Government to do it the way it did on May 23 when it brought down the Budget. Some attention should be given to these matters, the intent of what must necessarily be very complex tax legislation should be written down in a way which all of us can understand with just a little bit of effort. Were the Government to do that the House of Commons and the country at large would be well served. We would at least know what the intent of the Government is with respect to tax Bills brought before the House.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I have listened with interest for the past 20 minutes to my hon. friend from Western Arctic. I have been listening to my hon. friend for many years and I think, honestly, that this is the first time I have agreed with his position. Perhaps this is the beginning of a breakthrough in the House of Commons. I must say I have listened to his comments and found myself in agreement with almost everything he said. I compliment the

Hon. Member for bringing forward Motion No. 234. This is a step toward clarification and a step towards democracy. It will institute real democracy in this House of Commons.

● (1620)

I would like to begin by reading from a recent notice of Ways and Means. I would like to read it for those Hon. Members, because of their special interests in various aspects of work being done by Members of the House of Commons. Perhaps Hon. Members do not have the opportunity to read carefully through the notices of Ways and Means motions but just as a sample, Mr. Speaker, and I know how interested you are in this topic, I will share with you how we spend our evenings. I will quote a short paragraph of explanation as to what the Government plans to do with taxation:

That the rate per litre specified in any enactment founded on paragraph 11 of this motion for the goods listed in subparagraph (*d*) of that paragraph be adjusted quarterly on the first day of January, April, July and October of each year, commencing on October 1, 1985, so that the rate applicable during the quarter commencing on any such adjustment day is equal to the rounded product of the rate that would have been applicable if no adjustment had been made pursuant to any enactment founded on this paragraph and the ratio, adjusted or altered in such manner as may be prescribed by regulation of the Governor in Council on the recommendation of the Minister of Finance and rounded, that the Industry Selling Price Index for Diesel Fuel for the twelve month period ending on the last day prior to the immediately preceding quarter bears to the Industry Selling Price Index for Diesel Fuel for the twelve month period ending on March 31, 1985.

I know it is perfectly clear to you, Mr. Speaker, and to Hon. Membres of the House of Commons, but for a lot of folks it would be difficult to understand just exactly what the Government was planning to do.

Mr. Orlikow: Would you explain it?

Mr. Riis: The Hon. Member for Winnipeg North (Mr. Orlikow) asks me to explain it. I must admit, Mr. Speaker, I would have a great deal of difficulty doing so. I believe it simply emphasizes the point made by the Hon. Member that if this is a notice of what the Government intends to do, what on earth is the Government intending to do? I must admit that I, and my staff who are extremely knowledgeable in tax matters, have sat down and poured over this paragraph trying to determine what it means, with no success. I know there must be someone in the rabbit-warrens of the tax Department who understands this, but I have yet to find out who that person is.

In a democracy, the assumption is that the electorate will be well informed, and, therefore, make a wise and intelligent decision. That same attitude is transferred to the House of Commons after elections take place so that those people who represent the people of Canada, the duly-elected individuals, can make decisions in the House of Commons based on a thorough understanding of all of the facts and information available. When a Government introduces the Ways and Means motions, it is to alert Members of Parliament and the people of Canada to legislation which will flow out of the Ways and Means motion—it sort of serves notice that this is what it plans to do—and it is not very helpful at all. In fact, what it does is leave the impression that there is almost a cover-up being attempted here on the theory that if one uses enough bafflegab and mumbo-jumbo—

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Charest): Order.

Mr. Riis: I am not suggesting that there is some evil intent. But you have to admit, Mr. Speaker, that if the citizenry is to be alerted to tax changes using this kind of language, no one is going to be alerted. If the intentions is honourable and the intent is to inform people of the intentions of the Government, surely, there are not two people in the world who would suggest that this is the way to do it, with the exception of a couple of folks ferreted away down in the catacombs of the Finance Department or the Department of Revenue.

Mr. Orlikow: It's great for the tax lawyers and accountants.

Mr. Riis: It is a good make-work initiative for tax accountants.

Basically, we have seen some breakthroughs. I want to give credit where credit is due. The Minister of Finance (Mr. Wilson) did introduce a tax expenditure plan which was an effort, and I believe an honest effort, to identify the major tax expenditures, particularly in the corporate sector, so that Members of Parliament could evaluate each and every one in order to determine if there was any benefit at all accruing to the people of Canada as a result of this tax expenditure. It becomes woefully obvious when we look at many of these phrases that we really have to struggle to make a case that this is actually benefiting Canada as opposed to benefiting a few corporate planners in terms of financial planning. Nevertheless, it is a step in the right direction and I applaud the Minister for that step. The Hon. Member for Western Arctic (Mr. Nickerson) indicated that there has been on the odd occasion an explanation of the Ways and Means motions which have been proposed so that rather then having to try to get through this gobbledegook, there was some effort to explain what a particular section was trying to say. The explanation used a similar language, unfortunately, but there was still a recognition that there was a problem. I think what the motion before us indicates clearly is that we are trying to say to the Government, and to those people who provide us with these motions, that they can be and ought to be written differently and in a fashion so that ordinary Canadians and Members of Parliament who are examining these Ways and Means motions can understand precisely what they are all about.

I would like to conclude my comments today by saying that I believe the intent of this motion is extremely critical. It comes at a very important time. It is both appropriate and timely. It is timely in that we are being asked to debate and to examine so many tax proposals. I suspect that in the weeks and months ahead we will be seeing notice of Ways and Means motions coming before the House on a regular basis as the Government attempts to shift and change the tax system, in a

sense making it more complex at a time when we all would like to see a movement toward a more simplistic tax system.

It is also very appropriate in that there is a sense in the country now that the tax system is unfair, that people do not understand the tax system. I suppose one could say that there is probably not a single Canadian who could honestly say that he or she understand the Tax Act in totality. It is an impossibility. All one could hope for is that the entire Tax Act could be programmed so the computer could access the portions of the Tax Act which would be applicable to an individual or a corporate circumstances. However, at the moment it is so complex there is a feeling it is very biased. Consequently, much of our economy is moving underground because people are avoiding tax. Ordinary Canadians, recognizing that it is an unfair system, and that they are being asked to pay an unfair burden of the tax payments, indulge in many more transactions on an ongoing basis which are unreported. They are almost operating on a barter system or the transaction is completed with cash so there are no records of it. I suspect that most Members of Parliament have encountered people who are in fact continuing this practice as almost a way of life.

What that tells us, Mr. Speaker, is that there is a limit when the system breaks down, that as more and more people take steps, in a sense, to avoid paying tax, those few people who cannot take those steps have to pay more and more and assume an unfair burden in taxes and eventually the system breaks down. I believe we are seeing the beginning of that process now in the country of Italy where so much of the economy is underground and every single citizen is involved in tax finagling, and that is something to behold.

At the time when this mood, this mind-set, is developing in the country, which is extremely destructive in terms of the long-term effective functioning of Parliament, this motion is indeed timely. It is an attempt to make public the Government's intentions so that we can determine in a serious way whether it is appropriate, for example, to increase taxes on, for instance, alcohol. Or is it appropriate to increase the taxes on gasoline? Is it appropriate to lift the sales tax another percentage point? We should explain it in such a way that you can have a sense of national discussion over coffee in the kitchens of Canada so that the word can get back to Members of Parliament for intelligent and informed discussions in the appropriate committees and in the House of Commons. If no one knows what the Government is going to do until the actual Bill arrives in the House, and we are restricted to a half a dozen witnesses before a legislative committee, the purpose then becomes a mockery. It becomes a farcical, nonsensical exercise and it builds on the attitude of the people of Canada that there is something going on here that is not quite right, that there is something inappropriate going on in terms of how the tax system is being developed. I applaud the Hon. Member who introduced Motion 234. As one of the spokespersons on behalf of the New Democratic Party, I say that we will certainly endorse this motion and would like to see an early change in Government policy as a result of it.

• (1630)

[*Translation*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I welcome the opportunity to speak in this debate.

The Hon. Member for Western Arctic (Mr. Nickerson)—I have been told there is no French translation—deals in his motion with matters that are of considerable importance, both to the House of Commons and to the Canadian public in general.

I believe it is a generally accepted fact that our tax laws are not necessarily clearly understood by all Members of this House, and that it would not be an exaggeration to say that the general public in Canada does not directly grasp all the implications of the complex provisions of the Income Tax Act.

Not long ago, the Minister of Finance (Mr. Wilson) said quite seriously, when he brought down the last Budget, that one of his most, I would almost say human objectives in the Budget was to make his Budget understandable, and to make all previous Budgets or previous legislation, especially that concerned with income tax, understandable for the general public.

I remember when I was teaching at the University of Montreal, we had an old professor who was giving us a course in didactics before we were to go off and teach our various disciplines. For instance, I was teaching engineering to architects, and it was pretty difficult, and he had explained the difference between complicated and complex.

We were told that something was complex when it was complicated but understandable, while complicated meant something complex that we failed to understand. And I think that reflects the essence of this debate.

[*English*]

I should state right now, of course, that I do not support the direct proposal of this resolution. Although I respect the motives of the Hon. Member for Western Arctic (Mr. Nickerson), my conclusion after studying this resolution is that his proposal would not have positive results. It would run counter to some of the advances that have been achieved recently in terms of dealing with tax legislation. I am afraid that it would hinder rather than help the goal of legislating better tax laws and it would make things more difficult for taxpayers.

[*Translation*]

Mr. Speaker, when our Standing Committee on Finance, Trade and Economic Affairs met recently, I had the opportunity for the first time in my life to study thoroughly a proposal to amend a number of regulations, even legislation dealing with extremely complex matters such as financial institutions. Because several of us were new members, expert witnesses and former members in the area had to explain to us the gist of the legislation and procedure.

It is clear that it would be impossible to define all the reasons behind a difficult legislation such as the Income Tax Act in one single statement. it is necessary to define them further by associating them with considerations about the lives of the Canadian people which are becoming increasingly more complex in the various regions.

[*English*]

The resolution advocates that plain language should be used in drafting the Ways and Means motions that are introduced and on which the Bill incorporating the precise Income Tax Act amendments is based.

I am sure that no Member of the House would argue against the use of plain language, so long as this language gets the message across clearly and completely. As Members know, when a Budget is presented, the notices of Ways and Means motions that are tabled at the time outlining tax changes in the Budget are in the so-called short form. These notices of motions must include all the essential elements of tax proposals that will be later included in a more detailed Bill, but they are generally in ordinary language rather than the more complex legal language that is used in writing the precise amendments to the Income Tax Act.

[*Translation*]

I would like to recall what happened in the House this week. It was alleged that some people had taken advantage of every kind of so-called legislative loopholes or dodging mechanisms, and that certain corporations employing crafty lawyers—experts as well, we have to admit—had been able to milk the legislation dry, so to speak, for everything it was worth in their particular sphere of activities.

You can imagine how the legislation could be interpreted if we had to stick to questions of principle only! Everything would then become a contentious issue and the courts would have to rule on every single piece of legislation, never mind the fact that they are overburdened as it is and the source of two- or three-year delays, sometimes even four, five or six years.

I think we would be ill advised to use the kind of language commonly heard on the street—rather vague and replete with generalities—to draft Bills related to highly specialized subjects.

[*English*]

I am not sure whether the language of these notices of motions is plain enough to suit all Members. It could be said that the notice of motion must serve two goals. It has to be clearly understood and it must be adequate in legal terms to serve as the basis for a subsequent Bill. It is not always easy to meet the latter goal while still using simple and clear language. However, that is what the legal drafting people strive for.

I should add, as is generally known, that the supplementary information which the Minister of Finance (Mr. Wilson) normally tables with his Budget provides further explanations, in clear language, of the tax changes proposed in the Budget.

Obviously, it is of great importance that tax changes proposed in a Budget be understood clearly, quickly, completely and fully. Individuals and businesses need to know where they stand in relation to the new proposals. Often, business decisions, investments and other expenditures hinge on them. The language in both the Ways and Means motions and in the supplementary information must be as clear as possible. Of course, some tax measures are inevitably complex and do not lend themselves easily to simple explanations.

Up to this point in the process, however, there is no disagreement with the principle of the resolution we are debating now. The language must be as clear and plain as possible. What the resolution appears to object to is the further step in the process, which has developed in recent years, of replacing the short form of a Ways and Means motion with a detailed Ways and Means motion. This so-called detailed Ways and Means motion in fact is written in the precise legal terminology that is later used for the Bill itself. Quite obviously, it is not the plain and simple language, as shown in the example given to us by the Hon. Member for Kamloops-Shuswap (Mr. Riis), which is advocated in the resolution we are debating now. It is written in a manner which attempts to define, very precisely, what is the taxpayer's liability.

Let me remind Hon. Members that the Minister of Finance has said on many occasions that he strongly advocates the simplification of the tax laws as an important goal. That, of course includes simpler language whenever possible, but we should not delude ourselves that achieving this is an easy matter. In our legal tradition an individual's tax liability is determined by the strict letter of the law rather than by the general spirit and broad purpose of the legislation.

● (1640)

[*Translation*]

Mr. Speaker, I wish to explain to you, and it must be explained to everyone, I think, that the House of Commons here, as I found out, must state basic principles, and we must fight for basic principles, but we must also rely on people from all professions to explain the major purposes of a legislation. Sometimes they are doctors, sometimes they are engineers, but most of the time they are lawyers. But we must not rely on the advice of lawyers only, we also have tax experts who may have an accounting, a business and indeed a legal background. We have engineers involved in some public work Bills that I had an opportunity to examine. In some Bills dealing with health and welfare, we have had descriptions that would look horrible to us, certain medical descriptions written in terms which the average person and even some medical doctors in this House do not understand.

All this is to suggest that our tax system must be comprehensive, it must be specialized in order that it may be used as an unequivocal basis by those who have to enforce it.

[*English*]

The alternative leads to uncertainty and the possibility of arbitrary rulings by tax assessors, so I think we have to accept a certain degree of complexity and rather difficult language in our tax statutes.

The resolution before us apparently complains of the introduction of this precise legal language in the detailed Ways and Means motions which are sometimes placed before the House. There are some very valid and important reasons for doing it in that way. One important factor, which I alluded to earlier, is the importance of enabling taxpayers to know, as early as possible, in a very precise way, what their tax liability would be as the result of a proposed budgetary tax change. Often the taxpayer or his technical adviser can only calculate the tax liability once he has seen the exact language of the proposed amendment to the Income Tax Act. The general language of the short form Ways and Means motion is not always adequate for this purpose. If the taxpayer is not given this certainty, this precision of language, the result can be uncertainty about whether to take certain investment or other economic decisions. When this uncertainty affects many taxpayers, the result can be seen in terms of a slowdown in business, a fall off in investment spending, and other negative effects in the economy. Therefore, it can be important for economic reasons to place detailed Ways and Means motions before Parliament as quickly as possible.

Another reason can be found in the approach that the Government is following of basing policies and actions on the broadest possible consultation with Canadians. This consultation process has been developed in relation with the development of major economic strategies and programs. The National Economic Conference of last spring is an obvious example as is the round of pre-Budget consultations which the Minister of Finance and the Minister of State for Finance (Mrs. McDougall) have again launched. Members will be aware of the two consultation documents presented early yesterday by the Minister which provide a progress report on the Government's strategy for securing economic renewal and a new study of the factors underlying the approach to deficit reduction and control of the national debt. That process of consultation is important, too, in the process of taxing draft legislation. The Minister of Finance has made it clear that he welcomes the advice and counsel of tax experts in the private sector so that our tax amendments are well and soundly written.

A year ago in a speech to the Canadian Tax Foundation the Minister of Finance encouraged tax specialists and practioners to help the Government in simplifying and improving our tax legislation. When it comes to legislating budgetary tax changes, that process of consultation is made much easier by the practice of placing detailed Ways and Means motions before Parliament. This allows private sector tax experts to see the exact language which the Government is contemplating for the subsequent Bill to amend the Income Tax Act. This private sector assistance can be most valuable in achieving sound, practical, well-drafted tax legislation. The tax consultation process would be much more difficult if we did not put the draft legislation forward in this way.

Before concluding this speech, I would like to remind the House of a number of other measures which the Government and the Minister of Finance in particular have taken to improve our tax legislation and the legislative process. I have referred to the importance placed on the consultation process and also on the goal of tax simplification, one of our ongoing objectives. For example, in his Budget speech last May the Minister of Finance put forward important proposals to restructure the corporate tax system. He invited comments and suggestions from the private sector as part of the ongoing process of public consultation. It is also important to note that the proposals to change the corporate tax system were motivated in part by the desire to simplify the tax system which we admitted was complicated.

The way to tax simplification is not just a matter of simpler language. The way in which our tax is structured inevitably has a bearing on how complex or simple the tax law must be. At the same time we must recognize that, if we want to achieve certain policy goals in taxation, sometimes the inevitable result is some increased complexity in the tax law. For example, the Minister has announced his intention to introduce a minimum tax effective next year. The goal of this initiative has received widespread support. One result would be to make the tax system somewhat more involved. It will mean an addition to individual tax returns. That will be one cost of achieving an important step toward greater equity in our tax system. I think the extra effort will be worth it.

[*Translation*]

However, Mr. Speaker, this principle being put forward, this idea of a minimum tax, requires a package of very specific measures which would change the existing Income Tax Act which, God knows, already is complex enough. Before introducing this new measure haphazardly, it is very important that we give a general idea of what it is, based on the principles, to the entire community by way of a proposal tabled in Parliament, in order that we may benefit from all Canadian expertise, all the expertise in those special areas.

[*English*]

There have been two other recent developments that have improved our process of legislating tax changes. One is the practice begun by the Department of Finance of issuing technical notes to help explain how individual clauses in tax Bills before the House will work and how they fit into the Income Tax Act. Those notes are of great value, both to Members of this House and to taxpayers and their technical advisers who must work with the new laws which are constantly in evolution.

The other innovation begun this year involves income tax amendments that are of a technical nature not involving any new policy. By putting these together in a separate Bill, apart from the Budget measures, they can be brought forward for consideration quite apart from the Budget measures. This process helps to liberate the Budget from a welter of technical matters and improves the over-all Budget process.

[*Translation*]

It is true that formerly, having tried to read through the previous budget, it was quite a nuisance to have a collection of technical notes obscure our view of the basic principles that

were dictated in the previous budgets. In the last budget we wanted to set out principles first while encouraging people to be careful in their interpretation and to consult what was to follow—

[*English*]

In conclusion, I submit that the Government has taken a number of important steps toward improving our tax laws and the manner in which tax changes are legislated by this House. Further reforms are proposed in the Budget discussion paper of last May dealing with the budgetary process.

● (1650)

Further, I can assure the Hon. Member for Western Arctic that the Government is prepared to consider any more suggestions for improving that process.

[*Translation*]

Mr. Speaker, of course the House of Commons and the Canadian people should not be asked to trust their Government without question and to depend solely on the administration and interpretation of complex legislation by experts.

However, I think that we should all understand that the law is a complex thing which requires specialized interpretations that cannot be made only through policy statements.

[*English*]

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I am surprised that the Government Members are not supporting this motion by the Hon. Member for Western Arctic (Mr. Nickerson). I have just listened to the Parliamentary Secretary to the Minister of Finance (Mr. Lanthier). I felt like saying after he concluded his speech that he could make it again, but in plain language as the motion says.

I notice you, Mr. Speaker, even had difficulty at times understanding the technical remarks. I noticed that you were very deep in thought trying to understand completely what was being said.

Mr. Prud'homme: And he is a good lawyer.

Mr. Baker: Yes, he is a very good lawyer. The Speaker had extreme difficulty at times following the hon. gentleman's remarks.

The motion presented by the Member for Western Arctic is very well taken. If at all possible, the Government should aim at simplifying its laws and the way it carries out its regulations.

Because the statutes at times are rather complicated and complex in their wording, you have the communications that arise from that law to the people of Canada also complex and complicated in the written word. In other words, in most instances where a person has been found to be included or excluded from a particular program of the Government you see a constituent, a person, receiving a letter saying something like: "You are not eligible for this program because you contravened section such and such of such and such an Act". That is all the explanation given. I am thinking particularly about the Unemployment Insurance Act and certain other matters that arise out of taxation legislation.

The point is well taken by the Hon. Member for Western Arctic. One need only look at the legislation presented in this Chamber recently by the Government to see exactly why the point being made by the gentleman from Western Arctic is well taken. A lot of definitions especially in recent legislation, especially since the Tory Government took over, are somewhat hazy, general and certainly not specific and certainly not in plain language as they should be.

We have been debating for the last few days in this House terms like workforce, designated groups and aboriginal peoples that are contained in legislation but certainly not described to people. We have listened to the Government of Canada announce programs that say: "We are going to try to assist those who are unemployed". We know that the definition of unemployed by the Government of Canada these days is quite different from the definition the ordinary person would assume would be attached to that word, that is, the dictionary explanation. We look back to what is "unemployed" under such and such an Act or the definition of a fisherman or a farmer under such and such an Act or statute. As the Hon. Member for Western Arctic has put it, it makes much more sense to introduce legislation to have statutes on the books that are in plain English so people can understand.

We all recognize that we would perhaps be putting some lawyers out of business and perhaps even some juges. Unfortunately a lot of the cases before the appeal courts today having to do with the Tax Court of Canada and about which we are talking indirectly here today are there because it is unclear to the Canadian involved just what the law is.

I support the hon. gentleman's resolution before the Chamber and I hope that the Hon. Member for Hamilton-Wentworth (Mr. Scott) will also be very brief so we can get on with this resolution.

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I think it goes without saying that I will have to be brief since we have about four and one-half minutes left.

As my brief form of introduction, it is all very well to suggest that we should draft our income tax Bills and propose changes in plain simple unpretentious English and French in contrast to the unintelligible gobbledegook that has been devised under many years of Liberal rule, but the problem is that simple language or lack of precision means tax lawyers and other experts could drive trucks through the income tax system. While I know it is raw heresy to suggest that many wealthy tax lawyers probably earn their hefty remuneration by finding loopholes in the existing tax system by performing the most ingenious end runs around the laws as they stand now, surely the Government's task is to make the language in the tax system more easily understood to the average taxpayer. The hilarious example referred to by the Hon. Member for Kamloops-Shuswap (Mr. Riis) indicates the urgent need for that.

With all due respect to my colleague from Western Arctic, we cannot and we must not hinder rather than help the goal of legislating better tax laws. Talking the language of Sesame Street might make the tax system a little more entertaining, if anything about taxes can be called entertaining, but Big Bird would only make things more confusing for Canadian taxpayers. I happen to prefer the language of "Big Mike", the Minister of Finance (Mr. Wilson). In the Canadian Budgetary Process Proposals for Improvement, on page 13, there is a whole list of technical matters and proposals for improvement. That document was released May, 1985. It clearly indicates that the Government is moving toward the initiative, the very worth-while and laudable suggestion made by the Hon. Member for Western Arctic (Mr. Nickerson), to simplify the language to make it plain. As I said, plain language while a laudable objective, is not the only answer to simplifying our tax system. Millions of Canadians and thousands of Canadian businesses depend on the precision of proposed tax laws in order to assess changes to their tax liability. A lack of precision, Mr. Speaker, creates greater uncertainty and that is not in my view in the interests of Canadian taxpayers. The inclusion of detailed Ways and Means motions promotes the consultation process between private Canadians and the Canadian Government. Detailed motions will allow specialists outside the Government to comment on the specific language that the Government intends to use.

Should the language prove not to accomplish the policy objectives of the Government, the language can now be changed. I certainly hope that one paragraph quoted by the Hon. Member for Kamloops-Shuswap is put up as a prime example of some language that needs to be changed.

I suggest that it is the Hon. Member's intention to promote the importance of tax simplification, and for that reason it is a worth-while proposition, but his ways and means of doing it are not quite acceptable to the Government.

[*Translation*]

The Acting Speaker (Mr. Charest): Order. Since it is five o'clock, the time allotted to consideration of Members' Business has now expired.

It being five o'clock, this House stands adjourned until Monday next at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 5 p.m.

HOUSE OF COMMONS

Monday, November 4, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT AND RELATED ACTS

ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-80

Hon. Michel Côté (for the President of the Privy Council) moved:

That, in relation to Bill C-80, An Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof, one sitting day shall be allotted to the consideration of the second reading stage of the said Bill; and

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

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, Bill C-80, an Act to amend the Excise Tax Act and the Excise Act is a very important part of the Budget of the Minister of Finance (Mr. Wilson). You will recall, Mr. Speaker, that that Budget addresses two major problems facing Canada today, high unemployment and our spiralling national debt. We must bring the deficit under control if we are to secure a prosperous economic future and promote growth and the job creation that we know is a priority with the Canadian people. This Bill is a major element in our efforts to achieve those objectives.

The main thrust of the Bill is to increase revenues through changes in both the scope and the rates of federal sales tax and the Bill also seeks to ensure that the burden of these increased revenues is spread broadly and fairly.

[*Translation*]

First of all, Mr. Speaker, federal sales tax has been increased by one percentage point. This slight increase will result in considerable additional revenue without, however, adding significantly to the tax burden of producers and consumers of taxable commodities.

Second, the excise tax on gas and fuel will be increased by 2 cents per litre as of January 1, 1987. These increases will provide additional revenue that will help reduce the deficit and partially finance the program for full indexation of old age security pensions.

Third, the sales tax exemption for candy and confectionery, soft drinks, pet food, certain health care products and goods related to energy efficiency, has been abolished.

Finally, this Bill provides for a slight increase in levies on alcoholic beverages and a more significant increase in the excise tax on tobacco.

[*English*]

All of these are very important measures in the Government's efforts to address the deficit and to achieve economic renewal and sustained economic growth.

Some Hon. Members have stated that this Bill will raise over $2.5 billion in new revenues in the next fiscal year. They are absolutely right. None of us want to raise taxes, but these are exactly the tough kinds of measures that are required to take control of the deficit and to look to the future with renewed vigour and renewed anticipation of jobs for all of us.

I recall the active and thoughtful discussion which was part of the budget debate in the weeks after my colleague, the Minister of Finance, introduced the Budget on May 23. I certainly recall how well aired and discussed in this Chamber these issues were. This is an appropriate forum for such debate and I look forward to discussing with Members opposite their views on our Budgets for many years to come. The Bill before us is an integral part of our first Budget and as such has already received an open and ongoing discussion as part of the budget debate.

I wish to remind all Hon. Members that as part of the Government's May Budget, the Minister of Finance tabled a discussion paper entitled *The Canadian Budgetary Process—Proposals for Improvement*. That is of great interest to us and one of the key elements addressed in that document is the parliamentary process of consideration and implementation of budget proposals. This process has been the subject of criticism in recent years, partly at least because of the lengthy delays experienced in passing tax legislation such as the legislation we are considering today. It has become common for proposals from one Budget to be under consideration at the time of the tabling of subsequent Budgets. These delays in enacting legislation cause confusion to taxpayers and make the administration of the tax system considerably more difficult and less efficient. In some cases these delays deprive taxpayers of early payment of tax refunds to which they will become entitled under budget proposals. The paper on the Canadian budgetary process is a proposal for future improvements so that we can get around some of these difficulties for the Canadian people.

• (1110)

The Government is committed to early implementation of improvements in the process. In this regard the Government has moved quickly to bring budget legislation before Parliament in this session and, after second reading, the Bill before us will be referred to a legislative committee. This will expedite consideration of such budget proposals, facilitate a more detailed and thorough review of all aspects of new tax measures and still be more efficient with regard to how taxpayers can deal with their affairs.

We have taken important steps in our Government toward improving the budget process; but the measure will only work if Hon. Members are prepared to allow Bills such as Bill C-80 to progress to subsequent stages of consideration after reasonable debate on the principles. We believe this has now occurred and that we should move quickly to complete second reading consideration of the Bill and refer it to committee for detailed consideration.

Miss Aideen Nicholson (Trinity): Mr. Speaker, this morning the Government is again introducing time allocation with respect to a Bill on which there has been a limited amount of discussion in the House, although it is a Bill which fundamentally affects the lives of many individual Canadians and the whole thrust of Canada's economic planning. Since the House resumed its sittings under the present Government we have seen time allocation, or closure, introduced with respect to a number of Bills. This is a Government which promised a more open Government and reform of the rules of the House of Commons.

The Government moved time allocation on the Bill with respect to the reduction of family allowances. It moved closure on the Bill with respect to compensating uninsured depositors of the Canadian Commercial Bank to the tune of $875 million. Notice of an intention to introduce a closure motion has been given with respect to the employment equity Bill. Today we are seeing the disgraceful introduction of time allocation on a Bill which will take $2 billion out of the pockets of low and middle income Canadian earners.

The Government wishes to rush this Bill through the House without full discussion. This is clearly a Government which is in trouble with its image. It intends to move to prorogue the House and, thus, Bills are being rammed through regardless of quality and regardless of the views of the public.

Let us look at the measures contained in the Bill on which the Minister has moved time allocation. I am sure she must be embarrassed by this move since I do not really believe she herself is in favour of this type of measure.

The Bill upon which the Minister has moved time allocation introduces a flood of taxes, taxes on non-prescription drugs, pet foods, an energy excise tax and a tax on building materials, all designed to take some $2 billion out of the pockets of consumers.

In its Budget the Government gave us no agenda for economic growth. Even worse, it is now taking money out of consumers' hands which might have encouraged a consumer-led recovery.

• (1115)

The sales tax which the Minister has told us is fair is not fair. A sales tax is a regressive method of taxation. It bears equally on those people able to pay and those not able to pay.

The construction industry has made many recommendations on the sales tax on building materials. It has pointed out that many companies are locked into fixed rate contracts on which they are going to lose money—and this applies particularly to smaller construction companies—as a result of the increase in sales tax on building materials. Their representations are not being listened to.

The tourism industry claims that the 4 per cent increase in the price of gasoline will cause a reduction of 900,000 in the number of American tourists visiting Canada for a year and could cost our economy $135 million and over 5,000 jobs. Their representations have not been heard either.

The Canadian trucking industry is complaining that the higher gasoline costs are going to impair its competitive position. The municipalities are complaining that the increased costs of construction materials may result over-all in a loss of $1 billion to municipalities across this country and these costs are again likely to be passed on to the taxpayer in terms of municipal taxes. It is estimated that the cost of a new house may go up $600 or $700 as a result of these measures.

When you add the general sales tax increase and higher fuel costs to the other budget measures, the cuts in the Central Mortgage and Housing Corporation budget and the elimination of the RHOSPs, we can see that this is a heavy blow to the construction industry at a time when it is just beginning to recover from the recession.

The total bill which individual Canadians will have to pay in 1990 and 1991 as a result of the sales tax measures before us today, and the changes to the income tax which will be forthcoming in other legislation, will amount to $6.7 billion. The Government's justification for this is that it is important to reduce the deficit. No one questions that it is important to reduce the deficit. However, this Government is spending very lavishly and freely in other directions at the same time as it is imposing and loading up taxes on low and middle income Canadians.

The forecast documents of the Department of Finance, which were leaked to the press and became public knowledge at the time of the last Budget, show the Government's plans to reduce federal-provincial transfers by $2 billion in the year 1990. This is a cut which will have long-term influences on post-secondary education, health and many other services which are provided by the provinces. How can this Government claim that it believes in equality of opportunity for Canadians when it is cutting post-secondary education, the means by which bright young people, whose families are not well off, can still benefit from all the opportunities available in our society?

• (1120)

The same Government that is loading taxes on low and middle income Canadians, cutting transfers to provinces, and cutting back on regional economic expansion, post-secondary education and health is proposing a billion-dollar tax giveaway to a large energy business. It is proposing a capital gains holiday for very wealthy Canadians without any concomitant requirement that those who benefit from a capital gains holiday invest the money in Canada or create a single job in Canada.

The practice of limiting debate in the House is a serious one. This practice was used very sparingly by the last Government, but whenever it was used it drew howls of outrage from Members opposite who are now introducing a motion to limit debate practically every week on serious matters. The Government has no agenda for economic growth and no vision of progress for Canada, but it is not willing to allow the voices of the Opposition to be heard, just as it is not willing to respond to pressure from public groups.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, this is indeed a dark, dark day for democracy in Canada. It is a dark day for the House of Commons. I know many of my friends opposite have gloomy clouds hanging over their heads as they have to sit and listen to the Minister of State for Finance (Mrs. McDougall) once again do the dirty work of the Minister of Finance (Mr. Wilson).

She said that she has been instructed by the Government to introduce time allocation. That sounds like a nice term, Mr. Speaker. What it actually means is that the Government is going to gag the Members of the House of Commons and cut off democracy. No longer will the duly elected representatives of the people of Canada have an opportunity to comment on a Bill that, according to the words of the Minister of State herself, will cost the taxpayers of Canada $2.5 billion next year. The Government needs money to give to Dome, the Reichmanns and the bankers. After all, the Government must dig the money up somewhere, and once again the poor Minister of State for Finance has to do the dirty work of the Minister of Finance who does not have the courage to do what is rightfully his job.

This is a dark day, Mr. Speaker. The term "time allocation" sounds as if the Government were going to allocate time for discussion. It means that it is going to allocate 120 minutes and then say that that is enough. We have spoken for 11 hours, Mr. Speaker. It must be difficult for you to sit there as a strong proponent of democracy and freedom of speech in the House of Commons. We have only about 100 minutes left now to discuss a Bill that will cost taxpayers $2.5 billion.

This Bill will do much more than simply take $2.5 billion from the pockets of taxpayers. It is going to slap an extra tax on the construction industry upon which we depend for a great deal of job creation and the provision of much needed housing. Not many months ago the people who now sit across the way were sitting on this side of the House saying that we must take the sales tax totally off construction materials. Now that they are in power they say, "Hold it, we have had second thoughts. Not only are we not going to take it off, we are going to add to it". Oh, Mr. Speaker!

• (1125)

However, that is not the worst of it. "We have another good idea," they say. "We are going to tax everyone in the whole country, rich and poor alike. Whether you are from the poorest or the richest family, you are going to pay another 1 per cent sales tax on everything you buy". On top of that, if you have a canary and have to buy bird seed, or if you have dogs and cats, or children who want a bag of candy, they are going to tax that as well. How is this going to help Canada? I know Members Opposite, as responsible individuals, want to get the economy going. However, how will taking $990 million out of every single community do that? That will be the result of this 1 per cent sales tax increase in the next fiscal year. How is that going to help the communities of Clearwater and Barrière in British Columbia?

This legislation discriminates against western Canada most of all. The Government has decided it will tax especially those people who live in a region of Canada where goods are transported over long distances. This legislation will mean an extra tax on them because of an extra tax on fuel costs. That is simply a tax on distance, whether it be to a grain elevator or a mill pond in the forest industry. The people who make their livelihood by fishing on the West Coast or East Coast will be paying extra. Not only that, the tax will be passed right on down to the consumer so that everyone who buys a refrigerator, television set or shirt in western Canada will be paying more because transportation costs are being increased to the tune of over $1.3 billion over the next two fiscal years. The trucking industry must be leaping with glee over the fact that this new Government was elected in September of 1984. The farmers must be delighted, the fishermen must be excited, but the average consumer is absolutely dismayed along with all the other groups.

Then, of course, we have a safe tax, the one slapped on tobacco and alcohol. It is of course difficult to speak against those particular items, but one can make a case against increasing taxes on alcohol at the same time as we are taking out full-page ads in American newspapers asking them to come to Canada where their hospitality expenses will be much greater, and accommodation will be much more expensive because of the tax on rooms. Food is more expensive. When you buy gas to travel across the second largest country in the world, you will be paying much more than you do in the U.S. because of the increases in gasoline taxes.

Mr. Blackburn (Brant): We have a Tory Government here, though; that is the appeal.

Mr. Riis: I will leave that unsaid, Mr. Speaker.

This legislation is regressive because it means everyone pays, no matter what. Consequently the taxes take up a larger portion of the income of low-income earners. The Canadian Council on Social Development has estimated that for a family

of four the sales and excise tax increases will result in the following. If your family income is in the $15,000 range, the tax increase will be $140 next year. If you are in the $20,000 range, the increase will be $282. If your total family income next year is $40,000, you will be paying an extra $361. As the Minister of State for Finance said, and I appreciate her honesty, the Government needs the money. The Government will need the money in order to make up for the $500 million in free capital gains tax. It will have to find the thousands of millions of dollars if it is going to bail out banks, especially foreign bankers. It will have to find the money somewhere in order to give Dome Petroleum a billion dollar tax dodge or to pay for an extra billion dollars in tax loophole dodges for the Reichmann brothers in the Gulf deal.

• (1130)

The Minister of Energy, Mines and Resources (Miss Carney) stood in her place to announce the Western Accord. That will cost taxpayers of Canada $9 billion over the next five years. That money must be found and the Minister of State for Finance has decided to dig into the pockets, wallets and purses of ordinary Canadian taxpayers. The Government will not look to upper income-earners or impose additional taxes on large corporations. It will look to the ordinary Canadian citizens, the individuals who are struggling to get their lives back in order and put their sector of the economy back on track.

Yet, the sinister Government will be reaching again to rip hundreds of tax dollars from their pockets in the next fiscal year in order to pay for the large corporate giveaways, the large corporate bail-outs and foreign banker bail-outs.

I think that today is very instructive. We have seen the Government go to ordinary Canadians to pay off its friends in the upper income, wealthy corporate brackets. It will not allow Parliament to discuss this because it is bloody well embarrassing. Therefore, it introduces closure and time allocation. The Government is muzzling Parliament and gagging parliamentarians. What we are seeing today is very instructive and it is a model of what the new Government of Canada stands for. As I said at the outset, it is a very dark day for democracy and the Parliament of Canada.

[*Translation*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I had prepared a marvelous speech, but I think I must first correct the two previous speakers and what they said about the time allocation measure the Government is about to impose on debate. I am thinking more particularly of the Hon. Member for Kamloops-Shuswap (Mr. Riis), who used the same argument the Hon. Member for Laval-des-Rapides (Mr. Garneau) used last week, when he spoke of a black day for the parliamentary system, not because we were choking off debate but just because we were limiting the time available to the House for delaying tactics so we could proceed with concrete measures.

Mr. Speaker, we must remind the new Members, and I am one of them, of the basic principles according to which this Government intends to operate: the three stages, namely, consultation, Parliament and action. I have been through those three stages, and I found them very instructive. Regarding consultation, we are no longer talking about consultations held in the past.

The Minister of Finance (Mr. Wilson) has just tabled two excellent documents and is already talking about the next Budget. He also mentioned his disappointment about the fact that the opposition has failed to produce any constructive work on the technical documents he tabled when he brought down the last Budget. Since the opposition is so reluctant to work constructively, he has no alternative but to rely on the people.

The arguments we heard this morning have added nothing new to the debate. In fact, they merely confirm what Canadians are saying when they ask us to stop our endless arguing in Parliament and do something. Actually, we have opportunities for some very effective work sessions when we go to committee.

Mr. Speaker, it was a revelation for me to see that at the committee stage, we can examine Bills with the help of Government and outside experts, while continuing direct consultations with witnesses that have been invited to appear before the committee. Personally, I can hardly wait to see the real world in committee, not people who have only negative criticism to offer. As soon as the legislative committee meets, it will invite as many witnesses as we want, and that is when we will have an opportunity to consider Bill C-80 in detail.

The motion for time allocation is entirely in order because it is part of a new approach taken by this Government since last September, a Government that wants to take action, and deal with the real world, either through consultation or by consulting with experts at the committee stage.

Mr. Speaker, I want to go back to the last election campaign, when the public was upset because it did not understand the televised debates. They heard people talking, and talking, and talking, and unfortunately, quantity outstripped quality by far. I remember the owner of a garage in the wonderful riding of LaSalle, who told me: Why don't you go to Parliament and show them how to run Parliament like a business, and tell them to stop trying to show us how to run a business like a Government? I think they were right. Mr. Speaker, I suggest that time has come for Hon. Members to act responsibly, to stop making meaningless and repetitive remarks and speeches, and then to take concrete action in committees where Government and private sector witnesses can provide relevant evidence.

Mr. Speaker, Bill C-80 is a concrete extension of the last Budget which flowed from last November's economic statements. On September 4, 1984 the Canadian public gave Parliament a new steering course and elected a team of men with an unequivocal mandate. Canadians sent a team of new Members to Ottawa to tell Parliament they wanted action—no

more of those redundant parliamentary debates which do nothing to check our ever soaring deficits.

In the month of November the Minister of Finance (Mr. Wilson) and the Minister of State (Finance) (Mrs. McDougall)—worthy Ministers who do not shirk their responsibilities—came up with economic renewal propositions which were heartily welcomed by business circles. From that day on, we consulted the Canadian people to find out their reaction to our forthcoming Budget. We talked to Canadians, Mr. Speaker—businessmen, the unemployed whose ranks were shrinking, people who were paying interests which have since decreased, and others who were no longer stymied by spiralling inflation—and all of them were enthusiastic. I think that for the first time in the life of a Government our May Budget received a lot more praise than criticism. In fact, we were criticized for not going far enough. A good many people told us the Budget should have been much more drastic to cope with the pitiful conditions left behind by the previous Government.

All we need do now, Mr. Speaker, is put an end to procrastination and act decisively. When I say that I am not referring only to Bill C-80, but also to the recent invitation made by the Minister of Finance to urge all Canadians to respond to the principles advocated in the two consultation papers made public last week.

Mr. Speaker, I think that all Members have had plenty of time to have their say on Bill C-80, and they will be given further opportunities to voice their opinion on other constructive measures—and hopefully they will stop making meaningless speeches.

The Budget has already been debated at length and, in recent days, Bill C-80 has been the subject of more debates on specific issues. This morning Hon. Members opposite made 10-minute speeches and I would have thought they had something important to say, frustrated as they claimed to be. No, Sir, they kept repeating the same irrelevant inanities about the banks and arguing endlessly that our Ministers of Finance have failed to live up to their responsibilities.

Well, enough is enough, we are through talking, time has come to do something.

Mr. Speaker, I made a few calculations and the House might be interested to know that our time here is worth $80,000 an hour, which works out to $1,300 a minute or $13,000 for a 13-minute intervention. Do you not think that this money could be better spent in committee or anywhere outside this House, just so we might tackle other Bills which are not necessarily more important but which would be dealt with more expeditiously than this measure which has been debated ad nauseam? I would therefore urge all responsible Members of the House to give us their support, end this debate and refer the Bill to a legislative committee.

• (1140)

[*English*]

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I never thought that we would hear such a pathetic intervention as the one we just heard in the House of Commons. The Hon. Member for LaSalle (Mr. Lanthier) failed to find any good arguments to put forward on Bill C-80. He had to resort to the cost per minute to taxpayers of debating matters in the House. He was unable in his 10-minute intervention to say one thing, which his constituents could support, in positive terms about the Bill. The Hon. Member has lost touch. That is the only and most charitable thing I could say about his intervention this morning. Evidently he has not explained the impact of the Bill to his constituents. He would like to see the debate finished because he is embarrassed by the Bill. That applies to the totality of the Government. There is no other explanation which one can find as to why the debate on Bill C-80 should be choked.

The debate is being choked for the reasons the Hon. Member for LaSalle did not dare to mention, for example, that the Government is worried about its credibility. The sooner the debate is over, the better for the so-called Progressive Conservatives who, as time goes by, demonstrate that they are really regressive and conservative. When their credibility is in danger, they choke the debate; that is what they do. It hurts to hear what the Opposition has to say about the facts contained in Bill C-80.

The Government is beginning to become afraid. Its backbenchers, like the Hon. Member for LaSalle who is leaving his seat in fear, are afraid of the consequences of the Bill on their electors.

Mr. Lanthier: Mr. Speaker, I rise on a point of order. Is it not out of order to mention whether someone is or is not in his place?

The Acting Speaker (Mr. Paproski): That is not a point of order. It is argumentative. I hope the Hon. Member will not raise such points of order, and I hope the Hon. Member for Davenport (Mr. Caccia) will not mention whether or not a person is inside or outside the House.

Mr. Caccia: Mr. Speaker, that is a pretty silly question by someone who has been in the House for over a year. The fact is that those back-benchers are afraid of Bill C-80. They failed in caucus to convince the Government to change it. The only avenue open to them is to see it moved ahead, out of the House and into committee, in order to avoid the embarrassing elements which can be raised. There are measures in the Bill which will hurt Canadians across the board.

By choking debate on Bill C-80, in essence the Government is saying that it wants to choke the debate on gasoline tax increases. Also it is saying that it does not want to debate the tax imposed on many categories of construction materials. It is really saying that it does not want to hear the facts about the taxes imposed upon equipment and construction materials used, for instance, in energy conservation. It does not want to

hear any more about the taxes to be imposed on candy, soft drinks and pet foods. By choking the debate, this regressive Conservative Government does not want to hear anything more about the taxes on a wide range of health care products, which have been imposed in a mean and cowardly manner upon Canadian consumers, particularly upon elderly people. That is what is behind the intent of choking the debate.

The Government does not want to prolong the debate and hear the facts about how increased federal sales tax across the board will affect Canadians. On January 1, 1986, it will change from 10 per cent to 11 per cent. The Government does not want to hear the music any more. Its constituents probably have not been made aware about what is expected of them. The Government is choking the debate because it is politically unpleasant to have these things put forth in the House of Commons and through the media.

The regressive Conservative Government, as the Hon. Member for Trinity (Miss Nicholson) pointed out, is imposing a number of regressive taxes which will hurt more those who have less. Consumers will have to pay something like $2.6 billion more in sales taxes by 1990 after this measure has been forced through as a result of the decision announced this morning. At the same time, corporations will enjoy a $2.2 billion decrease in their taxes, and the capital gains tax break alone will reduce the taxes of those who "have" by some one and a quarter billion dollars. That hurts, does it not? It hurts in terms of political popularity. That is why they want to choke off the debate in the House today. That is the reason. It is not for the reason given by the Hon. Member for LaSalle, who raised the red herring about the cost per minute of debate in the House of Commons. That was outrageous. There is a cost attached to democracy and, therefore, there is a cost attached to debate. The Hon. Member would have been better off giving us the reasons for the Bill having to go through.

The Government does not want to hear any further debate on the damage to consumers caused by their purchasing power being eroded when the higher taxes come into effect. It does not want to hear debate about the costs imposed upon many sectors of the economy as a result of increased taxes. For instance, because of the proposed increases in fuel costs as a result of the taxes proposed in Bill C-80, Canadian truckers will have more difficult times competing with their United States counterparts. This is why they want to choke the debate, is it not? It is not pleasant to hear the music.

They are changing the direction of the economy and imposing on consumers, the industrial sector and free enterprise a number to taxes which will make it more difficult for them to purchase and to compete. Hundreds of small and medium-sized construction companies will see their profit margins cut to the bone as they are forced to absorb a new 6 per cent tax on construction materials because of a regressive Conservative government measures in Bill C-80. Those involved in construction have to observe and respect fixed price contracts. They cannot change them when Ottawa changes the rules of the game.

The Hon. Member for Trinity already made reference to how the tourism industry will be severely affected in many ridings from Prince Edward Island and Newfoundland to British Columbia by the imposition of the sales tax on gasoline. The Minister of the Environment (Mr. McMillan) is preaching against the misfuelling of automobiles, while his colleague, the Minister of Finance (Mr. Wilson), is proposing through bill C-80 a tax on leaded gasoline that is lower than the tax on unleaded gasoline. Thus he is actually denying the thrust of the policy of the Minister of the Environment. It is a sham that two Ministers of the Crown are going in opposite directions regarding the same issue. This is why we feel a bit hot under the collar about this debate being brought to a halt by the regressive Conservative Government.

• (1150)

Canadians are beginning to realize that they were deceived on September 4. They are going to catch up with the Conservative Government step by step because of one measure after another. This particular measure is one that we will make sure Canadians will remember for a long time.

The list goes on. There is the imposition of a 6 per cent tax through this Bill on insulation materials, materials Canadians buy in order to reduce heating costs. There is the imposition of a 6 per cent tax on heat pumps, solar heaters and panels and wood-burning stoves. These are supplies that permit Canadians to insulate and maintain sources of energy other than costly ones and these supplies are being taxed.

What this morning's imposition of closure does to the credibility of the Government is that it reveals to the public that Government Members are uncomfortable with this measure and would rather sweep it under the carpet. Government Members do not want Canadians to know about the details of this measure and about how it particularly hurts the people on the street who have to purchase goods and whose capacity to buy will be affected by the imposition of such large-scale sales taxes.

The Acting Speaker (Mr. Paproski): I regret to inform the Hon. Member that his time has expired.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I cannot say that it is a particular pleasure to speak on this closure motion. To begin with, I want to quote from a speech the Hon. Minister of Finance (Mr. Wilson) made to the Canadian Tax Foundation on November 28, 1984. At that time, he said:

> As we grapple with the technicalities, the subtleties and the complexities of our tax system, we must never lose sight of the citizens it is ultimately meant to serve. That is what our efforts are all about. The real bottom line is people.

Today we are hearing his response to those particular remarks. Perhaps when he spoke of people, he meant only the people to whom he was speaking, the members of the Canadian Tax Foundation.

There was a time when closure was the ultimate step in the operation of Parliament. The Minister of Veterans Affairs (Mr. Hees) is probably the only person in this House who was

a Member at the time C. D. Howe brought forth a closure motion on the pipeline debate. That motion of closure eventually caused the defeat of the Government. The Right Hon. John Diefenbaker, who was Leader of the Opposition at that time, made claims which these Progressive Conservative Members have forgotten. He said that under no circumstances did a Government have the right to gag Parliament. At that time, in 1956, as the Minister of Veterans Affairs will recall, the Conservatives were elected to government because the Liberals brought closure on the pipeline debate.

I had hoped that this Government would remember the days when closure meant the gagging of Parliament. Now it does it on a daily basis and acts as if it had the right to decide when Parliament is through debating a Bill. The Government does not have that right. Parliament has the right to make its own decision on that matter. Government Members form only one group in this House of Commons.

Government Members are now doing something which they claimed for years while in opposition and in government they should not do. Decisions are being made on the basis of how they affect the attempt to get rid of the deficit. I will use the issue of transportation as just one example of this.

My particular interest lies to a great extent in the transportation of grain. A decision has been made that the user will pay for the cost of transportation of grain, something that never happened in the past. The Government decided to charge for the movement of grain and to increase that charge until it will eventually be a major cost to the producers who are shipping and exporting grain and providing the Government with a large portion of its foreign exchange.

There is now a user-pay policy regarding transportation, but this country was built on the philosophy that transportation should be a service paid for by all of the people of Canada, thus allowing all parts of Canada to have the same access to central Canada and the ports. We are moving further and further away from that philosophy. As it stands now, the producers who live a long way away from the ports of export have to pay more to get their products to port.

I repeat that I am using the area of transportation as just one example of the Government's attempt to reduce the deficit. I am sure each Member of the House can give another example of this. In the area of transportation, the Government is moving toward cost recovery for services it provides, including ice-breaker and navigational services and communications services which are required for safe and effective transportation. The Government has decided that the people who use those services will pay for them. This will again increase the cost of transportation to those who are further away from the port. The further away a producer lives, the more it will cost him to be a part of the country.

Third, through the Bill we are discussing today, the Government has increased taxes on fuels that are used for transportation. In one single year, the Government has increased the cost of transportation to the extent that many farming areas are becoming less and less viable as time goes on. Effective transportation is the basis of a viable farming industry. If the farmers and producers cannot get their products to market at a reasonable cost then there is no point in producing them. Consequently, the remote areas of our farming communities are becoming less and less viable. So not only will the Government not allow us to put these arguments forward, but it is closing off any attempt to put them before the country.

• (1200)

The Government is increasing the cost of living for middle class Canadians all across the country. In particular, it is affecting the cost of production of the primary producers, the fishermen and farmers who provide the major portion of funds which go into the economy. If we did not have those primary producers then we would not have any of the rest of our economy. The base of our country is still made up of primary producers, fishermen, miners, foresters and farmers. Everyone else uses their products and moves them around, which is the basis of survival.

How long would the financial structure of our country last if we did not have a basic economy which depends upon primary producers? The Government has established a broadened base with respect to sales tax and excise tax in order to obtain a few billion dollars which it has already spent in providing tax relief for companies such as Dome Petroleum and for the takeover of Gulf by Olympia & York. This is the basis of its tax measures. The money has already been spent. It is taking away from middle class Canadians.

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I too rise in opposition to the closure motion which has been put before the House of Commons with respect to Bill C-80. I find it particularly frustrating that the Government has chosen this particular route to chokeoff debate with respect to some important economic measures which will affect Canadians right across the country. On numerous occasions in this Chamber and, indeed, in other areas of the country, I have voiced my concern with respect to the less fortunate regions and individuals in society who are having an extremely difficult time living in a difficult economic world. However, when I see Government measures such as Bill C-80 and this closure motion I find it even more perplexing and frustrating.

The Government has attempted to increase taxes in a number of areas which will affect Canadians in a negative way. I make mention of the imposition of the sales tax on carbonated beverages, candy and confectionery and pet foods. This particular proposal will have a devastating effect on small companies in my constituency.

When one looks at the history of this particular measure one notes that there has been no consultation—none whatsoever. In September and shortly thereafter the Government of Canada claimed in this Chamber and throughout the country that as a national Government in a period it deemed one of national reconciliation it would travel across the country and consult with Canadians. It said that it would not just listen but it would talk to Canadians and interested groups and it would share information on a variety of subjects. Unfortunately, and

I say this with great sincerity, the Government did not do that in this particular instance. It went ahead in May of this year and implemented a Budget which affects small bottlers and small companies across the country in a negative way to the extent that we will find that these small companies will either go out of business entirely or they will have to implement massive lay-offs across the board.

Perhaps we on this side of the House have been wrong. We thought that the Government was concerned about small businessmen and small companies across the country. I think the facts are in place to show that it is not concerned about small businessmen and small corporations. It has designed its policies to assist and improve the economic viability not of small businessmen but of larger corporations which can afford to change, which have individuals on staff who are prepared to conduct the research and planning. That is what the Government has done in this particular instance. It is acting against the best wishes of small Canadian buusinesmen with respect to the imposition of this particular tax on carbonated beverages. It has never been done before. It will add substantial costs that will not only affect the labour component but that will add dramatically to the cash-flow problems of small Canadian entrepreneurs.

Why is the Government doing this? I suggest it is because the Government is concerned with promoting a select few, who are, however, friends of the Government, who contributed handsomely during the election campaign. The measure which is before us to chokeoff debate denies Parliament and the representatives of the Canadian people the right to debate that very issue here on the floor of the House of Commons.

Members of the Government can say: "Oh well, you will have a day or two to discuss these particular measures". I suggest that these measures are fundamental to the economic viability of the small business sector of the country. We ought to debate them and debate them for an even longer time and in more detail so that Canadians will know, and rightly so, just where the Government stands on the issues which affect them. Last week was Small Business Week. We now see the Government, which was elected with an overwhelming majority, betraying the wishes of the small business sector.

There are other measures which I find to be distasteful with regard to Bill C-80 and with regard to the motion to choke-off debate. What about the sales tax on health goods? Granted, there have been some exemptions since the tabling of the Budget. However, there needs to be more exemptions. The Government went from coast to coast advocating a consultative policy and it has not implemented one. Perhaps the Parliamentary Secretary to the Minister of Finance (Mr. Lanthier) will avail himself of the opportunity to stand up in the Chamber and denounce this particular imposition and use his clout within his own caucus to have this particular measure changed. I happen to believe that the Parliamentary Secretary does not agree with these devastating measures. He does not agree with the imposition of the tax on health goods.

I hope that Government Members will not be pussy-cats or sheep when it comes to this motion. We saw a good example of Government Members being sheep with respect to other Bills which have come before the House. I hope that Government Members, whether former athletes or would-be athletes, will have the intestinal fortitude and the conviction of their constituents to put partisan politics aside and stand up to be counted. I hope they will do that. I hope that the former journalists who now sit in the House on the Government side will avail themselves of this opportunity to stand up in the Chamber and echo that sentiment with respect to choking-off debate on an important piece of legislation which will affect Canadians from coast to coast. And it will affect them in a negative way.

• (1210)

Surely, as parliamentarians, hearing reports of what has happened over the last number of weeks with regard to poverty, the Government would not want to exacerbate that situation. The very taxes it intends to impose upon the Canadian people will affect the poorest in our society. I hope that all Members of Parliament on all sides of the House not want to exacerbate a situation which is already difficult. I hope that the Government will see the wisdom of withdrawing this particular motion so that all Members of Parliament, including those in the Government, could participate in a full and open debate on the subject matter of Bill C-80 which affects all Canadians from coast to coast.

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, this Government is committed to cutting the deficit and to renewing the economy. These are two objectives which one would hope any reasonable Opposition would welcome and to which it would give its co-operation. However, day after day the Opposition erects one parliamentary road block after another so that there is no reasonable alternative left but for us to move time allocation and to transfer this debate into committee.

I listened to a number of opposition speakers this morning call this measure a choking off of debate. It is just the opposite. Debate is not going to be choked off. There will be an adequate opportunity to examine the legislation in detail through committee study. There will be further debate in this Chamber and there will certainly be lengthy debate in the other place because the Opposition has its own means of communicating with it. There will be considerable oppportunity to study this Bill in length and in particular.

I listened to the Hon. Member for Prince Albert (Mr. Hovdebo)—so far the only opposition speaker to remain in the Chamber despite their concern for democracy—with great interest as he recalled events which took place in 1956 because of my own recollection of the great pipeline debate. The fact is that in those days this House had a constructive, co-operative and rational Opposition, something it certainly lacks today. There is no practical alternative left to the Government but to introduce the measure which is before us, because what the people of Canada want is not simpy unlimited discussion of this legislation, but action—

Mr. Riis: Raise their taxes.

Mr. Stackhouse: —which will carry this country forward, and they are going to get action which will lead to the reduction of the deficit and which will continue the renewal of the economy.

Mr. Hovdebo: And higher taxes.

Mr. Stackhouse: We have heard one opposition speaker after another indicate that if Bill C-80 becomes law, it will have a negative effect upon the economy. The facts are just the opposite. Most of these measures were announced in the Budget last spring and are now in place. What has been the result of the Budget of last spring on the economy? There has been the beginning of the renewal of the Canadian economy which this Party promised. It is a promise which this Party is fulfilling.

Mr. Riis: There's more to Canada than Toronto.

Mr. Stackhouse: We will get to that. Perhaps the opposition speaker would take his seat rather than stand half in and half out of the Chamber. I wish there could be a recognition from the Opposition of the kind of economic renewal which is being enjoyed now, particularly by small business. We were told by one of the previous speakers that this measure would have a negative effect on small business, and I would like to quote the following excerpt from a report of the Canadian Federation of Independent Business:

> The combined employment and investment plans of small business are the most optimistic we have seen since the current format of Hard Facts was introduced in October 1983.

We have seen further evidence of economic renewal throughout this country. A negative reference was just now made to Toronto. I would like to quote from the *Toronto Economic Trends*. The geographical area referred to in the bulletin is the Toronto census metropolitan area which stretches from Pickering right through to Oakville and towards the north. It states that in the first quarter of 1985, there has been an improvement in construction of 31 per cent over 1984 in North York, Scarborough, Markham, Vaughan and Pickering.

Mr. Riis: What about Vancouver?

Mr. Stackhouse: We will get to Vancouver. What we want to recognize here is that the impact of the Budget, of which this legislation is an expression, has been economic renewal. The people of Canada have renewed confidence in the Government, in themselves and in their country and are willing to make investments and expenditures which are improving business and increasing employment. All the leading economic indicators support that claim. One of the reasons for this recovery is the way in which the Government has undertaken to address itself to the massive federal deficit which we have inherited from our predecessors.

Mr. Riis: Bank bail-outs. Dome bail-outs.

Mr. Stackhouse: This Government has shown its willingness to make the hard decision not only to restrain expenditures but to increase taxes, which is the other side of Keynesian economics. It has done this in a balanced way with a balanced taxation program which already involves increases to personal and corporate income taxes through the surtax of 1985. There has been the announcement that there will be a minimum tax imposed in 1986, and there will be increased sales and excise tax on some commodities. There has been as well a balanced approach in avoiding extreme cuts in spending. There has been no significant effect on our social insurance program and no extreme increases in taxation. So we are approaching the problem of reducing the deficit and at the same time renewing the economy with the kind of well balanced and rational method which is characteristic of this Government's economic policies.

Our constituents raised the question with respect to one of the recent statements of the Minister of Finance (Mr. Wilson): "Why not stronger action?". That is a question we hear more often than the question put by Hon. Members on the other side of the House, "Why any action at all?" The answer by the Minister of Finance was, "Stronger measures in the shortrun could have jeopardized the economic recovery. Nonetheless, the impact of the action on the deficit builds up over time and such has already begun to be the result of the economic policies of the Government."

Mr. Cassidy: That's no defence of closure.

Mr. Stackhouse: So it is right that we should have this legislation before us.

Mr. Cassidy: That's no defence of closure. You don't trample on democracy and that's what you're doing.

Mr. Riis: Jack-boot tactics.

Mr. Stackhouse: It is right that we examine this legislation and debate its principles in this House as we have done over several days.

Mr. Cassidy: It's a crying shame that a man of your calibre is defending this motion of the Government.

Mr. Stackhouse: We should now transfer it into committee so that we can study it rationally, not with the irrational noise of which Hon. Members opposite seem only capable. We will then be able to go over it item by item, clause by clause. Therefore, I believe this measure is a reasonable one, and I therefore move:

> That, pursuant to the provisions of Standing Order 9(4)(*a*), the House continue to sit through the lunch hour this day for the purpose of continuing consideration, together with any division if required, of the motion of the President of the Privy Council.

The Acting Speaker (Mr. Paproski): Could I have a seconder to that motion? The Hon. Member for Hochelaga-Maisonneuve (Mr. Desrosiers).

● (1220)

According to the provisions of Standing Order 9(4)(*a*), if 25 Members rise in their places to object, the motion is defeated. Shall the motion carry?

And fewer than 25 Members having risen:

The Acting Speaker (Mr. Paproski): There not being 25 Members rising in objection, the motion, according to the provisions of Standing Order 9(4)(*a*) is deemed to be carried.

Motion (Mr. Stackhouse) agreed to.

Mr. Riis: I rise on a point of order, Mr. Speaker. I seek some guidance. My recollection is that it is inappropriate to refer to a division, as is the case in the motion put forward by the Hon. Member for Scarborough West (Mr. Stackhouse). Is that not correct?

The Acting Speaker (Mr. Paproski): The purpose of the motion was to continue debate. It had nothing to do with the amendment.

Mr. Riis: Sorry.

Mr. Gray (Windsor West): I rise on a point of order, Mr. Speaker. We do not have a copy of the motion but from what we heard of it it may not be in order. Before continuing debate I wonder if we can have a copy of the motion so we may make appropriate argument? If the Government does not have a copy of the motion to give to the Opposition I think that in itself raises a question of order. One might ask what the Government wants to hide, why is it afraid to give us a copy of the motion?

The Acting Speaker (Mr. Paproski): The purpose of the motion was to continue sitting. It does not change the motion at all, so I see no reason for not continuing debate.

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, as a Member who is still somewhat of a neophyte, I must say that—

Mr. Gray (Windsor West): I have a point of order, Mr. Speaker, and I apologize to my colleague. As I understand the rule with respect to a motion of the nature which the Hon. Member intended to present, it refers only to continuing the debate and not to divisions. If the Hon. Member presented a motion dealing not only with continuing debate but with the taking of a division, I respectfully submit the motion is out of order and cannot be received and adopted at this time.

The Acting Speaker (Mr. Paproski): Again, I say to the Hon. Member, who has been here a long time and is now operating under the new rules, this motion is just to continue debate. It has nothing to do with the division. It is to continue debate for the two hours and after the debate is completed we will then have the division. I see nothing wrong with that. The Hon. Member put the motion and I can read it again. He says, under Standing Order 9(4)(*a*), that the House continue to sit beyond the ordinary hour of daily adjournment for the purpose of continuing consideration of a motion relating to Bill C-80, an Act to amend the Excise Tax Act and the Excise Act. I see no problem. I believe the former occupant of the chair had the same problem with the Hon. Member for Windsor West (Mr. Gray) when this Standing Order was cited not too long ago. I believe it was well read and put into the Standing Orders. I see no problem with it. If there is, would the Hon. Member please advise me what he sees wrong with what has just been done?

Mr. Gray (Windsor West): Mr. Speaker, I have some difficulty in dealing with the matter since I do not have a copy of the motion. I appreciate your kindness in reading the motion, but the rule in question says that the motion must relate to the business then being considered. I respectfully submit that the motion in question does not relate to the strict terms of the rule because Standing Order 9(4)(*a*) says:

> When the Speaker is in the Chair, a Member may propose a motion, without notice, to continue a sitting through a lunch or dinner hour or beyond the ordinary hour of daily adjournment for the purpose of considering a specified item of business or a stage or stages thereof subject to the following conditions:

I have already read the relevant extract from the subclause which says:

> The motion must relate to the business then being considered—

I think there are extraneous matters raised in the motion which make it out of order.

The Acting Speaker (Mr. Paproski): I have to disagree with the Hon. Member, and I do not like to do that because he is a long-time Member of this Chamber. However, this is a continuation of the business at hand, the debate. Therefore, I see nothing wrong with this motion. I am not going to start reading the Standing Order because the Hon. Member is well aware of it, having just read it. It says as well that the Speaker shall ask those Members who object to rise in their places. If 25 or more Members then rise, the motion shall be deemed to have been withdrawn, otherwise, the motion shall have been adopted. What we are talking about here is a continuation of the debate in the House.

The Hon. Member might like to bring this matter forward to the Speaker at a later date in chambers and discuss this particular rule with him, or perhaps with the Hon. Member for St. John's East (Mr. McGrath). However, I feel that the rules are there and I hope the Hon. Member will allow the debate to continue.

Mr. Gray (Windsor West): Mr. Speaker, I would like to raise another point of order. It is customary, when motions are presented, to provide copies ot the opposition Parties. It makes it difficult to assess whether the motion—

The Acting Speaker (Mr. Paproski): Not every motion. If the Hon. Member would like a copy when a motion is presented, I will make sure that this is done. However, I do not believe that every time a motion is presented in the House, the House Leaders should receive a copy. Only copies of motions requiring notice should be provided, I am told by the Table Officers. The Hon. Member for Gatineau (Mrs. Mailly) rises on a point of order?

[*Translation*]

Mrs. Mailly: On a point of order, Mr. Speaker. I believe that my colleagues opposite mentioned the fact that we did not have that much time to debate such an important measure. It

seems to me that we should now resume debate. We are trying to add one hour to this very important debate—

The Acting Speaker (Mr. Paproski): I am sorry—

[*English*]

That is not a point of order. The Hon. Member for Windsor-Walkerville (Mr. McCurdy) has the floor in debate.

Mr. McCurdy: Thank you, Mr. Speaker, and I am glad to have it.

As I was saying, I am a neophyte in this House and I understand the Hon. Member for Scarborough West (Mr. Stackhouse) is an extremely erudite man and regarded as a very able Member of this House. That is a reputation I dare not challenge. However, one does wonder how one so able can have such a faulty memory. He claims that the Government finds itself in office by virtue of its promise that it would cut the deficit and by so doing stimulate economic growth. It strikes me that the people most affected by the tax measures contained in this Bill heard a very loud refrain, which I really hesitate to repeat because the Government has been reminded of it so frequently, and that is the promise to produce jobs, jobs, jobs. Given the conditions which brought the deficit about, I would think the Government would say that cutting it would be best approached by creating the jobs which were promised rather than by taxing the poor. The Government could be increasing the graduated income tax, restoring it to the level of a few years ago. It could have hit with a litle more severity the $30 billion to $50 billion in tax expenditures which in the main benefit large corporations. It is those corporations which are not producing the jobs that the Government promised to deliver.

● (1230)

Having made those comments, which have been reiterated time and again in this Chamber, we are told that previously we had a rational Opposition. One would expect that those who were members of a rational Opposition would speak rationally when speaking in this Chamber as part of the Government. It seems to me that it is just a little irrational to suggest that by limiting debate through time allocation the Government is not, after all, limiting debate. It seems to me to be just a little bit irrational, on the part of one who claims to be a part of a rational Government, to suggest that increasing the sales tax for those who have litle disposable income will not affect the economy. I do not know how one can argue that taking between $2.5 billion and $3.5 billion out of the pockets of those who are most likely to spend their money as a necessity will not hurt the economy. He says, further, that the irrational Opposition has been putting procedural roadblocks in the path of the Government as it lurches toward its goal of ensuring that its friends benefit the most from the taxation system and that ordinary people suffer the most.

The fact is that no amendments have been moved by the Opposition. There have been no procedural roadblocks of which I am aware or of which he is aware. There are still a great many Members who wish to speak on the legislation before us.

Mr. Gurbin: Where are they?

Mr. McCurdy: They are here and available. Mr. Speaker, the Government has committed itself totally to consultation. Surely it is inconsistent with consultation, with whomever, to limit the debate as this motion does.

We have heard from the Member for Cape Breton-East Richmond (Mr. Dingwall) about the failure to consult with the constituency of the Party that holds the reins of power. I personally have had conversations with representatives of the heavy construction industry who, as I am sure you are aware, Mr. Speaker, include many, if not a majority, who were somewhat pleased and encouraged by promises made to them by the Tory Party. They are now extremely angry, having had conversations with the Minister of Finance (Mr. Wilson) and members of his staff and having returned to their offices, to receive an answer from the Government on the pleas they made. They are convinced that the Government is either perverse or completely committed to ignorance rather than to consultation in pursuing the measures that it has determined to pursue with respect to the sales tax on construction material. This will have a significant effect on many small businessmen involved in the heavy construction industry who will, due to the timing of the tax measures, lose a considerable amount of money due to contract commitments which cannot be corrected to reflect increased costs that they will face. This is from a constituency which I am sure the Tory Party would have considered to be its own and which is now extremely angry due to the actions undertaken by the Government.

Cutting off debate is a pretty sorry way of demonstrating commitment to the democratic process and a pretty sorry way of reflecting a commitment to consultation. We are now told that not only will we have limitation of debate with respect to Bill C-80, but the equity Bill is going to be subject to the same kind of motion. That is the Bill, Mr. Speaker, that says that the Government is going to be counting minorities and counting them twice to see which corporations are naughty and which are nice. The debate on that Bill will be limited as well, in spite of the fact that it is a matter of extreme concern and has been the subject of numerous reports. Consultation has taken place on that subject but has resulted in a Bill which does not at all reflect the consultation that took place.

To return to the subject matter of the Bill before us today, it is a tax measure which has previously been described as regressive. We need not engage in fine arguments about that obvious fact, but I will simply point out that as a result of this legislation an invidual earning $20,000 per annum will pay an additional 1.4 per cent in sales and excise taxes while an individual earning $40,000 a year will only pay an additional nine-tenths of one per cent.

There is another aspect of this tax that is extremely significant and should be emphasized more than it has been in the House, and that is the effect of actions of the federal Government upon municipalities. Municipalities throughout the

nation are limited in the funding of their activities due to another regressive tax, the property tax. Recently the Federation of Canadian Municipalities pointed out that there is in the neighbourhood of $10 billion to $12 billion of infrastructure needs that must be pursued and paid for but cannot be with the limited resources available to municipalities. In the particular case of Windsor the increased taxes imposed by the federal Government will lead to an additional $1 million in budget requirements for 1986. Therefore, an increasing burden is being placed upon an already burdened sector of Government, the closest to ordinary people, which will now have to increase another regressive tax, the property tax—

The Acting Speaker (Mr. Paproski): I regret, but the Hon. Member's time has expired. I will now recognize the Hon. Member for Gander-Twillingate (Mr. Baker).

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I will continue with the remarks of the hon. gentleman pertaining to municipalities. It is a funny thing to see Bills presented in the House which adversely affect municipalities, and at the same time to see Government action to try to collect moneys due the Crown from small and large municipalities as the hon. gentleman just pointed out. I believe that the Department of Finance has a lot of explaining to do in this area, especially when it reviews its books and discovers that in the early 1970s certain municipalities in the country owed it money. In effect, in 1985 it is saying that the municipalities must pay what it is believed they owe dating back to 1972 and 1973, and they must also pay interest on that money.

In Newfoundland alone there are 80 municipalities which are judged to owe the Department of Finance funds due to a misunderstanding in an agreement between the federal and provincial Governments. The Department of Finance says that this is the time to collect. This is the time that the Government of Canada wishes to collect as much money as it can. It is telling these 80 municipalities that they owe money plus interest dating back to the early 1970s. As the hon. gentleman pointed out a moment ago, on the one hand the Government hits them with a tax increase on items which will adversely affect development in those municipalities and thereby cripple their ability to collect extra revenues while, on the other hand, they are told that they owe money, dating back to the 1970s, and must verify that they owe these amounts of money and confirm that these debentures are correct. While it is likely that this problem is confined to certain municipalities, there is certainly an imbalance when the Government turns around to say it will cut back on various services.

● (1240)

The Bill we are concerned with today provides for the imposition of sales taxes on energy conservation equipment. There is also the imposition of sales tax on previously exempt construction and building materials. At the same time, the Government of Canada will discontinue programs that assisted the construction industry, the lumber industry and the carpenters and plumbers who are out of work. We know what has happened to the RRAP program, the COSP program, the CHIP program and other programs. As a result of discontinuing these programs, the federal Government will adversely affect the number of jobs and the amount of money that flows to the very small communities in this nation, including communities in Newfoundland, Nova Scotia, New Brunswick, Prince Edward Island and rural Quebec. Not only is the federal Government discontinuing these programs which were absolutely necessary in these rural areas, it is imposing taxes on previously exempt materials that involved the construction industry in those small communities.

The Government, through this Bill, proposes to increase the excise tax on wines. We should consider the control mechanisms that are in place in the various Government departments. Will those sections of the department be subject to the same policy of control and no expansion of person years that we are seeing throughout the federal bureaucracy? At a time of controversy concerning the contents of certain imported wines in this country, Canadians also see a Minister who is abrogating his responsibility under the Food and Drug Act in this area, passing the matter on to the liquor control boards, while at the same time increasing the excise tax on those particular products.

We on this side of the House are most amazed by the Government's policy concerning closure. There is a small Opposition in today's Parliament, yet the federal Government decides to use closure practically every day. It has been used by the Minister of Employment and Immigration (Miss MacDonald) and the Minister of State for Finance (Mrs. McDougall). Other Ministers have introduced closure on other Bills. We have never seen a Government introduce closure on so many Bills.

I am sure that Canadians have not forgotten that prior to the election campaign Conservatives complained that the Liberal Government rammed Bills through Parliament by the use of closure. If one were to read the speeches made by Conservatives prior to the election, one could see how they condemned the Government for the use of closure in order to ram measures through Parliament. However, what do we see? Today we see a tax Bill being rammed through Parliament with the use of closure. It might be understandable if there was a large Opposition which filled all of the benches on the left side of the Speaker, but the fact is that there is only a small Opposition. This oppressive Conservative Government has decided to impose closure to shut people up and ram an unprecedented number of Bills through Parliament in a short period of time.

The fact is that I am sure most Canadians know why the Government is doing this. We believe it is attempting to shut down Parliamant for an extended period of time, perhaps to give time off to its MPs. However, why do MPs want time off? Their duty is to be in the House of Commons. Certainly they do not need two or three months off at Christmas-time. Does that mean that the employees of the House of Commons will have a vacation? No, the employees of the House of Commons—

Mr. Boudria: They cannot even get one day off.

Mr. Baker: No, they cannot even get time off now when they want it, under this administration.

However, the Government would give MPs a vacation so that the Prime Minister (Mr. Mulroney) and cabinet Ministers would not be under fire in the House of Commons and would not have to face the press. That is why closure is being used on so many Bills before the House. What is most outrageous about this closure motion is that the Bill we are dealing with proposes tax increases that will affect poor people more than rich people. As various organizations have indicated recently in the national media, this Bill affects poor people like poor fishermen and poor farmers of whom there are many in this country because of adverse weather conditions and so on. It affects poor people in general more so than it affects Members of Parliament, lawyers, doctors and those who own a lot of property.

The Government will impose a sales tax on items that were previously exempted and on which poorer Canadians spent a proportionately larger amount of their income. For that reason, this is a bad measure which should not be passed through this Parliament. The time allowed to debate this measure should not be limited simply because the Government wants to get off the hook. It should not be rammed through Parliament by closure because MPs want an extended Christmas vacation. Those reasons do not wash with the poor people of this country.

It is unfortunate that it is the poor people who sometimes do not have the opportunity to make us aware of how certain measures will affect them. We must remember that poor people use gasoline, pet food, carbonated beverages and they eat candy and confectionery.

You are rising to cut me off, Mr. Speaker. I have been speaking for only five minutes.

The Acting Speaker (Mr. Paproski): You have been speaking for 10 minutes. I regret, but that the Hon. Member's time has expired. I always enjoy listening to him.

[*Translation*]

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I congratulate you on your French. I would like to take part in this debate on closure. It is now the fourth time since the session was resumed last September that the Government has imposed closure on our debates. The Government imposed closure to put an end to the debate on a Bill which involved an expenditure of some $875 million to assist the depositors of two Western Canadian banks. Then, closure was imposed on the deindexing of family allowances. The Government has also announced its intention to impose closure on the employment equity legislation. This Bill is very weak, Mr. Speaker, and it will finally cost about $2 billion annually to the taxpayers, but the Government is still imposing closure after only 11 hours of debate.

[*English*]

I want to participate in the debate on this Bill because I am very upset not only about the Bill—I have had an opportunity to speak on it—but with the process being used by the Government in this particular case. The Government has imposed closure on four occasions this fall. It is becoming clear that after six or seven hours of debate on any major measure, the Government becomes nervous and its finger begins to quiver at the trigger to terminate debate. The disturbing thing is that this was the case, as it was with Bill C-80, when the opposition Parties, certainly the NDP, were prepared to agree with the Government to bring the debate to a close, to have the vote, to indicate our opposition and to let the matter go to a legislative committee.

• (1250)

I was particularly disturbed by the intervention of the Hon. Member for Scarborough West (Mr. Stackhouse). He, above all, as a theologian and a man concerned about civil liberties, should be concerned about what is happening to this Parliament as a consequence of the frequent use of closure by the new Government. Prior to September 4, last year, I recall how many times the Conservatives objected to the Liberal Government because, they said, that the Government of the day was ramming through legislation. Yet closure is now being used as frequently by the Conservatives, the new Government, or more so than it was by the Liberals before them. In their view it is becoming an accepted parliamentary practice. As far as my Party and I are concerned, it is not an acceptable parliamentary practice.

The Government is undermining the spirit of the reforms of Parliament on which a special committee of the House of Commons submitted three report and which all Parties have been trying unanimously to reinforce. We are trying to reinforce Parliament, on the one hand, and the Government, on the other hand, is doing its best to undermine Parliament by terminating debate.

Was the termination justified in this case? No, it was not. We had debated a multi-billion dollar tax measure for a matter of 10 hours or 11 hours. Frankly, that is not very much time. We had reached the point where, according to the House rules, the contributions of Hon. Members limited to 10 minutes apiece. That means that if every member of the Opposition had a chance to speak on second reading debate, we would perhaps have had another eight hours or ten hours of debate, or maybe two days or three days of debate; no more than that.

In my view it is unreasonable for the Government to jump to the closure remedy when in fact there is not a problem which justifies the use of it. By using closure and by abusing it in this way, for whatever reasons it may be doing so, the Government runs the grave risk that the co-operation which this place needs in order for the House of Commons to work will be permanently lost.

The new rules provide for the creation of legislative committees. Those committees were intended to free up the standing committees of the House so that those standing committees could look into matters of special importance. At the same time, they were intended to expedite the Government's han-

dling of House business. A legislative committee would be established as soon as a Bill passed second reading and would begin meetings, as has been the practice now for several weeks, within three days or four days of second reading being given to a Bill by the House of Commons. Therefore, the Bill had the possibility of coming back for report stage and third reading in a very short period of time. There have been some problems in the early days of the legislative committees with Government Members, in my view, being too insistent that the legislative committee terminate its work very quickly. Nonetheless, the idea in part is that there would be trade-offs between what happened in the House of Commons and what happened in the legislative committees. If, however, the Government is not prepared to talk through the usual channels about how that will be done, if it intends to use closure to terminate debate and then use its majority in the steering committee of legislative committees to limit the consideration of Bills when it gets down to the details, the frustration of opposition Members will have to find an outlet. The concerns which we express on behalf of Canadians from coast to coast will have to find an outlet. In my opinion, that will inevitably lead to a situation where report stage or third reading stage of Bills will be prolonged, perhaps unnecessarily as far as the Government is concerned, or to a situation where the Government, having fallen into the trap of using closure on second reading, will wind up using closure on every stage of Bills before the House of Commons.

Some Hon. Members have said that they think the Government has a hidden agenda. They want us out of this place at Christmas. They want to have a rest for a couple of months so that they can regroup. I see the Minister of Employment and Immigration (Miss MacDonald) smiling in assent to my particular statement. Obviously she is agreeing. Maybe she disagrees; maybe she does not think that the Prime Minister (Mr. Mulroney) should be going in this particular direction. Maybe she feels that this is an unworkable strategy being imposed upon Cabinet by the *éminence grise* in the Prime Minister's Office who thinks that this is the way to get the Government back on the right rails. Let me tell her that the Government would do a much better service to the people of Canada, if it intends to change direction, by keeping Parliament in operation and by bringing us back on January 15, rather than running away from us. It could come back with a new agenda on January 15, and we would be prepared to consider it. It should not hide and abuse Parliament by using closure. It should not use these procedural tricks. It should not undermine democracy, which is exactly what is happening by the use of closure.

[*Translation*]

Finally, Mr. Speaker, I would like to point out that we are not objecting simply to the Bill. The problem now concerns the responsibilities and rights of Parliament itself. If the Government imposes closure on all its legislation at the second reading stage in the House of Commons' the Opposition parties will inevitably have to find other means to express the views of Canadians on legislation which our Party finds unacceptable for the great majority of Canadians.

Of course, in the parliamentary system, the Government has the right, and we accept this, to hold votes, and to have the assurance that its measures will be considered, and with a majority, probably adopted. However, if the Government tries to put an end too abruptly to the debate by imposing closure, we shall find ourselves in a similar situation to that existing under the former Liberal Government.

As for us, Mr. Speaker, we have often said that the two parties are like Visa and Mastercard, or as my friend Jean-Paul Harney in Quebec says, they are like Ding and Dong. It is very difficult to differentiate between the former Liberal Government and this Conservative Government.

Last year, on September 4, Canadians voted for a real change. They wanted a Parliament that they could see working. They believed the Prime Minister (Mr. Mulroney) when he promised an era of civility in this Parliament. However, we will have no civility, Mr. Speaker, with measures like the motion of closure now being imposed by the new Government and it is not just one instance but four in the course of this session, and apparently, the Government intends to continue its abuse of Parliament. I deplore this behaviour, and I ask the Government to abandon a measure that undermines the rights of Parliament.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, the House is meeting this morning to consider once again a motion of closure presented by the Conservative Government, a Government that was elected little more than a year ago with a huge majority, a Government whose majority in the House is sufficient for the Government to operate and make the parliamentary system work.

That being said, why is a Government with such a large majority abusing the powers it has in this House? Mr. Speaker, last year, when the Conservatives made their promises to Canadian voters, did they promise that if they were elected, they would abuse their democratic powers in the House? I don't think so, Mr. Speaker.

Last year, during the election campaign, the Conservatives promised Canadian voters many things, but they did not promise to abuse their power.

[*English*]

This is probably the most controversial Budget ever introduced in the history of the country. The Budget introduced by the Conservative Government is an awful one. The Budget is so bad that the Government has decided to try to salvage whatever credibility, as small as it may be, it may have left. It has decided to rid itself of what may be left on the political agenda.

How has it done this? First, the Government has a grand scheme whereby it will move closure wherever it can, get everything off the legislative agenda, adjourn the session, and

return in February or something like that. I should like to indicate how that strategy works on paper.

Mr. Ravis: Where did you get your information from?

Mr. Boudria: I hear the Conservative Member. I must say that if he is a Conservative and has not figured it out yet, surely the Prime Minister (Mr. Mulroney) and the Cabinet are keeping him in the dark a lot more than they are keeping the rest of us in the dark. He must feel like a mushroom.

Mr. Gray (Windsor West): In more ways than one.

• (1300)

Mr. Boudria: My colleague, the Hon. Member for Windsor West (Mr. Gray), says, "In more ways than one".

Returning to the Conservative strategy, the Government has decided to remove everything from the Order Paper of the House. It will withdraw Bills, let some die on the Order Paper and pass other Bills quickly because its credibility has been so badly affected by the Budget, the issue of the banks and everything else. The grand scheme, as I have just described it, will work on paper. However, in reality, it will not work that way at all. By attempting to stifle Parliament, Conservative Members will not gain any more respect from the voters.

Conservative Members have the theory that if Parliament does not sit, the Opposition cannot ask embarrassing questions and if the Opposition cannot ask embarrassing questions, the Ministers will not be embarrassed and will presumably rise in public opinion even if they keep on making the mistakes that they have made in the past. That is what Conservative Members think.

[*Translation*]

However, Canadians are smarter than that, Mr. Speaker. Canadians have already realized this Government made far too many promises, and that in many cases, it is not in a position to keep the promises it made to Canadian voters, and furthermore, has no intention of doing so.

[*English*]

Perhaps you are asking yourself, Mr. Speaker, why I am saying this. Let me give you some tangible proof. I have raised in the past the fact that Conservative Members made many promises to the Canadian people. I have here my little booklet of 338 Tory promises, a booklet which, incidentally, I will gladly send to any voter who makes a written request to my office. May I just add that several Canadians have already written to me asking for copies of this booklet. I am always glad to oblige.

My booklet indicates that 113 Tory promises involved spending more money and five promises involved spending less money. There were two promises to increase revenues and 26 promises to decrease revenues. Earlier on this morning, a Conservative Member, and I think it was an Hon. Member from Scarborough, had the unmitigated gall to say that the Government was elected to decrease the deficit. If the Government was elected to decrease the deficit, why did the Tories make so many promises to spend more money? Perhaps the Conservative Member across the way can tell us how he can save money by promising to spend more. Perhaps he can explain all this to us.

What has the Government done? It has cut back all over the place. It has cut back on very important social programs. It has cut back in the public sector. It has cut back almost everywhere. Has it done this to decrease the deficit? No, Mr. Speaker, it has done this to give the money to its rich friends. That is what the Government has done. They are using the money to make political appointments and bank bail-outs.

I understand that another Hon. Member wishes to speak briefly. I will give him the opportunity to do so because this is a very important debate and unfortunately Hon. Members have been stifled.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, in the one minute left to me I would like to say that if I had known that the Government intended to use time allocation in the way it is now using it, I would never have supported the changes to the Standing Orders. I would never have supported moving to 10-minute speeches on second reading debate. That move was intended to allow the Government to plan its agenda and to foresee how long debate on certain Bills might take given that some Bills would take longer than others to debate.

When we studied the changes to the Standing Orders, it was never thought that the Government would find it necessary, or desirable if not necessary, to use time allocation as it is now using it on almost every single debate. I find it offensive that the Government has chosen to do so.

When we sat together as a committee some two years ago or more, we agreed that there was a need to change the Standing Orders in order to allow for a speedier passage of Bills at the second reading stage and to allow the Government to see how long debates might take given that until fairly recently, speeches went on for half an hour each for an indeterminate period of time. I am disappointed that the Government is now, in my opinion, breaching what I understood to be the agreement that we would not see the unfettered use of time allocation in the way we are now seeing it.

The Acting Speaker (Mr. Paproski): Order, please. It being 1.05 p.m., the two hours provided for the consideration of the motion now before the House under the provisions of Standing Order 84 have expired. Accordingly, under the terms of the Standing Order, it is my duty to interrupt the proceedings and put every question necessary to dispose of the motion.

Mr. Hnatyshyn, seconded by Mrs. McDougall, moved:

That, in relation to Bill C-80, an act to amend the Excise Act and to amend other Acts in consequence thereof, one sitting day shall be allotted to the consideration of the second reading stage of the said Bill; and that fifteen minutes before the expiry of the time provided for the consideration of government business on the above-mentioned sitting day, any proceedings then before the House shall be interrupted, if necessary, for the purpose of this Order and, in

turn, every question necessary to dispose of the said stage of the said Bill shall be put forthwith and successively, without further debate or amendment.

Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Call in the Members.

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

(*Division No. 123*)

YEAS

Members

Andre	Gravel	McKinnon
Belsher	Gray	McKnight
Bernier	(Bonaventure-Îles-de-la-Madeleine)	McLean
Blackburn	Gurbin	McMillan
(Jonquière)	Gustafson	Merrithew
Blais-Grenier	Hardey	Minaker
Blenkarn	Hawkes	Mitges
Bouchard	Hnatyshyn	Nicholson
Bourgault	Holtmann	(Niagara Falls)
Boyer	Horner	Nickerson
Clark	Hudon	Nielsen
(Yellowhead)	James	Nowlan
Collins	Jardine	Paproski
Cooper	Kilgour	Pennock
Corbett	King	Pietz
Côté	Landry	Porter
(Langelier)	Lanthier	Ravis
Crofton	La Salle	Redway
Crombie	Layton	Reid
Dantzer	Lewis	Stackhouse
Darling	MacDonald	Taylor
Daubney	(Kingston and the Islands)	Tupper
Della Noce	Mailly	Vankoughnet
Desrosiers	Mantha	Wenman
Domm	Marin	White
Duplessis	Mazankowski	Wilson
Edwards	McCain	(Swift Current-Maple Creek)
Epp	McDermid	Wilson
(Provencher)	McDougall	(Etobicoke Centre)
Fennell	(St. Paul's)	Winegard
Forrestall	McInnes	Wise
Fretz	McKenzie	Witer—88.
Friesen		
Gormley		

NAYS

Members

Allmand	Benjamin	Boudria
Althouse	Blackburn	Caccia
Baker	(Brant)	Cassidy
Copps	Guilbault	Nystrom
Deans	(Saint-Jacques)	Parry
Epp	Hovdebo	Penner
(Thunder Bay-Nipigo	Jewett	Prud'homme
Fulton	Manly	Riis
Garneau	McCurdy	Robichaud
Gray	Nicholson	Rossi
(Windsor West)	(Trinity)	Waddell
		Young—29.

Before the Clerk announced the results of the vote:

[*Translation*]

Mrs. Mailly: On a point of order, Mr. Speaker.

Mr. Speaker: The Hon. Member for Gatineau (Mrs. Mailly) on a point of order.

Mrs. Mailly: Mr. Speaker, an Opposition Member entered the House after the vote was called, and I would like to say that the Member in question was the Hon. Member for the riding of Cape Breton-Richmond East (Mr. Dingwall).

[*English*]

Mr. Dingwall: Mr. Speaker, the Hon. Member is correct. I was not in my place when the vote was called but I was here while the vote was being taken.

Mr. Speaker: In which case, the Hon. Member's vote may not be counted.

I declare the motion carried.

Mr. Speaker: It being after one o'clock, I do now leave the chair until two o'clock.

At 1.30 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 22

[*English*]

HOUSE OF COMMONS

BROCHURE SHOWING EMPTY CHAMBER

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I recently had occasion to glance through a colourful brochure entitled *The House of Commons/la Chambre des Communes*. Inside the pamphlet it states: "The House of Commons is the focal point of parliamentary democracy". I agree that it certainly is that.

My interest having been aroused, I looked further into this brochure only to be confronted by an empty Speaker's chair. Curious. It is not the chair itself which is vital to this focal point of democracy, but rather its occupant. Fearing the worst,

Mr. Speaker, I turned to the end of the brochure and, yes, there it was—an empty Chamber!

Whoever prepared this otherwise attractive pamphlet failed to realize that this lovely, old, noe-Gothic hall is irrelevant without its Members. Without the people's representatives, Sir, it ceases to be the focal point of democracy. Therefore, Mr. Speaker, I hope that this publication will be withdrawn very soon and, when it is reissued, let it depict Your Honour presiding over a full and active House. Democracy is not an empty Chamber, it is a rigorous reality.

* * *

EXTERNAL AFFAIRS

GUATEMALA—NON OBSERVANCE OF HUMAN RIGHTS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, regardless of who finally wins in Guatemala's presidential election, the fundamental problems of human rights abuses must be faced before Guatemala can have any international respect. Showcase elections cannot lead to an open, democratic society so long as 900,000 Guatemalans are forced into civilian patrols, a conscripted army of occupation over their own brothers and sisters.

There cannot be any open society so long as people are herded into so-called model villages where they are under constant military surveillance. There can be no open society so long as trade unionists, church leaders, and university students and professors are made to disappear whenever they speak out for change. There can be no open society so long as the undeclared war continues against Guatemala's Indian people.

The present, Government of General Mejia Victores has refused even to meet with high level mediators for the families of the disappeared who continue to occupy the cathedral in Guatemala City. The Canadian Government must speak out on these fundamental abuses of human rights, and I urge individual Canadians to join me in sending telegrams to the Guatemalan Government demanding a full accounting for the families of the disappeared.

* * *

CANADIAN PACIFIC RAILWAY

REVOCATION OF TRAVEL PASSES—PLIGHT OF PENSIONERS

Mr. Moe Mantha (Nipissing): Mr. Speaker, recently the Canadian Pacific Railway, a private sector company controlled by shareholders, negotiated with three of its major bargaining groups representing about one-half of Canadian Pacific Railway's unionized employees. In their settlements it was agreed to eliminate free passenger passes for current employees. In its new pension plan the company will introduce an early retirement provision at age 55 and replace the pass privileges with a new extended health care plan. While the new health care plan could be commended, it does not necessarily enhance health benefits for current CP pensioners residing in

Ontario or Saskatchewan who already enjoy extensive health coverage.

Since the unions do not represent current CP Rail pensioners, nor are they legally allowed to negotiate on their behalf, the company unilaterally revoked pass privileges from its pensioners without sufficient consultation. Mr. Speaker, I urge Members on all sides of the House to offer their support to the pensioners in their efforts to have the option of retaining their pass privileges. The reason for my statement is to help the elderly who need help.

* * *

[*Translation*]

THE ECONOMY

GOVERNMENT'S PERFORMANCE

Mr. Édouard Desrosiers (Hochelaga-Maisonneuve): Today, Mr. Speaker, I would like to pay particular homage to the best Government this country has had for a very long time. It has been years and years since the Canadian economy has felt so buoyant. Day after day it is becoming ever more obvious that this Government is rebuilding our economy.

In the first nine months of 1985, Mr. Speaker, the value of building permits has gone up 20 per cent over the same period last year. The inflation rate has been hovering at about 4 per cent for more than a year and the climate is more stable than it has ever been since 1971. In the first nine months of 1985 bankruptcies have decreased by 12 per cent as compared with the same period last year.

That is why I would like to congratulate this outstanding Conservative Party team and the greatest Prime Minister of all times.

* * *

[*English*]

VISIBLE MINORITIES

CANADIAN-JAPANESE INTERNED DURING WORLD WAR II—REDRESS ISSUE

Mr. Sergio Marchi (York West): Mr. Speaker, the Conservative Government's silence on the Japanese Canadian redress issue gets more depressing. Over the weekend in Calgary the President of the National Association of Japanese Canadians stated: "Mr. Mulroney indicated prior to the election that if he were Prime Minister he would surely compensate Japanese Canadians, but now he says they really aren't going to compensate us. I guess power does that".

The Government's attitude is distasteful. Despite his campaign pledges for a fair and speedy resolution, the Prime Minister shamefully and arrogantly continues to refuse even to meet the Association.

Also, the new Minister of State for Multiculturalism (Mr. Jelinek) has failed to make any public announcements on this

to date. Instead of resuming official talks between his Government and the National Association, he prefers to conduct ad hoc, informal chats. The issue demands and deserves much more than that.

There is well-founded fear within the community that the redress issue is not a priority of the Prime Minister. Moreover, they believe that the "reinvention of the wheel" process conducted by the new Minister of State for Multiculturalism is ineffectual and time-delaying. I, therefore, call upon the Prime Minister and his Government to maintain their electoral promises and to reconvene immediately official negotiations with the National Association so that the redress issue can be dealt with in an expeditious, fair, and honourable manner.

* * *

PUBLIC SERVICE

PROPOSED PERSONNEL CUT-BACKS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, there is growing concern among employees of the federal Government about the Conservatives' budget decision to fire large numbers of federal public employees. Last May the Minister of Finance (Mr. Wilson) announced that the Government would eliminate some 15,000 public service jobs within five years. However, the reports that have leaked out give a rough count from just a few Departments of more than 10,000 cuts, many of which are scheduled to take place in the coming fiscal year. If this trend continues, we may see the 60,000 cuts that the Clark Government attempted to make in the Public Service. This will result in a significant loss of service to Canadians, and represent hardship for many employees who have honourably served Canada for many years.

Clear information is lacking, and the Government's system of redeployment of surplus employees simply will not be able to cope with the large number of lay-offs now being announced or threatened. As the Auditor General pointed out last week, the Public Service Commission is not effectively monitoring the situation.

Finally, Mr. Speaker, I want to note that the Government's decision to use the reverse order of merit in determining staff cuts is inviting abuse on the part of departmental managers who are free to operate with a policy of vengeance and vindictiveness as they target for cuts employees they have never liked. I call on the Government to take private sector examples which show that, if lay-offs cannot be avoided, the seniority principle is the best way to determine who is to lose their jobs. I call on the Government to use the seniority principle, starting now, and to reinforce job security for public employees rather than undermining it.

FEDERAL-PROVINCIAL RELATIONS

FIVE-YEAR AGREEMENT TO ASSIST BRITISH COLUMBIA

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, since coming to office one year ago the Progressive Conservative Government has initiated new programs and improved existing ones that directly benefit British Columbia. These include the over-all umbrella ERDA, a $525 million funding agreement for economic development, between the federal Government and the Province of British Columbia.

The five-year agreement will provide joint funding for initiatives in forestry, industrial development, tourism, agriculture, and mineral exploration. Over the term of the agreement it is expected that 15,000 person years of employment will be generated in forest management. A full-time federal forestry Minister was appointed in response to concerns expressed by British Columbia, which is by far the largest producer of forestry products in Canada.

The Government is actively involved in negotiations with the United States to head off U.S. tariffs on Canadian products.

The latest figures from Statistics Canada prove that the Government is doing a good job for B.C. The Retail sales in B.C. this August were up 11 per cent compared to August of last year. The unemployment rate in B.C. has fallen from 15 per cent to 13 per cent. There are 23,000 more jobs in B.C. since September of 1984. Business bankruptcies in B.C. in the first nine months of this year were down 16 per cent relative to the same time last year. British Columbia exports in the first half of 1985 are up by 8.3 per cent. Mr. Speaker, these are positive steps, but there is still more to be done.

* * *

• (1410)

ENVIRONMENTAL AFFAIRS

ST. CLAIR RIVER POLLUTION—RESIDENTS' FEARS

Mr. Elliott Hardey (Kent): Mr. Speaker, I was somewhat surprised by the Hon. Member for Essex-Windsor (Mr. Langdon) raising a matter in the House last Friday concerning an environment problem in the St. Clair River and my riding of Kent.

I must emphasize that we can and indeed should trust the ability and expertise of the Ontario Ministry of Health and the Environment Ministry, as well as Environment Canada. Having said that, I want to encourage continuation of the extensive efforts to determine the source of toxic material found in the sludge at the bottom of the river, and to ensure on-site monitoring equipment at water intake points.

Quoting unidentified sources which indicate that the St. Clair River is more polluted than the Love Canal has succeeded in putting communities like the town of Wallaceburg in a panic position. The Town Council must and should rely on reports it is receiving from the Ministry. Politicians who attempt to gain visibility and recognition by spreading fear,

should be ashamed. Smearing the ability of a team of Canada's best scientists, who were already on the scene before the Member for Essex-Windsor made his pitch to panic residents, is appalling.

Wallaceburg Town Council should be congratulated for being aware of the seriousness of the situation, and also for the professional way in which they have co-operated with the health officials. It is safety first, along with common sense, in Wallaceburg. I would urge my hon. colleague from Essex-Windsor to confine fear tactics to his own riding.

* * *

AIR TRANSPORT

TRANSPORTATION TAX IN THE NORTH

Ms. Sheila Copps (Hamilton East): Mr. Speaker, you would think that the Minister of Indian Affairs and Northern Development (Mr. Crombie) would have some say in Cabinet when it comes to issues like transportation in the North. However, much to my chagrin, Cabinet has not chosen to listen to the strong supportive letter which was directed to Ann Marie Dawe, President of the Consumers' Association of Canada, Yellowknife local, which states:

Dear Ms. Dawe:

I share your concerns regarding the removal of the $30 ceiling on the air transportation tax as expressed in your letter of July 24, 1985. I will be raising this issue with my Cabinet colleagues with a view to obtaining an exemption from the tax increase for northern and remote areas.

Such an exemption was also supported in a letter from another Minister, the Minister of State for Tourism (Mr. Murta). Such an exemption was also supported by the Deputy Prime Minister (Mr. Nielsen) and by the Hon. Member from Yellowknife. Four eminent Members of the Conservative Party believe that it is wrong to impose further air taxes on travel in northern Canada.

Why have the Cabinet and the Government ignored the representations of the Minister of Indian Affairs and Northern Development, the representations of the Deputy Prime Minister, the representations of the local Member, and the representations of the Minister of State for Tourism on an issue which quite clearly penalizes the people of northern Canada?

I would ask that the Prime Minister and the Minister of Finance review this—

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

* * *

SCIENCE AND TECHNOLOGY

PROPOSED ESTABLISHMENT OF SILICON CHIP FACILITY IN OTTAWA

Mr. David Daubney (Ottawa West): Mr. Speaker, I welcome the recent recommendation by the Canadian Microelectronics Corporation, a non-profit organization funded by the

Presence in Gallery

Natural Sciences and Engineering Research Council, that the Government fund the establishment of two silicon chip facilities.

Having worked over the past year with members of the Ottawa-Carleton high technology community in encouraging the Government in this initiative, I am particularly pleased that CMC has recommended Ottawa as one of the sites for the proposed centres. The corporation has suggested that the Ottawa centre would co-exist with the Ontario centre for microelectronics, presently located in my riding of Ottawa West.

This is an important announcement, not just for "Silicon Valley North" in that it recognizes this region's unparallelled high technology infrastructure, but for the development of science and technology in Canada that is so essential for the continued economic growth of Canada.

* * *

CANADIAN NATIONAL RAILWAYS

EFFECT OF DOUBLE TRACKING ON KAMLOOPS BUILDINGS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, Canadian National Railways have been double tracking throughout western Canada. In the Kamloops area, the construction of a second track has caused serious ground vibrations throughout a major part of the city. Co-operation between city council, CN and concerned citizens resulted in a study which indeed revealed that it was serious ground tremors, as a result of a second track, that have caused structural damage to the homes of a number of residents.

The matter has been brought to the attention of the Chairman and members of the Standing Committee on Transport as well as of the Minister of Transport (Mr. Mazankowski). Both have indicated that they would look into this situation.

I urge the Minister of Transport in particular to contact Canadian National and encourage them to slow down the trains as they go through this critical area in order to minimize the vibration and structural damage, and to compensate those home owners who can justify clearly that they have in fact experienced structural damage to their homes as a result of CN's double-tracking program.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF ATTORNEY GENERAL OF THE UNITED STATES

Mr. Speaker: I wish to draw the attention of Members to the presence in the gallery of Mr. Edwin Meese, Attorney General of the United States of America.

Some Hon. Members: Hear, hear!

Oral Questions

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—CANADIAN BOOK PUBLISHING INDUSTRY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the absence of the Prime Minister my question is directed to the Deputy Prime Minister. The Acting Minister of Communications, apparently following a policy enunciated by the former Minister of Communications, had advocated a strong Canadian cultural policy with respect to our book publishing industry. This has particular relevance in view of the potential takeover of Prentice-Hall.

My question arises out of a reported letter from our Ambassador to the United States to the effect that this posture on behalf of the Canadian Government is jeopardizing our negotiations in the matter of trade with the United States.

What is the policy of the Government of Canada, reflecting upon the potential takeover of Prentice-Hall? Who is speaking for the Government; the Acting Minister of Communications or the advocacy of our Ambassador to the United States?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as the House and the Right Hon. Leader of the Opposition would know, the Prentice-Hall question is before Investment Canada for decision and that decision will be taken there.

I should reiterate to him, as he well knows, the determination of this Government to maintain and strengthen the cultural industries and cultural expression of Canada, whether that is in any negotiations that might occur with the United States, or elsewhere.

My collegue, the Acting Minister of Communications, and I, have made it quite clear that we intend to meet personally with representatives of the cultural industries in Canada, including the publishing industry, to make sure that their interests are well reflected and well protected in any negotiation that might occur.

[*Translation*]

NEGOTIATIONS WITH UNITED STATES—CANADIAN POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, if that is to be taken as a statement by our Secretary of State for External Affairs, it means his ambassador in the United States is in for a letdown.

In any case, could the Minister clarify the position of the Government of Canada? Is our publishing industry on the table as a subject for negotiations with the United States, yes or no?

Right Hon. Joe Clark (Secretary of State for External Affairs): The Right Hon. Leader of the Opposition is not new to Government. He knows perfectly well it is an ambassador's responsibility to reflect the situations he encounters. That is one of the duties of our ambassadors. I am proud to say that Canadian ambassadors are performing their duties very effectively.

As far as the Hon. Member's question is concerned, it is clear that the Canadian Government, through the statement made by my hon. colleague, the former Minister of Communications as well as by other means, has given a clear signal of our determination, not only to protect but to promote the development of our cultural industries, and that includes our publishing industry.

[*English*]

AGENDA FOR NEGOTIATIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I think our Ambassador to the United States, within the terms of his letter, was not only reflecting the reactions that he met in the United States but was also advocating a diluting of our cultural nationalism. I think it was clear from his letter.

My question for the Minister is made necessary because the Government has adopted a strategy of keeping Canadians in the dark as to what is on the table and what is not on the table; what is a subject for negotiation and what is not a subject for negotiation. Is our publishing industry part of a negotiating item on the agenda with the United States, or is it a matter that will be left apart and intact?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Right Hon. Leader of the Opposition was a member of Governments which concluded international trading negotiations in the GATT and elsewhere, from which the people of Canada were excluded utterly. That approach has been changed by this Government.

• (1420)

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): There has already been a process of consultation more complete than any which has been known in this country, in preparation for any negotiations that may occur with the United States.

Mr. Broadbent: Now answer the question.

Mr. Clark (Yellowhead): That consultation will continue. There have been meetings with provincial Ministers of Trade. There will be, as I have indicated, meetings directly between myself and the Acting Minister of Communications with representatives of the cultural industries.

Obviously some of our cultural industries are interested in achieving access to the larger markets which are available in the United States.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): Some of them are; obviously some of them are not.

Mr. Ouellet: The answer is yes.

Mr. Clark (Yellowhead): That is the purpose of the consultation in which the Government is involved.

Mr. Speaker: Order, please.

STATUS OF BOOK PUBLISHING INDUSTRY

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is directed to the Acting Prime Minister. Presently we do not have tariffs on books coming across our borders. Right now, $600 million worth of American books come across our borders duty free.

From what the Acting Prime Minister just said, are you caving in to the kind of pressures which will open up our borders—

Some Hon. Members: Order, order!

Mrs. Finestone: If the book publishing industry is central to Canadian nationhood, is it or is it not on that hit list to be considered under free trade negotiations?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there is no hit list. The Hon. Member has indicated that there is a situation in which United States books come tariff free into the country. The Hon. Member will also know that there are a number of Canadian operations publishing books and other periodicals which are interested in access to a larger market. We think, if there is to be a negotiation with the United States, it would be the height of folly for us to say, before those negotiations began, that we are going to cut off the opportunity for Canadian publishers to have access to larger markets. We are interested in strengthening the situation of the Canadian publishing industry, and we are determined to do that.

[*Translation*]

GOVERNMENT POSITION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, that is not what I asked the Minister, and I shall therefore repeat my question.

This Government reestablished the rules of the game for the Canadian publishing industry. It published them in the *Canada Gazette* in July. Am I to understand today that the Government is going to change and modify the rules of the game for these sensitive cultural sectors?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, for a long time, Government policy in Canada, as embodied in the Liberal Government, failed to defend Canada's cultural interests, and it was because of this that the former Minister of Communications made a policy statement on the publishing industry in July. Of course, a policy formulated by a Minister of our Government is a policy of this Government, that is clear.

[*English*]

AMBASSADOR'S ALLEGED LETTER—GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In July, the former Minister, the Hon. Member for Frontenac, announced a tougher Canadianization policy in the publishing industry. In August, we now know, our Ambassador in the United States sent a letter advocating the abolition of this policy, warning of a scorched earth attack emanating from the U.S. unless it was abandoned. On September 26, the very day the Prime Minister announced trade talks with the U.S., the Government also announced the abandonment of the policy in the takeover of Classic Books, no doubt hoping that it would be buried in the news. My question to the Minister is a simple one. Why did you abandon Canadian interest in the face of this U.S. pressure?

Some Hon. Members: Order!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I suppose, with a Member less experienced with the House of Commons, two errors in parliamentary procedure would be excusable. They are not, with the Hon. Leader of the New Democratic Party. First, he knows that he is talking about a leak, a rumoured leak.

Mr. Turner (Vancouver Quadra): Rumoured leak!

Mr. Clark (Yellowhead): He is talking about the leak of a document which may or may not have been written by the Canadian Ambassador to the United States, with regard to the policy of the Government of Canada indicated by the Minister of Communications. That policy, initiated or stated by a Minister of the Government, is obviously the policy of the Government.

UNITED STATES PRESSURE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, that is precisely our concern, and we want a change in that policy. That is what we are talking about.

On the weekend following the resignation of the Minister of Communications, we also had the U.S. Ambassador to Canada appealing to put our cultural industry on the negotiating block. Last Monday, Secretary of State Shultz, in a meeting with the Minister, specifically called for the publishing industry to be put on the block.

Once again I ask the Minister why he is yielding to U.S. pressure. Why does he not stand up for Canadian cultural integrity and say that our publishing industry is not up for negotiation?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the point is clear to the people acquainted with the interests of the publishing industry in Canada, that there are some aspects of that industry which are concerned about the possibility of negotiations with the United States. There are some aspects of that industry which are looking forward to the opportunity for substantial, new markets being available to them, available to Canadian publications. The Government of Canada is committed, without any question, to expanding and strengthening the Canadian publishing industry. That is why we are going to be involving representatives of that publishing industry directly in our preparations for any negotiations that might ensue. We want to protect those who require protection. We want to achieve larger access for those who are looking forward to larger access. That strenghtens Canadian cultural industries. That is what we are seeking to do.

PRENTICE-HALL TAKEOVER BID

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I wish, for once, the Minister would answer a direct question. Since the alleged letter from our alleged Ambassador in the U.S. said that there would be a scorched earth policy emanating from the U.S. if the Prentice-Hall takeover bid in Canada was not approved, will the Government announce now that it will not approve this takeover bid, and give us a clear answer? Will the Minister say that our publishing industry will not be negotiated, will not be part of the trade talks, and that the Government of Canada will stand up and protect our cultural sovereignty, at least in this area?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Government has already acted to protect Canada's sovereignty in so far as the Arctic and the North are concerned, after two decades in which that was ignored and abandoned by the Liberal Government, supported by the NDP. That was one action to establish the sovereignty of Canada.

Mr. Blackburn (Brant): A $1 billion flag-pole.

Mr. Clark (Yellowhead): With regard to the Prentice-Hall decision, that is before the Investment Canada Board now. There will be a decision by the end of December, and the Hon. Member knows it. He should not tie his interest so absolutely to newspaper reports. If he is interested in those questions, his credibility would climb if he pursues those questions on their merits, not because they simply become a subject of publicity.

With regard to the cultural integrity of our country, the Government is determined to maintain and strengthen our cultural integrity. To repeat myself, we know that there are aspects of the cultural industry which are concerned about potential negotiations. We are taking account of that. We know there are sections of the Canadian cultural industry which look forward to larger markets—

Mr. Speaker: Order, please.

MUNICIPAL AFFAIRS

LICENCE GRANTED TO ALLEGED MERCENARY TRAINING SCHOOL IN NEW WESTMINSTER, B.C.

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, in the absence of the Solicitor General my question is directed to the Minister of Justice. Is the Minister aware of the Eagle Combat and Bodyguard School near Vancouver, run by a veteran of guerilla wars in Africa and allegedly providing training for guerilla and mercenary activities? Could the Minister tell us whether the RCMP has investigated this operation? Considering Canada's position on international terrorism, will the Government take steps to close it down?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am informed by the Commissioner of the RCMP that there is a training school providing self-defence and related training to the public, licensed and operating in New Westminster, British Columbia. It is operating under a municipal licence in British Columbia. Any questions which the hon. gentleman might have in that regard could be directed to the Attorney General of British Columbia.

There is no indication of any criminal offences being committed in connection with that school which teaches self-defence and related training.

Mr. Blackburn (Brant): What related training?

Mr. Crosbie: Surely we are entitled to learn the art of self-defence. That is something the Hon. Opposition might learn.

REQUEST FOR INVESTIGATION

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I ask if there is any place in Canada for a school like this, run by an ex-guerilla fighter in Africa, and for people, it seems, involved in militant international activities.

An Hon. Member: Is there any proof of that?

• (1430)

Mr. Allmand: I am asking that this be investigated—

Mr. Epp (Provencher): Is this an allegation?

Mr. Allmand: It seems that the Government approves of this type of school. I am asking the Minister if the Government has or is developing a policy to deal with schools like this which are proliferating in the United States and are of no good to a country like this.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, this is a school that apparently provides general self-defence and bodyguard training, which training is offered to the general public.

Mr. Turner (Vancouver Quadra): You sound like a broken record.

Mr. Crosbie: If you do not mind, I will answer the question. It is licensed and operates under a licence issued by the Municipality of New Westminster, British Columbia, and is doing nothing which we know is in violation of the law. What kind of procedure is the hon. gentleman suggesting should be taken in connection with such an institution that is not operating illegally and is licensed?

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—CANADIAN BOOK PUBLISHING INDUSTRY

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. With regard to Ambassador Gotlieb's communication of August 6 in which he advised the Government to reconsider its policy of increasing Canadian ownership in domestic book publishing, has the Minister instructed Ambassador Gotlieb that, in line with the cultural sovereignty arguments the Minister has been making, Canada will not be reconsidering its policy of increasing Canadian ownership of the Canadian book industry?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the policy of the Government of Canada is clear, as stated by the former Minister of Communications in July. I was surprised to hear the Leader of the New Democratic Party suggest a few moments ago that he wanted that policy to be reconsidered. That is his position, but the position of the Government of Canada is clear.

In so far as the Ambassador to the United States and anything he may or may not have said in private communication is concerned, the Ambassador knows, and the Hon. Member should know, that ambassadors give advice. It is Ministers who decide policy. The policy of the Government has been decided by a Minister of the Government as expressed by the former Minister of Communications.

GOVERNMENT POLICY

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, the problem for the Ambassador is undoubtedly that the Minister of Regional Industrial Expansion has said something contradicting the former Minister of Communications, as indeed did the Secretary of State for External Affairs. Given these conflicting signals, will the Minister now communicate clearly to the Ambassador in Washington that it is not the Canadian Government's policy to renege on its policy of increasing Canadian ownership in Canadian book publishing?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, one thing that is abundantly clear is that this Government, unlike the Government that preceded it, has been acting vigorously to promote, assert, and strengthen the sovereignty of Canada. We did that in the North, we have done it on other fronts, and we are doing that in publishing.

With regard to the publishing industry, we are aware that it is a complex industry with different interests. That is why we are consulting directly with cultural industries. We will provide support where it is needed. We will help to seek new markets where those are needed.

* * *

HEALTH

CONTAMINATED ITALIAN WINE

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is for the Minister of National Health and Welfare. For the second time in as many months the Government has failed to protect the health interests of the nation. First the Government failed to remove the contaminated tuna until forced to do so by the Opposition. Now we have learned of the problem of contaminated Italian wine. Upon learning of the contamination of the wine, why did the Minister not issue an immediate health warning and follow it up with the complete removal of the contaminated wine from consumers' shelves?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, as I indicated to the House on Friday last, the information regarding contamination in certain Italian wines was received by the Department through various international sources at the end of August. The information was conveyed to the various provinces, and particularly to the Province of Quebec in late August. The provinces immediately undertook to start the testing for diethylene glycol. If the Hon. Member wants further information, I can give it to him as well. The provinces removed the wine from shelves pending further testing and further results.

The question that has to be addressed now is not that the federal Government become a quality control and inspection operation, as that is the responsibility of the provinces, but I have undertaken today to have officials of mine meet with the provinces to determine further what kind of testing should be put in place. That meeting will take place on November 21.

FEDERAL TEST FACILITIES

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, is the Minister going to order his Health Protection Branch officials to step up checking at border points? The Minister knows full well that there are several provinces in the country that do not have the facilities to test wines and therefore the consumers in those provinces will not have their health interests protected.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, that allegation is not correct. For up to 20 years some of these chemicals have been present in wine without our knowledge. Since the incident with the Austrian wine, the

Government has taken action. We have an agreement with the Austrian Embassy that it will inform us. We are now going to make the same agreement with the Italian Embassy. We have also put a test in place which the various provinces can use and are using. We are going to have the meeting on November 21 to take further action. We are taking action, and I wish the previous Government had looked after the matter as well.

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AUDITOR GENERAL

PETRO-CANADA'S ACQUISITION OF PETROFINA—ACCESS TO CABINET DOCUMENTS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Acting Prime Minister. On Friday I had the honour to be in the Federal Court when Justice Jerome, in strong and clear language, said that the public's right to know how its tax dollars are spent far outweighs the tradition of secrecy that surrounds cabinet deliberations. There is now no excuse. The Government has had the weekend to look at this matter. Will the Government now release documents regarding the Petrofina takeover to Mr. Dye, the Auditor General?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am still reviewing that decision. I did not have the weekend to look it over since I was in Newfoundland over the weekend on other important matters. I am sure the hon. gentleman will agree that this is a very important matter and the principles involved are too important for any hasty decision to be made. However, I can assure the hon. gentleman that a decision will be made this week.

REQUEST FOR RELEASE OF CABINET DOCUMENTS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I do not understand why the hon. gentleman is stonewalling and being such a pussycat to the federal mandarins and the senior bureaucracy. He and his Party promised this in the election campaign. There is no excuse now. The decision was clear. Quit pussyfooting around, quit stonewalling, and release these documents to the Auditor General.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, if we want to be factually correct, there was no promise made during the election campaign that the Auditor General or any other person would be given access to cabinet minutes, cabinet documents, correspondence of Ministers and the like. That was never promised, but that is the effect of this judgment which is not being reviewed. The hon. gentleman can be assured that the decision made will be in the best interests of the House, the country, and the Members of this House.

HEALTH

RESPONSIBILITY OF WINE IMPORTERS

Mr. George Baker (Gander-Twillingate): Mr. Speaker, the Minister of National Health and Welfare has said that the importer is responsible for the quality of wine and its testing. Will the Minister also, through his responsibility under the law, make sure beyond any doubt that the importer does that?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, under the authority of the Food and Drug Act, the federal Government, and specifically the Department through the Health Protection Branch, has that authority. Diethylene glycol is an additive which is illegal in any food, and wine is classified as food for these purposes. We will withdraw any of the wines that come into question. Happily, so far the provinces, through their commissions, wherever these questions have come up, have removed those wines voluntarily. There is absolutely no doubt from this Minister's point of view that that wine will be removed if any traces of the substance are found.

PRESENCE OF MONOBROMACETIC ACID

Mr. George Baker (Gander-Twillingate): Mr. Speaker, the Minister spoke of diethylene glycol. Is the Minister aware that another dangerous substance called monobromacetic acid has been found in some wines entering North America? Is he aware of that? Can he tell the House what it is normally used for, apart from giving one a good kick?

● (1440)

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, it has been discovered in Austrian wines. To date, that is as of this morning, none of those wines have been imported into Canada, at least not to our knowledge as of noon today.

Sodium azide has been found in some Austrian wines. That is used as an additive for detonators.

Some Hon. Members: Oh, oh!

Mr. Epp (Provencher): Mr. Speaker, monobromacetic acid has also been discovered. None of it has been imported into Canada. I want to add that I always feel that my late mother was correct in regard to these questions.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

ACCESS TO DOCUMENTS CONCERNING PURCHASE OF PETROFINA BY PETRO-CANADA

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of Justice. During the election campaign the Prime Minister stated it was totally unaccept-

able that the Liberal Government should refuse access to Cabinet documents concerning Petro-Canada's purchase of Petrofina. Can the Minister of Justice now explain why this Government continues to deny access to those documents, after last week's ruling by Mr. Justice Jerome?

[*English*]

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the hon. gentleman may have had trouble understanding what I said in my previous answer. This is a very important decision with respect to constitutional questions of great importance to the country. That decision is now being reviewed. It is not just a question of having the Auditor General look at papers in connection with Petro-Canada's purchase of Petrofina. Why would we have any objection to that? The whole principle is whether or not the Auditor General can have access to every cabinet confidence and make it public if he wishes.

Mr. Broadbent: It is not every cabinet confidence.

Mr. Crosbie: It is not just a question of cabinet papers regarding Petro-Canada and Petrofina, which brings up the question: can Cabinet Governments survive if all deliberations of Cabinet are to become subject to public disclosure? That is the question I am considering. When the matter has been properly considered I will advise the House with respect to the decision.

[*Translation*]

REQUEST THAT AUDITOR GENERAL HAVE ACCESS TO DOCUMENTS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, it is as though the Liberal Government were still in office, for nothing has changed since September 4 last year. Given the crystal clear ruling of Federal Court of Canada Justice Jerome, could the Minister of Justice assure the House that the Government will not thwart the ruling by launching an appeal? Are you stating unequivocally that no appeal will be made in this case and that the Auditor General will indeed have access to the documents?

[*English*]

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I can assure the hon. gentleman that there are a million reasons why this Government is in no way similar to the Liberal administration: the decline in interest rates, the increase in the GNP, and all other reforms which have been instituted since—

Some Hon. Members: Enough, enough.

Mr. Crosbie: There are many reasons.

Some Hon. Members: Oh, oh!

Mr. Crosbie: Mr. Speaker, there are two other problems. Both the Turner administration and the Trudeau administration had the right to request that their papers be undisturbed by their successor administrations. That is also an issue involved in this matter. If Mr. Turner and Mr. Trudeau want to give consent to have their papers given to the Auditor General, then I would like to hear from them. I have not yet heard from them to that effect.

Some Hon. Members: Hear, hear!

* * *

ENVIRONMENTAL AFFAIRS

ST. CLAIR RIVER POLLUTION

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, I have noted with grave concern the statements made by the Hon. Member for Essex-Windsor with respect to the presence of toxic substances in a dark material found at the bottom of the St. Clair River. The fact of the matter is that the Ministries of the Environment have known about this substance for a good number of years. Can the Minister of the Environment dispel the concerns generated by confirming that the dioxin found was contained only in the analyzed sediment samples and not in the water samples?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I share the concern of the Hon. Member about some of the exaggerated rhetoric being resorted to in connection with the question he has raised. I can confirm that while there was a tar-like substance found in the St. Clair River which was found to contain hazardous chemicals, those chemicals were not found in the river at large, let alone in the drinking water. We are concerned and we are exercising proper vigilance—but we are not panicking. We are most certainly not encouraging others to panic.

Let me simply say to the Hon. Member, and through him to his constituents, that analyses of the water in the river at large indicate that the amount of chemicals is well within the World Health Organization guidelines for drinking water.

* * *

[*Translation*]

HEALTH

IMPORTATION OF ADULTERATED WINES—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I direct my question to the Minister of National Health and Welfare, and it relates to tainted wines.

Despite the assurances the Minister is giving us today, one fact stands out—for more than a month new Quebec consumers have been exposed to wines which may contain diethylene glycol, something the Minister has known all along.

What I want to ask the Minister is simply this: How could he have been so indifferent to the health of Quebecers by

failing to publish forthwith a list of tainted and sweetened wines and, instead of waiting for a whole month as he has done, to bring pressure to bear on the liquor board so that such products would have been immediately taken off the market?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, no, the Hon. Member is not correct in saying that I knew. As I said, the information which we receive internationally was passed on. Again, it needs testing. I guess one could make the argument that we should have pre-market testing of all wines before they enter Canada.

I specifically go back to the test for diethylene glycol which was a test performed after the first so-called Austrian incident. Quebec began testing. Quebec and Ontario are the only two provinces which have independent laboratories. All other provinces use either the Quebec or Ontario labs, or they use our labs or private ones. Even as late as October 16 those tests were very inconclusive. It was at that point in time that the Province of Quebec through the Société des Alcools du Québec, came to us and Ontario asking for further testing to see if we could corroborate what at that time were very inconclusive results.

I should also remind the Hon. Member that—

Mr. Speaker: Order, please. This is becoming a speech.

[*Translation*]

REQUEST THAT PRODUCTS BE TESTED ON ENTRY TO CANADA

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, if it is now imperative to take a wine off the market, it was just as imperative to do so a month ago when it was thought to be dangerous to consumers' health.

Here is my question to the Minister: Can he assure us that henceforth products will be tested at the time of entry just so we know for a fact that wines unfit for consumption are not displayed in our liquor outlets and readily available to Canadian consumers?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am concerned, as I am sure the Hon. Member is concerned, that those wines which are imported are not adulterated. I have to say to the Hon. Member that it is for that very reason the meeting has been called for November 21. It is to see what other system should be put in place to ensure that if any gaps exist they are closed, and to see who should handle the responsibility. That is why we have taken a co-operative effort with the commissions. They are co-operating with us. I think that after November 21, even as this matter evolves further, we will have made sure that every co-operation and effort have been made, as far as our knowledge base goes in these areas and that, in fact, everything is done that can be done.

EXTERNAL AFFAIRS

EXPORT OF MILITARY EQUIPMENT

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The External Affairs publication *Canadian Export Control Law and Policy* was in effect until March 1 of this year when it was amended. Will the Minister confirm that in the amended version of the policy handbook he has deleted the restrictions prohibiting the export of military equipment to regimes considered to be wholly repugnant to Canadian values, especially where such equipment could be used against civilians? Did the Minister delete this category and, if so, why?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I will have to read the version of the document from which the Hon. Member quotes.

Le me take this opportunity to repeat a request I made to the Hon. Member some six months ago when he raised questions concerning export controls. I told him that I thought the questions he raised were important. I was reviewing them, and I still am. I asked him for his suggestions. I have heard nothing but silence from the Hon. Member since that time.

Mr. Riis: I will certainly have my list to the Secretary of State for External Affairs later today just to be specific about it.

GOVERNMENT POLICY

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my supplementary question is for the same Minister. On June 18, the day to which the Minister has just referred, he stated that he and the Government had expressed their revulsion to Chilean authorities with respect to the practices of that regime. Prior to March 1 of that year the Minister authorized over $6 million in military exports. Did the Minister violate the export policy then as outlined up to that point? Did he amend this policy to legitimize selling military equipment to countries such as Chile?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, no, I did not do that. However, I think what has been violated is an elemental sense of responsibility in the House. Day after day the members of the New Democratic Party, including the Hon. Member for Kamloops-Shuswap, raised questions seeking action by the Government. In a range of fields, including export controls, we have invited Hon. Members in the Opposition, if they are sincerely interested in the issue and not simply in headlines, to help us to come to judgments on questions which are difficult and important. I repeat, I have made that offer to the New Democratic Party and we have heard nothing but silence and we have seen nothing but irresponsibility.

● (1450)

[*Translation*]

COMBINES

FIXING OF INSURANCE PREMIUMS—SMALL BUSINESSES AND MUNICIPALITIES—GOVERNMENT POSITION

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, my question is directed to the Minister of State (Small Businesses) and concerns the Combines Investigation Act, which indicates very clearly that any combination that occurs in setting the prices of insurance premiums is illegal in Canada.

It is obvious that insurance companies have acted as a group to set the price of insurance premiums.

What is the Minister prepared to do for small businesses and municipalities which can expect a dramatic increase in the cost of their insurance premiums, indeed as much as 1,000 per cent?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I simply want to answer this question by pointing out to the Hon. Member that we are currently reviewing the Combines Investigation Act. We will be recommending various measures to Cabinet which will be adopted very shortly, and we will announce what these changes contain.

[*English*]

Mr. Gagliano: Mr. Speaker, the Minister should stop the blarney and start acting.

INCREASE IN INSURANCE PREMIUM

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Would the Minister tell the House what he is going to do about the case of the Hilan Corporation in Almonte whose insurance was increased from $6,000 a year to $47,000 per year? What is the Minister going to do about that?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I repeat, this will be part of the recommendations we will be suggesting to Cabinet and which will be adopted. My hon. colleague will be advised of what they contain at that time.

* * *

[*English*]

NATIONAL DEFENCE

DESTROYER REFIT PROGRAM

Mr. Joe Reid (St. Catharines): Mr. Speaker, my question is directed to the Associate Minister of National Defence. Would the Minister tell the House how the Navy justifies a multimillion dollar refit for each of four destroyers when, as a Canadian Press report indicates, they will be destined for the scrap heap one year later?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, because of many, many years of neglect, we have a destroyer fleet which is in sad need of repair in order to make it safe for sailors to go to sea. There is a program to replace these destroyers with new frigates actively under way. In that meantime there is a need to refit the existing destroyers for the reason I have just given. We are doing that in a way to minimize the cost involved, yet make it possible for our ships to satisfy our NATO requirements.

The press reports are inaccurate. The first destroyer will be tied up in 1988 when the first of the new frigates is commissioned. As other frigates are added, the ships will be mothballed. But it will all be done in an orderly fashion so that we can maintain our commitments to NATO and at the same time do it as economically as possible.

* * *

LOBBYING

INTRODUCTION OF REGULATORY LEGISLATION

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Friday, in answer to a question about a future Bill for registering lobbyists, the Minister is quoted in *Hansard* as saying: "Of course, we are examining all options to prepare a Bill which will meet the needs of the business sector". Will the Minister now rise in this House and explain what he meant by that statement? Would he also explain whether or not in the legislation he will guarantee that the names of the clients will be listed, as well as the amount of the fees and, more important, the amount expended by lobbyists for their clients will be made public?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I mentioned Friday in my answer that we were looking at recommendations and various alternatives, since we want to be in a position to give this Government the assurance that our recommendations will be in the best interests of the business world, and that is indeed our intention.

PARLIAMENTARY LOBBYISTS—GOVERNMENT POSITION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my supplementary question is directed to the same Minister. Last September the Prime Minister promised that the Government would request lobbyists not only to register but also to make public the names of their clients, as is the case now—

Mr. Speaker: Order, please. It is a long preamble. Is there a question?

Mr. Robinson: Why is the Minister failing to honour such an important promise to the Canadian public?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Through the Prime Minister, Mr. Speaker, we have assured the House on a number of occasions that we would eventually recommend guidelines to guarantee the integrity and openness of this Government, and that is what we intend to do when we will make recommendations on the lobbying Bill.

* * *

[*English*]

VIA RAIL

TREATMENT OF WHEELCHAIR PASSENGER

Mr. Patrick Boyer (Etobicoke-Lakeshore): Mr. Speaker, my question is directed to the Minister of State for Transport. Last Friday one of my constituents, Viola Powell, travelled by train from Toronto to Ottawa to attend a conference for the disabled. Although she booked her ticket more than a month in advance, the train services advertised by VIA Rail for wheelchair users were not available. As a result, she had to travel in the vestibule of a coach, with the baggage, and without access to a washroom for over five hours.

Will the Minister indicate if she is aware of any particular problems at Toronto Union Station which result in disabled Canadians being unable to travel in the dignity they deserve?

Hon. Suzanne Blais-Grenier (Minister of State (Transport)): Mr. Speaker, this situation is evidently unacceptable. I am meeting with the authorities of VIA Rail tonight and I intend to raise that question with them.

* * *

ENVIRONMENTAL AFFAIRS

PROPOSED GUELPH TOXICOLOGY CENTRE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of the Environment. Given the visit of the Minister last week to the toxic chemical dumpsites along the Niagara River, would he say whether he is prepared to reverse the ill-advised decision of his Government last November to cancel the Guelph Toxicology Centre, and proceed with the construction of these much needed facilities?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I am not even sure it is true that the Government has cancelled the plan for the Toxicology Centre. I know a very worth-while proposal was put to the Government which was being considered by my predecessor at the time I was appointed Minister of the Environment. That proposal still stands. However, the decision is not mine, nor the Government's, to make alone. All I can tell the Hon. Member is that we are considering the proposal. We recognize the need for toxicology and Guelph would be a very worthy applicant.

MINISTER'S POSITION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, are we on this side of the House to interpret the Minister's answer that he is putting the health of Canadians ahead of cutting the deficit, as the Minister of Finance did not a year ago when he announced the cancellation of the Centre?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, that question does not do the Hon. Member, or his Party, a service. I am quite convinced that if I were St. Francis of Assisi the Hon. Member would attack me for spilling bird seed on the ground.

* * *

MINES AND MINING

REOPENING OF CYPRUS ANVIL MINE AT FARO, YUKON

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, my question is directed to the Minister of State for Mines. I wonder if the Minister would tell the House how he responds to charges which have been made by certain leading Canadian mining companies that the reopening of the Cyprus Anvil Mine at Faro will, first, disturb the international market for zinc and, second, is going to postpone other zinc operations which would otherwise possibly go into production? What is his response to those very serious charges by these companies?

Hon. Bob Layton (Minister of State (Mines)): Mr. Speaker, the original report which was presented on this subject contained many inaccuracies. In the meantime there have been several stories and reports which say that this was a private sector initiative and it was the Legislature or Government of the Yukon which approached the federal Government for its assistance in the reopening of this mine, and that it can, according to as many as four reports, both engineering and feasibility studies, be a viable mining operation in the Yukon.

• (1500)

COMPANY PRESIDENT'S STATEMENT

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, does the Minister then concur with the view expressed by Mr. Clifford Frame that his company, Curragh Resources, is not receiving any special deal at all from the federal Government but is simply taking advantage of existing programs available to any mining company which wanted to use them?

Hon. Bob Layton (Minister of State (Mines)): Mr. Speaker, it is fair to say that this Government recognizes the very basic importance of the mining industry, and that all proposals for the development of this natural resource will be given the same kind of fair treatment.

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Friday, November 1, 1985, meet the requirements of the Standing Orders as to form.

* * *

FOOD AND DRUGS ACT

TABLING OF PROCEDURES FOR THE SURVEILLANCE OF IMPORTED WINES

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, pursuant to the provisions of Standing Order 47(2), I am pleased to table in both official languages a document entitled *Procedures for the Surveillance of Imported Wines*. Included is a list of the 10 Italian wines which have been withdrawn.

* * *

PERMANENT AND PROVISIONAL STANDING ORDERS

NOTICE OF MOTIONS RESPECTING REGISTER OF FOREIGN TRAVEL BY MEMBERS OF PARLIAMENT

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, it was Edmund Burke, in a speech to the electors of Bristol in 1774, who said:

> It ought to be the happiness and glory of a representative to live in the strictest union, the closest correspondence, and the most unreserved communication with his constituents... It is his duty to sacrifice his repose, his pleasures, his satisfaction to theirs; and above all, and in all cases, to prefer their interests to his own.

That principle has not changed since 1774. It remains as true today as the day Burke gave voice to this belief. We who serve in this place were not elected to serve our own interests, nor indeed any interests which run contrary to, or causes us to lose sight of, the interests, both individual and collective, of our constituents. That is not to say that in the interest of ensuring greater representation we must sacrifice the value of leadership and independent judgment. It is to say that when Members rise to speak or vote in this Chamber, the people of Canada must be confident that Members are acting in good conscience and in the larger interests of our land.

It is for that reason that I have today given notice of two motions which are directed at ensuring that Members' interests are declared. In these motions the Government proposes that the Standing orders be amended immediately to provde for a public Register of Foreign Travel by Members of Parliament, and that the Standing Committee on Management and Members' Services be instructed to consider and report on the feasibility of extending the register to include, in the public disclosure of Members' other interests, the categories of interest that might be included in such a register.

[*Translation*]

For some time, the public, the media and Members of this House have been concerned about the fact that accepting trips abroad gives at least the impression of a potential conflict of interest. Mr. Speaker, no one would claim that all these trips are taken with no useful purpose. In an international community that is becoming increasingly complex, it is important that legislators have a thorough knowledge of the way of life and aspirations of people in other countries.

[*English*]

Recognizing this need for the exchange of information and views, the Government is calling not for an end to foreign travel but for the public disclosure of travel when the cost is not borne by the Member personally, the House of Commons, recognized parliamentary associations, the Members' Party or the Government of Canada. We believe that the people of Canada have a right to know if a Member of Parliament has accepted travel at the expense of foreign Governments or interests. Furthermore, we are convinced that the principle of declaring interests is of merit. To that end, we believe that an honest attempt should be made to establish a registry of Members' interests in order to permit the interests of the public to be served. At the same time we must attempt to ensure that the right of Members to retain a private life beyond the walls of this House is not violated. As Thomas Jefferson said:

> When a man assumes a public trust, he should consider himself as public property.

Ms. Copps: A man?

Mr. Hnatyshyn: Thomas Jefferson said that, and that was before the Progressive Conservative Government of 1984 and its outstanding record on women's rights.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: There is no doubt, Mr. Speaker, that with the responsibilities of public office comes the burden of public scrutiny. A Member's personal interest must be subsumed to those of the public good. To date, the responsibility has largely rested with individual Members to ensure that their actions as Members are above suspicion and beyond reproach. The Government believes it is important that there be no shadow of doubt cast on the ability of a Member of Parliament to represent adequately the views and interests of his or her constituents and the better interests of the nation as a whole.

[*Translation*]

The step we are taking today, and which we hope will receive the support of the opposition parties, is a logical extension of reforms we have already initiated.

You will recall, Mr. Speaker, that on September 9, the Prime Minister rose in the House to announce a series of measures dealing with a code of ethics for the public sector.

[*English*]

That package included a new conflict of interest post-employment code for public office holders, instructions to

Ministers imposing specific and strict limitations on the hiring of family members, an experimental program of parliamentary scrutiny of Governor-in-Council appointments, the registration of lobbying activities, advice to Crown corporations respecting appropriate conduct in their dealings with the Government of Canada, and a review of the judicial appointments' process. This process of administrative reform directed at providing more open and responsible Government parallels the process of reform in the rules and practices of the House now under way. The objective of the House reforms is to ensure that the House of Commons and its Members have the necessary tools to play a greater role in the development of policy and in holding the Government to account for its actions.

If it is time, as we are convinced it is, for Ministers and other individuals holding government offices to be made subject to a comprehensive code of ethics, and if it is appropriate for the Government to restore authority to the House, it is also appropriate that Members of Parliament meet the high standards which will now apply to other public office holders.

[*Translation*]

It was for this reason, when tabling the other measures dealing with ethics in the public sector, that the Prime Minister wrote to the leaders of the Opposition parties, asking their help in establishing a code of ethics for Members of Parliament and suggesting that the three House leaders meet to discuss recommendations that would make it possible for the House to take action.

[*English*]

We have begun that process and I am hopeful that our discussions will result in concrete proposals for further reform. In the meantime I believe the motions, of which I have given notice today, will go a long way toward establishing a solid foundation for reform as well as reaffirming the trust relationship which exists between the people of Canada and their representatives in Parliament.

● (1510)

In conclusion, Mr. Speaker, I think it would be worth-while to simply read into the record the motions which I am putting forward today for the consideration of the House. The first is the proposed draft Standing Order which would cover the element of foreign travel by Members of Parliament. The motion reads simply:

That the Standing Orders be amended by inserting the following new Chapter after Standing Order 84:

"Chapter XVI
Declaration of Interest by Members

85. The Clerk shall maintain a public Registry of Foreign Travel by Members of Parliament in which members shall register all visits they make outside Canada, arising from or relating to their membership in the House of Commons where the cost of any such travel is not wholly borne by:

(*a*) the Consolidated Revenue Fund;

(*b*) the member personally;

(*c*) any interparliamentary association or friendship group recognized by the House of Commons;

(*d*) any recognized party;

together with the name of the sponsoring person or organization which paid for travel to and/or from Canada."

With respect to the proposed order of reference to the Standing Committee on Management and Members' Services which I referred to in my remarks, that motion is as follows:

That the Standing Committee on Management and Members' Services consider matters related to the establishment of a Register of Members' Interests, and report on these and any other matters relating to registration of Members' interests, including the form and content of such a Register, considering among other matters relating to the registration of Members' interest, the following:

(*a*) remunerated directorships of companies, public or private;

(*b*) other remunerated positions or offices;

(*c*) remunerated trades, professions or vocations;

(*d*) the names of clients when the interests referred to above include personal services by the Member which arise out of or are related in any manner to his or her membership in the House;

(*e*) any payments or any material benefits or advantages received from or on behalf of foreign Governments, organizations or persons;

(*f*) land and property of substantial value or from which a substantial income is derived; and

(*g*) the names of companies or other bodies in which the Member has, to his knowledge, either himself or with or on behalf of his spouse or dependents, any beneficial interest including—among others, shareholdings—of a nominal value greater than one-hundredth of the total capital assets of the company or other body.

and that it report on the form and content of such a Register not later than December 31, 1985.

Provided, Mr. Speaker, that notwithstanding the usual practices of the House, if the House is not sitting when the final report of the committee is completed, the committee shall report its findings by depositing the said report with the Clerk of the House and it shall thereupon be deemed to have been laid upon the Table.

Mr. Prud'homme: I am sure your caucus is very happy.

Mr. Hnatyshyn: Not only is my caucus very happy about this initiative, Mr. Speaker, it is one which I think will meet with some approbation from the people of Canada. It seems to me, Mr. Speaker, that in terms of these disclosures these are reasonable proposals which we are putting forward. They are for the consideration of the committee which is chaired by the Hon. Member for Saint-Denis (Mr. Prud'homme). I think the committee will be able to consider these recommendations and receive representations from interested parties and Members of the House.

This particular initiative was one which was indicated in the remarks of the Prime Minister (Mr. Mulroney) on September 9. We hope to have the unanimous support of all Parties with respect to the proposals, the motion and the thrust. I appreciate very much the serious attention which Hon. Members have given to this important matter.

Hon. Herb Gray (Windsor West): Mr. Speaker, some days prior to the Minister's statement, which we have just heard, I said publicly outside this Chamber that I looked positively on the idea of a registry of Members' travel. Certainly, we of the Official Opposition look positively on the concept as set out in the draft motion read to us today by the Government House

Leader (Mr. Hnatyshyn). I had pointed out earlier, Mr. Speaker, that they have had a registry of both Members' travel and interests in the United Kingdom Parliament for some time.

There is much to be said, Mr. Speaker, for the view that Members of Parliament should have the opportunity to learn, first-hand, about conditions in other countries and that this opportunity should not be available only to those who have been selected by the federal Government of the day, or only to those who have been selected to represent parliamentary associations, or who have ample personal private means. However, Mr. Speaker, if Members accept payment for foreign travel from other than the Government or parliamentary groups, they certainly do so as a matter of their own judgment and responsibility. They should be willing to account publicly for the exercice of that judgment and responsibility and the implications of this for the appearance it may create for the carrying out of their duties. They should be willing to account publicly, as I have said, if called on to do so, and a registry of Members' travel is important in this regard.

As I have said, Mr. Speaker, we generally support the concept of the proposed motion that the House maintain a publicly registry of such travel by Members. With regard to this notice of motion, which the Minister was kind enough to give me at around one o'clock this afternoon, I certainly want to discuss the matter of its contents with my colleagues before making any definitive comments about them.

With respect to the proposed reference to the Standing Committee on Management and Members' Services, which the Government House Leader has also read into the record of the House, this proposed reference is quite sweeping in its scope. I think all Members will want to examine this reference and consider its implications. We agree that the committee ought to receive such a reference and that it ought to have the time required to come to its conclusions. I would hope, however, that Members will give serious consideration to the implications of these proposals for themselves and their successors. Members on all sides of the House are affected by proposals in this area and I believe that the committee in its efforts to resolve it will find this matter to be quite complex.

The Government House Leader spent a good portion of his statement talking about the words of the Prime Minister (Mr. Mulroney) in this House on September 9 when he outlined a package of initiatives relating to public sector ethics. I do want to point out, Mr. Speaker, that none or almost none of the measures announced by the Prime Minister some two months ago with great fanfare are yet in force, except perhaps for the conflict of interest guidelines which are to take effect only this coming January 1. Where is the program of parliamentary scrutiny of Governor in Council appointments? Where is the register of lobbying activities? Where is the review of judicial appointments?

The public will wonder, Mr. Speaker, why the Government has begun with the measures outlined in the Minister's statement. I hope the Government does not think that by putting forward what is in the Minister's statement the public will forget that there is an equal and, in fact, a greater priority to move quickly on the other measures set forth in the Prime Minister's statement, about which we have, so far, heard next to nothing.

I would like to say that the measures set out in the proposed notices of motions as read out by the Government House Leader a few moments ago are subjects in which we take a great deal of interest. We will co-operate in having them given the fullest and most expeditious study because we believe that it is necessary for Members of Parliament to conduct themselves, and to be seen to conduct themselves, with a very high degree of probity.

● (1520)

I conclude by saying that this applies in equal and perhaps greater measure to the Government and its officials who have in our parliamentary system a great measure of decision-making authority that we should recognize. We should not let the statement, useful as it is, hide the fact that we and the Canadian people expect more action in the other aspects of the Government's package with respect to ethics than we have seen so far.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I suppose that it is almost safe in the House of Commons to quote Edmund Burke and Thomas Jefferson. It seems to add a certain amount of validity to anything that one might want to say.

However, I want to express some personal concern because at this point I do not pretend to speak on behalf of all my colleagues. I have not had an opportunity to consult with them on this matter and, therefore, do not know what their views might be with regard to the measures proposed by the Government House Leader.

It is good that we will have a chance to review the proposals and deliberate on their effect before they become law, as far as we are concerned, within the Standing Orders of the House of Commons. It is interesting to note that no recommendation is made with regard to enforcement. To a large extent, the reporting process is one which is voluntarily undertaken by Members of the House within the proposals put forward by the Government House Leader.

It is difficult to express the real concerns I have because, rather than being specific, it is an uneasy feeling and goes to the trust and obligations that Members of Parliament must assume when they are elected.

How much is a citizen entitled to know about the day-to-day lives of Members of Parliament? For example, is it necessary that all the interests of every Member be made a matter of public record, given that the overwhelming majority of Members play little part in the actual management of the affairs of the country but, rather, simply pass judgment on the recommendations of the Cabinet?

Let me draw a comparison between the two bodies. The Cabinet has direct responsibility for the making of policy and the expenditure of funds. Clearly, the cabinet members have

the opportunity to make use of that information, gathered as a result of the cabinet process, to improve their own personal lot in life. Of course, one hopes that this opportunity is never used. Members of Parliament only become knowledgeable of cabinet decisions when they are made public and, therefore, have no greater opportunity than any other citizen of this country to achieve any personal gain from a decision made by Cabinet. Therefore, I think those two bodies must be viewed separately.

I say quite bluntly that I support the Government's move to strengthen a code of ethics for cabinet Ministers and require higher standards than heretofore might have been in place. It does not necessarily flow from that, however, that changes are absolutely necessary for the ordinary Members who serve on the back-benches in Parliament. I repeat that I feel a sense of concern rather than concrete knowledge that the measures being proposed are wrong.

The questions that come to mind about this proposal are not specific. However, one of the proposed draft orders states that the Clerk shall maintain a public registry of foreign travel by Members of Parliament in which Members shall register all trips that they make outside of Canada arising from or relating to their membership in the House of Commons where the cost of any such travel is not wholly borne by certain groups.

If a Member were to be invited to address a university in Detroit, for example, and the passage was to be provided by that university for the purpose of making a representation at a seminar, is that to be listed? If so, why? What would be the reason for doing that? If a Member were provided with return tickets from Ottawa to Washington, Baltimore or New York to speak to a board of trade about matters relating to the policy of that Member's political Party with regard to public policy, is such a trip to be reported and, if so, why? What purpose would it serve to list those visits?

I believe we are trying to address an issue that is quite different. I think it is time we recognized that we are talking about Members who take trips at the expense of groups, individuals and Governments to exotic places in the world for well-paid holidays.

Mr. Prud'homme: What is exotic?

Mr. Deans: Exotic is any place where one has not been. That seems to be the definition for exotic.

I do not doubt that there may be some reason to consider seriously listing visits like that because the public may have the right to know who is paying for it and, therefore, why certain representations are being made in the House of Commons on a particular subject which bears a direct relationship between the Member making the representation and the group being represented. Perhaps there should be a way to check up on trips like that.

However, with respect to other trips, such as the examples I have given, I wonder if it makes much sense for the Clerk, busy as he is at all times, to be required to be in the office each day while Members troop in and fill out the registry and then to have it verified as being correct. Furthermore, what will we do if a Member did not indicate where he or she went? Do we issue a statement to the effect that the Member is in breach of the guidelines? But being in breach of the guidelines does not matter very much since there are no penalties.

Therefore, I say to the Government House Leader that these are matters that came to my attention when I heard what he said and read what was contained in the proposed orders. I am curious to know what useful purpose can be served.

Incidentally, I have no objection to listing everything I do, but what purpose does it serve to list the various remunerated trades, professions or vocations or Members? The people who will make the judgment about whether the Member is doing his or her job properly will be the electors. They will judge whether the Member was present frequently enough to perform his or her duties. Therefore, is it necessary for an ordinary Member, who has very little influence within the House of Commons, as it now stands, to list the remunerated trades, professions or vocations which he or she may have or to name the clients when the interest in those areas includes personal services by the Members?

I think it would be better to suggest that a Member cannot act on behalf of anyone for remuneration when the matter that is to be acted upon is one that falls within the ambit of the responsibility of a Member of Parliament. Frankly, I believe a rule arleady exists that no Member should be able to do for money that which he or she is being paid to do for the House of Commons, for their constituents and for the public of Canada. I would say that the law now covers that and that it does not have to be contained within these guidelines. Nevertheless, let us look at it anyway.

• (1530)

I do not propose to go on any longer. I think you understand, Mr. Speaker, that I am in a general way supportive of having some way to deal with what we have identified as a problem. I am concerned, though not yet focused on my concerns, about this kind of approach. I would certainly welcome hearing the views of other Hon. Members; not only those of my own colleagues, but the views of other Hon. Members in the House of Commons. I invite—although I do not often do this and it may be a little unusual—other Members who have views to express on this to do so, if they would not mind, since it is a totally non-partisan matter. In order to help me in my deliberations, I invite them to feel comfortable in letting me know how they feel about it and how they see it affecting their lives or the way they are able to do their work. In the final analysis, the argument which will take place on whether this will become law or otherwise, within the context of the House of Commons, will be determined behind closed doors. In the final analysis, the decision on whether or not to proceed with it will be made rather quietly, and then will or will not be proceeded with in accordance with what appears to be the over-all wishes of the majority of Members.

Therefore, I urge Hon. Members to pay particular attention to this matter because it could detrimentally or beneficially

affect every one of them for as long as they are in the House of Commons and even beyond.

* * *

EMPLOYMENT EQUITY ACT

ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-62

On the Order: Government Notices of Motions:

November 1, 1985—the Minister of Employment and Immigration:

That, in relation to Bill C-62, an Act respecting employment equity, one sitting day shall be allotted to the consideration of the second reading stage of the said Bill;

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

Mr. Speaker: Pursuant to Section (2) of Standing Order 26, this Government Notice of Motion stands transferred to and ordered for consideration under Government Orders later this day or at the next sitting of the House.

* * *

QUESTIONS ON THE ORDER PAPER

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

Mr. Speaker: Shall all questions be allowed to stand?

Some Hon. Members: Agreed.

Mr. Speaker: May I inform the House that because of the ministerial statement, consideration of Government Orders today will be extended by 29 minutes this day. Therefore Private Members' Hour will begin at 5.29 o'clock p.m.

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

PETROLEUM AND GAS REVENUE TAX ACT

Hon. Barbara McDougall (for the Minister of Finance) moved that a Ways and Means motion to amend the Petroleum and Gas Revenue Tax Act, laid upon the table on Friday, November 1, be concurred in.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Call in the Members.

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

(*Division No. 124*)

YEAS

Members

Belsher
Bernier
Bertrand
Bissonnette
Blackburn (Jonquière)
Blais-Grenier
Blenkarn
Bourgault
Boyer
Brisco
Carney
Clark (Yellowhead)
Collins
Cooper
Corbett
Crofton
Crosbie (St. John's West)
Dantzer
Darling
Daubney
Della Noce
Desrosiers
Domm
Duplessis
Edwards
Fennell
Forrestall
Fretz
Friesen
Gormley
Graham
Gray (Bonaventure-Îles-de-la-Madeleine)
Gurbin
Gustafson
Hardey
Hawkes
Hnatyshyn
Holtmann
Horner
James
Jardine
Jepson
Kempling
Kindy
King
Landry
Lanthier
Lewis
Mailly
Mantha
Marin
Mazankowski
McCain
McDougall (St. Paul's)
McKenzie
McKinnon
McKnight
McLean
McMillan
Merrithew
Minaker
Mitges
Nicholson (Niagara Falls)
Nickerson
Nielsen
Oostrom
Paproski
Pennock
Pietz
Porter
Ravis
Redway
Reid
Scott (Hamilton-Wentworth)
Siddon
Speyer
Stackhouse
Taylor
Thacker
Toupin
Turner (Ottawa-Carleton)
Vankoughnet
Weiner
Wenman
White
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Witer—89.

NAYS

Members

Allmand
Althouse
Baker
Benjamin
Blackburn (Brant)
Blaikie
Boudria
Caccia
Cassidy
Chrétien
Copps
Deans
de Corneille
Epp (Thunder Bay-Nipigon)
Finestone
Foster
Frith
Fulton
Garneau
Hovdebo
Isabelle
Jewett
Lapierre
MacLellan
Malépart
Manly
Marchi
McCurdy
Murphy
Nicholson (Trinity)
Nystrom
Ouellet
Parry
Penner
Prud'homme
Robichaud
Robinson
Rossi
Waddell
Young—40.

● (1640)

Mr. Speaker: I declare the motion carried.

INCOME TAX ACT

Hon. Michael Wilson (Minister of Finance) moved that a Ways and Means motion to amend the Income Tax Act, laid upon the table on Friday, November 1, be concurred in.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deans: Mr. Speaker, I rise on a point of order. It would be our intention to vote against this motion. However, we would be prepared to have the same vote as was taken on the previous Ways and Means motion recorded as applying to this motion.

Mr. Speaker: Rather than calling the yeas and nays, it is understood that the same vote will apply to this motion.

[*Translation*]

The Hon. Member for Joliette (Mr. La Salle) will be included in the vote, and I assume he will vote with the Government.

[*English*]

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

(*Division No. 125*)

YEAS

Members

Belsher	Fennell	Marin
Bernier	Forrestall	Mazankowski
Bertrand	Fretz	McCain
Bissonnette	Friesen	McDougall (St. Paul's)
Blackburn (Jonquière)	Gormley	McKenzie
Blais-Grenier	Graham	McKinnon
Blenkarn	Gray (Bonaventure-Îles-de-la-Madeleine)	McKnight
Bourgault	Gurbin	McLean
Boyer	Gustafson	McMillan
Brisco	Hardey	Merrithew
Carney	Hawkes	Minaker
Clark (Yellowhead)	Hnatyshyn	Mitges
Collins	Holtmann	Nicholson (Niagara Falls)
Cooper	Horner	Nickerson
Corbett	James	Nielsen
Crofton	Jardine	Oostrom
Crosbie (St. John's West)	Jepson	Paproski
Dantzer	Kempling	Pennock
Darling	Kindy	Pietz
Daubney	King	Porter
Della Noce	Landry	Ravis
Desrosiers	Lanthier	Redway
Domm	La Salle	Reid
Duplessis	Lewis	Scott (Hamilton-Wentworth)
Edwards	Mailly	Siddon
Speyer	Mantha	Wilson (Etobicoke Centre)
Stackhouse	Vankoughnet	Winegard
Taylor	Weiner	Witer—90.
Thacker	Wenman	
Toupin	White	
Turner (Ottawa-Carleton)	Wilson (Swift Current-Maple Creek)	

NAYS

Members

Allmand	Epp (Thunder Bay-Nipigon)	Marchi
Althouse	Finestone	McCurdy
Baker	Foster	Murphy
Benjamin	Frith	Nicholson (Trinity)
Blackburn (Brant)	Fulton	Nystrom
Blaikie	Garneau	Ouellet
Boudria	Hovdebo	Parry
Caccia	Isabelle	Penner
Cassidy	Jewett	Prud'homme
Chrétien	Lapierre	Robichaud
Copps	MacLellan	Robinson
Deans	Malépart	Rossi
de Corneille	Manly	Waddell
		Young—40.

Mr. Speaker: Therefore I declare the motion carried.

Hon. Barbara McDougall (Minister of State (Finance)) moved that Bill C-82, an Act to amend the Petroleum and Gas Revenue Tax Act and the Income Tax Act, be read the first time and be printed.

Motion agreed to, Bill read the first time and ordered to be printed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to raised tonight at the time of adjournment are as follows: The Hon. Member for York East (Mr. Redway)—Environmental Affairs—Niagara River pollution—American chemical waste dumps; the Hon. Member for Fundy-Royal (Mr. Corbett)—Shipbuilding—Implementation of Government policies; the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall)—Regional Development—Economic conditions in Atlantic Canada. (*b*) Municipal infrastructures.

GOVERNMENT ORDERS

[*English*]

PARLIAMENTARY EMPLOYMENT AND STAFF RELATIONS ACT

MEASURE TO ENACT

The House resumed from Friday, November 1, consideration of the motion of Mr. Hnatyshyn that Bill C-45, and Act respecting employment and employer and employee relations in the Senate and House of Commons, be read the second time and referred to a legislative committee.

Mr. Les Benjamin (Regina West): Mr. Speaker, before my time starts, could the Chair or the Clerk tell me how much time I have remaining? I did not get a reading on Friday.

Mr. Speaker: I am informed that the Hon. Member has 10 minutes left in his speech under daylight or eastern standard time.

Mr. Hnatyshyn: Now, what is the good news?

Mr. Benjamin: Mr. Speaker, I am delighted to continue my remarks on what I was talking about last Friday, the general principle of the rights of employees on Parliament Hill in terms of collective bargaining, negotiations, right to strike and all those things entrenched in the laws of Canada and the provinces, even in the by-laws of municipalities, which are sort of taken for granted. There are large numbers, including those employed on Parliament Hill and its environs, who do not have those rights, and the Government is seeking ways to grant at least part of those rights.

The right to bargain not only concerns hours of work, rates of pay, holidays and so on. It also concerns the conditions of employment in the workplace. There have been far too many examples around here, since I came here, beginning in October, 1968, where, at the whim of a supervisor or someone at the lower or middle management level, people who had been working here for some period of time were left out when it came to assignments, job classifications, transfers or applications for promotion. They seem to have been left in limbo or left to the whims of those who were their immediate or top managers.

I should like to refer to an example of this. A senior technical position becomes vacant around here, several employees inquire about a competition being held, and none is held. However, the husband of a manager in another department of the same service is brought in to fill the position on a temporary basis. Several months later, a competition is held. Then, the now-experienced husband in that position enters the competition and is hired permanently, and the appeals of the other employees are denied. No self-respecting employer anywhere else would ever countenance that sort of accidental or "left to the whim of" procedure, which you, Mr. Speaker, or I or the Minister in charge would never even hear about, let alone know about. None of us, as Members, would countenance that treatment of staff in our own offices, let alone employees of the House of Commons.

Another example would be that of several employees in a support service who hold supervisory positions on an acting basis. Some could have held these positions from two years to seven years respectively, and they are informed that they have been downgraded four levels and that their salaries will be reduced from $21,000 to $17,000. However, during the same period, other working supervisors are hired for the same service without any competition process. Again internal appeals are denied.

I have only referred to two examples of some 14 which I have in my possession. I have no doubt that my colleagues on all sides of the House have other examples. It is one of the rights which is presently being denied employees of the Parliament of Canada, a right which the House has to instate for them. The matters of who gets what jobs, who gets transferred and how the process is carried out must be given to the employees to have in a collective agreement so that they may bargain about them in an orderly manner. This must be done so that someone does not hire someone else's brother-in-law simply because it is easy to lay off some people and not call back others when they have no recourse. That is a denial of fundamental justice let alone the laws that apply to others regarding collective bargaining and conditions of employment.

• (1650)

Again I must cite the experience of my own province as an example. In the Province of Saskatchewan, all three political Parties have been in power and employees have had the right of collective agreement since 1947. While there have been disputes, strikes and disagreements, those would not represent more than 2 per cent or 3 per cent of the difficulties encountered. In the overwhelming majority of instances, agreement has been reached through bargaining. Agreements were negotiated for employees of every Department and for every employee, whether it be a technical, professional or service employee, year after year for almost 40 years. There were some occasions on which Crown corporation employees went out on strike. There were some occasions on which members of the Public Service worked to rule. By the way, I always figure that working to rule is a darn good tactic when there is a disagreement with an employer. When employees work to the rules the employer has laid down, they can grind the place to a halt. That that can occur in both the private and public sector and has to tell us about some of the rules that are put down by some employers.

I think the Government is only dipping its feet into this matter. It wants Hill employees to appear to be equal to the workers in the other sectors of the Public Service and the private sector. However, these employees will not be quite as equal as others. Others will be more equal, but the Government wants to have at least the appearance of equality.

I admit that this Bill makes some positive moves toward making these long withheld rights available to Hill employees. Frankly, though, I think this Government and previous

administrations worried too much about the effects this would have. The experiences in municipalities and some of the provinces have not been nearly as bad as those which were expected. I can recall that in the 1940s, officials of the Province of Saskatchewan thought that it would be a horrible idea to give public servants and employees of the Legislature collective bargaining rights. They thought that anarchy would follow and Government would not be able to function.

I have often wondered what it would be like if we did not have any messengers, pages, security guards or waiters and waitresses around here for a couple of weeks. Perhaps it would be a good lesson for all of us in this Chamber and the other place as well as for the top administrators. Perhaps then we would find out in a difficult way what all of these things that we take for granted mean to us on a day-to-day basis. I am including in this the interpreters, the *Hansard* employees and others as well. Some of these employees are well paid but they are certainly not, by any stretch of the imagination, overpaid. They darn well earn their keep. There are some employees of the Parliament of Canada who, if they wished, could make more money somewhere else but they are dedicated, loyal and they like it here. That is no reason to take advantage of them.

I hope that the Government will be amenable to improvements in the legislation and that the legislation itself will be amendable. I hope that proves to be the case because there are some shortfalls in this legislation about which none of us should be proud or brag and which all of us should be anxious to correct.

Mr. Deputy Speaker: Questions or comments? Debate.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I too am happy to join in this debate. When looking back at the promises that were made by members of the Conservative Party when they were in opposition, I find that they made a fairly thorough representation of their perspective in response to some specific questions directed at them about their position on collective bargaining rights, staffing procedures and classification possibilities for the Public Service and in particular for employees on the Hill. I would like to refer specifically to some promises that were made and that were in fact tabled as a result of the commitments made by the Conservative Government. The Government stated for the record the following:

> A PC government will negotiate directly with public service unions and associations toward the establishment of an improved collective bargaining system based on the provisions of the Canada Labour Code. Staffing procedures, classification, technological change, designations, and other issues will become negotiable. We will pursue joint bargaining as a means of achieving greater fairness and efficiency in the collective bargaining process. Our Party will seek advice from PIPS and other public service organizations as to how we can improve the many regulations governing the use of arbitration and conciliation so that disputes can be resolved quickly without disrupting government service to the public.

An element of today's debate which we have not had a chance to address in the House is the Canada Labour Relations Board decision which reversed its previous position by announcing today that it was going to issue certification orders for certain bargaining units on the Hill. I have just received a copy of the judgment in my office. I understand that certification will be accorded to certain employees in the Library of Parliament, drivers, messengers and security services employees with others expected to follow.

It seems to me that what the Canada Labour Relations Board has done in announcing the reversal of its original position of June 28, 1985, in which it suspended proceedings for certification, is that it has in fact accorded to those hundreds and indeed over 1,000 employees of the Hill who have sought the right to certification the right to pursue that particular certification under the provisions of the Canada Labour Code. In that regard, this particular decision, a decision which in fact had been stalled for a number of months, sheds new light on the debate and on the Bill that is before us today. Quite clearly, in according the right to certification under the Canada Labour Code to a number of employees on the Hill, the Canada Labour Relations Board is saying that mechanisms that are currently in place can be utilized effectively for employees on the Hill. In that regard, it seems to me that it would further muddy the waters to follow up with Bill C-45 at a time when we know the Government has 20 days in which to respond to the decision of the Canada Labour Relations Board. You can believe me about this, Mr. Speaker, in light of the promises that were made by the Conservative Party and the promises that were issued to Public Service unions across the country. The Government said that staffing procedures, classification, technological change, designation and other issues will be negotiable. It is quite clear that the Government will have a chance to respond to the veracity of those statements within the 20-day period which has been allotted as a result of the Canada Labour Relations Board decision today.

• (1700)

I have had a chance to consult with a number of my colleagues on this issue, including representatives on the Hill who have worked hard to sign up members. At this point they have signed up more than 1,000 members, some of whom have been required to sign again and again and again indicating their interest in becoming part of a certified bargaining unit on Parliament Hill. It seems to me that while the Canada Labour Relations Board is awaiting summary action from the Government as to its good faith in adopting its recommendations it is futile for us to continue the debate at this time. I would argue, as have my colleagues, the Hon. Members for Glengarry-Prescott-Russell (Mr. Boudria), Ottawa-Vanier (Mr. Gauthier) and Hull-Aylmer (Mr. Isabelle), that there are a number of amendments to the legislation which is currently before the House which this Party would like to see. However, it seems to me that with the decision which has been announced today that at this point in time it is futile for us to continue discussion of the Bill when we are still awaiting the response of the Government to a potential certification under the Canada Labour Code. From the perspective of the organizers on the Hill who have been trying to get the Canada Labour Relations Board to come to grips with this issue for two years it was a surprise decision. I have had discussions today with representa-

tives of employees on the Hill and, therefore, I move, seconded by the Hon. Member for Hull-Aylmer:

That Bill C-45, an Act respecting employment and employer and employees relations in the Senate and the House of Commons, be not now read a second time but one month hence.

[*Translation*]

Mr. Speaker, I would like to make it clear that this amendment will give the Government a chance to respond within 20 days to the rulings that have just been issued by the CLRB.

Mr. Speaker, I would like to make it quite clear that if the Government insists on continuing consideration of this Bill, we, our party, intend to demand a number of amendments to ensure at least that the promises made by the Progressive Conservative Party during the election campaign will be properly discussed and considered, including classification questions, and many other items not covered by the Bill at this time. Frankly, Mr. Speaker, the Bill in its present form, does not meet the requirements of the Canada Labour Code. Obviously, we would rather have something than nothing at all, but I think that all Hon. Members who are concerned and involved, whether we are talking about the rights of union members or aspirant union members, or whether we are talking about employers—

Since the CLRB has just ruled on a subject of such significance today, I personally, with the support of my caucus and that of the Hon. Member for Hull-Aylmer (Mr. Isabelle), want to give the Government a chance to have time to reflect. It would give them 30 days' time. During those 30 days, it will be up to the Government either to accept or reject the recommendations made by the CLRB.

Mr. Speaker, we want to wait for the Government to respond to the news announced today, before proceeding with a Bill that may undergo fundamental changes as a result of the decision that has just been announced.

I know Hon. Members in the corner find it difficult to talk about union matters because that is not where their interests lie. That is obvious. However, as a Member representing the most industrialized riding in Canada, I have a right to speak, and I will continue to do so until my time has expired. That is why . . . Mr. Speaker, it is not our intention to reject the Bill out of hand but to give the Government a chance to reflect, during the period of 20 days they are being offered, on the ruling announced today by the CLRB, and that is my purpose in moving this amendment.

[*English*]

Mr. Speaker: I have been thinking about the Hon. Member's amendment. It is our custom not to interrupt debate. However, since the Hon. Member has moved a motion, which I take as a hoist motion in general terms, it is therefore in order.

Ms. Copps, seconded by Mr. Isabelle, moves:

That Bill C-45, an Act respecting employment and employer and employee relations in the Senate and the House of Commons, be not now read a second time but one month hence.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: Resuming debate, on the amendment. The Hon. Member for Hamilton East (Ms. Copps).

[*Translation*]

Ms. Copps: Excuse me, Mr. Speaker, but I would like to know whether I have the right to speak now.

[*English*]

Mr. Speaker: Order, please. I would like to consult for just one moment. The Hon. Member may know that our practice is, in fact, that speeches are normally made with amendments of this type moved at the conclusion of the speech. I appreciate that the Hon. Member may not have realized that and she may think that she has the right to rise again. Technically, she does not, unless the House were to give its consent.

Mr. Cassidy: On a point of order, Mr. Speaker. We would be prepared to allow her to continue for her full 20 minutes and then move the motion at the conclusion of her speech.

Mr. Speaker: I think the Hon. Member for Hamilton East is signalling to me that she feels, in fact, that she has put on the record what she wanted to put on the record.

Ms. Copps: With the consent of the House, I would like to proceed.

Mr. Speaker: Is there consent to follow the Hon. Member the normal time to finish the speech which she began and assume that the amendment was moved at the end of her speech?

Some Hon. Members: Agreed.

Mr. Hnatyshyn: Mr. Speaker, I wish to demonstrate that even on a Monday I am prepared to show the usual generosity of spirit of the Government and have the Hon. Member finish her speech with the understanding that she moved the amendment at the end of her speech.

Mr. Speaker: The Hon. Member for Hamilton East.

Ms. Copps: Mr. Speaker, I would like to take a few moments to enlighten those Members who perhaps have not been following the sequence of events which, in fact, have led to a decision of the Government to move ahead with Bill C-45 which, in fact, led us to move this hoist motion. In fact, a number of groups of employees on the Hill have been seeking the right to certify for some time. That right was originally upheld by the Canada Labour Relations Board and subsequently suspended. During the course of the suspension we

find that over 1,000 employees have signed cards on at least three occasions indicating their interest in aligning themselves with a certification process on the Hill. In the meantime, the Government has come in with a Bill which would, in a very limited way, begin to recognize the rights of organizations on the Hill. Unfortunately, contrary to the promises made by the Conservative Party at the time it was in opposition, the Bill before the House does not address a number of issues. It does not address those issues which have been highlighted by a number of representatives from PSAC, as well as NABET, as being very crucial to the discussion.

• (1710)

For example, indications that this particular Bill will do nothing to allow an employee voice in certification and classification are obviously of great concern to us. Meanwhile, as the Government introduces this Bill and discussion and debate goes on—indeed, we have been waiting for some kind of Bill for several months—coincidentally, and totally by chance, the Canada Labour Relations Board today announced that it had reversed an earlier decision and would now issue certification orders to certain bargaining units on the Hill. The effect of that particular announcement is that the process of certification has effectively been approved by the Canada Labour Relations Board and certifications on the Hill can begin.

In deciding, together with my colleagues, to move a motion which would cause the delay of the Bill for 30 days, it is not our intention to stop the process, as was suggested by the Government House Leader. On the contrary, it is our intention to allow the employees an opportunity to receive the fullest representation possible within the bargaining process. It seems to me that the particular decision today by the Canada Labour Relations Board is going to impinge very directly on this piece of legislation. In fact it has granted to employees on the Hill the same rights which are currently available to employees in a number of other areas. We know, of course, there are questions of the implications of the freedom of association clause in the Charter of Rights and Freedoms. There were a number of rights which were fought for and won through the Charter which have in fact been reinforced by an application which has been accepted under the Canada Labour Code.

There is a very valid question raised today as to whether we should proceed with this Bill or whether we should allow the course of events which could lead to a faster and fuller exploration of rights for employees on the Hill. It would be a misrepresentation of our intentions for Members of the Government to suggest that we are attempting in any way to somehow impugn or prevent the valid and due process of certification. That is simply not true. In fact, it is with the support of, and in discussion with the representatives of the movement to organize on the Hill, that we have suggested a 30-day delay in further discussion on this Bill pending the reaction of the Government with respect to the very current and pressing announcement that finally the employees will be allowed to organize under the Canada Labour Code.

Quite clearly, it was an unexpected decision in the light of the discussions which are taking place at this moment in the House of Commons. It is the feeling of the Liberal Party that while the Government has 20 days to respond, it would not want to allow anything to infringe upon the possibility of the Canada Labour Code decision going forward when the federal Government has the legal right and responsibility to respond. We do not know what the response is going to be. We know what the Conservative Party said during the election campaign. We know that promises which were made during the election campaign, specifically with respect to certification, classification and to other rights of employees, have not been respected. In fact, the Conservative Party has flaunted the very promises it made in the past by refusing to accord even those minimal rights. We will be suggesting amendments to address that basic injustice.

At the same time, it would be the position of this Party that a 30-day delay of further discussion on this Bill would permit the Government to move ahead in good faith in light of the current and crucial decision of the Canada Labour Relations Board. It would be my suggestion that all Hon. Members on all sides of the House who would like to have a full discussion of an issue which could affect them very directly, even their own employee relations, would find it in their best interests to take a look at what the Canada Labour Relations Board had to say. I only just received a copy of the decision in my office this afternoon and I have not had a chance to review the particulars. I would like to do so and see whether in fact the suggestion of the Canada Labour Relations Board, in its decision to allow certification, should supersede the Bill which we have before us. Is this Bill redundant? That question has not been properly explored. It is a question which remains in the mind of the union, for one.

The amendment is one way of addressing all the issues surrounding the certification process, and in particular the relationship of the employees on the Hill to the Canada Labour Code, and it would delay further discussion of this Bill for 30 days while we anticipate the Government's reaction to the most recent announcement by the Canada Labour Relations Board.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, it is an honour to participate in this debate since many of the people who are affected actually live, and certainly all of them work, in my riding of Ottawa Centre. On the other hand, I participate in this debate somewhat in sorrow rather than anger because Bill C-45 falls so far short of what should have been provided and what my caucus, the New Democratic caucus, has been advocating for a long time.

In April of this year, our caucus passed a unanimous motion endorsing the efforts of the House of Commons employees to gain recognition of their union under the Canada Labour Code. Our motion urged the House of Commons administration and the Government to cease the use of procedural and legal techniques which were delaying union recognition for Commons employees. We welcomed your commitment, Mr. Speaker, to the principle of union recognition for Commons

employees and we urge that the Commons administration give informal recognition of union representatives for those employee groups where a majority of the employees had signed union cards.

That was the position we took at that time. But what really angers and upsets me is the fact that the legal and procedural road-blocks which have been put in the way of unionization of the House of Commons employees have come from the Government. I would say before my friend, the Hon. Member for Hamilton East (Ms. Copps), leaves, that it has come as much from the Liberals prior to last September as from the Progressive Conservatives. However, the delays have also come from the House of Commons. You, Mr. Speaker, stated publicly that you supported unionization, and the chief administrator of the House stated, at least to me, that he would like to see a union here so that there would be a better way to deal with House of Commons staff. Nonetheless, the House of Commons continued to either go along with the Government or the administration itself put up legal road-blocks to the route of certification which is the only route those employees had to follow. It is noteworthy that today the Canada Labour Relations Board has reviewed and reconsidered the position it took in June when its panel decided that, pending legislation, it was not appropriate to proceed. The panel decided on Friday that it had made a technical mistake, that it was wrong and it should not take cognizance of legislation which to this point was just a proposal and had no guarantee of being passed. Today, as you know, Mr. Speaker, the Board has decided to grant recognition to some 960 House of Commons employees in the bargaining units.

I regret the decision of the CLRB to reject the certification of the staff of Hon. Members, just as I regret the proposal of the Government to reject that certification. However, it is noteworthy that the CLRB has now certified something like half of the staff in the House of Commons, including those who work for Hon. Members. That is quite a lot of people. That certification has taken place because of the determination of those employees to try and get union recognition against some pretty overwhelming odds.

What will happen now? The workers are caught in their reaction to Bill C-45. Although they won certification, the comments of the Government House Leader in opening this debate on Friday were really quite unequivocal. He said it is conceivable "after lengthy and costly legal proceedings that owing to the particular situation of Parliament, parliamentary employees might have no right to join a union". He said that by "eliminating disputes before the courts with respect to the jurisdiction of the CLRB, the ultimate effect of this measure will be to speed up the efforts of the employees concerned to form a union". The Government House Leader was talking as though there was some alien force out there who keeps on taking these employees before the courts, but that is not the case at all. It is the Government which has been taking these employees to the courts. The Liberal Government and now the Progressive Conservative Government have systematically put legal road-blocks in the way of these employees to form a union. The new Government is no better than the old Government. At this time there are no legal cases pending. There is a certificate which would allow the bulk of the employees who filed to have a union to have bargaining units which could now sit down, effective within a couple of weeks, and start bargaining for a first contract, a deal with question like the terms and conditions of work, pay, holidays and the other things which form the subject of collective agreements. However, the Government is not prepared to play by those rules and is going to change them. If this measure is too long delayed in the House of Commons and the Government has to proceed on the basis of the CLRB decision having effect, then it is threatening to appeal. The appeal will be costly, could take another year or two, and those employees are damn tired of having to wait while the Government delays and obfuscates. The Government, on the other hand, is saying we should trust it and it will give us legislation which I am sure the Government itself must recognize is inadequate and falls far short of what the employees have been seeking. In particular, it fails to address the grievances of greatest concern to these employees.

• (1720)

I have no doubt that some House of Commons employees are underpaid. However, the concerns they have raised in particular concern arbitrary actions by the employer, the failure to have a fair system of classification, and actions which appear to them to smack of nepotism, patronage and favouritism, as well as being arbitrary. I will just cite one with which I was very closely connected, the treatment handed out to Prudence Dallaire. She was the employee assistance counsellor in the House of Commons and had been for a very long time. A few months ago she was fired, her position abolished and her responsibilities turned over to the nursing staff. As recently as one week ago some of those nurses went to a conference on that particular subject. They were told that they needed training which they have not had, and independence to carry out the job. Employee assistance requires sufficient independence that the person responsible can act as an advocate for employees who have personal problems such as alcoholism, family problems or perhaps mental problems, things which lead to their having difficulty at work. The employee assistance counsellor has to be able to intervene with management. You cannot do that if you are reporting to management day by day, as do the nursing staff here in Parliament Hill. An appeal was made to the Speaker asking that Madam Dallaire be reappointed. The appeal was denied. Two petitions signed by 1,500 Hill employees were ignored.

That is but one of many examples of how the present administration of the House of Commons has ignored the needs of employees working here. Yet they are now told they have no choice, you have to take what is here. It is not appropriate that the CLRB should govern employees of the House of Commons. I ask: Why not? After all, Privy Council Office employees are unionized, as are those of the Governor General. Therefore, what is wrong with House employees having full union rights? I do not see what the fuss is all about. It has been pointed out in other jurisdictions that legislative

employees are unionized. In the NDP caucus here on Parliament Hill we have had a collective agreement since 1977. At times it has been a bit difficult to administer because we are not a formally recognized employer and the staff association is not a formally recognized union. Nonetheless, we have been able to function and we have made that agreement work in good faith. The employees here in the House want to make such an agreement work. We should recognize that these people serve our meals, deliver our messages and provide an enormous range of services. They do our research, get our books and magazines, provide clippings. They handle parliamentary relations, and represent us in our dealings with Parliaments and parliamentarians around the world. They help staff our committees and make this Parliament look good and work effectively. There is no reason, given the importance of those functions, that we should give them the second class status and second rate form of unionization proposed in Bill C-45.

My caucus has decided that, although we recognize the need for unionization, we do not believe this Bill is anywhere near good enough. That is why we have decided, while we are not going to speak on the Bill forever, if this is all that is available we are going to have to live with it but we are going to oppose it because it simply does not live up to what we should be providing. Our Prime Minister (Mr. Mulroney) worked in labour relations as a negotiator, mediator and conciliator for many years. He first came to public prominence as counsel to the Cliche inquiry into labour relations in Quebec in the 1960s. He knows intimately the stuff of labour relations. He, of all the Government and cabinet Members, should realize that the House of Commons should be looked to by employers and employees across our country as a model of what labour relations should be, a model for co-operation, employee involvement, and labour-management harmony which can exist where there is a real commitment on both sides. There are Members on the Government side who were terrified about the fact that people working in the cafeterias might actually go on strike if they were governed by the Canada Labour Relations Act.

Mr. Lewis: That is nonsense.

Mr. Cassidy: Then why is the Government seeking to override the CLRB, first by court challenges and now by proceeding with Bill C-45? The employees here have certification according to the decision handed down by the CLRB today.

Why on earth can we not demonstrate that other areas currently being discussed between Public Service unions and Treasury Board for inclusion in joint determination should be the same as far as the House of Commons is concerned? There is a very serious problem in the classification and staffing of House of Commons employees. There is no outside body monitoring those decisions. If you are a member of the Public Service of Canada the Public Service Commission does that job. they do not do it perfectly well all the time, as the Auditor General's report pointed out last week, but there is an outside and supposedly impartial authority which looks at those decisions. That will not be the case with the people working here, according to this Bill. Yet it was precisely that which drove many of those employees to sign cards and form a union.

I would point out as well that there are real problems in a very practical sense in the harassment these employees have gone through having to sign, re-sign and sign again their union cards. The CLRB has indicated what it believes the bargaining unit should be. If the Government is determined to move forward on this Bill, it should at least indicate that it accepts those classification decisions. One thousand employees have signed union cards. The Government should amend this Bill in order to ensure that those cards signed under the CLRB will be acceptable for the Public Service Staff Relations Board rather than forcing the employees to sign again, in some cases for the fifth time, in order to form a union. We, as parliamentarians, have to accept the fact that we have been bad managers. We have been bad employers. We have not done the job we should. The Government House Leader (Mr. Hnatyshyn) is here and I am directing these comments to him because he has a chance to exercise some leadership here.

Mr. Hnatyshyn: Which I am doing.

Mr. Cassidy: He can act in a very positive way. I suggest that he accept the CLRB jurisdiction and certification. If not, at the very least accept the decisions made—

The Acting Speaker (Mr. Paproski): Order!

Some Hon. Members: Order!

• (1730)

The Acting Speaker (Mr. Paproski): Order! If the Hon. Member wishes to carry on with his debate, he may do so tomorrow if Bill C-45 is before the House. He will have six minutes remaining plus a 10 minute question and comment period.

It being 5.29 o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

CRIMINAL CODE

AMENDMENT RESPECTING GUN CONTROL

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East) moved that Bill C-205, an Act to amend the Criminal Code (gun control) be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I rise once again in the House to plead with Hon. Members to implement stronger measures for

gun control in Canada. When I speak of gun control I am talking about a measure to restrict the too easy availability of guns and bullets which lead to violent crime, especially armed robbery and murder. We know that Canadians are concerned about the level of violent crime in the country. If we in the House are genuine in taking that concern seriously, we will want to do something to prevent murders and armed robberies from taking place rather than relying on measures to be applied after the fact. If we are genuinely concerned about this serious problem we should concentrate on preventive measures and effective gun control is one of the most effective measures we could take. While there has been a decline in recent years in Canada of the total number of murders and the percentage of murders committed with guns, the rate is still too high. There are still too many crimes committed with guns.

If we look at the statistics, Mr. Speaker, we can see that an overwhelming percentage of murders are committed with guns. Guns are used far more often for homicide than any other instrument. I will refer to the most recent statistics available. In 1983 there were a total of 682 homicides in Canada and of those 224, that is 32.8 per cent, were committed with guns. The other means of committing murder fall way behind. Each constitutes less than 10 per cent. In 1982 the percentage was even higher, 37 per cent. Two-hundred and forty-eight of 670 homicides were committed with guns. Therefore, we can see that if we want to reduce the rate of murder we should concentrate on a preventive measure which is geared to the source of the problem, that is, guns.

When we look around the world the evidence shows beyond a reasonable doubt that where guns are less readily available the number of crimes committed with guns is lower. In Holland, Belgium, Britain, Scandinavia, France and Italy there are tough gun laws and low rates of crimes with guns. In Japan there is a very low rate of crimes with guns due to their strict gun laws. In the jurisdictions of the world where there is loose control of guns there is a high rate of murder and armed robbery with guns. Unfortunately, our neighbour to the south is the worst violator in the so-called modern developed countries. They have very loose gun laws and very high rates of murder with guns.

There was a report prepared for the Solicitor General in 1983 which followed a five-year study of the new gun laws introduced in 1978. The intention was to examine those new gun laws over a period of five years and evaluate their effectiveness. In 1983 they published this report intitled *Evaluation of the Canadian Gun Control Legislation: Final Report 1983.* It comes to the conclusion that stricter gun laws have led to a lower rate of crimes with guns. I have a clipping from the Montreal *Gazette* dated August 20, 1983 in which it is pointed out that gun control legislation has restrained the use of firearms in robberies and homicides. I could refer to a lot of other examples.

I can remember when I first came to Parliament. A particular occurrence in Ottawa led me to introduce one Bill after another to bring about stricter control of guns. A young, mentally upset high school student went to a sporting goods store on Sparks Street and bought a shotgun. In those days a firearms acquisition certificate was not required. There were no controls. One could go to any department store or sporting goods store and buy a rifle or shotgun. That is what this youth did and then he went back to his high school, began shooting at random, and killed several students in the school.

Guns are too readily available in homes where there is a history of alcoholism, drug addiction and family disputes. I have a report from Montreal of a case where a son killed his father with the father's gun after the father had threatened the mother and a younger brother. In examining this case the coroner said that if guns were not so readily available they may have ended up hitting each other, but it would not have ended with people being killed.

Also, the way in which guns are stored without great care has very often led to the theft of guns and the use of them by others in crime. I have a story from the Montreal *Gazette* of October 24, 1984 telling of an incident in which the gun of a security guard, a powerful .357 magnum revolver, was taken from him. Many security guards are elderly and not well trained. His gun was taken from him by a group of young people and used in an armed robbery in which they killed a police officer. In the United States there are very loose gun control laws and some states have hardly any gun control laws whatsoever. In that country, guns have killed 440,000 people since the assassination of President Kennedy in 1963. In addition to that, over 1.7 million people were wounded by gunfire in crimes involving guns. Approximately 2.7 million people were robbed at gunpoint.

Many of us heard about the incident at the McDonald's restaurant in San Diego in July of 1984 where a mentally imbalanced young man—not a career gangster or criminal—who had never committed a crime with a gun before, took the readily available gun in his home, announced to his wife that he was going downtown to hunt human beings, went into a McDonald's restaurant and, by firing at random, killed 21 individuals. That was because the gun and the bullets were readily available.

As I said, the evidence shows that in those jurisdictions of the world where there are strict gun laws there are lower rates of murder and other crimes committed with guns. The polls in Canada show that a very high percentage of Canadians favour stricter gun laws. Every time a poll is taken once every two years we see that 80 per cent to 85 per cent of the people favour stricter gun laws. That includes every region of the country, including the prairies, British Columbia and the Maritimes. Despite the fact that over 80 per cent of the people in the country favour that, a very well organized and well financed gun lobby in this country, which represents a minority of Canadians is able to prevail upon Members of Parliament not to enact the stricter gun laws we need.

• (1740)

I must admit that we have made advances and I have been instrumental in helping us to move forward somewhat. However, every time we attempt to do something there is a

minority of Canadians who organize themselves into the gun groups who are anti-gun legislation and they are able to hoodwink Canadians with phoney arguments. They hoodwink Members of Parliament with phoney arguments.

Those phoney arguments include the slogan: "Guns do not kill, people do". Of course, people do the killing but they require a means by which to do it. Guns are the most effective, in my view. A person who has the intention to kill and is emotionally upset in one way or another, but only has his hands, a stick or a stone, obviously cannot do the damage that is possible if a gun is readily available. A gun is an instrument that is designed and manufactured to kill, whether it is an animal or someone in war. We are not talking about pellet shooters, but guns. Their intent is to kill. In my view, that requires some control.

It is true that people can be killed with other instruments whose design and manufacture is not meant to kill. You can kill someone with a baseball bat if you can catch the victim. However, a baseball bat is meant for a game. It is possible to kill someone with scissors, a razor blade or chemicals, but those things are designed for other purposes. Even some chemicals are subject to restrictions and control. Of course, people do the killing but the gun is an essential instrument in killing.

Studies in the United States have shown that the capacity to kill with a gun is five times greater than any other weapon. That is obvious to any of us who know anything about guns. I do not think anyone would deny that a gun has that killing capacity.

Another argument we hear from the gun lobby is that if we ban guns, only criminals will have them. That dictum forgets that two-thirds of the murders in this country are committed in emotional circumstances between people who are usually members of a family, friends or acquaintances. A very small number of crimes are committed by the so-called professional gangster. Of course, gangsters will always know where to find guns.

We should concentrate on those people who would commit one crime in their life, to kill someone in an emotional argument, like the young person I referred to in Ottawa. I can give many cases of people who have never committed another crime until the day they have killed someone in an emotional disturbance or other dispute. Therefore, the argument that if guns are banned only criminals will have them is nonsense. Two-thirds of our murders are not committed by professional gangsters and criminals, but by those who do not usually have a history of crime.

Of course, we also hear that it is our constitutional right to bear arms. That particular argument is made because so many Canadians read American magazines and watch American television and movies. There is even doubt that it is a constitutional right in the United States, but it certainly is not a constitutional right in Canada.

We also hear that we must have guns in order to defend ourselves. I will talk later about the legitimate rights of hunters and sportsmen with whom I have no objection. However, with respect to people who say that they must have guns in order to defend themselves in their homes in their cities, studies show that those who have acquired guns to defend themselves usually end up having those guns used against them. In Chicago, elderly women and young people were trained to use hand guns in order to defend themselves. Those people were being killed with the very guns they were given to protect themselves. Criminals would shoot them with their own guns.

In order to defend ourselves we should have an effective national, regional and city police force, rather than relying on defending ourselves as they did in the days of the American frontier when people carried guns and shot it out to defend themselves and their rights. That is not the Canadian way and never has been.

Some will say that the way to deal with the problem is by imposing stricter penalties for the misuse of guns. I am in favour of tougher penalties but that will not solve the problem. When we deal with other matters such as traffic offences, we do not allow people to drive without passing a test or having preventive measures, only to fine them when they break the laws. We use both precautions. Most provinces have strict licensing provisions for driving an automobile. We test the vehicles from time to time to make sure they are safe. There are standards for brakes, tires and other components in order to prevent accidents. We do not simply rely on tough penalties which will be applied against those who might kill, injure or maim if they drive negligently. They are all phoney arguments.

What is the present law? Presently, the gun control law is in the Criminal Code. There are three categories for guns: prohibited weapons, restricted weapons and non-restricted weapons. The prohibited weapons are machine guns, rapid-fire guns and sawed-off shotguns and rifles which can be easily hidden. They are prohibited to all individuals in Canada, without exception. They are allowed to the Armed Forces and the police.

Restricted weapons are hand guns which are allowed to certain people in certain circumstances with a registration certificate and a carrying permit. They are allowed to olympic or competitive shooters and private detectives and others.

With respect to the long guns, the rifles and shot guns, we now have a firearms acquisition certificate. In order to buy a long gun, unlike the young man to whom I referred earlier in my remarks, it is necessary to have a firearms acquisition certificate. However, that is not enough because it leaves out a whole gamut of people in this country who have obtained guns either as a hand down, through a will or by trade. They are not covered by the legislation. Nor does it cover the purchasing of ammunition.

My Bill does nothing more than simply change the firearms acquisition certificate to a firearms possession certificate so that it would apply to the possession of all firearms. Anyone who wanted to use and possess firearms must have one of these certificates, just like a driver's licence. That person must be tested for criminality, background, mental balance and history

with alcohol and drug abuse. Those criteria exist right now for the firearms acquisition certificate. It would also provide for a cooling off period. For instance, if someone buys a gun today I believe it should take two or three weeks before that person receives a firearms acquisition certificate. During that period, very often the emotional circumstances will change. I am reminded of the famous case in Montreal last year. A woman by the name of Tadio killed her boyfriend whom she found fooling around. She went to buy a gun and was told at the gun store that she needed a firearms acquisition certificate. She received that certificate and the gun registration form within three hours. Obviously, the police did not do their job according to the legislation. She went to her boyfriend's place of work and shot him dead on the spot. That was the only crime she had ever committed. She obtained that gun because it was easy to get and she committed that crime because it was easy to carry out.

I want to make guns and ammunition less readily available. I know this Bill is not a panacea. It will not solve all of the problems but if we are able to reduce armed robberies by 100 or 200 a year out of the 800, we will accomplish something. I do not want in any way to prevent the legitimate hunter and sportsman from continuing their sport. We had oustanding success in olympic shooting. These people would easily pass the tests because they are balanced people with a good record in their communities. They would receive their certificate just as they would receive a driver's licence; just like pharmacists would receive licences to sell prescription drugs. We do not let anyone sell prescription drugs which are harmful. That is done by specialists who must have a licence. We should do at the least the same for the most dangerous consumer good on the market, that is the gun; that is the very least we can do.

● (1750)

[*Translation*]

Mr. Gilles Bernier (Beauce): Mr. Speaker, I am pleased to take part in the debate and have this opportunity to give my views on Bill C-205.

In the spring and summer of 1976 and again at about the same time in 1977 the House of Commons experienced emotional moments which gave rise to controversy, particularly after the introduction of Criminal Code amendments concerning gun control. Finally, in July 1977, the House passed Bill C-51, the legislative measure I want to talk about this afternoon.

The legislation features several noteworthy provisions, including one on the issuance of firearms acquisition certificates for which the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) is now attempting to substitute firearms possession certificates. The legislation also marked the beginning of the firearms selling permit issuance system which makes it possible to ensure that retailers display, sell and store firearms in a cautious and responsible manner, and it also provides for stiffer penalties for those who use firearms for illegal purposes. Mr. Speaker, I should point out that the courts are making even greater use of their powers with respect to penalties and interdictions, and that is as it should be if we want to prevent people from using firearms for criminal intents.

I would suggest that, as a result, the existing legislative measures related to gun control are adequate, and that their implementation does not create major problems nor lead to controversy. I am in favour of judicious gun control in Canada but, in my estimation, the Bill under consideration this afternoon is unreasonable and would prove to be an administrative nightmare for ordinary and responsible Canadians who own guns and, for instance, enjoy hunting. Not only does the Bill deal with firearms, but it provides as well that any person having ammunition without being the holder of a firearms possession certificate will be guilty of lawbreaking. Even the Liberal Government which shepherded the legislative measures we are expected to amend today did not see any point in controlling ammunition. Indeed, under one of the amendments proposed in Bill C-19 introduced during the previous session, ammunition dealers were to be exempt from the obligation to secure a firearms selling permit because, according to the Bill sponsor, such a measure would not serve any real purpose. Now, then, if Bill C-205 were adopted, some people could be hauled before the courts simply for having forgotten, for example, that they happen to have a box of cartridges at home. That is going a little too far.

Through his Bill, the Hon. Member wants to impose even stricter gun control in Canada. We did consider a similar measure during the previous session and, as I recall, the Hon. Member failed to rally the support of his own Party. Our Party then opposed this kind of legislation and nothing has changed since. My constituents are fully aware of gun controls and, in that field, most people do not want overly strict and perhaps overly cumbersome legislative measures.

As you know, Mr. Speaker, the Government has created a ministerial task force responsible for looking into each and every departmental program. This exercise will enable us to set up a program chart which at the same time will be simpler, better, clearer and more readily accessible to users. The Bill now before the House does not improve anything, nor does it meet the needs of the millions of firearms owners in Canada. Should this Bill ever become the law of the land, every single one of them would be directly involved in the administrative rigmarole advocated by the Hon. Member for Notre-Dame-de-Grâce-Lachine East. Our Government has launched a genuine and practical reform of all its programs, but that does not mean the adoption of peacemeal measures.

The Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) believes that there are problems related to some of the provisions on gun control. He has therefore introduced a small Bill to deal with what seems most urgent. If another problem comes up, he will propose other band-aid solutions until the legislation is impossible to enforce. How-

ever, I am not saying that no improvement is necessary. Legislation can always be improved, but this requires a comprehensive examination of the legislation itself or the related program and consultations with the provinces and those most directly affected.

Before closing, Mr. Speaker, I would like to say a few words about the existing legislation, and particularly about the firearms acquisition certificate. This system was established in 1975 and requires that all those who want to purchase a firearm first be issued a firearms acquisition certificate. As of the end of last September, one million certificates had been issued.

When these provisions were adopted, the Government had promised that an independent agency would be asked to evaluate the firearms control program for three years. Two preliminary reports were submitted and the final report was tabled in August 1983. Afterwards, the public was invited to comment on both the evaluation and the program itself.

The Canadian public unanimously objected to additional gun control measures. Canadians believe that the existing measures are adequate and that nothing would justify stricter controls. Many have however requested that the provisions on the use of firearms for illegal purposes be much more rigourously enforced.

Those who commented on the firearms acquisition certificates believed that these certificates represent no infringement on individual freedoms and seem to meet their purpose, namely to reduce armed violence and prevent dangerous individuals from obtaining firearms.

Mr. Speaker, I believe that Canadians have accepted the principle of firearms acquisition certificates. I do not believe that they would agree with the proposal made today. As legislators, we have to guarantee that Canada has adequate, and most important, reasonable legislation to control firearms in general. In my opinion, the proposals made by the Hon. Member are unreasonable in addition to being rather controversial, and I believe that it would be a mistake to support them.

[*English*]

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise today in support of Bill C-205, which has been tabled by the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand). In fact, I seconded the particular Bill. However, in doing so, I want to emphasize that this hour is Private Members' Hour. In supporting this Private Member's Bill today, I am speaking in my capacity as a private Member of the House. I am not speaking on behalf of my caucus or on behalf of my Party. I am speaking as one Member of the House.

In doing so, and in speaking in support of the legislation, I know that a number of my caucus colleagues take the opposite point of view, particularly some of them from rural communities, such as the Hon. Member for Churchill (Mr. Murphy), the Hon. Member for Kamloops-Shuswap (Mr. Riis) and the Hon. Member for Skeena (Mr. Fulton), who take a position in opposition to the legislation. Indeed, the Hon. Member for Skeena has himself tabled a Private Member's Bill which would eliminate the search and seizure provisions of existing gun control legislation and would eliminate the firearms acquisition certificate in rural areas of Canada. It is obvious, even within caucuses, that there are differences of opinion on this very important question.

However, I am pleased to rise today in support of the principles of the Bill tabled by the Hon. Member for Notre-Dame-de-Grâce-Lachine East. As well, I want to take this opportunity to commend the Hon. Member for having in fact pioneered the original gun control legislation in the country. In 1976, the Hon. Member, who was then the Solicitor General of Canada, introduced Bill C-83. That Bill in fact contained principles in respect of firearms acquistion certificates which would have applied to all those who possess long guns, not just those who purchase new guns. That Bill died on the Order Paper when the session ended. The Bill which followed, also introduced by the then Solicitor General, the Hon. Member for Notre-de-Grâce-Lachine East, had in fact been watered down, to the extent that the firearms acquisition certificate licensing proposal only applied to the acquisition of new guns.

● (1800)

The purpose of this Private Member's Bill which I support is to restore the original provisions of the gun control legislation as tabled in 1976. That means that it would not just be those who have purchased guns since January 1, 1978, who would be required to have firearms acquisition certificates but it would provide that all those who wish to possess long guns, namely rifles and shotguns, must possess a firearms possession certificate.

The other change that this Private Member's Bill would implement is to ensure that, although one has to produce a firearms possession certificate when one buys a gun, one would also have to produce it whenever one buys ammunition for that gun. I think that that is a reasonable proposition and one which I support as well.

The fundamental purpose of this Bill is quite straightforward. It is to ensure that all of those who possess these lethal weapons which are manufactured, after all, to kill either animals or human beings, should possess a firearms acquisition certificate and a firearms possession certificate under the terms of this Bill.

The Bill does not in any way affect those who are responsible, law-abiding hunters, sportsmen and sportswomen and those who use guns in competition. Certaintly Canada has had some outstanding competitors at the olympic level in the area of competitive shooting. This Bill does not affect them nor does it affect hunters who would, I am sure, readily qualify for these certificates and who, I would think, would be supportive of this principle.

As well, the Bill would respond to some of the concerns which have been raised by those who argue that the present

provisions of the gun control legislation are too weak. There are still too many crimes committed in Canada involving guns. The evidence is clear that in those jurisdictions and countries in which there are tough gun-control provisions, there is less crime involving guns.

Let us look at the provisions in place in the United Kingdom. British law provides that one may not possess or acquire rifles, pistols, revolvers or shotguns unless one has already obtained a certificate from the local police and the local police will not issue such a certificate unless they are satisfied one has good reason for having the gun, public safety is not endangered and one is fit to be entrusted with a firearm. That applies to everyone who wants to have a firearm, not just to those who have purchased one since January 1, 1978, as is the case with the Canadian legislation. The effect of the law in the United Kingdom is that there are only 8,000 to 9,000 hand gun and about 30,000 shotguns in the British Isles among a population of some 55 million. In the United States, there is a population of some 220 million to 230 million and it has been estimated that there are more than 55 million hand gun alone plus 150 million to 200 million rifles and shotguns.

In addition to the requirement to obtain a certificate, certificates have to be renewed every three years in the British Isles. In general terms, these licences are issued only to members of registered target-shooting clubs and shotgun and rifle licences are issued only to citizens who can show acceptable reasons for shooting and hunting.

What are the implications of these laws for crimes involving guns in the United Kingdom? In fact, while hand gun were involved in over 10,000 deaths in the United States in 1979, in England there were only eight deaths involving hand gun in the same year. I suggest that tough and effective gun control does reduce the number of crimes that are committed and the number of deaths that result from guns. In fact, an average of less than one policeman per year has been killed by hand gun while on duty in the British Isles. Contrast that with the situation in Canada. Here hand gun were used more than any other weapon in the murder of Canadian policemen in the 1970s. This is according to a report from the Canadian Centre for Justice Statistics, a branch of Statistics Canada. In fact, of the 73 policemen who were murdered between 1961 and 1981, 71 were slain by firearms. That can be contrasted with the situation in the United Kingdom where there is tough gun-control legislation. There are far too many crimes involving guns committeed in Canada.

The final report of an evaluation of Canadian gun-control legislation done by Decision Dynamics Corporation clearly showed that the purpose of that legislation which came into effect in 1978 has been achieved to a significant extent although the report points out a number of problems with the administration of that legislation. I will deal with those problems in a moment. I would emphasize, Mr. Speaker, that this study was looking only at the watered-down gun-control provisions which were implemented as a result of Bill C-51.

The study found that the proportion of violent crimes committed with firearms declined in the post-legislation period. Where firearms were used in a violent crime, there was an increasing trend for the firearm to be a hand gun. There has been a moderate displacement of firearms by other weapons in robberies. There was a strong relationship between alcohol and drug use and firearms misuse in the true rural jurisdictions that were examined. Accidents with firearms were declining prior to 1978 but the legislation contributed to further downward trends. Finally, and I think very importantly, suicides with firearms declined moderately in the post-legislation period.

In terms of process, the study found that following 1979, courts imposed more severe sentences for firearms offences and that robberies with firearms resulted in longer jail sentences after the implementation of Bill C-51. Following 1979, sentences for repeat firearms offenders were more severe.

The study did go on to find that the application of the return procedure which is set out in Section 101 of the Criminal Code, the search and seizure provision, needs to be more clearly delineated. My colleague, the Hon. Member for Skeena has been very critical of this provision in the past. Unquestionably there have been abuses of this provision. The legislation now in force provides that following all Section 101 searches with or without a warrant, the Attorney General immediately shall make a return or report to a magistrate showing the grounds upon which the search was conducted. However, the study found that that requirement has not been met and that the use of these returns appears to be limited. They are only made if a seizure has occurred and a request for forfeiture was intended. Clearly that is flouting Parliament's intention when it adopted these provisions of the gun-control legislation.

Another point that the study made was that the mandatory nature of the Section 98(1) prohibition order must be emphasized to Crown Attorneys and judges. The study notes that the enforcement of the mandatory prohibition upon a Section 83 conviction is very poor and that it may be that many Crown Attorneys and judges are simply unaware of the mandatory provisions of Section 98(1).

We do need tougher and more effective gun-control legislation in Canada. I would like to give an example of one of the problems which has arisen from the current inadequate gun control legislation. Two 18-year old Woodbridge High School students in Toronto were gunned down with a 12-guage shotgun as they stood outside their school. An 18-year old man was arrested in connection with the incident. The day after he was charged with two counts of attempted murder and his mother asked the question, which I think all of us must ask: "Why does the law allow my son to have this gun?" In fact, a York Regional Police constable said that, quite clearly, the gun laws are not strict enough. He also said that if something is not done we will see a lot more shootings and maybe even police officers killed.

• (1810)

All the young man had to do was go into the regional police station, apply for his certificate and pay the $10 which the law

requires. Originally, his mother said that she did not want him to have the gun. The station phoned her for permission since her son was 16 years old when he bought this gun. His mother said: "No. Do not give it to him. He should not have a gun." However, he returned home and his mother said that he did not speak to her for four days or a week and she finally said: "What am I supposed to do? The law says it is okay, how can I say it is not?" Today, the law allows kids who are 16 years old to have guns. I think that is wrong. I think we need tougher and more effective gun control legislation. Many police across the country agree with that conclusion.

Finally, I wish to note that in previous Parliaments the provisions of this Bill have been distorted out of all recognition by those who really oppose any form of gun control legislation. The purpose of the Bill is two-fold. First, it is to ensure that anyone who possesses these lethal weapons meets the standard criteria which have been set out in the Bill, that is, that they do not have a criminal record for an offence in which violence was involved and that they have not been treated or hospitalized for a mental disorder. Is it really unreasonable to suggest that those criteria should be applied to all in Canada who would possess these dangerous weapons? Second, the Bill applies to ammunition and to the possession of ammunition as well.

Of all the consumer goods which are sold in Canada guns are by far the most dangerous and most destructive. It is the only consumer good in Canada the purpose of which is to kill—to kill animals or people. It is the one consumer good in Canada which has the greatest potential to criminal violence. We licence those who use cars. We license those who must sell prescription drugs. I suggest it is not at all unreasonable to suggest that those who want to use guns should have to meet the very basic standards which are set out in the existing provisions of the Criminal Code. For that reason, I am pleased to have been able to second this Bill and to rise to speak in support of it.

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I am indeed pleased as a private Member to be able to participate in this debate. It is my understanding that the essence of the Bill is to impose stronger measures for gun control which, in the opinion of the mover and the seconder, will right all wrongs which have occurred or may occur in the future.

I would like to speak on this issue from the point of view of those people who obey the law. The vast majority of Canadian citizens who own firearms use them for sport. I say this based on my discussions with many, many sportsmen, people who fire guns, both men and women, from the riding of Simcoe North who obey the law, not only every day but every time they use a firearm. I resent the suggestion that there will be a further persecution of these people who, by and large, respect the weapons which they use for sport. I think Hon. Members would find that these people have a high regard for law and order at all times. I come from the vantage point not as one who owns a gun but as one who represents people who own firearms.

I can remember attending a meeting where the consensus of a group of about 100 sports people was that there should be a stronger penalty in the Criminal Code for any crime in which a firearm is used. Carte blanche, they were ready to tack three years on to any penalty under the Criminal Code if a firearm were used in the commission of an offence. In other words, the people I represent want to get at the people who abuse firearms. They do not want to have a horde of bureaucrats testing people for mental stability and forcing needless examinations on the people of Canada.

I have had submissions continuously from my riding and I would like to review some of those with Hon. Members if I may. I remember on August 2, 1982, I presented a petition to the House on behalf of 728 residents of my riding, many of them members of The Orillia Fish and Game Conservation Club, to which I will refer in a moment. These people said that Canada needs tougher laws to control the criminal use of firearms. They said that we need tougher courts and tougher punishments, not further controls on those who use firearms for sport purposes. For that reason they stood in complete opposition to a previous Bill brought before the House by the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand). I supported that petition with the conviction that I was representing these people and that they were right. I have had correspondence from The Orillia Fish and Game Conservation Club, a group of men supported by their wives and girlfriends who are very strong on conservation and who support the measures for gun control so long as they make good common sense. For example, The Orillia Fish and Game Conservation Club is in favour of deleting the present $10 firearm acquisition certificate providing that all first-time firearm purchasers are required to take a firearms education course. Instead of some psychiatrist trying to decide whether someone at the time he or she saw them is mentally stable or not my people want gun control legislation which speaks to the safety of people who use firearms. They say that when one looks at the current legislation the onus of proof is put on to the private citizens as opposed to the state. For example, if a firearm is sold or transferred to a person who has a firearms acquisition certificate and a question develops later as to whether or not the person really had a certificate, the onus is on the vendor to prove that he or she did have it. We believe that the onus should be on the authorities and not on the innocent sportsperson who, as I say, wants to comply with the law and is very aware of the dangers of the improper use of firearms.

The Orillia Fish and Game Conservation Club with regard to the question of penalties and regulations which relate to storage and safe keeping of firearms have an unusual suggestion for the bureaucrats. They want the people who use and handle firearms all the time to have some say in these myriad regulations. I can tell Hon. Members that if they go up Highway 11 to Elwood Epp's store the most vivid part of the safe keeping of weapons in Elwood Epp's store is this. It is a sign on the door which reads: "Beware of dog." There is no bureaucrat in the world who thinks that is protection; but I can

tell Hon. Members that Elwood Epp does not get robbed all that much because some people have seen those dogs behind the store and know just what sort of chance they would have. The fish and game club and others speak to a common sense approach by the authorities and to the involvement of those in the club with regard to the determination of regulations.

● (1820)

I have further correspondence from the Orillia Gun Club, a group established in 1929 by a group of people from my area, some 180 family members, who point out that they have a proud record of purpose, safety, accomplishment and dedication to providing recreational shooting for the people of Simcoe County. When they looked at the previous legislation put forward by my colleague, they said, and I quote:

—we feel it should be scrapped in its entirety and replaced by legislation which will seek to reduce the "criminal use" of firearms through a legal process of laws that deter those that act in a criminal manner while using a firearm in that act, and will cause the "irresponsible use" of firearms to be approached through FAC screening and as importantly through the continuance of safety training programs which we wholly endorse.

I feel I must say once again to the House, Mr. Speaker, that this is where the sports people are coming from when we talk about gun control. They want safe, responsible use of firearms. That is where their emphasis is. They go on to point out that they will accept any constructive changes brought about in a democratic manner. They speak to the question of input from law enforcement agencies, sportsmen's groups, collectors and conservation authorities. Their goal, as stated in this correspondence, would be to see that the criminal and careless use of firearms is reduced, while protecting the interests of the firearms enthusiasts.

As their Member of Parliament, I support the submissions made to me by the Orillia Fish and Game Conservation Club and the Orillia Gun Club Inc. I am pleased to be able to put their position on the record of the House of Commons in speaking to the legislation put forward by my colleague.

I believe what the Hon. Member is trying to do is to make every individual who has owned a firearm prior to 1979, and who has not found it necessary to acquire a firearms acquisition certificate, to submit themselves to a screening by the police. These are people who have never had to submit to this type of screening before. They are innocent. They have never run into any problems with the law through their conduct with firearms in terms of sport hunting. Suddenly they have to trot down to the police station to be screened by the police, so that my colleague can determine whether or not their possession of the firearm for the previous five years constituted a hazard to their safety or to the safety of others. There is no mention made of what sort of examination will be conducted. There is no mention of what sort of protection the ordinary citizens are going to have from harrassment on other issues. I believe the Bill is sadly lacking in that kind of common sense.

Second, anyone who possesses ammunition—presumably they must have a gun as well—would also have to pass this screening by a hoard of bureaucrats who are going to determine whether or not these people who have always obeyed the law are capable of not obeying the law in the future. Finally, anyone who has a firearm or ammunition in a motor vehicle would require a firearms possession certificate.

I suggest to you, Mr. Speaker, that the present legislation is drafted to deny individuals who wish to acquire a firearm the right to do so if there is reasonable cause to believe that for the safety of the public they should not have one. The legislation is intended to prevent convicted criminals who have used violence against another person, or who have used firearms in the commission of their crimes, and individuals who have been treated for mental disorders associated with violent behaviour or who have attempted or threatened violence against others—all within a previous five-year period—from legally acquiring firearms. I see a great deal of sense in that but I do not see any sense in individuals who have obeyed the law during their ownership of firearms, and who have acted in a safe manner whenever they used firearms, to be brought down to a police station and made to submit to this kind of inquisition.

I could continue, Mr. Speaker, but I see that my colleague, the Hon. Member for Nipissing (Mr. Mantha) would like to make a few comments. I know that his constituents, like mine, are all law-abiding people and they want their Member of Parliament to have an opportunity to address this important matter.

Mr. Moe Mantha (Nipissing): Mr. Speaker, I thank the Hon. Member for relinquishing his time to allow me to speak for a few moments.

I am pleased to have this opportunity to speak on Bill C-205 on gun control. This legislation raises issues of concern not only to my constituency but to millions of Canadians throughout the country because the issue of gun control touches on the very nature of our individual liberties in a free and democratic society. It is also a matter which touches on the issue of public safety and, therefore, is of interest to all Canadians. These are the realities which help to explain why the very subject of gun control is controversial and continues to inspire sharply divided opinion.

The use of firearms in sports, recreation and as a means of livelihood has been a part of our Canadian heritage for well over four centuries and that tradition continues today. Gun control also has a long history in Canada since its inception in the earliest days of Confederation. It has been an important aspect of Canadian and social policy. It is not the concept of gun control, however, which is at issue here. Measures which deal with the criminal and irresponsible use of firearms deserve our support. I do believe, however, that Government policy must strive for a reasonable balance between the need for public safety and the legitimate interests of firearms users and owners.

To achieve that balance it is important that we consider all of those affected before this House brings about any change in gun control legislation. It is in the consideration of millions of Canadians who would be directly and adversely affected by Bill C-205 that I must speak out against its main thrust.

When I said millions of Canadians would be affected, I was not exaggerating. Back in 1976, it was estimated that there were at least 2.5 million Canadians who owned firearms. Today that number would be at least three million. Over one million Canadians have had to get firearms acquisition certificates since 1979 in order to acquire firearms. That means that over two million Canadians—and it could be many more—would have to obtain a firearms possession certificate if Bill C-205 were to be enacted. I am concerned about the possible cost and major inconvenience that this measure would cause.

There are serious implications for all of those affected by Bill C-205 and I will address them now in the House. But first I would like to refer to a first-hand expression of the concerns of many affected citizens. It is a letter which was written to the previous Government protesting a previous Private Members' Bill, Bill C-451, which was put forward by the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand). It was identical in content to this present Bill C-205. Unfortunately, Mr. Speaker, we have run out of time. I would like to thank you for the privilege of speaking for a few moments.

[*Translation*]

The Acting Speaker (Mr. Paproski): Order, please. The hour provided for Private Members' Business is now over.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

ENVIRONMENTAL AFFAIRS—NIAGARA RIVER POLLUTION—AMERICAN CHEMICAL WASTE DUMPS

Mr. Alan Redway (York East): Mr. Speaker, back on October 17, the Minister of Environment (Mr. McMillan) met with Mr. Lee Thomas, the Administrator of the United States Environmental Protection Agency, in connection with the cleaning up of the chemical dumps on the American side of the Niagara River. As you are aware, there are four chemical dumps of great concern in that area: the Love Canal, Hyde Park, the S Dump, and 102nd Street in Niagara Falls, New York. All of those chemical waste dumps are owned or controlled by the Hooker Chemical Company or the Occidental Petroleum Company in the U.S. They were created over a period of years with the accumulation of waste and toxic material originally in great pools or surface dumps which have now seeped into the ground and are causing potential danger to the water of the Niagara River and Lake Ontario.

• (1830)

It has been evident over the last few years, when we see the glistening of the moisture on the rocks on the banks of the Niagara River, that seepage is taking place. Traces of toxic materials, including dioxin, have been found in the waters of the Niagara River and Lake Ontario.

Because of the complaints about the Love Canal and these other chemical dumps the American have been making some efforts to investigate the possible cleanup of these sites. However, all their efforts so far have been aimed at the containment of the dumps, leaving them where they are and containing the materials in a better way. This has caused a great deal of concern on the part of Canadians generally, and environmentalists in particular, because there is the real possibility that the toxic material will move towards the banks and then burst those banks on the Niagara River. This would make completely unusable the drinking water of over six million people. About four million of those people are in the Province of Ontario, two million in the City of Montreal, and about 200,000 in the U.S. Therein lies the problem.

The fact is that these dumps are on the American side of the Niagara River, but the problems caused if the toxic materials burst the banks of the river, will really be felt in large part by Canadians. Somehow or other we have to come to grips with this problem. The Americans have not just been sitting idly by. They have looked at this problem and have done something. Five years ago they created what they called the "Super Fund" to try and deal with hazardous industrial dumps and solve these problems. They put a great deal of money into this "Super Fund". However, they have an awfully large number of waste dumps all over the U.S. In fact, most of them are concentrated in the States of California and New Jersey. That is where large numbers of people are located, as opposed to the Niagara frontier and Lake Ontario. Therefore, it is those areas which have been getting most of the attention. As I understand it, the legislation creating this "Super Fund" has expired and has not yet been replaced. There is no funding at all at the moment.

If we are going to deal with this problem the only effective way is not just to contain it but dig it up and destroy it, which is a very expensive process and there has been a lot of discussion as to whether it can be done in fact. However, it is being done in Europe, in the Netherlands and West Germany. They have plants in which they destroy this toxic material. That is what we should be doing in North America.

It has not only been these dumps along the American side of the Niagara River which caused this problem. There are other sources. Other industries, other hazardous dump sites, as well as municipalities, are causing pollution of the Niagara River and the Great Lakes generally. We have to do something about that.

• (1835)

It seems to me there are three things we can do. First, we can press the United States to get on with cleaning up their act. Second, we should be funding our own environmental

groups to take court proceedings in the United States to encourage them to get on with cleaning up their own act. Third, we should be funding the sewage improvements of our own municipalities so that we can look after the pollution and waste material we are producing and dumping in the Great Lakes and Niagara River.

I hope, Mr. Speaker, that tonight the Hon. Parliamentary Secretary will tell us that we are doing these three things and, in particular, tell us that we are going to clean up our own act, by funding the sewer improvements of some of our municipalities to ensure that we are not polluting our own Great Lakes.

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, as usual, I want to thank the Member for York East (Mr. Redway) for his excellent and ongoing representations relating to the serious environmental problems which exist, particularly in the Niagara area. In fact, we can find such conditions in many parts of the Great Lakes. One part which is currently in the news is in the Sarnia area. There have been questions asked about that area which are not dissimilar to those asked regarding the Niagara region.

The meeting of October 17 was in consequence of a main meeting that Mr. Lee Thomas had with the previous Minister of the Environment, at which time the United States made an undertaking to come forward with an action plan, a proposal to in fact deal with the ongoing and serious problem in many of the waste dump sites and point sources that exist on the American side of the border which contribute greatly to the problem we have in the waters of the Niagara region. In fact, the United States accounts for about 90 per cent of the pollution, while Canada accounts for about 10 per cent, so we both make some contribution to the ongoing problem.

The administrator of the EPA came to Canada and brought with him a proposal. This proposal is being examined by our technical and scientific staff. At the time he was here, with his agreement and support, we arranged for the next stage, which is a meeting in four days from now between New York State, the Province of Ontario, the EPA and Canadian Government officials. At this meeting we will try to bring into focus some of the things that are important from the Canadian perspective and to help define those parts of the proposal that we feel need definition.

The Hon. Member has asked many questions. I do not expect to be able to answer all of them in the short time I have available, but I will try to deal with a couple of the specific issues he raised.

I think he would be interested to know some of the specific parts of that proposal. The thing that we are very interested in regarding the proposal, and this is not meant to be exclusive, is the destruction of the chemicals. Dioxin is the most lethal, and dioxin 2378TCDD is second only to plutonium as a lethal substance known to man. That is, indeed, the point. The EPA understands that those things must be destroyed. The question is how to most effectively do that. We are dealing with massive amounts of land, some of which include the leachate that is coming out on the face of the Niagara surface and into the waters. This is a technological problem. It does, in fact, demand destruction, and that is something which is understood by both the American representatives and the Canadian Government. We know that it must be destroyed. The question is how we go about doing it. The second question is how we come to grips with these technologies. We intend to work together to ensure that we accomplish that destruction. Third, we know that we need specific timetables and budgets. The cost is in the hundreds of millions of dollars. All of the ingredients are there so that the Canadian Government, in conjunction with other parties, can come to grips with this problem which has existed for many years.

• (1840)

SHIPBUILDING—IMPLEMENTATION OF GOVERNMENT POLICIES

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, prior to the election on September 4, 1984, the Party which now forms the Government took a position on the matter of shipbuilding and developed a Government policy area. We recognized at that time that Canada has established itself as a leader in the cold-water shipbuilding technology industry and that indeed we should be addressing ourselves to the concerns of the shipbuilding industry. We further stated that when elected we would work to make Atlantic towns and cities the leading maritime and marine service areas in the north Atlantic. We developed a number of proposals which we would bring to the attention of management, labour and the industry as a whole when we were elected.

It has been over a year since the election. On September 23 I asked the Minister responsible for shipbuilding policy when he anticipated action on implementing the shipbuilding policies which we talked about and promised to shipyard workers during the previous year. The Minister responded that the shipbuilding policies were under review and discussions were taking place with representatives of the shipbuilding industry both in labour and management.

During the period in 1983 when we were talking about the shipbuilding industry there were only 7,800 jobs. That was down by some 34 per cent over the previous year. We agreed that there was a need to address this deplorable situation. Therefore, we developed the policies to which I have alluded. The sad fact of the matter is that according to the statistics, today we are experiencing: "The slimmest order book since before the Second World War", as described by the Canadian Shipbuilding and Ship Repairing Association. That is a sad situation indeed.

What has taken place with reference to the policies we talked about? We have phased out the performance improvement grants as well as the shipbuilding industry assistance program, which now means that for new orders there is nothing left in the shipbuilding policy to provide an incentive to Canadian or foreign builders to have ships built in this country.

Having said that, we recognize that there is approximately $100 million worth of credits remaining to be disbursed. Indeed, that will be done over a period of time and we will

probably see the effects of that for some seven years. However, that will not bring into the yards the new work that is so badly required.

We also know that the federal Government is the mainstay of the industry. That is simply not acceptable. We know that nearly all the work that is now under way, or work that is planned is being financed and undertaken on behalf of and for the federal Government. In a nation with a coastline the size of ours, we cannot accept that the federal Government, it would appear, as the sole supporter of our shipyards and the sole provider of work for those few Canadians today who are able to find work in our shipyards.

• (1845)

I suggest that we now get on with the commitments we undertook during the pre-election period. I understand the serious restraints under which the Government finds itself at the present time. However, now that we have had a full year to assess the situation, I believe it is time—and those who represent shipyards in the Atlantic area and beyond agree—to get on with implementing policies which encourage, not discourage, Canadian and foreign businesses to build and repair ships in our yards. Time is of the essence for these workers. It is time for the Government to undertake the initiative and to implement the policies we said we would implement.

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, my hon. colleague and confrère from Fundy-Royal has raised an important issue, one to which the Government of Canada is devoting close attention. The Minister of Regional Industrial Expansion (Mr. Stevens) is acutely aware of the difficulties suffered by the shipbuilding industry in Canada, and has discussed the situation on several occasions either with representatives of the shipbuilding industry or with union leaders.

There is no easy or magic solution. Our Government has already made an enormous contribution to the survival of this industry by providing, through its own orders, the great bulk of the business now on the order books. It has also shown flexibility in its contractual dealings with the shipyards. For example, it agreed to renegotiate its contracts with Halifax Industries Limited, so that the company could complete work on Coast Guard vessels despite evident financial difficulties.

Our Government will continue to support Canadian shipyards through public procurements. The *Polar VIII* ice-breaker program is under study, and the patrol frigate program is well under way. These two programs together represent 10,000 person-years of work.

However, to assure the future of shipyards for the long-term, they must also obtain commercial work from private industry. In the face of a collapse of world demand, coupled with the addition of new capacity in countries such as Korea, competition is fierce in all ship markets of the world. Therefore, we must ensure that Canadian shipyards work at very high levels of efficiency and without imposing an economic burden upon the users of Canadian-built ships.

The Minister of Regional Industrial Expansion will be most pleased to advise his colleagues in the House as soon as a practical solution can be found.

REGIONAL DEVELOPMENT—ECONOMIC CONDITIONS IN ATLANTIC CANADA. (B) MUNICIPAL INFRASTRUCTURES

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I rise concerning a question I directed to the Minister of Finance (Mr. Wilson) on October 23, 1985. In my question I indicated some relatively staggering figures regarding unemployment in different regions of the country. Specifically, I talked about Newfoundland and other provinces in Atlantic Canada where unemployment in some communities exceeds 40 per cent to 50 per cent.

Unfortunately the Minister of Finance was not very forthcoming regarding proposals or remedial actions he and his Government were anticipating putting into place over the next number of months. However, he availed himself of the opportunity and talked about the Atlantic Accord, assistance to the Fishery Products International Company and the Cape Breton Island tax credit. These measures to which the Minister referred are certainly far from sufficient. He may allude to the fact that it costs a number of millions of dollars for these particular proposals to be implemented, but the fact of the matter is that those proposals do not reach the magnitude of the bail-out of two western banks in excess of $875 million. They are in no way equivalent to the billions of dollars provided to multinational oil companies or to the capital gains tax exemptions, which will cost Canadian taxpayers from coast to coast billions upon billions of dollars, providing a benefit to the wealthy.

• (1850)

However, the Government has implemented a Canadian Jobs Strategy Program, a program which I suggest to the Parliamentary Secretary is not working and will not work in the regions.

The Government has refused to carry through with a decentralization of Government offices in the outlying regions. In fact, the Auditor General, astute man that he is, indicated quite clearly that the Government had wasted approximately $1.5 million by cancelling the decentralization of an office from Halifax to Sydney, Nova Scotia.

The Government has refused to take an active role in the substantive issue of regional development. It has given the sole prerogative in regional development to the provincial Governments. The Minister of Regional Industrial Expansion (Mr. Stevens) has refused to stand up for the poorer regions of the country, whether it be the Provinces of Newfoundland or Nova Scotia or any other community in the country. He has refused to assist them. We have heard his answers regarding the Toyota, Hyundai and Honda plants. The Minister and the Government do nothing.

Some $2 billion in transfer payments will be cut. This means that those in the less fortunate regions will have to pay more

for medicare and post-secondary education. If the Parliamentary Secretary to the Minister of Finance disputes my figures, let me tell him what the Department of Finance indicates will be cut from the Established Programs Financing: $115 million will be cut in 1986-87; $240 million will be cut in 1987-88; $385 million will be cut in 1988-89; $545 million will be cut in 1989-90 and $720 million will be cut in 1990-91. All of this will be lopped off, thus causing further unemployment in the regions.

The answers provided by the Minister of Finance to my question of October 23, 1985 are totally insufficient, and the inadequate actions taken are to meet the needs of Canadians in the less fortunate regions. I would ask him, out of concern for the economic benefit of those Canadians, that he alter the economic course which is causing thousands upon thousands of Canadians in the regions to go onto the unemployment rolls. Would he change or alter that course of action?

[*Translation*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the Hon. Member must be feeling generous, since he left me a lot of time for my answer. In any case, I am happy to be able to give you an exhaustive list of projects that constitute a direct answer to the comments of the Hon. Member for Cape Breton-Richmond East (Mr. Dingwall). Mr. Speaker, the following are measures specifically directed to the Atlantic region:

—Subsidiary regional economic development agreements have been signed with the Atlantic provinces, involving federal commitments for funding totalling approximately $270 million.

—We have concluded an energy agreement with Newfoundland, thereby removing a major obstacle to the development of the Hibernia field which is rich in natural resources.

—In order to maximize the impact of this projet on the regional economy, we have contributed $225 million to the Newfoundland Offshore Resources Development Fund.

—Last May's Budget provided for a new investment tax credit for Cape Breton, which was subsequently raised from 50 to 60 per cent, in order to create new jobs in the private sector on Cape Breton island and in the Mulgrave area. Furthermore, a private sector consultative committee was set up which has just submitted its report. The Government is now examining the committee's recommendations and will act on them as soon as possible.

—A grant of $16 million was approved to enable Devco to build a second gallery in the Morien coal mine in Cape Breton.

—Furthermore, we recently paid a contribution of $77 million to Fisheries Products International; in addition, Canada and Newfoundland have agreed on a five-year plan aimed at ensuring the long term viability of this company.

• (1855)

We also added $60 million to the equalization payments paid to the Atlantic provinces earlier this year, and we did so without prior contracts or commitments.

I would like to remind the House that these steps were taken despite the strict budgetary constraints necessary as a result of the extent of federal expenditures. The impact of these expenditures is very significant and will be felt throughout the Atlantic region and in all its communities.

However, even more important than these various financial commitments is the new climate of constructive co-operation between the federal Government and the provinces which has been established in the Atlantic region and in other regions in this country since we came to power on September 4, 1984.

If the Hon. Member wishes to obtain further information on the subject, I suggest that he get in touch with the Minister of Regional Industrial Expansion (Mr. Stevens) who will be able to give him more detailed information.

[*English*]

The Acting Speaker (Mr. Paproski): Order, please.

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

The House adjourned at 6.58 p.m.

HOUSE OF COMMONS

Tuesday, November 5, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed from Tuesday, October 29, consideration of the motion of Mrs. McDougall that Bill C-80, an Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof, be read the second time and referred to a legislative committee.

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I am very pleased to be allowed to join in the debate on Bill C-80 this morning. There are several points that I would like to make over the next 10 minutes. I would like to refresh the memory of the House regarding some of the campaign promises made one year ago and relate them to Bill C-80.

It was only 14 months ago, in the midst of a national election campaign, that a promise was made by Conservative Members that if they were to take office, any budgetary measures they would introduce would ensure that more resources would be placed in the hands of those who need them the most. That was going to be the guiding principle of the Government. Since that time, all Canadians have had time to digest the over-all direction of the Government. Upon reflection, I think most of us would have to agree that if anything, once again the Conservative Government has broken its promise to put more into the hands of those who need it the most. Bill C-80 is a good example of that.

As was pointed out at a press conference held some 10 or 12 days ago by the National Anti-Poverty Organization, Bill C-80, an Act to increase excise and federal sales taxes, will impact twice as hard on the poor as it will on upper-income earners. In an analysis of the impact of this budgetary measure, the organization points out that excise taxes and sales taxes are regressive because of that. As a result, the organization would like the Government to withdraw the Bill and bring in one that is progressive to some degree.

It comes as no surprise to the Opposition that the Government has again introduced a Bill that is regressive in nature. One need look no further back than to the impact of the deindexation of personal exemptions in the May 23 Budget. I have pointed out time and again that that measure alone will do more to widen the gap between the poor and the rich than any other budgetary measure that the Government could possibly bring in. Yet my complaints seem to have fallen upon deaf ears. All Conservative back-benchers represent constituents but they have been amazingly silent on this issue. It comes as no surprise to the Opposition that they would be silent on the matter. However, it is incumbent upon the Opposition to point out the folly of the Government's direction.

I said earlier that Bill C-80, the Bill to increase the excise and federal sales taxes, is regressive in nature. I would indicate as well that the deindexation of personal exemptions will be even more so. What is the full import of that kind of change in policy direction by the Government? It is astounding.

The various social council agencies that give advice to the Government including the Canadian Council on Social Development and the National Council on Welfare have had things to say about this impact. In a study released just two months ago, they indicated that from 1980 to 1984, before the Conservative Government came to power, there had been a widening in the gap between the poor and the rich. Despite all of the Guaranteed Income Supplement measures that the previous Government introduced between 1980 and 1984, the gap was still widening largely as a result of the recession. Clearly the point I am making is that there was a widening in the gap between the poor and the rich in those four years. Now, on top of all the other problems that are besetting the lower-income groups in our society, deliberate Government policy is going to widen that gap further.

The councils to which I refer have made some calculations and these numbers are not disputed by the Government, by the Minister of National Health and Welfare (Mr. Epp) or by the Minister of Finance (Mr. Wilson). They indicate that because of the deindexation of personal exemptions, a family that earns $15,000 per year is going to pay an additional $1,879 in taxes over the next five years. A family that earns $35,000 per year, a middle-income family, is going to pay an additional $3,450 in income tax over the next five years. However, what happens to the family that earns $80,000 per year? Amazingly, it will only have to pay an additional $1,612 in taxes over the next five years. In other words, the councils that represent middle and lower-income earners question the political and social policy direction of the Government, a direction that will widen that gap despite the fact that they have clearly shown that as a result of the recession, lower-income Canadians are the ones who have suffered the most in the last four years. They are now expected to suffer doubly over the next four to five years as a result of the Government's proposals.

• (1110)

I indicated to the House that the report of the National Anti-Poverty Organization indicated that the impact of the federal excise tax will be twice as hard on the poor in our society. More important, the organization indicated something which I think should clearly be at the heart of the debate, not only with respect to the excise and federal sales tax measures but with respect to the direction of the May 23 Budget. The organization shows that the most important source of revenue for the federal Government comes from taxes, which comes as no surprise. Everyone knows that if we have expenditures and Government programs someone has to pay for them. Amazingly, of the $63.8 billion derived from tax revenue in 1984-85, fully 90 per cent of that came from personal income tax and from commodity taxes and the rest was derived from miscellaneous and corporate income tax.

Corporate income tax in the country in the last two and a half decades accounts for a decreasing share of tax revenue for Governments. Here we have a situation in which, once again, we will have to pay increased taxes under the May 23 Budget. If anything, these corporations have been given more tax breaks. Members who have spoken on these measures, and other Bills, have indicated our displeasure with respect to them. Corporations are not being asked to pay increased taxes. Rather, middle income and low income Canadians are being asked to pay more, which is why we are so disturbed that, seemingly, the Government does not understand why the social policy direction inherent in not only this Bill but in others is being opposed by the majority of Canadians. Yet, every time we raise the issue during Question Period the answer comes back to us in terms of: "What are you complaining about? The Government has certain measures which will, in fact, put more into the hands of the poor". Nothing could be further from the actual case.

I ask Hon. Members to consider Bill C-70, a Bill which proposes deindexation of family allowances. We have had the opportunity to review this Bill clause by clause with expert witnesses who have appeared before the committee. Every one of the social policy agencies in the country and every one of the groups which represent women and the poor in our society have indicated the falling off of the Government's social policy direction as a result of the May 23 Budget. I include in this category specific groups which do not represent national interests but pockets of poverty-stricken individuals in communities in Calgary, Saskatoon and so on.

This is why members of the Opposition are so adamant about ensuring that the Government bears in mind that the interests of our constituents, middle income and low income Canadians, are well served by our opposition to these types of Bills. I understand, of course, that with 211 Members, the Government can do exactly as it pleases. However, we want to ensure that the Government bears in mind the interests of our constituents when it introduces Bills such as C-70 and C-80 and, of course, other Bills which will be introduced with respect to changes in the Income Tax Act.

[*Translation*]

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, I want to thank the House for this opportunity to speak to Bill C-80. Quite frankly, the responsible but painful decision we are about to make is merely the result of the policy the previous Government maintained for fifteen years without any regard for sound financial administration.

Mr. Speaker, Bill C-80, the legislation before the House today that concerns federal sales and excise taxes, is aimed at reversing the considerable erosion of the federal tax base caused by a lack of leadership on the part of the previous Government, which spent money without worrying about where it would come from. Red stands for Liberals, and they were indeed in the red.

The question we must ask ourselves today is, again quite frankly: Why are we obliged to impose these tax increases?

• (1115)

Mr. Speaker, this Bill should be seen within the context of the changes and proposals announced by the Minister of Finance (Mr. Wilson) last May. This Bill is a financial measure, and its purpose is mainly to keep our national debt within bounds through a number of measures that either produce revenue or reduce tax expenditures.

Unfortunately, I will now have to remind my hon. friends opposite of some of the consequences of their actions, actions that caused them to lose power, and subsequently, Canadians inherited a cumulative debt unprecedented in our history.

In 1968, only seventeen years ago, Mr. Speaker, our country had a budgetary surplus of $750,000, and now, seventeen years later, the country's national debt has risen to $200 billion, while interest rates have reached unprecedented levels, and I am thinking here of people who have payments to make on their homes, and I remember two years ago when we had interest rates of up to 18 per cent and even more, bringing Canadian industry to the very brink of bankruptcy, and causing the country's gross national product to drop so dramatically that around 1982, people were wondering whether Canada, as a result of the policies of the Liberal Government at the time, had become a country where the slogan was no longer "back to the land" but "into the ground".

Mr. Speaker, whatever my friends opposite may think, I take no pleasure at all in reminding Canadians of a time we would all like to forget. Mr. Speaker, forget is the word, because that time is certainly not representative of the imagination, know-how and courage of the Canadian people. During that time we were misled and deceived by the outward appearance of a serious Government, by a marvelous exercise in camouflage, by a flood of promises. On September 4, 1984, people across Canada finally realized it was time to hand the reins of power to a more responsible party that would not be

afraid to bring this country's economy back to economic liberalism, and to focus on private enterprise and job creation.

The people were undeniably right, and in less than one year, our Government was able to restore the confidence of the people in their Government. However, Mr. Speaker, our Government did not mislead the people by telling them it would be easy. It did not claim, as some politicians do, often with a lot of political rhetoric, that all we need would be some legislation that would pay off in the next election. No, Mr. Speaker. By electing this Government, Canadians were putting common sense back into Government, and in doing so, they fully realized that they would have to do their share to help industry get back on its feet, a sector the previous Government preferred to ignore.

Mr. Speaker, as you know, Hon. Members opposite see confidence as an indispensable stimulus for democratic and capitalist societies, for societies that are creative and innovative. A man who is afraid of tomorrow, Mr. Speaker, is only happy in the security of the status quo, and he does not evolve. For fifteen years, Canadians have been kept in a state of non-confidence in the future, and they could no longer create or take risks or invent as they had before.

My colleagues in the Progressive Conservative Party and I are no longer interested in blaming the current situation on the previous Government, but in showing that one can achieve anything when one has both knowledge and confidence. We can go from a situation which is far from enviable to an environment which could be promising indeed.

Mr. Speaker, that is what we are doing now. Canadians have renewed confidence, as demontrated by various indicators. People are investing again, thereby creating hundreds of thousands of new jobs. Our trade unions, provincial Governments, and all economic agents generally are working together again, dialoguing and looking forward to rebuilding our country. Such are the indicators of the Canadian economy. It has been showing increasingly more evident signs of vigor ever since our coming to power. The number of jobs has increased, interest rates have come down, investors are showing signs of renewed confidence, consumer spending is rising, prices are stable and there are fewer and fewer bankruptcies. Moreover, the performance of our economy is superior to that of the United States.

Employmentwise, Mr. Speaker, we have created 304,000 new jobs over the past year. The unemployment figure, which was 11.6 per cent, is now down to 10.1 per cent. This is not yet excellent, but I suggest this shows a definite improvement and a very positive trend which should be emphasized.

Mr. Speaker, the era of arrogance and darkness has finally ended. We all know now that by working together, we will rebuild what others have demolished. We all know also that this will require the joint effort of all Canadians, but we are ready to pay the price for our own good and that of future generations of Canadians.

In fact, when I adhered to this party and this Government, I was fully aware that I was getting involved with all other Canadians in a national effort to reestablish a climate of confidence.

Knowing full well that Canada absolutely needs to replenish its coffers, that it is back on the right track, and that we are about to shelve 15 years of poor performance, we must continue without sparing our efforts. Because of his trust in the support and good sense of the Canadian people, the Minister of Finance moved ahead in May and introduced a new budget. Three of every four measures in this budget were aimed at reducing expenditures. Bill C-80, which has now reached 2nd reading, will increase our revenues by $2.5 billion.

The purpose of this legislation, which should have been adopted a long time ago but which was not for some dark election-oriented reason, is to increase the sales tax base, leaving about 30 per cent of commodities which could be taxed on the federal level. This sales tax, as we all know, is one of the Government's main source of income. However, throughout the years a very long list of tax-free products has kept getting longer and longer, thus depriving the Government of Canada of massive revenues which would have allowed us to reduce the deficit and promote confidence. We are now proposing that those products be no longer tax-free.

• (1120)

Mr. Speaker, once again this Government having succeeded, thanks to its sincere and honest attitude, in dispelling strains and easing the situation in economic, social and political sectors; having succeeded in restoring confidence and thus lowering the unemployment rate; having succeeded in replacing workers' assistance and meaningless programs with programs stimulating effort and the will to learn; having succeeded in reducing interest rates which are a burden for millions of heads of families, because the previous Government had not found anything better to control inflation than raising interest rates, we are asking Canadians to let us carry on with what we have so well started and to give us the means to do it.

Before concluding my comments, Mr. Speaker, I should like to refer to the 2nd Annual Report of the Economic Council of Canada on economic forecasts and this is what its chairman, Mr. David Slater stated: "Economic forecasts for Canada are gradually improving and indicate a stable growth in the medium term. The Gross National Product could increase by an average of 3.5 per cent during the next decade and the inflation rate would be around 4 per cent per year as of 1990 and would fall to a lower level during the following five years."

The Economic Council of Canada expects that unemployment will decrease gradually to an average of 9 per cent between 1985 and 1990 and to 7.6 per cent during the following five years. Our federal deficit will continue to decrease in proportion to our Gross National Product. I think

that it is quite an encouraging indication provided by the Economic Council of Canada.

We are now asking the Canadian people to support Bill C-80 now before this House in order to proceed with our economic revival and to reduce the deficit. It is not easy, Mr. Speaker, but we must do so if we want our economy to become healthier.

[*English*]

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I find it rather strange and somewhat disquieting to be debating Bill C-80, which introduces some very unfair tax measures which make no economic sense, and to be doing so under the guillotine. Closure has a purpose and validity in our Standing Orders, Mr. Speaker, as all Members of Parliament know, but I doubt very much whether it has validity when the Party in power has such a massive majority. I doubt whether the Canadian people would agree that a closure motion is justified when there is a huge majority on the government side and a small Opposition. Mind you, this small Opposition has proven to be very vigorous and very effective. If any Members have failed to comprehend that, they need only ask the senior citizens of the country how, when we combined forces with them, we were able to cause the Government to retreat from a mean and vindictive reduction of senior citizens' pensions.

• (1125)

However, I doubt whether closure has any validity on a tax grab Bill such as C-80. We all know that the sales tax is regressive. It hurts most those who can least afford to lose those extra precious dollars. It increases the Consumer Price Index. I suppose we have become lethargic about inflation, but it is still with us and it concerns most those who have the fewest dollars to spend. It is into the pockets of those people that we are reaching with these petty tax grabs which make no economic sense at all.

For example, we are going to add another tax on gasoline. In the region of the country from which I come, Mr. Speaker, gasoline is already too expensive. In fact, we pay the highest price for gasoline in the country apart from that paid in the far north. We pay much more than motorists pay elsewhere and it is hurting our tourist industry. I really wonder how the Members from northern Ontario who sit on the Government side could allow this additional tax on gasoline to be introduced through a Bill such as C-80. How do the Member for Timiskaming (Mr. MacDougall) and the Member for Timmins-Chapleau (Mr. Gervais) justify to their constituents a higher tax on gasoline?

I see that the Hon. Member for Timmins-Chapleau is present in the House today. He indicated recently that he wants to be my partner. He wants to work with me for a better deal for northern Ontario. He indicated that he has much greater access to Cabinet Ministers. I rejected his offer of a partnership, Mr. Speaker. I said: "Thanks, but no thanks". I want to confess that perhaps I was just a bit hasty. I would like to reconsider that offer. I would like the Member for Timmins-Chapleau to prove to me, to his constituents and to my constituents that he can do something about this tax on gasoline. Can he get the Minister of Finance (Mr. Wilson) to roll back this increased tax on gasoline? If he can, perhaps I will reconsider his offer of a partnership. After all, I recognize that we are not here to serve our political Parties, but to serve our constituents. If we can get this tax rolled back, perhaps the Member for Timmins-Chapleau and myself can join forces and get a better deal for northern Ontario from the Government which has already done so much to downgrade this region with regard to job creation programs and regional development programs. So much has been done in such a short time to undo the good work of the previous Liberal administration in northern Ontario.

Let us talk for a moment about the increase in the price of gasoline. If one includes the increase in the general excise tax plus the higher gasoline price, it means that the price of gasoline will rise by approximately 4 per cent. According to the figures from the Tourism Industry Association, a 4 per cent fuel price increase translates into 900,000 fewer American visitors coming to Canada. The Member for Timmins-Chapleau knows that many of those visitors come to northern Ontario and that we want more of them.

• (1130)

On a typical day a visitor may spend about $82. The multiplier effect for every dollar is approximately $1.79. Therefore we can come to the conclusion that this increase in the price of gasoline will cost our economy, in tourism dollars, approximately $135 million. That is why I say it is an unfair tax that makes no economic sense. Furthermore, about 5,325 tourism jobs will be lost.

I do not know what happened in Cabinet when this issue came up but I must believe that the Minister of State for Tourism (Mr. Murta) must have fought like a mad dog against that increase. He must have dug in his heels to say to his colleagues in Cabinet: "No way will I allow that kind of an increase. It hurts my national constituency. I am fighting for the tourist industry in this country and will not let that happen". The Minister for International Trade (Mr. Kelleher) from Sault Ste. Marie must have been right there to give his support to the Minister of State for Tourism. When this issue came up in caucus I imagine the Member for Timiskaming and the Member for Timmins-Chapleau must have joined forces with those two Ministers to stop this tax increase, but to no avail.

We will feel the effects of this on the economy of northern Ontario because Members from northern Ontario will know that the forest industry has stabilized and is not creating any new jobs. Pulp prices are depressed. There is no expanding market so that we cannot look to forestry for new jobs. We are holding our own, but not growing.

Mining is in a depressed state, except for gold, so that we cannot look for any hope there unless international metal prices suddenly show a significant increase. We know that the market for metals is saturated so that we cannot look to that industry to produce jobs.

Tourism is the sector which can provide jobs and encourage the economy of a region like northern Ontario. However, the Government has slapped on an additional tax that will affect our tourist industry which is already having difficulty matching costs in the United States for such things as fuel, accommodation and liquor. This increase in tax will add to an already intolerable situation.

Bill C-80 is a series of unfair taxes that make no economic sense at all. Let me give another illustration. Canadians should be aware that, incredibly, Bill C-80 will tax alternative energy and energy conservation equipment. Let me cite some of those items which will be taxed at the 11 per cent level, beginning January 1 next year: heat recovery units and devices for extracting heat from exhaust air or waste water for recovery of energy; solar panels and tubes for collecting and converting solar energy; wood-burning stoves and space heaters. The following items will be taxed at 7 per cent construction rate: heat pumps in permanent heating systems; wrapping material and thermal insulation designed for pipes and ducts in buildings and mechanical systems; loading dock seals and shelters.

The measures being imposed in Bill C-80 will not result in any great tax revenue to the Government but will discourage Canadians from improving the efficiency with which they use energy.

Because Bill C-80 imposes unfair taxes and makes no economic sense, the Government, being very embarrassed about it, imposes time allocation. I have said that there is a proper moment, with certain Bills, to use time allocation. However, this is not one of those Bills.

Let us see how Bill C-80 will affect the construction industry. There are hundreds of small and medium sized construction companies which will see their profit margins cut to the bone. They will be forced to absorb a new 6 per cent tax on construction materials which will place them in difficulty because many of these contractors are on a fixed contract and cannot adjust their contracts to meet this new tax. Therefore, the profit margin is lost.

One modest and very practical suggestion was that the tax be phased in to take account of the fixed price contracts. However, the Government ignored that suggestion.

When this Budget measure is added to other Government measures such as higher fuel costs, CMHC cut-backs and the elimination of the Registered Home Ownership Savings Plan, it will add up to a very heavy blow to the industry at a critical time when it was beginning to recover. That industry will be cut back as a result of these unfair taxes that make no economic sense at all.

Even the children will not be spared. There will be an unfair tax increase on chewing gum, candy and pet food. It makes no economic sense at all.

The Acting Speaker (Mr. Charest): I regret to interrupt the Hon. Member but the time allocated to him has now expired.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I had not intended to speak on this matter but having heard the presentation by the Hon. Member for Cochrane-Superior (Mr. Penner), I cannot restrain myself from saying just a few words.

The Hon. Member is one who presents himself as a very reasonable person. In fact, he has a reputation for that and, in the past, it has been a well deserved reputation for reasonableness. However, he has thrown it all away today. I never heard such a blatant partisan argument as that presented by him today. There was not one iota of reason contained therein.

He argued that during the time of the Liberal Government it was acceptable to impose closure time and time again as a regular means of operation because there were more Members in the opposition. He went on to state that today that process, which is permitted in the Standing Orders of the House, should not be used because there are slightly fewer Members in the Opposition. That makes no sense because it is a well known fact that a small number of Members in the Opposition, by introducing amendment after amendment and recycling speakers, can tie up House business on a filibuster just as well as if there were another 30 or 40 Members. There is no difference when there is an opportunity to recycle speakers.

Unfortunately, the tactics that have been used by the present Opposition are precisely that. Their sole strategy appears to be to tie up the work of Parliament because they have no alternative policies to put forward. They have no real logical arguments to make that would propose better legislation. They are simply tying up Parliament and doing the Canadian people no benefit whatsoever by that type of tactic. They are forcing the Government to use these provisions in the Standing Orders.

I would agree to a certain extent with the Hon. Member for Cochrane-Superior that this is not the right way of proceeding. I understand that other Parliaments throughout the Commonwealth have developed a better system. Why is it not possible for us to use existing Standing Orders to allow the various Parties to decide how to deal with a measure such as Bill C-80? Everyone knows that it will be passed into law at some point because it is necessary legislation. This Bill is worth four or five days of debate and the Parties could sit down to organize such a debate and come to an agreement so that we do not have to use the time allocation system constantly. We certainly need a better system than that.

The Bill before us provides a means of raising the revenue for expenses that the Government will incur. These expenses include the old age pension. This again was referred to in the speech of the Hon. Member for Cochrane-Superior. He was condemning this legislation and at the same time praising his own Party's position concerning the old age pension.

• (1140)

If we are to have indexed old age pensions, it will cost hundreds and hundreds of millions of dollars. The Government cannot give something it does not first take away from somebody else. You cannot argue, on the one hand, for higher old age pensions, Mr. Speaker, and then, when the tax bill comes in to pay for it, say: "No, no, we should not raise that additional revenue". Anybody of a sound mind has to realize

that if you want something, you have to pay for it. You cannot be like a child and say: "We want this and this". One cannot say, "We want more and more," as the Opposition says, and then when the time comes to pay say, "No, we are not prepared to pay for it."

If the public is to have any confidence in Parliament and any confidence in the Opposition—and what little bit the Opposition has in gradually slipping away—one has to take that sensible, reasonable and logical position and know one has to pay for anything given away by Government.

Regarding the sales tax, it is very easy to score political points by saying that any particular item should be exempt from sales tax, such as children's candy, for example. Who wants to put a tax on children's candy? Let us select another item, medical supplies, for instance. One hears: "We don't want to put a tax on that". You can come up with an argument on just about any single item as to why should not be taxed. It does not matter whether it is a cup of coffee, a cubic yard of cement, or whatever. You can always think of good arguments to exclude a specific item. If we allow ourselves to be persuaded by those who would argue that there should not be a tax levied on a particular item, one would find that the sales tax base would decrease, and on those items still taxed, the taxes would be horrendous in order to raise necessary moneys for other things.

What this Government has been trying to do is to be fair and say that everything, as much as possible, should be included in the tax base, so as to have as low an over-all rate as possible. Not only that, you have much less administration if you do not have special rates for special items or exclusions. Sometimes you exclude one thing that is substituted by something else, which creates a terrible administrative problem as the Minister of National Revenue (Mr. MacKay) can well describe.

As a final point, Mr. Speaker, I want to say a good thing about the Bill in that it extends the right of appeal and the right not to pay taxes until—if you want to dispute the tax levied—the matter has been decided by a court of law. Another good thing is to extend the provisions which were recently incorporated with respect to income taxes—those provisions which were included in the Progressive Conservative taxpayers' bill of rights—to excise and sales tax matters. That is certainly a step in the right direction.

Thank you for the opportunity, Sir, to refute some of the remarks made by my good friend and colleague from Cochrane-Superior.

Mr. Rod Murphy (Churchill): Mr. Speaker, when speaking on this legislation with the threat of time allocation hanging over our heads, it is important to remember that time allocation is getting to be a consistent policy of the Government. The Conservative Party, now in Government, used to oppose time allocation when it was in opposition. Yet we are in the ironical situation that on almost every piece of legislation coming to the House at present the Government is preventing full debate.

Mr. Epp (Thunder Bay-Nipigon): Shameful.

Mr. Murphy: One of my colleagues calls it shameful. I am not allowed to say that it is hypocritical because that is not allowed by the rules of the House, but it is something close to hypocritical when you do one thing in opposition and the exact opposite when in government.

Tax policy is one of the very areas on which the House of Commons should be spending a fair amount of time. It is evident from the Auditor General's Report that we, as the watchdogs of the Government purse and as the people who are passing legislation resulting in tax increases, are not doing a very effective job. Much of that is because we are not getting the information we need from the Government, whether the present Conservative Government or the previous Liberal Government. In addition, the whole structure in a lot of these debates does not allow for the real investigation necessary, something we will have to look at in terms of Parliament itself.

By bringing in time allocation on this Bill and forcing it through the House later today, the Government is preventing us from moving in the direction which the Auditor General called for in his report last week.

We are also rushing this piece of legislation through which will increase taxes, hidden taxes for the most part, on Canadians without any real study of alternatives and without any real attempt by the Government to look at tax reform.

There is no introduction of a minimum tax for the rich. There is no change in the corporation tax. There is no concept of fairer taxation. What we have is a minor series of amendments which will add to the tax bill of ordinary Canadians. As my colleague, the Hon. Member for Cochrane-Superior (Mr. Penner) pointed out, in some cases that will especially hurt people from northern regions because higher gas, oil and aviation taxes increase the cost of living in those regions. Yet here we are rushing a Bill through the House with no consideration as to how it will affect people in northern Ontario, the Northwest Territories or northern Manitoba.

In September, 1984, Canadians did vote for a change. They wanted to see their Government open things up. Canadians wanted to see some type of fair taxation system introduced. Yet much of this legislation before us today has been introduced by previous Liberal Governments. It is the same system. All we see is percentages increased by 1 per cent here or 2 per cent there to increase the revenue to the federal Government.

I object to the quick passage of this Bill without any chance for public input, without any chance for a study as to how taxes should be raised and where the money should come from. At the same time, the Government is constantly spending. We have seen a billion dollars go in tax write-offs for the Gulf deal, another billion dollars went into the tax write-off in the Dome deal, and we have seen another piece of legislation rushed through the House for a billion dollar bank bail-out. The Government is spending billions upon billions on tax write-offs and in bank bail-out money, yet it says it needs to increase the money collected from ordinary Canadians.

If you have these bail-outs and give money away or refuse to take money owing to the Government of Canada on various oil

company deals, and if you are to give something like $9 billion to the oil industry as a result of the May 23 Budget, you will have to increase taxes and take away money from the taxpayers, people who will not benefit from the billion dollar bail-outs.

Worse than that, Mr. Speaker, some of the other things the Government is doing indicate there is no sense of fair taxation. The Conservative Government is to continue along the same trail which Liberal Governments followed in the past.

Let met quote from a speech made by the Minister of Finance (Mr. Wilson) to the Canadian Tax Foundation in November, 1984 when he said:

● (1150)

Our recent figures indicate that the effect of tax incentives has been to reduce the average federal corporate income tax rate from 36 per cent to 15 per cent . . . Particular activities qualify for very high rates of incentives, especially under certain grant programs. When the benefits from special tax incentives are added we are looking, in some cases, at an extraordinary generous level of assistance.

Those were the words of the Minister of Finance when he spoke in November, 1984. However, what did he do in May, 1985? He added on a capital gains tax-free amount of $500,000 per individual. We know that that will not benefit someone earning $10,000 or $15,000 per year. It will not help most farmers in western Canada. It will not help people working in the mines or in the forest industry. It will not help people living on a minimum wage or the people who are seeing their family allowances cut back by the Government. What the Minister is saying is that we have a very generous system at the present time and that the corporate income tax rate went from 36 per cent to 15 per cent prior to the introduction of his Budget. The situation is becoming worse in that corporate taxes will produce less money for Canadians. Those people at the top level of income will be paying less for the services which all Canadians require. At the same time, those people who are working on farms, earning a wage or earning a salary will be paying more and more of their take-home pay to the coffers of the federal Government. It is not fair. It goes in the opposite direction to fairness.

While I have the floor, and because we are talking about the raising of tax money, I should like to talk about how money will not go to the provinces in the future. In the Budget we were told that by 1990 the federal Government hoped to reduce the amount of transfer payments to the provinces by $2 billion per year. That is a lot of money. That money is used for medicare, post-secondary education and to help provide the services of the provinces to ordinary citizens. By increasing taxes at the federal level, and by decreasing the amount of money going to the provinces from the amount required under the present legislation, it will be more and more difficult for the provinces to be able to provide their services. Money is being taken away from the provinces. The taxes paid by ordinary citizens are being increased. The federal Government is saying that it is broke, that it cannot afford to provide those services, and that it is up to the provinces to do it. Again I say that that is unfair. It indicates that the Government does not have a tax fairness policy and that it does not really consult with the provinces before it takes action.

In speaking about the cut-back in transfer payments, it is interesting to note that last month, in Halifax, the Minister of Finance indicated that he was planning to keep the threat in the May 23 Budget of reducing transfer payments by $2 billion per year by 1990. He also indicated that he would change the present legislation and bring in those cut-backs one year earlier, so that by April 1, 1986, the provinces will be getting approximately $400 million less next year than they would under the present legislation. The Minister of Finance made that threat in a meeting with provincial Finance Ministers in Halifax. He finally admitted it in the House of Commons, but he will not come clean on the actual figures involved. He will not tell the people of Nova Scotia or the people of New Brunswick how much less they will be receiving in transfer payments next year. He will not tell the people of Quebec, Manitoba and Saskatchewan how much less they will be receiving. In fact, he will not tell the people of Canada what the Government is doing.

At the present time, the Conservative Government is increasing the taxes which people will have to pay, as well as the costs of various goods and services, but it will not tell them its plans for next year. Their taxes will be increased, but there is no indication of what the Government will do to ordinary Canadians.

I think that is what upsets so many of us in the House and people right across the country. The new Conservative Government is acting much like the Government which the people of Canada voted out in September, 1984.

I suspect that my time is almost up, but in closing I should like to indicate that the people of Canada wanted a change. They wanted Government to become more open with its population. I see a Conservative Member sitting silently across the way. When he was in opposition to Government, he used to be active in opposing time allocation. He used to be very upset about the closed nature of past Liberal Governments and about tax increases. Now he sits there, allowing time allocation to take place day after day, allowing tax increases which affect ordinary Canadians and allowing the Government to cut back on transfer payments. Similarly, when the Minister of Finance and the Minister of National Health and Welfare (Mr. Epp) were in opposition, they used to oppose cut-backs in services to the provinces. Perhaps the Hon. Member for Simcoe North (Mr. Lewis) typifies what is wrong with the Conservative Government.

Mr. Aurèle Gervais (Timmins-Chapleau): Mr. Speaker, I am pleased to have the opportunity to participate in the debate on Bill C-80 and to answer the Hon. Member for Cochrane-Superior (Mr. Penner). During the last week, I was singled out twice by that Hon. Member when I really do not believe he knew what he was talking about. He talked about a partnership into which he presumed I wanted to enter with him.

However, before speaking about the partnership, I should like to make a couple of comments about the Hon. Member

himself. In my days in the municipal field, I had the opportunity to work with the Hon. Member for a number of years. He has done good work for northern Ontario. He must have lost his cool now that he is in opposition, because he is saying things and doing things which are not very characteristic of him. Certainly he was not trying to be complimentary to me when he spoke on both those occasions. However, I say again that I got along well with the Hon. Member in days gone by.

The partnership proposition was proposed, not with the Hon. Member, but with an association in Cochrane-Superior. With all due respect to him, I do not think I would like to enter into a partnership with an Hon. Member who represents a Government which brought in the National Energy Program, FIRA, and the MacEachen Budget. I think the feeling is mutual. I do not think I would want to be in partnership with a Member representing such a Government. However, I want to enter into an agreement with an association in Cochrane-Superior because we can do a number of things.

I live in northern Ontario. I return to my riding once per week. I spend a lot of time there. That is more than I can say for the Hon. Member for Cochrane-Superior. He lives in Ottawa.

Mr. Nystrom: Are you a nice guy?

Mr. Gervais: He might say that he has a residence there, but he is normally in Ottawa.

● (1200)

Mr. Penner: Mr. Speaker, I rise on a point of order. I am not sure if the Hon. Member is delivering his maiden speech, in which case he should be given the widest possible latitude and be allowed to express whatever views may be burdening his soul and his mind. However, if this is not his maiden speech and the general courtesies of the House are not extended to the Hon. Member, then I suggest that you, Mr. Speaker, direct the Hon. Member for Timmins-Chapleau to confine his remarks to Bill C-80. The House and his constituents are anxiously awaiting his views on Bill C-80.

The Acting Speaker (Mr. Charest): Order, please. The Hon. Member for Cochrane-Superior (Mr. Penner) has well argued his case. I may point out to all Hon. Members that we are addressing Bill C-80 at this point in time. This would apply to all Members of the House, including the Hon. Member who rose to speak. We may bear that in mind while debating this Bill.

Mr. Gervais: Thank you, Mr. Speaker. The reason I was making these comments is that I was singled out by the Hon. Member twice.

Some Hon. Members: Shame.

Mr. Gervais: I just wanted to explain the facts to the Hon. Member.

Let us talk about Bill C-80. Let us talk about increases in gasoline prices. Back in 1980, the Conservative Government was brought down by the Liberals and the NDP because at that time we had proposed to increase the price of a gallon of gasoline by 18 cents. The record of the next three or four years when the Liberals were back in power shows that the price of gasoline did not increase by 18 cents per gallon but it increased by $1.28 per gallon. I would ask the Hon. Member who singled me out twice where he was when the price of gasoline went up by $1.28 per gallon. He just finished asking me where I was when Bill C-80 was proposed. Where was my hon. friend during the three years the price of gasoline rose by $1.28 per gallon?

I can tell the Hon. Member where I was and what I was doing in the federal caucus and the northern Ontario caucus at the time. I was helping my colleagues formulate a policy that has increased employment in Canada by 304,000 jobs in the last year.

Some Hon. Members: Hear, hear!

Mr. Gervais: I was working with my colleagues creating a policy that brought down interest rates to 8.85 per cent, the lowest they have been in seven years. What were interest rates when my colleague was supposed to be fighting for things of that nature?

I was working with my colleagues setting a policy that created an increase of 13 per cent in the manufacturing sector since September 1984. I was working with my colleagues introducing policy which became part of the Western Accord, an Accord which, in its first eight months, increased drilling activities in Canada by 19 per cent. That is where I was.

I was also working with my colleagues introducing policy that reduced bankruptcies in Canada by 13 per cent.

Mr. Gauthier: What about the three banks?

Mr. Gervais: Yes, we were also working on the bank failures that were brought about by the policies of the previous Government. For the benefit of my hon. friend, that is what I was doing. I have been working on these matters of policy of which I am very proud.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Unlike the Hon. Member who just resumed his seat, Mr. Speaker, I shall endeavour to relate my remarks to the thrust of Bill C-80. The Government was practically forced to invoke closure—time allocation—because the Opposition has not softened its unrelenting attack against the Bill, and it is imperative that we explain our approach.

Among the major arguments in favour of this measure, one in particular was raised earlier when the Hon. Member for Jonquière (Mr. Blackburn) took the floor of the House. Referring to the kind of taxes and levies proposed in Bill C-80, he said they are intended to offset the erosion of the sales tax base. In other words, according to the Hon. Member for Jonquière and some of his Progressive Conservative colleagues,

the purpose of this measure is to properly restore the sales tax within the Canadian tax structure.

That is where the Progressive Conservative Party and we in the Opposition have diverging views, Mr. Speaker. In our judgment, increasing the sales tax is a regressive step and we believe that the Government is not proceeding correctly to collect taxes. That is why we are against the Bill.

We agree that the Government should try to collect more money to provide better services to the people or perhaps to control the deficit, for those are commendable goals. What we are telling the Government is that it is trying to get the money from the wrong people. Its attack is directed against those who can least afford to pay. It is acting at the expense of low wage earners while continuing to protect its high income friends. For example, we figured out that, according to the forecasts, revenues generated by these new taxes in fiscal year 1985-86 will bring an additional $1.205 billion in Government coffers. However, 88 per cent of those revenues are regressive taxes. Among others, the gasoline tax will hit rich and poor people alike; the tax on alcohol—incidentally, there is nothing wrong with taxing bad habits—will produce only $15 million, but here again everybody will pay the shot; the tax on tobacco may prove to be a blessing in disguise if people end up smoking less, but again the Government will take $220 million out of our pockets regardless of incomes. The higher sales tax will account for $80 million more and, by widening the tax base, the Government will siphon off another $275 million.

That will do for examples, but what I am proving is that most of the new funds collected through this tax—88 per cent—will come from all taxpayers regardless of their income. As a result, a poor family will have to shell out $128 more this fiscal year, or 1.39 per cent of its total income. The $50,000-income family, much better off, will pay more in absolute figures, $547, but it will still amount to only 0.69 per cent of its higher income. To put it another way, poorer people will be expected to pay proportionally twice as much as wealthy Canadians, and that is where we draw the line.

● (1210)

I am not the only one who went through these tables and discovered that inequity. I can quote for instance the National Organization against Property, which had this to say according to the headline in the newspaper *Le Droit* of October 30, 1985: "Poor families will be twice as much affected as rich families by the increase in sales and excise tax proposed by the Tory Government". There is the problem. The Government is trying to get additional tax money, and this we do not oppose in principle, but it is plucking that money from the pockets of those who are the least in a position to defend themselves. Besides, this sales tax is a concealed, a hidden tax that nobody sees. If the Government on the other hand had chosen to increase taxes in a progressive way, it would have amended the income tax tables so that an extra effort would be made by high income groups to help increase Government revenues. But no, this is not what they are doing. They are asking everybody to pay, and the poor are asked proportionately twice as much as the rich! This is what we feel is unacceptable! This is why we are holding up the debate in the House of Commons. This is why we will fight this measure to the end, because it is fundamentally unfair.

As I said, this is a hidden tax. The federal sales tax is not like a provincial retail tax that is added on the invoice when consumers buy goods in the store. It is a tax that will be already included in the price tag. This is why people do not see it. It is a hypocritical way of collecting revenue especially as I said from the pockets of those who can the least afford to pay.

Meanwhile, the Government is proposing on the one hand to deliver a $500,000 handout, by increasing capital gains exemptions. It is interesting to note that with Bill C-80, the Government will tax the small people while with another legislation soon to be introduced, it will help those who make capital gains, those who are relatively well off in our society.

Let us also consider the Government's tax expenditures over the coming years in the sole area of existing capital gains exemptions, quite apart from the $500,000 handout the Government is getting ready to extend to people with higher income. I am referring to forecasts made by officials, for instance, on capital gains exemptions. These officials say that because of the increased use of such tax loopholes the Government would lose during the 1985-86 fiscal year something like $300 million more in tax revenues than it is already losing. And over the following fiscal year 1986-87, that amount would be $600 million. Finally, during fiscal year 1990-91, the forecasts indicate $1.25 billion. This means that the system set up by our friends opposite is aimed at helping, assisting high income groups, by switching the burden to those who already find it difficult to make ends meet.

The gas tax, for instance, is affecting everybody, even the taxpayer working at the minimum rate who has to use his car to commute. Even if he takes the bus, public transportation, he will suffer because the gas tax increase sooner or later will be passed on to him via his bus fares. This means it hits everyone, and the hardest hit are those who have the lowest income, because high-income groups could not care less if the costs of gas increases slightly. And speaking of the increased gas cost, let us look at the blind of judgment and meanness with which the Minister of Finance (Mr. Wilson) went about that: on the one hand, and this has been raised in this House by my colleague for Davenport (Mr. Caccia) who sits to my left, and thank God he pointed this out to the Minister of Environment (Mr. McMillan)—the tax increase on regular gas will be less than the increase on lead-free gas. So this measure, is regressive not only in respect of low income taxpayers, but also in respect of environment protection. In fact, the tax on leaded gas will increase by .32 cents a litre, while the tax on lead-free gas will be higher, at .35 cents a litre.

So what we have in Bill C-80 is a tax package that is ill conceived, that plucks the money the wrong people. And this is why the Opposition is fighting it so vigorously for the reason again, not that we feel the Government has no need for extra revenues to manage public business, because clearly it does—but good Lord, when will this Government try and understand it has not been elected to help the affluent and penalize the poor, but to try and maintain the kind of social justice that existed in this land before September 4, 1984! This is the reason why we are opposing Bill C-80, Mr. Speaker.

[*English*]

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I rise today to speak against Bill C-80, an Act to amend the Excise Tax Act and the Excise Act. What we are dealing with in this Bill is $3.5 billion of extra tax money which the Government proposes to collect from taxpayers to the end of the next fiscal year 1986-87. As is typical with most Government legislation, and it was typical of the Liberal legislation, there is a bit of good news contained in the Bill. There is a minor clause which states that the treatment of the people who are collecting these excise taxes will be more in line with the recent changes to the Income Tax Act. This means that the power of search and seizure will be lessened. The Department of National Revenue will grant the person who is suspected of withholding taxes improperly the right to make a case for himself or herself and present that case before funds are actually seized from the person's bank account. This is a positive step. It gives taxpayers and the person collecting taxes on behalf of the Government for Revenue Canada some rights which were not in place before. I mention this clause because it contains good news. The rest of the few minutes which I have to speak today on this subject will be with respect to the bad news.

The bad news is that the tax rates which people in Canada have to pay will be going up. Because these are excise taxes and are geared to people who are spending money for consumer goods the load will tend to fall more heavily on lower income people than it will on higher income people. For that reason they should be designated as regressive taxes because they hurt people with average and low incomes far more than they hurt people with higher incomes. The reason for this is quite obvious when one starts going through the list of taxes.

We can see that one of the first tax measures mentioned in the Bill is an increase of 1 per cent effective January 1, 1986, which will be levied on construction materials. There will be additional taxes on cable and pay television services of 7 per cent. There will be a 14 per cent increase on alcoholic beverages and tobacco products and an 11 per cent increase on all other taxable goods. The other taxable goods category includes some items which were not included before. These are items which were exempt from sales taxes previously, such as candy which children buy, soft drinks, pet foods and certain health goods. An 11 per cent tax will be imposed on these items bringing the total cost to consumers up to $990 million—almost $1 billion. That is almost enough to pay for the recent bank bail-out.

Energy conservation equipment did not previously attract any excise tax at all. Taxes will now be imposed on this equipment on the same basis as other consumer items, which raises the question of just how serious the Government is about conservation. The total cost to Canadian consumers in the next fiscal year from these changes, including getting pet owners and children involved in the tax system, will be $785 million. As well, there is a tax increase which farmers have already noticed to their chagrin, that is the excise taxes on fuels. The excise tax went up 2 cents a litre on gasoline, diesel and aviation fuel on September 3. That works out to 9 cents a gallon for those using the other system of measurement. Effective January 1, those taxes will increase another cent per litre. This will collect one and a third billion dollars more taxes in the next fiscal year and will go some way toward paying off the taxes which Dome Petroleum did not pay last year because of its ability to avoid paying taxes. Ordinary farmers and consumers who use gasoline and diesel fuel will make up that loss by paying more at the pump. Smokers and users of alcohol will be paying their 14 per cent as well. Taxes on cigarettes, for instance, will go up by about 1 cent per cigarette.

• (1220)

The proposals in the Budget and in some of the speeches leading up to the Budget, did not make Canadians generally aware that this was going to happen. In a speech made to the Canadian Tax Foundation on November 28 of last year, the Minister of Finance (Mr. Wilson) stated that the real bottom line of any tax system is people, how it will affect people. We found out after the first Budget how this tax system will affect ordinary people. They will be paying about $3.5 billion more in taxes this year than they did last year. In the same speech, the Minister of Finance left the impression that there was going to be some levelling out of the tax system. During the election campaign there was concern expressed by all Parties, including the Conservative Party, that the tax system was inequitable, that the very rich were not paying their share and that people with lower incomes were paying a far higher burden of taxation than were the corporate citizens and those with high incomes. The Minister of Finance pointed out in that speech to the Canadian Tax Foundation, and I quote:

> Our recent figures indicate that the effect of tax incentives has been to reduce the average federal corporate income tax rate from 36 per cent to 15 per cent—

He was speaking about some of the fast tax write-offs which are permitted under the tax law, which are not being changed, and he alluded to the R and D rip-off which did finally get stopped. He referred to such things as what is known in tax circles as the "little Egypt bump" which is still going on and which allowed Olympia & York in its acquisition of Gulf, and Dome Petroleum, to avoid between the two of them $1.5 billion worth of taxes. When we put that together with some of the recent reports of what the bank bail-outs will cost the Government of Canada, we arrive at a total of approximately $3.5 billion in taxes which the Government is proposing to collect in the form of excise taxes from ordinary Canadians. One can see very quickly why those of us in medium and low

income brackets will have to carry the tax bill for these decisions made by the Government.

In conclusion, I will reiterate that we will be opposing this Bill. We believe it continues an unfair tax system and has not addressed any of the real problems which exist in the collection of tax in this country.

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, I am pleased to have this opportunity to address a few thoughts and comments on Bill C-80, particularly at this stage of debate, on what this Bill proposes and, interestingly, how the Opposition Parties have been dealing with it.

Speaking in support of taxation is a little like speaking in support of borrowing Bills. It is a necessary evil and certainly gives the Opposition Members plenty of things to place in their canons. However, as we approach this particular Bill and what the Budget calls for and envisions, I believe we should perhaps ask the Opposition, and those who have spoken so strongly and vociferously against the measure, what they would do. In the spirit of partisanship—and it is as partisan as I will ever get—I would ask the Hon. Member for Humboldt-Lake Centre (Mr. Althouse), or his colleague, the Hon. Member for Yorkton-Melville (Mr. Nystrom), that question. I would particularly like to ask that question of the Hon. Member for Yorkton-Melville, who is aspiring to be the Leader of the New Democratic Party in Saskatchewan, although why anyone would want that job I will never know. However, the Hon. Member for Yorkton-Melville is attempting very vigorously to get that job. So I will ask the supporters of the New Democratic Party what they would do, and I believe the answer would be quite clear. They would have us live in a system which requires no fiscal responsibility or accountability. It is a system of having an economy which is completely skewered.

Mr. Althouse: If you owe them, pay them. It doesn't matter if you are a corporation.

Mr. Gormley: Perhaps the Hon. Member for Humboldt-Lake Centre would let me finish without interrupting.

Mr. Althouse: Had you listened, you would have heard $2.5 billion worth.

The Acting Speaker (Mr. Charest): Order.

Mr. Gormley: Thank you, Mr. Speaker. In dealing with the depressing matter of deficit reduction, may I say that we asked Canadians what they wanted. Canadians wanted jobs and a growing economy. Mindful of this, however, they said we had to get those jobs and a growing economy at the same time that we cranked down the deficit. It is a fact of life—and I would have thought that these well worn parliamentarians would have known the figures by now—that when a country is running an annual deficit in excess of $34 billion to $35 billion, with a cumulative net debt approaching $200 billion, it is evident that the deficit is a pressing problem.

How do we address that problem? Our Government is proposing to address the deficit in a very responsible fashion. Eighty per cent of deficit reduction will be done by expenditure reduction, taking what exists presently and winding it down. Only 20 per cent of deficit reduction will be done by increasing taxes. I believe if we took the approach advocated by the New Democratic Party, we would have a system where there would be overwhelming tax increases just to pay for the financial recklessness these Hon. Members propose.

Let us examine the premise that the tax increases are a necessary fact of life, however unfortunate and difficult it may be to defend a tax increase. Bill C-80 proposes, in the spirit of the Budget which contains, as my colleague, the Minister of Finance (Mr. Wilson) has said, "tough but fair measures". I believe if members of the Opposition would look responsibly at this Bill, as the people of Canada have, I think they would agree that Bill C-80 is indeed an equitable and fair measure of taxation. Yes, it is tough. It broadens the tax base and increases the number of sales tax items. Hon. Members of this House will know that the previous federal sales tax exemptions on candy, confections, soft drinks, pet food, certain health goods and energy conservation equipment have now been lifted so that those items are included in a broadened tax base. Yes, this is also tough in that it increases the actual rate of federal taxation. Hon. Members will know that the federal rate of taxation is increased by 1 per cent in this measure. But these are necessary tough measures in order to try to increase the level of Government revenue in an attempt to offset the great rate of expenditure with which our Government presently has to cope because of the large deficit we have inherited.

Let us look at the fairness. Bill C-80 includes some very fair measures, one of which is a comprehensive system of assessments, objections and appeals under the Excise Tax Act, much like the present reforms our Government brought into the Income Tax Act. This new comprehensive system will incorporate improvements in the areas of search and seizure, and in the presumption of innocence, which defers collection action until the taxpayer has had an opportunity to resolve any disputes arising with respect to his or her tax liability. So there is a spirit of fairness being brought into the collection of excise tax. This is indeed a moderate and fair approach to taxation.

• (1230)

Being a Member from Saskatchewan, I greatly deplore the criticisms of the NDP Members from Saskatchewan of the present state of the economy and their inclusion of the capital gains exemption in that criticism. This is indeed puzzling for those of us who come from a province with 70,000 farmers whose livelihood is interwoven into what we call the family farm. As a Progressive Conservative Member of Parliament from Saskatchewan, I worked very hard to see this exemption become a reality for my constituents. Numerous small retail service businesses serve these agricultural communities and industries and, like the family farm, the business and family life are interwoven. This is a way of life. These are the people who benefit most directly and immediately from this capital gains exemption. That money can be reinvested in a way that makes the economy grow. Therefore, when the Hon. Member for Yorkton-Melville is making his very active attempt to

become the Leader of the NDP in Saskatchewan—and I do not know why anyone would want that job—the farmers of Saskatchewan should know that this is what the NDP has been criticizing our Government for.

Look at the positive effects this Government has had on the economy. Confidence and investment in the economy are growing and the figures are there for everyone to see. I would be remiss if I did not touch briefly on those figures. Inflation is now steady at its lowest level in years. Interest rates have tumbled a full three percentage points in the months that this Party has been in Government. Investor confidence and business spending intentions are rising. Housing starts have increased an incredible 44 per cent in the past year. Some 180,000 new living units have been built. That is indeed incredible. Over 300,000 new jobs have been created. These figures show that Canada is in an economic cycle or stage which we have not seen in at least the recent memory of most young Canadians, the past seven to 10 years. These are the sort of economic indicators we have seen since this Government came into power.

This Bill arises from the Budget of May 23, and I urge Members of the Opposition to ask the question I asked at the outset of my remarks. Let us leave aside the political rhetoric and partisanship, which is all too rife in this place at times, and ask ourselves how we should deal with the question of our need to bring in more revenue as against the large expenditure commitments already made. How do we come to a balance in dealing with the deficit by winding down present expenditures, and deciding how much revenue to take in?

Based on the formula we have dealt with, and based on the need for this increased taxation, I believe this Bill is fair. It is sensible and will add to the economic growth of Canada. Therefore, I call on all Members of the Opposition to see that the Bill is passed and, as a measure from a sensible Budget, enacted quickly into law so that we can see Canada continue to grow and develop and this Government continue to lead Canada on the proper path of economic recovery on which we have now started.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, Bill C-80 will create a new class of poor, the middle-income poor. I was not the first one to say so; the Consumers Association of Canada said this on May 23, when the Progressive Conservative Budget was brought down.

First, Mr. Speaker, I would like my Government colleagues to understand that the federal sales tax is a hidden tax in the sense that the consumer will not see it on his bill because it will be included in the price. The consumer will therefore always believe that the prices have increased and that it is the fault of the small businessman or big business, even though the Government will have been responsible by increasing the sales tax.

Mr. Speaker, as for the deficit issue to which my hon. colleague has referred, I agree with him that, to reduce the deficit, we have to increase certain taxes. However, this measure is not reducing the deficit, Mr. Speaker. Just look at what we are taking from the poor, from the most disadvantaged, from the middle classes, to give to those with deposits over $60,000 in the Canadian Commercial Bank and the Northland Bank, and to the Reichmann brothers. Do these people need money? The poor, our senior citizens and the handicapped will be taxed to give something to these people.

Mr. Speaker, that is the whole difference between the Progressive Conservative Party and the Liberal Party. The Liberal Party has always believed in a just society, in raising money so that everyone benefits, but the Progressive Conservative Party is taking money from the poorest, from middle-income citizens to give to the rich who do not need it. A striking example is the construction industry. Today, even labour is being taxed. For instance, there are now two categories in the industry: If the concrete is poured on the spot, labour will not be taxed—

Mr. Blackburn (Jonquière): On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Charest): The Hon. Member for Jonquière (Mr. Blackburn) on a point of order.

Mr. Blackburn (Jonquière): Mr. Speaker, the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano) and the Hon. Member for Saint-Jacques (Mr. Guilbault) have both said that our Government is taking more taxes from the poor to redistribute this money to the rich, which is not true since our 1985 Budget provides that the rich will be taxed more and that someone with an income of $100,000 will contribute $1,686—

The Acting Speaker (Mr. Charest): Order, please. I think that the Hon. Member for Jonquière (Mr. Blackburn) is well aware that that is not a point of order, but a question of debate.

Mr. Gagliano: As I was saying, Mr. Speaker, there is a new taxation field in the construction industry. Pre-mixed concrete is now being taxed, and we are faced with two situations. If the concrete is poured on the construction site, labour will not be taxed, but if you decide to build with pre-mixed concrete, a federal tax of 6 per cent will be charged. In announcing this measure, Mr. Speaker, there is something that the Government did not consider, which shows its incompetence and its lack of knowledge about the building industry, since we all know quite well that, in this industry, long-term contracts are signed two or three years beforehand. Last May, it was announced that a 6 per cent tax on pre-mixed concrete would apply from July 1. What happens to the contracts which had already been signed? The Government does not even respect its own commitments regarding this tax.

I have here a letter from the Canada Museums Construction Corporation which concerns a contract signed before the

Budget, when there was no 6 per cent federal sales tax. After the Budget, the general contractor wrote to the Corporation asking them to increase his contract, and the answer he got was quite clear: There is no clause in the contract so we cannot act on your request. And now the company has to pay 6 per cent tax on a contract. Well, we all know that the profit margin on these contracts is not that high. The contracts may be big, but the profit margin is very slight. So if the contractor has to pay 6 per cent, Mr. Speaker, we are going to see a number of bankruptcies in the construction industry, a sector that needs stimulating instead of being beaten down by this kind of tax.

Mr. Speaker, I could mention the notorious $500,000 capital gains tax exemption. If we look at the statistics for 1982, we see that only 4 per cent of the people who declared capital gains were declaring the kind of gains from industry and businesses that really create jobs. Mr. Speaker, 96 per cent declared capital gains as a result of property transactions and sales of homes and office buildings. They know perfectly well . . . We all know that changing the ownership of a building does not create that many jobs.

Mr. Speaker, instead of saying: We want to stimulate economic recovery, we want to help small businesses invest and create jobs, the Government is giving $500,000 to everyone. With a little bit of accounting imagination, one realizes that these $500,000 could become one million or two million dollars' worth of tax exemptions. So when we say that the Government takes from the poor and people on average incomes and gives to the rich, I know it hurts my hon. colleague, but it is the truth. Obviously, people earning $20,000 per year are not going to have a capital gain of half a million. That is the whole point of this debate, and that is the difference between previous Liberal Budgets and this Progressive Conservative Budget.

● (1240)

[*English*]

I would like to quote some of the organizations which, on the night the Budget was presented, were worried about the Conservative Budget. For example, the Retail Council of Canada was disappointed that a federal sales tax of 1 per cent along with an extension of federal tax on food products was imposed as it will have the greatest impact on lower income Canadians and they will be worse off as they make up the bulk of the consumers. The Consumers Association of Canada said that the average consumer is hard hit with higher expenses, whether through expenditure cuts or increased taxes. The association said that it is hard to imagine how consumers will be encouraged to spend when the money value is reduced.

With regard to the increased consumption taxes, the British Columbia Federation of Labour said that the two-cent increase in gasoline tax to pay for the western energy agreement is a gift to the industry at the expense of the consumer. It said that a consumption tax is regressive by any standard and is a distortion of the tax system.

The Canadian Association of Social Workers said that the Budget was bad news for the lower income population, that it hurts the poor the most and that the child benefit package is another kind of horror. With regard to the reduced child tax exemption it said that there is no indication of where the savings are going. We know that they are going to Canadians who had more than $60,000 on deposit with the Canadian Commercial Bank and to the Reichmann brothers. The Government is giving a $1 billion tax credit to the Reichmann brothers at the same time as it is closing a refinery in the east end of Montreal. The Canadian Association of Social Workers also said that it seems as if we did not care for the low income sector and that we will probably see increases in line-ups at the food banks. We have been seeing that for the past few months, Mr. Speaker.

The National Anti-Poverty Organization said that the Budget is a bad one as far as support to families, the aged and women are concerned. It said that on top of that, all the increased consumption taxes target families directly and will be hardest on those with low incomes who have topay the same for basic products as do the rest. Increased taxes on upper income earners are off-set by giveaways such as the $500,000 capital gains tax exemption. The organization said that this Budget is bizarre as it increases public assistance to those who need it least.

[*Translation*]

Mr. Speaker, you are signalling that my time has expired. Well, we could go on for quite a while about the Budget and Bill C-80. Unfortunately, our time is limited, and I hope that Canadians will understand what the debate is about today.

[*English*]

Mr. Sergio Marchi (York West): Mr. Speaker, I too feel it necessary to participate this morning in the debate on Bill C-80. I feel it necessary because Bill C-80 is, on the whole, a regressive Bill. In simple, layman's terms, effective January 1, 1986 it will increase the sales tax on a wide range of products by 1 per cent. That list of products gives an indication of the regressive element of this Bill and of the mind-set of the Tory Government. It is going to increase the telecommunications programming tax by 6 to 7 per cent. It will increase excise taxes on wines. Federal sales taxes will go up from 10 per cent to 11 per cent. There will be an increase in the gas excise tax of 2 per cent per litre on September 3 and another cent per litre on January 1, 1987. There will be an imposition of sales taxes on carbonated beverages, candy, confectionery and, yes, even pet foods. There will also be a sales tax on health goods and an imposition of sales tax on energy conservation equipment as well as on previously exempt construction and building materials.

We must look at Bill C-80 not only from an economic point of view, but from a social viewpoint as well because it has a dual effect on Canadians, economic and social. On the economic front the Government promised a renewal of the economic spirit in the country. Yet, when you look at this Bill, Mr. Speaker, you have to ask where that spirit is. What kind

of economic spirit will impose upon Canadians an increase of $2.6 billion in sales tax alone by 1991? When one couples that with the $4.1 billion increase in income tax imposed by the Budget of last year Canadians begin to ask where the spirit of economic renewal has gone. Where is the spirit of economic fairness in Bill C-80, Mr. Speaker?

It does not take an economic genius to understand that the purchasing power of average Canadians is going to be reduced. It does not take an economist to realize that companies are going to be hard pressed to sell their services and goods at a competitive price. How will this help firms in our country to be more competitive and to sell more products when they have to pass on increased taxes to the consumer?

How will construction companies be assisted by increased taxes on construction commodities and equipment? How will Canadian truckers, who compete with truckers from the United States, feel about this Bill which imposes higher taxes on fuel? How will the tourism industry, which has been lobbying the Government for the last year and a half not to impose higher taxes on gas, react to Bill C-80? How will companies in the energy conservation business react to this Bill which increases the taxes on their equipment? We are saying, on the one hand, that it is important for Canadians to conserve energy, and, on the other hand, we are increasing the taxes on the products that Canadians must purchase and have installed in their homes in order to conserve energy. You simply cannot do both, Mr. Speaker.

This legislation not only squeezes Canadian consumers by decreasing their purchasing power and increasing their taxes, but also squeezes Canadian companies. They are having a tough time as it is making ends meet without having more added to their problems. Clearly, on the economic front, this is a Bill that hits both consumers and companies at the same time.

● (1250)

But there is another element to this Bill that cannot be overlooked. It is its social impact and the social fairness of this particular piece of legislation.

As I mentioned at the start of my speech, I said that it was a regressive Bill. That sentiment is certainly echoed by the Canada Council on Social Development. It estimates that the combination of increased sales, gasoline, alcohol and tobacco taxes will result in tax hikes of $140 for a couple with an annual income of $15,000 in 1990; $282 for a comparable couple with an income of $20,000; and $361 for a couple with an income of $40,000.

We must begin looking at the social equity in this legislation as well. While Canadians will be paying more than $2.6 billion in sales tax alone, the reality is that corporations in this country will enjoy a $2.2 billion tax break. Canadians are asking themselves, and urging the Government to look in the mirror as well, to ask if this is fair economics. Of course, the resounding answer is no. Is it fair to pass increased taxes to the consumer when a very elite community in our country will enjoy capital gains tax breaks that were introduced by the Minister of Finance last May? Is it fair to pass on to consumers the goal of deficit reduction while the Government is bailing out banks in this country? Is it fair to ask consumers to pay more in the face of the Olympia & Gulf deal of over $1 billion?

Is it fair when tax increases in the Budget introduced by the Minister last May will mean that families in this country which earn $15,000 will pay 35 per cent more tax by 1990 while those earning $200,000 will only pay 4 per cent more and those in the fortunate income bracket of $400,000 will only see an increase of 2 per cent?

What sense of fairness is there in a measure which will mean that a family earning $15,000 will pay 35 per cent more while those earning close to $500,000 will face a 2 per cent increase?

When Government attempted to deindex the pensions of senior citizens, it told pensioners to forget about the social contract they had with the Government because it wanted to reduce the deficit. Is that fair? Of course not, and the senior citizens of the country taught Parliament and the Government in particular a big lesson about fairness. It seems that the Government has not learned its lesson very well because it went on to deindex family allowances. It is essentially telling mothers and children in this country that they also have to bear the brunt of deficit reduction. Yet there are companies and individuals in this country who earn millions of dollars but pay very little or no tax at all.

Canadians realize we must get our financial house in order and they are saying they will do it as long as it is fair for everyone. The $15,000 wage earner is prepared to pitch in with his family to put our financial house in order but he is not prepared to make that sacrifice when other families, individuals and companies in this country are not shouldering a fair burden of deficit reduction for economic renewal.

That is why this Bill is unfair and should not be supported by the House. It does not ask all Canadians to shoulder deficit reduction or the economic renewal equitably. This Bill, like most of the Budget measures, hits those families the hardest who can least afford to pay. That is why a host of organizations have come before Parliament to indicate their disapproval with this Bill. These organizations include the Metro Social Planning Council, COSTI and the Toronto Association of Neighbourhood Services. They have pointed out that this is a regressive and unfair Bill which attempts to place the burden for deficit reduction on the poor.

It is for that reason that the Government should withdraw Bill C-80 and redraft it. It is a regressive Bill which is unacceptable to Canadians.

Therefore, it gives me great pleasure to move, seconded by the Hon. Member for Trinity (Miss Nicholson):

That the motion be amended by deleting all the words after the word "that" and substituting the following therefor:

Bill C-80, an Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof, be not now read a second time but that it be read a second time this day six months hence.

It is a fair motion that speaks to the equity that all Canadians want in this legislation.

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I will not take up too much time of the House since we will break for lunch shortly. However, I want to make it clear on the record what the opposition Parties are attempting to do in this debate. They have no more speakers who have anything to say and the fact is that the point of the amendment is to refresh the list of speakers. They are recycling the Members who have already spoken.

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Charest): Shall we resume debate?

Mr. Lewis: Mr. Speaker, on the one hand, the Opposition complains that we are cutting off debate. On the other, it cannot even raise enough interest in this debate among its own members to bring in any more than four Members in the House.

Mr. Gauthier: Mr. Speaker, I rise on a point of order.

Mr. Lewis: The Member for Ottawa-Vanier (Mr. Gauthier) is here.

The Acting Speaker (Mr. Charest): I ask the Hon. Member to take his seat.

Mr. Gauthier: Mr. Speaker, I rise on a point of order. I knew that the Member was going to state the number of Members in the House, although it is against the rules. We noticed from this side that there were only three of them until the motion was put. Then they all flocked into the House, the book-ends and everyone over there came in like a bunch of servants.

The Acting Speaker (Mr. Charest): It is lucky for everyone in the House that there is only one of me. It being one o'clock, I do now leave the Chair until two o'clock this afternoon.

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

AFTER RECESS

The House resumed at 2 p.m.

S.O. 22

STATEMENTS PURSUANT TO S.O. 22

[*Translation*]

SOCIAL SECURITY

DEINDEXATION OF FAMILY ALLOWANCES

Mrs. Lucie Pépin (Outremont): Mr. Speaker, like the *Confédération des organismes familiaux du Québec*, the National Action Committee on the Status of Women and more than 90 groups throughout the country, I want to voice my opposition to Bill C-70.

On October 23 the Minister of Finance (Mr. Wilson) admitted that the deindexation of family allowances would be used to reduce the deficit, but until then the Conservatives had always maintained that those savings would be set aside for other social programs.

The Government could not care less about its election promises with respect to the social sector, but it does live up to its commitments respecting the energy field, as evidenced by the Western Accord and the dismantling of the National Energy Program.

Bill C-70 has to be one of the measures which has drawn the strongest opposition from family organizations, women's groups and native people associations, among many others. The Conservative Government should be ashamed to bring down upon itself the wrath of poorer Canadians.

When the establishment of a country is in favour of something and the poor try to defend themselves, it is because the Government is not exactly upholding the right cause.

I hope that opposition against the deindexation of family allowances on the part of so many social groups will prompt Members on both sides of the House to have second thoughts.

* * *

[*English*]

INDIAN AFFAIRS

STANGECOMING BAND SITUATION

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, the process of land claims for Indian bands in Ontario is in much need of repair. The Office of Native Claims is supposed to work in the best interests of Indian people, as is the Department of Indian Affairs whose Minister has a fiduciary responsibility in these matters.

One case in point, where this trust has been abrogated, Mr. Speaker, involves the Stangecoming Band near Fort Frances, Ontario. This Band is situated on an isolated island with no sewer and water, no electricity, no community buildings and, of course, is only accessible by water or air. With only one radio telephone on the island and no schools or medical facilities, it is easy to see why these people want a real place to

live. But in order to do so, they need action from the Department of Indian Affairs.

The Minister has been made aware of the situation many months ago by the Stangecoming Band, the Assembly of First Nations, and myself. The Minister is also aware that if this situation is not resolved in a satisfactory manner, the Band will seek redress at a higher level, namely, the Federal Court.

Such action should not be necessary, Mr. Speaker, if the Office of Native Claims and the Minister would adhere to the Indian Act, act in the interest of the Stangecoming Band, and fulfil the commitments undertaken to the Band.

* * *

ENVIRONMENTAL AFFAIRS

UNLEADED GASOLINE—WRONGFUL USE BY MOTORISTS

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, through you, I wish to appeal to the 24 per cent of Canadians who drive automobiles. It is estimated that this many motorists misfuel their cars to save money at the gas pump. Misfuelling occurs when cheaper leaded gas is used in automobiles designed to burn non-leaded fuel exclusively. This practice destroys anti-pollution devices in the engine and causes harmful leaded emissions to be introduced into the air.

I need not remind any Canadian of the evil effects acid rain is having on the environment, our health, and our forests. The short-term gain of a few pennies at the pump is not worth the long-term pain we shall endure if misfuelling continues.

To his credit the federal Minister of the Environment (Mr. McMillan) has advocated wiping out the price differential between leaded and unleaded gasolines. Better yet, he wants to eliminate lead from gasoline entirely by the early 1990s.

Lest we introduce an Orwellian police state to regulate misfuelling, the onus is on each motorist to control this practice. From this point forward, Mr. Speaker, let each Canadian driver know he or she is part of a nation-wide honor system. Misfuelling must be regarded as a perversion upsetting our fragile environment.

* * *

[*Translation*]

THE ECONOMY

REVIVAL CAUSED BY GOVERNMENT

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, the latest survey made by the Canadian Federation of Independent Business shows that the rising trend in employment and capital investments in the small business sector is firm and that the capital gains tax exemption announced in the May Budget will indeed spur economic growth.

Those measures have restored a climate of confidence and signalled the beginning of a new approach in business planning on the part of many company owners.

The survey reveals that projected increases in capital investments and operating funds are more encouraging than they have been for quite some time.

Mr. Speaker, 42 per cent of those small businesses intend to boost their investment projects in the near future and to hire more people.

Quite clearly, small businessmen have welcomed the measures implemented by our Government to improve the small business investment climate, make funds more readily available, lower interest rates and do away with some of the more redundant regulations governing small businesses.

The survey definitely attests to this Government's intention of leading Canadians on the road to prosperity.

* * *

[*English*]

PUBLIC SERVICE

PENSIONS—PROPOSED END OF FULL INDEXATION

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I rise to bring to the attention of the House the plight of retired public servants whose careful planning for their days of much deserved rest has been torn as under by the Government's plan to end full indexing of their pensions.

On April 17 of this year the President of the Treasury Board (Mr. de Cotret) told this House of planned changes to public service pensions. Included in the package of amendments were provisions to replace the present practice of guaranteeing benefits fully indexed against inflation with protection based solely on the earnings of pension funds.

Present superannuates have paid for their pensions and their indexing, and they have every right to expect that protection to continue.

To quote the Progressive Conservative Party's own literature from the last election campaign:

> Our position is that current pensioners signed a contract with the Crown in years past and that contract should not be altered unilaterally by government. While our Party recognizes the need to negotiate changes to arrangements with current employees, we are determined that these must not affect the benefits for current superannuates.

If the Supplementary Retirement Benefits Act or the Public Service Superannuation Act is changed, a grandfather clause must be introduced to protect former public servants who are now retired. Anything less, Mr. Speaker, would be a betrayal of trust with Canadians who serve our country with diligence and dedication.

INCOME TAX

NON PAYMENT BY INDIVIDUALS EARNING ABOVE $50,000 ANNUALLY

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, last night millions of Canadians from coast to coast tuned in to watch the annual Juno Awards which celebrate excellence in the Canadian music industry.

Today I would like to present the "Golden Loophole Award" for excellence in the field of tax avoidance. Today we learned from Revenue Canada officials that the latest statistics available show that in 1983, 7,782 individual Canadians with incomes above $50,000 per year paid not one red cent in income tax.

When you consider these figures alongside the recent announcements of billion dollar tax breaks for corporations like Olympia & York and Dome Petroleum, it is surprising that taxpayers are not storming the Parliament Buildings.

What is important to remember in all of this, Mr. Speaker, is that this is perfectly legal. If you are wealthy enough to make use of the investment tax credit, the half a million dollar capital gains exemption, the indexed security investment plan or the flow-through share purchase tax credit, to name but a few of these loopholes, it is not surprising that you can end up without having to pay a cent in income tax.

If you are a corporation, Mr. Speaker, it also helps to have a Government formed by either the Liberals or the Conservatives, who have always shown themselves willing to use the taxpayers' chequebook to help out those large corporations that donate so generously to their party coffers.

All in all, I would say that ordinary wage-earning taxpayers are getting tired of having to pay for these tax boondoggles. It is time that the income tax system was changed to require everyone, including the wealthy, to pay their fair share.

* * *

AGRICULTURE

CANADIAN FEDERATION OF AGRICULTURE—APPRECIATION OF GOVERNMENT ACTIONS

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, last week representatives of the Canadian Federation of Agriculture met with the Prime Minister (Mr. Mulroney), with members of the Cabinet, and with provincial caucuses.

Their president, Mr. Don Knoerr, stated on *Canada AM* on Wednesday:

> It would be unfair of me to even suggest that this Government is not addressing agriculture issues.

They appreciate the fact that on Tuesday afternoon the Prime Minister adjourned a cabinet committee meeting to permit the Economic and Regional Development Ministers to attend their presentation. They appreciate the fact that over $2 billion has been spent since the election for such things as

special disaster assistance, farm finance initiatives, and research and development.

They appreciate legislation such as that providing for increased railroad accountability, freight rate stability, earlier payments under the Western Grain Transportation Act, and a doubling of advance payment levels for storable crops. They appreciate the $500,000 capital gains exemption.

• (1410)

Canadian agriculture has built itself around the family farm. Farmers have doubled their efficiency in the past 12 years and have provided Canadians with low-priced food of the highest quality. The Federation urged the Government to establish farm credit at rates to preserve the family farm, to expand, to expand research, to support supply management, and for emergency relief for farm disasters. The Federation recognized that the Government is acting to preserve agriculture and the family farm.

* * *

CANADA ELECTIONS ACT

INVESTIGATION OF ALLEGED OVERSPENDING BY CANDIDATES

Mr. Patrick Boyer (Etobicoke-Lakeshore): Mr. Speaker, the election expense provisions in the Canada Elections Act have proven, over the past decade, to be an important reform, ensuring that politics in Canada is not a preserve of the wealthy, and providing balance between contending Parties and candidates.

Over the past year, however, those very provisions have themselves proven to stand in need of reform in one important respect. I refer to the investigation of allegations of campaign overspending by candidates.

The Chief Electoral Officer lacks power to investigate complaints, to determine their validity swiftly, fairly, and in an even-handed manner. If he had this power, an investigation could determine whether evidence exists for charges to be laid, and then the matter turned over to the RCMP and made public. Members of all three Parties in the House, and the independent Member, have learned first-hand of the need for a reform of investigative and enforcement powers for election spending, to ensure that equal benefit and equal protection of the law apply to MPs as well as to all other Canadians. We do not need, in the first instance, the heavy hand of an RCMP investigation to determine what is essentially a matter of administrative compliance.

The Mulroney Government has already demonstrated a reform instinct as far as electoral matters are concerned, and I am confident that amendments to the Canada Elections Act could be made here as well.

S.O. 22

EXTERNAL AFFAIRS

ABSENCE OF CANADIAN DIMENSION FROM QUEBEC TRADE OFFICE IN NEW YORK

Mr. John Nunziata (York South-Weston): Mr. Speaker, last week I had the honour of being part of the Canadian delegation which visited New York to observe and be briefed on the workings of the United Nations.

Might I say how impressed I was with the Canadian involvement and contribution to the UN. I was expecially proud and impressed with our Ambassador, Stephen Lewis, who has breathed new life and enthusiasm into the UN.

As part of our tour we also visited the Canadian Consulate and the Quebec, Ontario and Alberta Trade Offices. Upon entering the Quebec Trade Office I noticed, much to my chagrin, the absence of a Canadian flag. There was not one anywhere to be seen. I thought at first that it was an oversight. When I asked why there was not a Canadian flag displayed, I was told bluntly that the office was not there to promote Canada.

On touring the offices, I noticed a separatist poster in the office of the administrator. In another office there was an American flag beside a Quebec flag, but no Canadian flag. On reviewing the promotional literature, there was no mention of Canada or the fact that Quebec is a province of Canada.

As a proud Canadian, I felt let down by the Government of Quebec. As a proud Canadian, I felt betrayed. While it may not be the job of the Quebec Trade Office to promote Canada, surely it should recognize Canada as the great united nation we are.

* * *

VETERANS AFFAIRS

CHANGES IN GOVERNMENT'S ATTITUDE TO VETERANS

Mr. Elliott Hardey (Kent): Mr. Speaker, Canada's more than 700,000 veterans of three foreign wars report that they are at last being treated with courtesy and respect by the Government, after many years when their problems and concerns were largely ignored, making them feel like second-class citizens. The change in Government attitude is a direct result of the dedication of the Minister of Veterans Affairs (Mr. Hees).

The slowness of the pension process has been eliminated, with more than 50 per cent of pension decisions now going in favour of the veterans. A year ago that figure was only 28 per cent.

Other changes include an increase in the basic rate of pensions to parity with Public Service categories. Disability pensions at married rate now continue a full year after the death of a pensioner. There are increases in the casual earnings and interest earnings exemptions, as well as many other improvements. The program will again be expanded in 1986.

This record has brought new hope to veterans and their dependants, and it is something, in my opinion, of which we can be tremendously proud. These veterans made sure the terror of war never reached our shores. With these expanded veterans' programs, they can maintain their pride as well.

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—CULTURE INQUIRY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. The Government's secret, manipulative style of negotiations in respect of free trade with the United States is doing a disservice to the country. Yesterday the Secretary of State for External Affairs admitted that culture would be part of the negotiating items. That is just great; now Canadian culture is on the block. Last night, when the Prime Minister attended the Juno Awards, did he tell that to Bryan Adams and Corey Hart?

Right Hon. Brian Mulroney (Prime Minister): No—

Mr. Blackburn (Brant): He didn't even sing.

Mr. Mulroney: I didn't sing. I couldn't; I am bound by union rules. The NDP knows that.

What I did tell them was that—I repeated my statement of September 26—our political sovereignty, our system of social programs, our commitment to fight regional disparities, our unique cultural identity and our special linguistic character are the essence of Canada. They are not at issue in these negotiations.

Mr. Turner (Vancouver Quadra): Having heard those words from the Prime Minister, I wish he would communicate that directly to the Secretary of State for External Affairs—

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): —because he gave the distinct impression to the House of Commons yesterday that our cultural industries were to be part of the negotiations with the United States.

Some Hon. Members: Oh, oh!

[*Translation*]

CULTURAL INDUSTRIES—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, at a time when the Canadian record industry is in a slump as a result of an influx of U.S.-produced records, how

can the Prime Minister claim to want to negotiate with the United States on the subject of our cultural industries?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, today, the Prime Minister has again pointed out that our Canadian cultural identity is not at stake and is not on the table in any negotiations we may engage in with the United States. What we want to do is to provide new strength for our cultural industries. We know we can do this, first of all, by implementing domestic policies in this country that will strengthen our cultural industries and second, by finding ways to expand the markets available to Canadian performers.

[*English*]

PRICE AND VALUE OF CANADIANISM

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, with the greatest respect to the Secretary of State for External Affairs, he is swallowing himself today, after what he said in the House yesterday.

I ask the Prime Minister, who gave me a vague statement as to his intentions affecting the country: is the cultural industry—broadcasting, book publishing and periodicals—part of the items to be negotiated with the United States? Before he answers that, I want to remind him that while it may cost us a little more to live in this country and to be Canadian, the price of being Canadian is a price worth paying.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there is no doubt that the price of being Canadian is a price worth paying. There is no doubt that the value of being Canadian has been enhanced in this country and in the eyes of the world by, for example, the action taken by this Government to establish our sovereignty over our North, after years when that Government and that Party did nothing about Canadian sovereign interests.

Some Hon. Members: Hear, hear!

BOOK PUBLISHING—PRENTICE-HALL TAKEOVER

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is for the Prime Minister. The Prime Minister is on record as saying that he is opposed to foreign takeovers of Canadian book publishers. Yesterday, in the House, the Secretary of State for External Affairs said just the opposite in respect of the industry, not necessarily the identity. My question to the Prime Minister is this: what is your policy?

● (1420)

Some Hon. Members: Order.

Mrs. Finestone: You can't have it both ways. Are you now leaning toward the lobby of Gulf & Western that is headed by your friend, Frank Moores?

Some Hon. Members: Order.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am not sure there was a question there, but I think there was a question implied if not asked. I give the Hon. Member, as always, the benefit of the doubt. The answer is that the question with respect to one particular transaction relating to a Canadian publishing company is now before Investment Canada. I should make the point that, given the likely timetable of any negotiations that might occur with the United States, that question will be resolved before any negotiations might begin, because the resolution of that question has a deadline of December 31 and that deadline will be respected.

Mr. Speaker: Supplementary question, through the Chair.

FILM INDUSTRY

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I thought I had addressed the Prime Minister. However, I will direct my question to the Prime Minister this time. Will the Prime Minister specifically guarantee that policy regarding films, magazines, books and broadcasting is not negotiable? Can we have the Prime Minister's word on that?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, let me deal with the question of the film industry. The Hon. Member and other Members of the House will know that excellent Canadian films are produced in this country but cannot find an audience in the United States. Why is that? That is because of the old boys' network that exists in the United States. That is not a tariff barrier but it is a very real barrier that limits Canadian expression. Why do members of the Liberal Party not want us to have the opportunity, through any negotiations, to discuss the removal of that barrier to Canadian creativity?

[*Translation*]

INQUIRY IF CULTURAL INDUSTRIES ARE NEGOTIABLE WITH UNITED STATES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Government's policy with respect to our cultural industries is not clear. The Secretary of State for External Affairs was not clear about this yesterday, and the Prime Minister is not clear about the subject today. My question to the Prime Minister is quite simple: Are our cultural industries on the table in our negotiations with the United States, yes or no?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, on September 26 of this year, when I was making a statement on behalf of the Government, I mentioned that, among other things, Canada's cultural dimension was not at stake in the negotiations, and that any Government initiative would be aimed at further strengthening our cultural position. That was the position of my party and the Government I have the privilege of leading.

[*English*]

CANADIAN POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, to my knowledge this is the first time the Prime Minister has used the phrase "cultural industry" as opposed to "cultural sovereignty" or "cultural heritage". I would like to be very clear because not only the fate of one publishing firm is at stake right now but the fate of the whole cultural industry, and what that means for a sense of nationhood for Canadians is at stake. Is the Prime Minister saying that Canada's cultural industries, including film, radio and television, are not on the negotiating block and will not be a part of the negotiations that are now taking place with the United States?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think—

Mr. Clark (Yellowhead): Mr. Speaker—

Mr. Mulroney: I am sorry.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): Go ahead.

Mr. Mulroney: Mr. Speaker, we are so well prepared on this issue, as on every other issue—

Some Hon. Members: Hear, hear!

Mr. Mulroney: —not only do we sing, but we sing in perfect harmony.

I made a statement on behalf of all members of the Government on the 26th. My hon. friend indicates some surprise and says that he had not heard it before. I think I indicated at that time that our commitment to fight and to defend our unique cultural identity, something which is done through a series of measures with which we are all familiar, is not at issue in these negotiations. That has always been the position of the Government.

CULTURAL INDUSTRIES INQUIRY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, once again the Prime Minister has not dealt with the question. I am not saying that he has not dealt with the question deliberately; far be it from me to suggest that. I simply say that he has not dealt with the question. The question does not concern the broad notion of cultural sovereignty or identity. It is very specific and is about our cultural industries. Will the Prime Minister just for once reply to that question clearly? Are our cultural industries going to be negotiated or not? It is a simple question. Please answer it.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I—

Some Hon. Members: Oh, oh!

Mr. Broadbent: Will the real Prime Minister please stand up.

Mr. Blackburn (Brant): You're five years late, Joe.

Mr. Clark (Yellowhead): Frankly, I—

Mr. Hnatyshyn: That's one thing about the Junos, you can really rehearse.

Mr. Clark (Yellowhead): Mr. Speaker, I frankly do not know where the Hon. Leader of the New Democratic Party has been. I have indicated to him before that my colleague, the Acting Minister of Communications, and I will be meeting with representatives of the cultural industries, and we are looking to have that meeting on November 26, so that we can be sure that the interests of each cultural industry are well protected in the negotiations that might proceed with the United States.

Mr. Broadbent: So they are on the table.

Mr. Clark (Yellowhead): If he would stop shouting from his seat, the Hon. Leader of the Opposition—excuse me, John—the Hon. Leader of the New Democratic Party would know that there are some cultural industries that are concerned about the threat of negotiations and we intend to protect and preserve those industries. As well, there are others, such as the film industry and aspects of the publishing industry, that look forward to the opportunity of using these negotiations as a means of at least discussing the possibility of bringing down non-tariff barriers which limit the expansion of Canadian culture to larger markets. We are interested in strengthening Canadian culture, and that is what we are going to do.

CONTENT OF NEGOTIATIONS

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Prime Minister. As the Prime Minister knows, culture is something about which people care and it is also at the very heart of sovereignty. Yesterday, and again today, the Secretary of State for External Affairs alluded to the fact that the book publishing industry is about to be sacrificed in the Government's attempt to snuggle up to the United States. Would the Prime Minister indicate to the House exactly what is on the table? Is the National Ballet on the table? Is the CBC on the table? Is the Neptune Theatre on the table for negotiations with the United States?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, none of those cultural industries is on the table. The Neptune Theatre is not on the table and the CBC is not on the table. We are interested in looking to see if there is some way in which we can deal with the old boys' network that limits the distribution of Canadian films. We are interested in seeing if there is some way that we can resist the pressures that are now growing in the United States Congress against a provision in American practice that allows Canadian

authors access to U.S. markets because, under practice, but not law or treaty, they are treated as American authors. We are looking for ways to strengthen Canadian culture. For the life of me I cannot understand why members of the Liberal Party are so afraid of Canada that they do not want us to look for ways through these negotiations to strengthen our cultural industries.

NEGOTIATION ISSUES

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, recently we have learned of a secret External Affairs document which emphasizes symbols as opposed to substance with regard to free trade with the United States. I suggest that the Government cannot continue to insult the Governor General by ignoring her role as head of state when the President of the United States comes to town, and then demand that she allow herself to be used for partisan purposes—

Mr. Speaker: Order, please.

Mr. Dingwall: The Secretary of State for External Affairs has given us three examples of issues that will not be on the table. Will he now tell us what will be on the table?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, one thing for which the people of Canada can be grateful is that Canada will not be represented at any negotiating table by that insecurity about Canada that is rife and rampant in the Liberal Party.

Some Hon. Members: Hear, hear!

• (1430)

Mr. Clark (Yellowhead): Some Parties in this House were afraid to assert northern sovereignty for 16 years. This Party and this Government asserted northern sovereignty.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): We have made it clear on numerous occasions that the cultural institutions of Canada are not at issue and are not negotiable. What is at issue is that we have an opportunity to strengthen Canadian cultural expressions. We will not be so timid—

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): —that we will not respond to that opportunity.

* * *

THE GOVERNOR GENERAL

ALLEGED DEPARTMENTAL DOCUMENT

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also for the Prime Minister who will recall that at the Shamrock Summit the intent to use the office of the Governor General on the part of the Government became apparent. Given the report with respect to a memo provided for Cabinet by External Affairs which indicates a recommendation to the Government that the Governor General could and should be used to promote nationalism within the country while at the same the trade negotiations could go on with the U.S., which may well undermine that very nationalism, will the Prime Minister tell us now that under no circumstances will the Governor General of Canada be used by the Government for partisan reasons, as is suggested in the memo?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, naturally I have read with some interest *Maclean's* magazine. I read it with some interest every week, as do all Members of the House. There was reference in it to a document which was described as not only a cabinet document but one that had caused discussions in Cabinet. I have to say that from time to time *Maclean's* magazine is discussed in Cabinet; that alleged document has never been.

Some Hon. Members: Hear, hear!

CANADIAN NATIONALISM

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, now that we know that, I would like to ask my question again. In the memo prepared for Cabinet by External Affairs—whether Cabinet considered it or not—the use of the Governor General was recommended in appeasing nationalism in Canada at the same time as the negotiation process is going on. Is it the Prime Minister's intention to use the office of the Governor General in this partisan way?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, this Party and this Government do not consider nationalism something to be appeased. This Party and this Government believe Canadian nationalism is something to be encouraged. That is what we did with Arctic sovereignty. That is what we did in the North—

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): —and that is what we will do throughout the life and mandate of this Government.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

SOCIAL SECURITY

INQUIRY WHY GOVERNMENT WANTS TO CUT FAMILY ASSISTANCE PROGRAMS

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I wish to direct a question to the Right Hon. Prime Minister.

Yesterday, Quebec's *Confédération des organismes familiaux* reminded us in its brief that in addition to the commitments to Canadian families which the Government had made in the Speech from the Throne, the Prime Minister has stated in front of the cameras when his fourth child was born that a family is the finest thing which exists in this world, an opinion which I share, Mr. Speaker.

My question is this: Could the Prime Minister explain to the representatives of millions of Canadian mothers who are here why he intends to make cuts in the programs designed to strengthen the finest thing in the world, when he had promised never to make cuts in this area?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, as I indicated to the Hon. Member earlier, and as the Minister of Finance has stated in the House, if he were to take a look at year-over-year spending on social policy he will see that there is an increase of $2 billion. In addition, if he will take a look at the specifics of Bill C-70, which I would be happy to discuss with him later today when we meet in committee, and if he looks at the family tax credits, he will see that there is an increase for those in greatest need.

[*Translation*]

REQUEST THAT PRIME MINISTER MEET MOTHERS' REPRESENTATIVES

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I should like to direct a supplementary question to the Prime Minister who would not answer my original question. Is that a family policy?

In a gentleman-like fashion, would the Prime Minister kindly accept to meet with the representatives of Canadian mothers who are here today in order to hear what they have to say? Also, could the Prime Minister confirm whether he will take into account the views which the Committee has received concerning Bill C-70? Yes or no?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker—

Ms. Copps: Get up and answer.

Mr. Epp (Provencher): Mr. Speaker, as the Hon. Member has requested, I am willing to meet with groups which have specific issues which they want to address that are directly the responsibility of this Department and this Minister. As well, I say to him that I look forward to meeting with him and other members of the committee to discuss this matter further this afternoon.

GOVERNMENT EXPENDITURES

MINISTER'S VISIT TO PARIS—COST OF HIRING LIMOUSINE

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the Minister of State for Transport. It is a $64,000 question concerning the Minister's travels earlier this year in April, June, and July. Can the Minister explain to the House why it was that on a four-day trip to Paris, when she had one meeting lasting approximately two hours, she felt it necessary to hire a limousine with a chauffeur at a cost of $1,700 to Canadian taxpayers? Does she not believe in taking a taxi? Why does she—

Mr. Speaker: Order, please. I take it the Hon. Member is asking a question about the travels of the then Minister of the Environment. Therefore, I think he knows that his question must be directed to the current Minister.

Mr. Benjamin: You are trying to get her off the hook.

Mr. Speaker: I am not trying to get anybody off anything. The Hon. Member knows that if he has a question of a Minister it has to be within that Minister's current responsibilities or it has to be directed to the Ministry, in which case the Ministry may decide whom they wish to answer.

Mr. Robinson: Mr. Speaker, I will then address my question to the Prime Minister, whose Government is cutting back family allowances at the same time as his Ministers are flying—

Mr. Speaker: Order, please. I am trying to be helpful to the Hon. Member. He might just put his question, please.

Mr. Robinson: Mr. Speaker, my question for the Prime Minister is this. Does the Prime Minister believe it to be acceptable for one of his Ministers to use a limousine with a chauffeur at a cost of $1,700, in Paris, in April of this year, when she had to attend one meeting lasting approximately two hours? Is that really an acceptable use of taxpayers' money?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Benjamin: What is the matter, Brian, are you afraid of the heat?

An Hon. Member: Brian's a chicken.

Mr. Speaker: Order, please.

Mr. McMillan: Mr. Speaker, I know that the now Minister of State for Transport is quite capable of defending herself. She respects the rules, as I do, and for that reason, and because the question relates to my Department, I am pleased to give the explanation. The explanation is quite simply this. I have read the news accounts in this morning's papers and other media accounts of the Minister's travels in Paris, Stockholm and elsewhere, and it seems—

Some Hon. Members: Oh, oh!

Mr. Fulton: Then you agree she should resign.

Mr. McMillan: —that into a relatively short time she packed a lot of official business on behalf of her Department and the Government of Canada—

Some Hon. Members: Oh, oh!

Mr. McMillan: The problem seems to be that the newspaper reports are based on an official agenda and not on the Minister's itinerary. The two are different.

Some Hon. Members: Oh, oh!

Mr. Nunziata: There is the answer!

Mr. McMillan: Many of the activities in which she was engaged were not reflected on the official agenda. Indeed, some of the itinerary was fleshed out only upon her arrival, for example, in Paris. In the case of Paris—

An Hon. Member: Table it.

Some Hon. Members: Oh, oh!

Mr. Benjamin: Let him go.

Mr. Speaker: Order, please. If Hon. Members want to hear the answer then there is only one way to achieve that.

Supplementary question.

Mr. Robinson: Mr. Speaker, I am not sure whether the Minister completed his answer before my supplementary question.

Mr. Speaker: Order, please. I take it the Hon. Member did not have a supplementary question.

[*Translation*]

The Hon. Member for Saint-Jacques (Mr. Guilbault) has the floor.

* * *

THE CABINET

REQUEST FOR EXPLANATION OF AUTHORIZATION GIVEN FORMER MINISTER OF ENVIRONMENT TO MAKE TRIP TO EUROPE

Mr. Jacques Guilbault (Saint-Jacques): If I may, Mr. Speaker, I would like to draw the Prime Minister's attention—

[*English*]

Mr. Robinson: Supplementary question, Mr. Speaker.

Mr. Fulton: He has a supplementary question. You phoney.

Mr. Robinson: Supplementary question, Mr. Speaker.

Mr. Fulton: Supplementary question!

Mr. Speaker: The Hon. Member for Saint-Jacques.

Mr. Cassidy: Stop covering up!

Mr. Robinson: Supplementary question, Mr. Speaker. I have a supplementary question. I have a supplementary question, Mr. Speaker.

Mr. Speaker: Will the Hon. Member please resume his seat?

Mr. Robinson: I have a supplementary question, Mr. Speaker.

Mr. Speaker: I invite the Hon. Member to resume his seat.

Mr. Robinson: Mr. Speaker, I have a supplementary question.

Mr. Speaker: Every Member in the place has a supplementary question.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member for Saint-Jacques.

Mr. Robinson: I have a supplementary question, Mr. Speaker.

Mr. Fulton: You wait until we get to vote.

Mr. Robinson: Supplementary question, Mr. Speaker.

An Hon. Member: Talk about a Tory hack.

Mr. Cassidy: You are covering up for the Tories.

Mr. Robinson: I have a supplementary question, Mr. Speaker.

Mr. Cassidy: You tricked him out of a supplementary question.

● (1440)

Mr. Speaker: Order, please. If an Hon. Member believes that an unfairness has been done, or a breach of the Orders, his route is to raise a question of order after Question Period. I, therefore, invite the Hon. Member for Saint-Jacques to pose a question.

An Hon. Member: We know what side you're on now.

[*Translation*]

Mr. Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Prime Minister and has to do as well with the unnecessary journeys of his Minister of Environment who squandered something like $64,000 of taxpayers' money last summer. I would like to ask the Prime Minister how he could possibly have authorized—I have here the Minister's written authorization request—such a trip when in fact the purpose of the trip, which was the signature of an automotive vehicle pollution agreement in Stockholm, had been cancelled ten days

before her departure? How could he authorize such useless travel?

[*English*]

Some Hon. Members: No, no.

An Hon. Member: Be accountable, Brian.

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, again the discrepancy between the media accounts and the true facts relates to the fact that the media accounts are based on an official agenda, not on the actual itinerary which the Minister followed. For example, in Stockholm—since the question was based on that particular leg of the trip—there were three days in Stockholm, from April 9 to April 13. The agenda shows that there was only a half day's business in an official capacity when in fact, between April 9 and April 13, the Minister was occupied with government business for two and a half days.

Mr. Gauthier: Wow! Do tell.

Mr. McMillan: This involved meetings with representatives of the Department of the Environment in Stockholm—

Mr. Ouellet: At what level?

Mr. McMillan: —and official functions hosted by the Ambassador in Stockholm, bringing together high level officials in that country with the Minister, including the Minister of Health—

Some Hon. Members: Oh, oh!

Mr. McMillan: —the Minister of the Environment, the Minister of Energy for that country—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order.

[*Translation*]

ISSUANCE OF AUTHORITY FOR MINISTER'S TRAVEL

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I have a supplementary, and again I shall direct it to the Prime Minister, leaving the junior Minister lost in his flurry of details. What I want to know is who gave the authorization. I have here a letter signed by the Minister, addressed to the Prime Minister's Office, which begins like this:

> The purpose of this letter is to seek authorization to travel to Paris and Stockholm between April 3 and April 14.

I want to know why the Prime Minister or someone in his office gave authorization to make such an unnecessary trip whose very purpose had been cancelled even before the Minister got under way. How could such an authorization have been given? What I want to know, not from a junior Minister, but from the head of the Government—

[*English*]

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, in connection with the meeting to which the Hon. Member has addressed himself—he said the meeting was of no import—the present Minister of State for Transport, the then Minister of the Environment, was vice-president of the ministerial meeting of the Environmental Committee of the OECD, during which time she met with high level representatives of some 24 countries over three and a half days. She addressed herself, with those officials, to the important questions of toxic chemicals, hazardous waste, air pollution, and acid rain, on which subjects I am wondering if the Hon. Member's Party is suggesting that Canada should abdicate responsibility in international relations.

Some Hon. Members: Hear, hear!

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—CULTURAL POLICY

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the Minister of State for External Affairs. Over 20 arts groups met with us in Toronto this morning and made it quite clear that they don't want to be pawns in this free trade game. Will the Minister now be precise and make it quite clear that key parts of cultural policy, like our CRTC regulations, our cross-border advertising regulations, and our ownership rules on broadcasting, are not going to be part of free trade negotiations?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the institutions of cultural expression in Canada, the regulations which guide and often inspire those institutions, are part of the exercise of Canadian cultural sovereignty. We intend to maintain absolutely unhampered the exercise of Canadian cultural sovereignty.

The Hon. Member knows that this Government, after 16 years of inaction in another field, in the Arctic, acted to assert Canada's sovereignty.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): We intend to be as diligent about Canada's cultural sovereignty as—

Mr. Speaker: Order.

Mr. Langdon: Mr. Speaker, that is the most classic example of baffle-gab that I have ever heard.

GOVERNMENT POSITION

Mr. Steven W. Langdon (Essex-Windsor): Would the Minister please, for the sake of all of those arts groups right across the country, give a straight answer to the question I asked?

With respect to those specific cultural policies which these arts groups identified this morning as absolutely crucial, will the Minister say that we are not prepared to sacrifice them, or to negotiate about them, in free trade talks? Make it clear!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I want to make it very clear that we are not going to sacrifice Canadian sovereignty; we are going to strengthen Canadian cultural sovereignty.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): I have great respect for the Hon. Member. He and I have discussed this matter at committee and elsewhere. He knows that, respect him as I do, I believe it is my duty, and that of the Acting Minister of Communications, to meet directly with representatives of the arts community and of cultural industries which might be affected by any negotiations we enter into.

The Hon. Member knows well that entering into negotiations, discussing something, does not mean that we necessarily conclude on something. If Canada's interests are not well served, then there will be no arrangement. That commitment is clear and has been clear from the beginning, and from the Prime Minister's words. We will be meeting with Canada's cultural industries and we will be protecting Canada's cultural sovereignty and integrity. I look forward to some positive co-operation from my hon. friend and from others in this House.

* * *

[*Translation*]

SMALL BUSINESS

COMPATIBILITY OF FEDERAL AND PROVINCIAL FISCAL INVESTMENT ADVANTAGES

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, my question is directed to the Minister of Finance and concerns the compatibility of federal and provincial tax incentives. In his May Budget, the Minister of Finance provided opportunities for those who want to invest their money in small businesses, for instance, the Small Business Investment Corporations. Could the Minister inform the House whether there is any degree of certainty that investors in SPECs, *Société de placements dans l'entreprise québécoise* and SBICs, Small Business Investment Corporations, will be able to benefit from both federal and provincial tax incentives?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I want to thank the Hon. Member for his very good question and his interest in this area. As I understand his question, he is asking whether the small business investment corporations are eligible investments for pension funds and RRSPs, and the answer to that question is yes.

[*Translation*]

THE CABINET

GUIDELINES CONCERNING TRIPS ABROAD

Hon. André Ouellet (Papineau): Mr. Speaker, my question is directed to the Prime Minister. He will probably recall that when his Ministers were sworn in, he promised that they would exhibit frugality and moderation in their public spending. Has the Prime Minister issued guidelines in this respect, especially on the subject of their trips abroad? And if so, is the Prime Minister satisfied that his Minister of State (Transports) abided by the guidelines on her travels in Europe last summer?

• (1450)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, one of the figures I have seen since the end of our first year, from September to September, where results were compared with the previous year, was the very high operating costs for the Government's fleet of aircraft, which, if I am not mistaken, have dropped by about 32 per cent under this Government, compared with the previous year. Those savings are quite impressive.

My hon. friend, I think I can check with each Minister individually, but I think my hon. friend . . . I will check this out in order to give him that assurance, and we hope that in every case, the same downward trend in spending, compared with the situation under the Liberal Government, will be maintained. It is one of this Government's objectives to be careful how we spend the taxpayer's money, and that is what we are doing.

REQUEST FOR PUBLICATION OF GUIDELINES

Hon. André Ouellet (Papineau): Mr. Speaker, my supplementary for the Prime Minister is as follows. Did the Prime Minister issue guidelines, yes or no? If he did issue guidelines to his Ministers, and since he promised Canadians open Government, is he prepared to publish those guidelines?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, one of the guidelines was that a Minister shall never spend as much as one tenth of the expenses of the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) when he was a Minister! That is one of the guidelines, and there are others.

I assume—

[*English*]

Mr. Axworthy: What about your office, Brian? Why don't you measure your own office?

Mr. Mulroney: Oh, there he is, back from Florida.

Mr. Speaker: Order, please. The Hon. Member for Beaches.

Oral Questions

HOSPITALS

SAFETY OF OPERATING ROOM EQUIPMENT

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister of Health. As he knows, there have been numerous deaths and injuries on operating tables as a result of faulty equipment, yet he does not seem to be prepared to do anything about it. What steps is the Minister taking to restore the confidence of Canadians in hospital room equipment and devices? Up until now, as his own Department head said, if anyone believes those devices and equipment are safe, then they believe in the tooth fairy.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member raises a very valid issue, one with which I have been concerned as well. Regarding the Health Protection Branch, specifically the Medical Devices Bureau, he appreciates that there is first of all the need for absolute safety, as well as the need to develop in Canada standards acceptable to both importers and Canadian manufacturers. I have looked at this matter and asked for a further update. As well, a 1-800 hotline has been established in which doctors and other health care professionals can phone directly to report incidents such as these. This is apart from any other action we have to take in tightening up the inspection system.

LAUNCHING OF PROSECUTIONS

Mr. Neil Young (Beaches): Mr. Speaker, could the Minister then advise the House why, even when cases are reported, his Department refuses to prosecute the manufacturers of these faulty products, as even their association has requested the Minister's Department to do?

Mr. Benjamin: That is not free enterprise.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, it has nothing to do with free enterprise or anything else, but it has everything to do with the safety of Canadians. The Hon. Member is going back to some historical data. The point I want to make is that approximately 300,000 devices are in use across our hospital and health care system. Most of those are imported. Where prosecutions should be initiated, this Minister has no hesitation in doing so. In fact, quite the opposite. The Minister is instructing his Department that, where this can be founded, to do so.

* * *

MULTICULTURALISM

PRESERVATION OF IMMIGRANTS' HERITAGE

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is directed to the Minister of Multiculturalism. Most Canadians who choose to come to this country from another land see no conflict in being a Canadian first while preserving their cultural heritage and roots. Does the Minister agree that no conflict exists in these priorities, and will the Government continue to give strong encouragement to the preservation of cultural heritage?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker, I am very happy to see an interest in this very important matter coming from this side of the House as opposed to the opposition Parties. I would like to tell the Hon. Member and the House that I am in the process of reviewing the funding criteria which will encourage the retention of ethnic culture, which of course is good for Canada's cultural community, while at the same time providing equal opportunity for all Canadians which will benefit all of Canada.

* * *

MUNICIPAL AFFAIRS

LICENSING OF COMBAT SCHOOLS—REQUEST FOR SUPERVISION

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I had a question for the Minister of Justice or the Solicitor General, but in their absence I will direct it to the Prime Minister.

When I asked the Minister of Justice yesterday about the Eagle Combat School in British Columbia he replied that its activities were within the law and there was nothing he could do about it. Is it not time that these schools were subject to laws and regulations in view of the fact that they very often spawn vigilante muscle groups and even terrorist activities? Is it not time that these schools were subjected to standards and supervision in the best interest of society?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, in the absence of the Minister of Justice I might respond that it is one thing to make rather sweeping allegations with respect to any particular business. I think the Minister responded with the information he had at his disposal. If the Hon. Member has some specific allegations to make with respect to matters which are offensive under our Criminal Code, or which he feels should be dealt with in that context, I wish he would bring them forward. I am sure the Minister will give them the proper attention.

Mr. Speaker: A very short supplementary.

REQUEST FOR FEDERAL-PROVINCIAL DISCUSSION

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, at one time our private security agencies and detective forces were not subject to law and supervision. I know these schools are not now subject to law. However, I am asking the Minister if his Government will make a commitment to raise the matter at the federal-provincial conference of Attorneys-General to make sure that these schools are subject to standards and supervision and that they do not do the sort of things they are suspected of doing in the U.S. where there have been a lot of problems?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, without accepting the basic premise of the Hon. Member's question, I will take it as a representation in a general sense. I will make sure the Minister receives the representation, and he will get back to the Hon. Member in due course.

* * *

NUCLEAR ARMAMENTS

CALL FOR SUSPENSION OF TESTING

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is directed to the Prime Minister. He will know that at the very time he was speaking to the consultative group on arms control and disarmament last week, six of the world's most distinguished statesmen were issuing a call to the U.S. and the U.S.S.R. to suspend all nuclear testing for at least 12 months. Will the Prime Minister consider Canada joining this great five-continent initiative and, indeed, possibly offering Canada's verification mechanisms to help provide third-party monitoring?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as the Hon. Member knows, this matter has been raised and considered before. It is Canada's view that, particularly at this time as the Soviet Union and the United States prepare for a Summit which could well hold the world's security in its hands, it is important for Canada to continue to play actively those roles we have traditionally played. That means, of course, that we want to pursue, very vigorously, initiatives and opportunities open for us at Stockholm, at Geneva, at the MBFR talks and in other fora.

● (1500)

Mr. Speaker: A short supplementary question.

CANADIAN POSITION

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, is the Prime Minister willing, however, to join the leaders of Greece, Sweden, Argentina, India, Mexico and Tanzania in calling for an immediate ban by both sides on nuclear testing? That would be the action we could take now, and we could help in the verification of that action.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, asking others to act is not always action. The Hon. Member has asked the Prime Minister of Canada to join the leaders of India and some other countries. Very recently at Nassau the Prime Minister of Canada not only joined those leaders but led those leaders—

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): —in coming to a conclusion on an important international question on which Canada has direct influence. It is the policy of the Government to direct its attention toward those areas in which we can offer leadership and influence, not simply advice.

Some Hon. Members: Hear, hear!

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Swift Current-Maple Creek (Mr. Wilson) on Monday, November 4, 1985, by filing with the Clerk of the House, meets the requirements of the Standing Orders as to form.

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POINTS OF ORDER

MR. SPEAKER'S RULING ON QUESTIONS CONCERNING MINISTER'S FORMER PORTFOLIO

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise on a point of order flowing from my question to the Minister of the Environment (Mr. McMillan) in the House today. On October 3, 1985, I asked a question of the Minister of State for Transport (Mrs. Blais-Grenier) as follows:

> Is the Minister prepared to account to the taxpayers of Canada by tabling in this House all receipts for her personal expenditures on these junkets around Europe?

That was the question, Mr. Speaker, which I put to the Minister of State for Transport and on October 3 the Speaker allowed the Minister of State for Transport to answer precisely that question. I, of course, assumed that the Speaker's ruling today would be the same as his ruling on October 3. Therefore, following the precedent established by the Speaker, I put my question once again to the Minister of State for Transport. Well, Mr. Speaker, the rules apparently changed and the Speaker indicated that I should put my question to someone else, either the Prime Minister (Mr. Mulroney) or the Minister of the Environment. I then, Mr. Speaker, got up and put the question to the Minister of the Environment, and the Speaker will recall that the answer of the Minister of the Environment was interrupted by noise and then the Speaker stood up.

My recollection, Mr. Speaker, is that at that point the Speaker said that Members of the House should allow the Minister to complete his reply. My recollection of what the Speaker indicated is that Members should allow the Minister to complete his reply and that he was not being permitted to do so. I then stood up and indicated, because the Minister of the Environment was rising at the same time, that before putting a supplementary question I would allow the Minister to complete his answer. He was on his feet, Mr. Speaker. The Speaker then knew very clearly that I had a supplementary—

Mr. Speaker: With great respect, I am prepared to let the Member finish his point of order, but I would appreciate if he would come to a point of order.

Point of Order—Mr. Robinson

Mr. Robinson: Mr. Speaker, I clearly indicated that I had a supplementary question for the Minister of the Environment. The Speaker, however, said: "Obviously the Member does not have a supplementary question".

There is an appearance of, if not favouritism, certainly, Mr. Speaker—

Mr. Speaker: Order! Order, please. If the Member has an allegation to make, he may make it, but not in this way. Does the Member have a point of order to make? The Hon. Member knows full well, I take it, that the question of who may ask a question or whether, in fact, any supplementary questions may be granted, is entirely at the discretion of the Chair. Is the Hon. Member, therefore, saying that a point of disorder occurred during Question Period under our rules?

Mr. Robinson: Yes, Mr. Speaker, in two respects, the first with respect to the precedent that the Speaker himself established. On October 3 of this year the Speaker—

Mr. Speaker: Order. Order, please. Could the Hon. Member give me a point of order? The Hon. Member is saying that something happened once. Is he then arguing, therefore—I am sorry. It is improper for me to debate this question with him, as I think he well knows. If he has a point of order to make, I would be glad to hear it. If his point is that a previous question was allowed that was improperly allowed, then I am prepared to look at that and determine whether in fact a previous question was improperly allowed by myself or anyone else. However, the Hon. Member knows full well, as he is an experienced Member of the House, that questions may not be put to Ministers with regard to their previous portfolios or a portfolio which that Minister no longer holds. I think that the Hon. Member is an experienced enough Member to know that.

Mr. Robinson: Mr. Speaker, I also have *Beauchesne's* and I believe it indicates that this House is governed by precedent.

However, my second point of order, Mr. Speaker, is with respect to the question of order that arises from a situation in which the Speaker indicates, despite the clear record, that a Member did not ask for a supplementary when the Member clearly did ask for a supplementary question.

Mr. Speaker: Order, please.

Mr. Robinson: That is a question of order.

Mr. Speaker: It is not a question of order. I recognized the Hon. Member for Burnaby clearly by saying: "Supplementary question". The Hon. Member for Burnaby rose to say that the Minister had not finished his answer. I, therefore—

Mr. Robinson: And I said I had a supplementary.

Mr. Speaker: I, therefore, went to the next questioner. I am more than happy to check the "blues" and if I have caused an offence to the Hon. Member, I will be more than happy to do the appropriate thing but, clearly, there is no question of order. I think that the Hon. Member is an experienced Member and knows that.

Mr. Robinson: Mr. Speaker—

Mr. Speaker: Is the Hon. Member rising on a separate point of order?

Mr. Robinson: Mr. Speaker, if I may conclude on this point of order, I would ask the Speaker to check—

Mr. Speaker: Please! Is the Hon. Member rising on a separate point of order? The Hon. Member, I think, knows full well that the question of who puts questions and whether supplementary questions may be put is entirely discretionary. If the Hon. Member wishes to pursue the matter he may want to come to see me, but I will be glad, as I indicated, to check the "blues".

TABLING OF DOCUMENTS CITED BY MR. McMILLAN

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I have a point of order.

Mr. Speaker: The Hon. Member for Hamilton Mountain (Mr. Deans) on a point of order.

Mr. Deans: Mr. Speaker, I have a somewhat different point of order. During the course of his reply to questions asked here today, the Minister of the Environment (Mr. McMillan) appeared to be reading some documents that had been provided to him that dealt specifically with the agenda of the former Minister of the Environment. He appeared, in fact, to be quoting from those documents in making his argument that the agenda was different in some way from the actual events that occurred—from the "itinerary" as he put it. I would like to ask you, if you would, Mr. Speaker, to review what was said during Question Period to determine whether in fact the Minister was citing those documents for the purpose of strengthening his reply. If that be the case, I would like to ask, respectfully, that he be requested to table the documents.

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, perhaps I could resolve this matter by assuring the Hon. Member that I was not referring to any official agenda or official itinerary. To the extent that I was referring to anything, I was referring only to handwritten notes to myself based on conversations I have had with the present Minister of State for Transport (Mrs. Blais-Grenier) with my own officials, her former officials, and with former and current members of her staff. I do not think, therefore, Mr. Speaker, that they fall into the category of that which would be appropriately tabled today.

Mr. Deans: Mr. Speaker, I am delighted to accept the Minister's assurances that he was not citing from official documents. I would request that, at some point, he and the former Minister get together to consider whether tabling the documents that relate to that particular trip might be advisable in the public interest.

HOUSE PRACTICE RESPECTING QUESTIONS CONCERNING MINISTER'S FORMER PORTFOLIO

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I have a point of order. As one sitting on the back-benches and listening to the procedure whereby one Minister has to answer for another Minister who no longer has that portfolio, I wonder if it would not be proper to have either Minister, perhaps the first Minister, make a statement under Motions in response to the whole matter.

Mr. Speaker: I am sure the Hon. Member intends that that be taken as a representation to the Government. That may be his view, but I have to say to him that it is not a point of order.

Mr. Benjamin: It is still a good point.

Mr. Speaker: It may well be.

• (1510)

ROUTINE PROCEEDINGS

[*English*]

CANADA PENSION PLAN

TABLING OF REPORT ON BENEFITS FOR SURVIVORS UNDER AGE OF 65

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, pursuant to the provisions of Standing Order 47(2), I wish to table in both officials languages copies of the report published under the title *Canada Pension Plan Benefits for Survivors under the Age of 65.*

* * *

PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCE AND CHILD TAX CREDIT

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to table today in the House a petition from a large number of British Columbians who are concerned about the cut-back in family allowances while at the same time the Mulroney administration is bringing forth billions of dollars in hand-outs to the oil companies and a billion dollars for bail-outs of the banks.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, it is my pleasant duty to table in the House of Commons today a number of petitions from metropolitan Toronto citizens who pray and call upon the Conservative Government to restore full indexation of the family allowance and child tax credit.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, it is my honour to present a petition from residents of Saskatoon who point out that the family allowance deindexation will not be offset by changes to the tax credit for children and that

even the poorest families will be worse off by 1990. Therefore they call on the House to reverse the Government's policy on deindexation of family allowances.

Mr. Les Benjamin (Regina West): Mr. Speaker, I have the honour and duty to present five petitions from Regina, Saskatoon, Yorkton, Nipawin, Unity, Coronach and Carduff. The undersigned, your petitioners, call upon the House to make sure that full indexation of the universal family allowance is retained. They are in duty bound to pray forever and so am I.

CONTROL OF PORNOGRAPHY

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, I have the honour to present petitions to the House containing several hundred names from St. Mary's Church, Faith Christian Fellowship, Glad Tidings Fellowship on the Netherlands Reform Congregation and the Eden Mennonite Church. All of these congregations which are located in Chilliwack, British Columbia, in the beautiful Fraser Valley East, urge the federal Government to strive to establish clear obscenity legislation and to enforce stricter control of pornography.

FULL INDEXATION OF FAMILY ALLOWANCE AND CHILD TAX CREDIT

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I have the honour to present a number of petitions to the House asking the Government of Canada to restore full indexation of the family allowance and child tax credit. My first petition comes from Vancouver Quadra.

I also have a petition which comes from Cape Breton-East Richmond, signed by dozens of petitioners who ask the Government to reconsider its position on family allowance.

I have another petition from Parkdale-High Park, Spadina, Broadview-Greenwood, North York and Etobicoke which is signed by several dozen petitioners asking the Government to reconsider its position on family allowance, to restore full indexation, and also to restore the child tax credit.

I have a petition signed by people from Ottawa West asking the Government to reconsider its position on family allowance.

I have another petition from New Westminster and Surrey, British Columbia, signed by petitioners who are asking the Government to reconsider its position on family allowance.

I am also in possession of a petition, which I have been asked to table in the name of people from Westmorland-Kent and Fundy-Royal, which asks the Government to reconsider its position and to restore full indexation of family allowances.

[*Translation*]

Mr. Speaker, I also have a petition signed by the constituents of the riding of Ottawa-Vanier, asking this Government to reconsider its position and to reinstate full indexation of family allowances and the child tax credit.

[*English*]

I have another petition signed by several dozen—

Mr. Speaker: I hesitate to interrupt the Hon. Member but it seems to me that he is presenting petitions on the same subject. The Member is an experienced Member who knows that the practice is to be as brief as possible. Perhaps he might just give us a list of where the petitions are from.

Mr. Gauthier: Mr. Speaker, I appreciate that. I have so many petitions that I was not sure that they all claim to speak to the same subject. I was making sure by looking at them.

Following your direction, Mr. Speaker, I will table the petition from Spadina, Beaches and Davenport dealing with the full indexation of family allowances.

I have a petition from Mississauga North and Brampton asking the Government to reconsider.

Mr. Nickerson: Mr. Speaker, I rise on a point of order. It would appear that all of the petitions that have been presented by the Hon. Member are petitions addressed to the Government. He has said that in his own words. Surely the only petitions that might be presented here are petitions to Parliament. That does not appear to be the case. Therefore, the Hon. Member ought not to be presenting these petitions.

Mr. Speaker: Order. I appreciate the intervention by the Hon. Member for Western Arctic (Mr. Nickerson). He will know that petitions are often presented that are not entirely appropriate as to form and the Speaker has something to say about that question on the next day. Petitions are normally checked after they are presented.

Mr. Gauthier: I will satisfy my colleague, Mr. Speaker. These petitions are addressed to the House of Commons of Canada in Parliament assembled. If he wants me to read the petitions, I will gladly do so. However, I was asked by the Speaker just to table the names of the ridings. Evidently we are talking about the Government, talking about a Government that is insensitive to family allowances—

Mr. Speaker: Order, please.

Mr. Gauthier: He is the one who started it.

Mr. Speaker: No. The Hon. Member for Ottawa-Vanier is an experienced Member. Let me repeat once more that he knows that petitions should be presented in the briefest possible period of time. I invite him to conclude very briefly.

Mr. Gauthier: Mr. Speaker, I have a petition to the House of Commons from the Capreol area in Ontario.

I have another petition submitted to the House of Commons from Sudbury, signed by several constituents in that riding.

I have petitions signed by people from Montreal-Sainte-Marie, Windsor-Walkerville, Belle River, Essex North and Windsor-Walkerville again.

I have another petition concerning family allowance signed by people from Brampton-Georgetown.

I have another petition tabled—

Mr. Speaker: Order, please. The Hon. Member knows the practice. He knows that if I allow this to go on for much longer it will be creating the appearance of a filibuster. He knows I cannot do that.

I am perfectly certain that the Hon. Member for Ottawa-Vanier will be here tomorrow with the rest of his petitions.

Mr. Sergio Marchi (York West): Mr. Speaker, if you wish, I can finish the petitions for him. I have one petition, which was collected by Mr. and Mrs. Dorino Gobbo from my riding of York West. This petition also requests that the Government remove the deindexation of family allowances and restore full indexation, as part of the social contract that these families have had under the previous Liberal Government.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, it is my privilege to present a petition from residents of Saturna Island in the riding of Cowichan-Malhahat-The Islands. These residents are very concerned about the deindexing provisions of the family allowance Bill and its unfairness in comparison to the giveaways to the oil companies and the banks. They call upon the Government and the House of Commons to reinstate full indexation of universal family allowance and to rescind the unfair tax increases.

Mr. Rod Murphy (Churchill): I have a petition signed by residents of Canada, in this case particularly from Flin Flon, Manitoba in the riding of Churchill. It is their opinion that the deindexation of universal family allowance and the massive cut-backs in the public commitment to child benefits are an unfair attack against women and their families, especially single-parent mothers. The petitioners humbly pray and call upon the House of Commons to reinstate the full indexation of universal family allowance and to rescind the unfair tax increases.

• (1520)

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is my honour and duty, on behalf of a number of residents of the City of Prince Albert, to present three petitions which call upon the House of Commons to reinstate full indexation of universal family allowance and to rescind unfair tax increases.

Mr. Dan Heap (Spadina): Mr. Speaker, it is my pleasure and honour to present a petition signed by a number of residents of Toronto from Spadina, Beaches, Scarborough West and other such ridings addressed to this House pointing out that the cut-backs in child benefits, on top of the sales tax increases, excise tax increases and other increases in income tax, are unfair and place an extraordinary burden on middle and lower income households. Therefore, the undersigned, your petitioners humbly pray and call upon the House of Commons to reinstate full indexation of universal family allowance and to rescind the unfair tax increases.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I would like to table two petitions on behalf of my constituents from the riding of Ottawa Centre and other parts of Ottawa. These people object to the indexing of family allowances and, in

particular, to the amount of $600 million that will be taken out of payments to families. They call upon this House to restore the indexing of family allowances, the removal of which is proposed.

* * *

BANKRUPTCY ACT

AMENDMENT RESPECTING FARMERS AND FISHERMEN

Mr. Maurice Foster (Algoma) moved for leave to introduce a Bill C-253, entitled an Act to amend the Bankruptcy Act (farmers and fishermen).

Mr. Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Explain.

Mr. Foster: Mr. Speaker, these amendments to the Bankruptcy Act would provide a legal mechanism for farmers and fishermen to apply to a court for an arrangement to settle debts.

It would provide a pre-foreclosure arbitration procedure by the court. Farmer-creditor arrangement legislation has been called for by groups, such as the Canadian Federation of Agriculture, the National Farmers Union, and others. Therefore, I introduce this Bill.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I ask that all questions on the Order Paper be allowed to stand.

Mr. Boudria: Mr. Speaker, I rise on a point of order. I was served with a notice a little while ago in this House stating that questions Nos. 450, 451 and 452 were to be replied to this afternoon. That notice was given to me approximately half an hour ago. I believe some explanation is warranted as to why replies are not to be provided when I was told previously that today they would be. Specifically, why is the Government stalling and delaying its answers to questions concerning trips of the former Minister of the Enrivonment?

Mr. Lewis: Mr. Speaker, as always we are ready, willing and able to assist the Hon. Member by presenting answers to questions on the Order Paper.

As it happens, in defence of my colleague who is not here today, let me say that when I had to stand up for a second day in a row to request that all questions be allowed to stand, I asked why. I am told that the question of the acceptability of questions, whether or not these questions are in order, is presently under consideration. That is the information I have been given. I am sure that in due course we will have a satisfactory answer.

Mr. Speaker: Shall all questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of the motion of Mrs. McDougall that Bill C-80, an Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof, be read the second time and referred to a legislative committee; and the amendment of Mr. Marchi (p. 8360).

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, immediately prior to the recess I was explaining for the record the reason that the Hon. Member put a motion on the floor to hoist the Bill for six months. After a full debate, during which many Members of the Liberal Party and the New Democratic Party have had an opportunity to contribute, the Government decided to allocate one further day for finalization of the debate.

At this point earlier today the unholy Liberal and NDP alliance ran out of steam, speeches and rhetoric. The House will know that we are in a period of 10 minute speeches and that members of the Opposition who have spoken will not be able to speak again unless the device used by the Hon. Member is used to freshen the list.

This comes at a time of severe embarrassment to the Liberal Party. The Liberal Party is decimated by the fact that nobody from the Quebec Liberal Party wants to go to the convention in Halifax this weekend and the leadership contest between the Hon. Member for Vancouver Quadra (Mr. Turner) and the Hon. Member for Saint-Maurice (Mr. Chrétien) is heating up—

Mr. Gauthier: I rise on a point of order, Mr. Speaker.

Mr. Speaker: Rather than deal with it as a point of order, I might just remind the experienced Member of Parliament and Parliamentary Secretary of the rule of relevance.

Mr. Gauthier: We do not mind the publicity.

Mr. Lewis: Mr. Speaker, I was just relating the relevancy of the amendment to hoist the Bill to the difficulties of the Liberal Party in finding speakers to speak on the Bill. That is the binding relevance.

Mr. Gauthier: Mr. Speaker, I have a *bona fide* point of order.

Mr. Speaker: On a real point of order, the Hon. Member for Ottawa Vanier (Mr. Gauthier).

Mr. Gauthier: Mr. Speaker, there is a rule in Beauchesne's Fifth Edition that says that first, one has to be relevant to the Bill. Second, it says that you are not to impute motives. All I have heard for the last 35 to 40 seconds is the Member imputing motives, about which he knows nothing. In fact, my list is so long today that I could have Members speaking until twelve o'clock tonight, if the Member wishes to prolong the Members' right to speak. I have on my list Members who want to speak. If the Hon. Member has nothing else to say but that nonsense, he might as well sit down.

Mr. Lewis: I have something else to say, Mr. Speaker.

Mr. Speaker: Order. For the record I should rule that that is not a point of order, but I think the point is made.

Mr. Lewis: I am sure that the entire House knew that, Sir, but I am pleased you put it on the record officially.

We will now see in the rest of this debate Members who have spoken before and who have made a contribution to Bill C-80. I am not sure I see anyone in the House who has not spoken before. Now that we have the device of the six months hoist, I invite Members who are about to retread their previous speeches to commence.

The Acting Speaker (Mr. Charest): Resuming debate. The Hon. Member for Trinity (Miss Nicholson).

Mr. Gauthier: She has not spoken yet.

The Acting Speaker (Mr. Charest): Well, she will now.

Some Hon. Members: Hear, hear!

Miss Aideen Nicholson (Trinity): Mr. Speaker, may I point out, following on the remarks of my friend, the Hon. Parliamentary Secretary, that I am one of those now speaking on the motion who have not spoken yet on Bill C-80. His thesis does not have much to do with the facts.

Mr. Gauthier: It never does.

Miss Nicholson: When I spoke yesterday, Mr. Speaker, it was on the closure motion. I indicated that this Party has opposed Bill C-80 because we consider it unfair to low and middle-income earners and also because we think it does not make any economic sense.

It is interesting to find this morning that we got confirmation for this view from the prestigious Conference Board of Canada, which has generally been considered to take a rather conservative viewpoint of economic matters. The Conference Board of Canada points out that the tax increases in the last federal Budget will slow economic growth for the next few years.

• (1530)

In fact, it warns that economic growth will drop to a meagre 1.5 per cent per year, beginning in 1988, as the results of the cumulative measures introduced by the Government takes effect. The Conference Board blames the economic decline which it anticipates on tax increases in the Progressive Conservative Budget of May, which will take away spending money from most Canadians. It indicated that in 1986, the implementation of the more restrictive elements of last May's federal Budget would inhibit the expansion of consumer spending.

When the Government took power, Canada was at a point where it was recovering from a very serious world-wide recession, from which Canadians had been sheltered to some extent by the prudent policies of the previous Liberal Government. Canadians had not suffered as harshly as had people in other countries. Also, the Government inherited some building blocks for recovery and some elements of a good Budget. It has thrown away these advantages. In fact, in Bill C-80 before us we see an attempt, we are told, to grapple with the deficit. However, the attempt takes the form of piling on taxes like Pelion on Ossa on to low and middle income-earners, with the result, as we have heard from the Conference Board of Canada, that the money needed for a consumer-led recovery is disappearing. We will have a dampening of the economy and a dampening of economic growth. In fact, the deficit is more likely to increase.

Among the measures which we see before us in Bill C-80, there are tax increases on gas—two cents per litre in September, 1985, and one cent per litre in January. This will affect farmers. It is certainly already affecting food costs—and we have seen that food costs are up in the last month—because there is an energy cost in every food article. Farmers use energy. It is used for transportation, packaging, storage and retailing. Consumers will have to pay higher food costs as a result of this change.

Many of us have received mail from Canadian trucking companies indicating that the increase will make it more difficult for them to compete with their American competitors. So we see the risk of a loss of Canadian jobs.

A tax is imposed upon many categories of construction material including modular homes, concrete and asphalt. We have all received mail from people in the construction industry who are often locked into fixed cost contracts. For some small and medium-sized construction companies in particular, the fact that they now have to absorb this 6 per cent increase, because they are locked into fixed cost contracts, may mean going out of business. Yet this Government which claims to consult and to be responsive is not even willing to accept what has been proposed by some construction companies, that is, a method of phasing in the sales tax increase so as to allow them to deal with their fixed cost contracts.

Also we see taxes being imposed upon equipment and construction material used in energy conservation. The items which will be taxed at the 11 per cent level as of January 1 include heat recovery units, devices for extracting heat from

exhaust air or waste water for the recovery of energy, solar panels and tubes for collecting and converting solar energy, wood burning stoves and space heaters. The items to be taxed at 7 per cent will include thermal insulation.

The Government has clearly made a policy decision to put all its eggs in the oil and gas basket and to discourage Canadians from using alternative forms of energy. Not only that, it is discouraging homeowners who want to save a little money on energy costs by insulating. A price has to be paid for that.

I should like to turn to the sales tax on candy, soft drinks and pet food. Candy manufacturers also asked for time. They were willing to accept the sales tax, but they asked for a little time because many of them had prepackaged and priced their merchandise for their peak sales periods of Hallowe'en and Christmas. They were left with Hobson's choice—either redo the packaging with new prices or absorb the extra cost of the sales tax. The Government has been deaf to their request for a six-month delay.

Turning to the tourism industry, it has very serious concerns about the increase in gasoline tax which it sees as discouraging American visitors who form a large bulk of our tourist trade. That industry foresees a very substantial reduction in the number of American tourists visiting Canada each year, accompanied by a net loss of $135 million to the economy and perhaps over 5,000 jobs, when one takes into account the multiplier factor.

The list goes on and on. The direction is wrong for Canada. The new taxes discourage energy conservation. They impose a very severe hardship upon the construction sector of the economy. When we add the sales tax, higher fuel costs, CMHC cuts and the elimination of the Registered Home Ownership Savings Program to what the construction industry is facing, it is a heavy blow to an industry which was beginning to make a rather nice recovery from the recession.

The total amount to be taken out of the pockets of Canadian consumers in 1990 and 1991 as a result of these sales tax measures and the income tax changes may amount to $6.7 billion. Even this year the amount will be about $2 billion. This can only exert a damaging and dampening effect upon the purchasing power of lower and middle-income Canadians and, therefore, the economy in general.

Mr. Patrick Boyer (Etobicoke-Lakeshore): Mr. Speaker, most of the people I know would rather leave a burning building than rush into it. Most of the people I know would rather say hello to a friend than farewell. Most of the people I know would rather stand in Parliament and speak in favour of a tax reduction rather than tax increases. However, here I am rushing into the burning building to speak in favour of tax increases. I do so because in Bill C-80, the one under debate at this time, there are measures of great importance. I would like in the coming moments to look at three of them.

The first relates to the tax on cigarettes and what it raises in terms of general Government policy for the tobacco culture in our country and our economy. Second is the question of the tax exemption on certain health goods and what it means for many Canadians, particularly those who are disabled. Third, I should like to touch upon the measures included in Bill C-80 which represent an important step forward in terms of Government financial planning and accountability. I was also encouraged to rise to speak on this Bill because last night I heard from the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen) who had just returned to Canada from one of the eastern European communist countries. He said that no matter how bad things seemed in Canada, he was awfully glad to get back because in comparison with other countries, things are extraordinarily good here. It would be helpful for Hon. Members to place the relative amount of tax increases contained in Bill C-80 in that broader context. Members should look at them against the backdrop of the sincere effort of the Government to come to grips with the deficit that burdens the country and the future of the country.

• (1540)

Indeed, regarding the deficit, I would like to make another preliminary comment. At different times I was thinking about running for Parliament. I looked at the House in the 1960s, that great period of time when Government consisted largely of Ministers rising to announce new spending programs. It was a great expansionist era and politics was relatively easy then because politicians only had to decide what problem faced the country on which they could spend money. That was not hard politics, that was simply a matter of goodwill and the ability to spend money. It is the legacy of that approach which has now returned to haunt us in the eighties, a time when politics has become much harder and involves restraint in an effort to reduce the staggering deficit.

I have listened to the speeches made by Members opposite. As the Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley) said this morning, any measure like Bill C-80 is bound to be fodder for the cannons of the Opposition. It is easy to shoot at the Government when tax increases are part of the legislation before us. However, the speeches that have been made in criticism of Bill C-80 have been very big on rhetoric and some of it easy rhetoric, but have not squarely addressed the reality faced by Government in the 1980s.

I now turn to the three measures I wish to mention briefly. One measure designed to increase Government revenue is the tax on cigarettes. This is the second time in the Thirty-third Parliament that a measure has been brought forward to increase tobacco taxes and it is the second time I have risen to speak in support of that increase for the same reason. I believe that the place of tobacco in our culture is something on which it is very difficult to formulate government policy. There are countries like China in which smoking is an indulgence followed by virtually the entire population. This kind of debate would never occur in China. However, in Canada we have now come to a point at which we are recognizing the extraordinary health hazards involved in the use of tobacco as well as the many related costs including the agricultural cost involved in having prime land dedicated to tobacco. A debate is now

occurring in Canadian society which goes to the root of what we think of ourselves and how we wish to use certain products.

Hon. Members have recently raised the question of a contradiction in Government policy. Here we are raising tobacco taxes and the Minister of National Health and Welfare (Mr. Epp) has recently announced a spending program that will encourage Canadians and particularly younger Canadians to break the habit of smoking. Contemporaneous to that, there has been a measure of support for tobacco farmers. One could detect here certain inconsistencies.

I believe Government policy is reflecting the state of the debate and the shift in the thinking of Canadian society as a whole. I would hope that in the medium-term, we can move toward a policy that would see agricultural lands now given over to tobacco crops being given over instead to soybean or other crops that are certainly desperately needed in a world in which many people are starving and many more are going to bed hungry every night. I believe we have a broad social responsibility in that area.

Government policy regarding tobacco is clearly now in a state of transition. I hope it can continue along the same line so that within the next five to 10 years, we can see a true transition in the policy toward tobacco and no inconsistency on the part of a Government which is trying to get people to stop using a product that is so destructive to health. If this were to happen, the Government would no longer have the marvellous source of revenue it has from taxing tobacco. There is not a Government in the world that has not turned to levying hefty tobacco taxes in order to raise revenues. However, by the same token, in a society in which the use of tobacco products is alien, many Government expenditures for which those very funds are required including health care costs no longer need to come from the public purse.

The second point I would like to make concerns the tax exemption on certain health goods. I would like to applaud the Minister of Finance (Mr. Wilson) for blending an approach of fiscal responsibility with a compassionate understanding of the needs of Canadians. It did not fall on unhearing ears or to a hardened heart that Canadians, upon hearing plans for removing exemptions from certain products such as those used by diabetics, those who suffer from cardio-vascular diseases and those who suffer from respiratory diseases, requested that the Minister make a change. The Minister announced some weeks ago that the Government is prepared to listen and to modify its policy. As the Chairman of the Committee on Equality Rights, I would hope that the same view will prevail as we look more closely at a number of the tax exemptions available to the handicapped and disabled Canadians.

My final point concerns the effort to bring order and predictability to tax planning in Canada. I support this Bill because it introduces a comprehensive system of assessments, objections and appeals into the Excise Tax Act. This system is similar to the current system under the Income Tax Act and incorporates the recent improvements initiated by the Government in the areas of search and seizure and the presumption of innocence which defer collection and action on taxation until a taxpayer has had an opportunity to resolve any disputes arising out of his or her tax liability. It is for the same reason that the Government has ended a provision inaugurated by the previous Government regarding the automatic indexation of tobacco taxes. We feel very strongly that it is Parliament that should have the opportunity to debate tax legislation. This point was made this morning by an Hon. Member from Manitoba. Again, I support this legislation because the removal of the automatic indexing of the tobacco tax is a step in the right direction. Whenever it has to be increased it is we here in Parliament, the elected representatives of the people, who will have a chance to speak to it.

• (1550)

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to have a chance to speak on Bill C-80 which, as all Members of the House know, is nothing more than another regressive tax Bill being dragged forward by the Government because it either does not have the guts or the will to go out and obtain the money where it should. In fact, somewhere between $30 billion and $50 billion could be collected from the corporations of the country. These are taxes which they are legally obliged and required to pay but because of the insufficient will of those who sit on the Government benches those taxes are simply not being collected.

It was interesting to listen to the Hon. Member for Etobicoke-Lakeshore (Mr. Boyer). He did not bother speaking about the Little Egypt Bump—the $500 million to $1 billion going to Reichmann's. Instead, he talks about getting tobacco farmers in Canada to grow soybeans, as if those people who are listening to the debate today might think that somehow there is some sort of a comprehensive Government policy with respect to either the question of taxation or the question of tobacco. None of the additional taxes in Bill C-80 will go to help Canadians who are suffering health problems in relation to the fact that they have been either moderate or heavy smokers. In fact, these taxes will go into general revenues to help bail out the corporate friends of the new Government. It is quite clear that those friends are either the banks, the oil companies or certain individuals in Toronto who seem to be receiving the hundreds of millions of dollars which this Government likes to shovel off the backs of the trucks every day.

I would like to deal with how regressive these taxes are because they hit low and middle income earners the hardest. It then goes after the farmers, the fishermen and the forest industry workers in my constituency with a rather vehement beat. It blatantly attacks the tourist industry, as I will demonstrate in a few moments.

Let us consider the key elements coming forward from the May Budget which are contained in Bill C-80. The increases in the federal sales taxes and excise taxes have to be looked at very carefully because, of course, there is an essential difference between the two forms of tax. The sales tax is an *ad valorem* tax in that it is assessed as a percentage of the price of a good, for example, at 7 per cent, which is simply tacked on. Excise taxes are assessed at a fixed rate, as we recently saw in

the first week of September with respect to the 2 cent per litre increase on gasoline. The main thrust of Bill C-80, of course, is to increase revenue though changes in both the scope and rate of the federal sales and excise taxes. There is no question about that. It is somewhere in excess of $3 billion, which point I will come to in a few moments.

There is one interesting point in the Bill for which I think the Government should be supported. I am speaking of the implementation of the presumption of innoncence concept. Although this does not help the overwhelming majority of taxpayers in the country who have their taxes lobbed off every two weeks, and who never really get an opportunity to use the clause, for some small business people and for fishermen, farmers and truck loggers in my constituency, it will be a rather useful change to the tax legislation.

The major increases in the Bill are as follows. The federal sales tax will be increased by 1 per cent effective January 1, 1986. Therefore, the new rate will be 7 per cent on construction materials. I know that will not help speed up the number of housing starts in the country. There will be a 7 per cent tax levied on cable and pay television services, which will certainly not help those people who are either in long-term care facilities or who are shut in at home for long periods of time for whatever reason. It will certainly hit low and middle income people much harder than anyone else. There will be a 14 per cent tax increase on alcoholic beverages and on tobacco products and an 11 per cent increase on other taxable goods. The total with respect to these increases in relation to Bill C-80 will be $990 million in fiscal year 1986-87 which will be borne directly by the taxpayers.

One initiative which has been fought consistently across the country and which has received a few rather narrow changes to it is the concept of broadening the sales tax base. The historic exemptions for candy, confectionary goods, soft drinks, pet foods and certain health goods are still basically in place. There have been some minor changes by the Minister of Finance (Mr. Wilson) in this respect. However, one which I find particularly irritating and one which is an example of colossal government stupidity is the broadening of the sales taxes to include energy conservation equipment. Studies which have been done by the National Research Council, by many provincial Governments and by many independent environmental organizations in the country demonstrate that that stands to be one of the stupidest things which has been done by the Government and one which will be hard felt in years to come as we see energy costs rising. This will be compounded by the fact that we will have used up so much more of our non-renewable energy base. To cut off funding to the scientific study of alternate energy, as we have seen at the NRC, and to cut back funds to universities and independent organizations across the country, whether it be with respect to wind, solar, biomass or any other alternate energies, is an example of a Government which his clearly in the pockets of the oil patch. Unfortunately for Canadians the Government is closing off one of the most promising small business enterprises which we have seen in this decade. Anyone who takes the time to study the figures would be quite astonished at the number of jobs which have been created and the long-term energy and cost savings both to the environment and to the economy. Those people could not find this concept of the Minister of Finance to be anyhting but stupid. The cost of this broadening will be some $785 million directly to the end of fiscal year 1986-87. It is interesting to note that not one single Member on the Government side has touched on the changes to the energy conservation area and what the impact will be in terms of job losses. We know that there will be almost $1 billion more in taxes on that sector; but no one from the government side has pointed out the large number of jobs which will be lost by so blatantly attacking a young and innovative new enterprise in Canada.

The excise tax will be increased on the following goods. Effective September 3, as we have already seen, an additional two cents a litre on gas and aviation gas had a hard felt impact on a constituency such as mine, which is about one-third of British Columbia, where many truck loggers are already hauling 200 miles each way in some cases. It does not take too many of these two cent a litre bumps to put many of these people practically out of business. We have seen the same thing occur with respect to many of the smaller airlines because there was already an increase of two cents a litre on diesel and aviation fuel. The Government sort of buries away and hides some of these increases, which is one reason I suppose we went metric with respect to gasoline. It is easier to hide from Canadian consumers just how great a lot of these jumps are in terms of taxation because of the change from gallons to litres. I see a resident expert on metric nodding knowingly from the government benches. I hope he will stand up and fight against this Bill. There is another one cent per litre on gas and aviation fuel effective January 1, and another cent per litre on diesel fuel and aviation fuel. The cost of these fuel tax increases to the end of 1986-87 will be $1.325 billion.

It is interesting that the Minister of Finance has not tabled in the House what the effect of this type of increase in taxation will be on farmers, fishermen, truck loggers, trucking companies and all those small airlines which fly not only in northern British Columbia but throughout Canada. I really object to this type of across-the-board taxation being brought in without knowing what the impacts will be.

When it comes to tourism I think the figures which I can put before the House will make it clear that these types of taxation increases are damaging some of the key industries in the country. The various per unit taxes on alcohol, with an increase of 2 per cent, and on cigarettes, with an increase of one cent per cigarette, are quite different. None of that money will go directly to deal with one of the most serious health problems not only in Canada but in the western world which is related to the consumption of cigarettes. There has been no serious attempt by the Government to deal in a comprehensive way with the issue of tobacco. The cost in this respect to the end of fiscal year 1986-87 is $440 million. Just on alcohol and tobacco alone we can see the Government stretching its long fingers into everyone's pockets on a fairly regular basis. The

cost to the Canadian consumer with respect to these excise tax increases comes to $1.765 billion. When combined with the other hidden costs which the Minister of Finance has brought in to the end of next year it will amount to another $3.54 billion. I am sorry I do not have time to speak about tourism. However, let me conclude by quoting briefly from a speech of the Minister of Finance which demonstrates quite clearly how taxes in the last 10 years have gone from the individual taxpayer paying 50 per cent and corporations paying 50 per cent to corporations now paying 25 per cent and individuals paying 75 per cent. If we follow that through to the year 2000, individual taxpayers will pay it all. The Minister of Finance said on November 28, 1984, and I quote:

● (1600)

Our recent figures indicate that the effect of tax incentives has been to reduce the average federal corporate income tax rate from 36 per cent to 15 per cent . . . Particular activities qualify for very high rates of incentives, especially under certain grant programs. When the benefits from special tax incentives are added we are looking, in some cases, at an extraordinary generous level of assistance.

It is clear that the Minister of Finance, and the new Government, are giving all the give-aways to the rich and to the corporations and are loading all the taxes, particularly these kinds of taxes, on to low and middle income earners and are bankrupting many small businesses across the country.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Don Valley East (Mr. Attewell)—Trade—Protectionist measures proposed in United States Congress; the Hon. Member for Algoma (Mr. Foster)—Agriculture (a) Sugar-beet industry—Plight of farmers. (b) Request for stabilization payment; the Hon. Member for Thunder Bay-Nipigon (Mr. Epp)—Marine transport (a) Construction of ferries. (b) Placement of orders.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of the motion of Mrs. McDougall that Bill C-80, an Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof, be read the second time and referred to a legislative committee; and on the amendment of Mr. Marchi (p. 8360).

Mr. Maurice Foster (Algoma): I am just delighted to have a chance to speak on Bill C-80 because it is a Bill which clarifies the fact that the Government is out to deceive the people and will certainly not keep its election campaign promises. I simply point to the two cents excise tax which was imposed on farmers, fishermen, forestry workers and on the mining industry on September 3 of this year.

During the election campaign last year the Government made a very strong promise that it was going to reduce taxes for farmers, fishermen, forestry workers and for the mining industry. On November 8 of last year it did reduce the excise tax by some three cents. It also gave an exemption to the petroleum compensation charge of 1.8 cents. On June 1, that exemption from the petroleum compensation charge of 1.8 cents a litre was eliminated but the price of gasoline did not go down. On September 1, the two cents excise tax was implemented so we see a new expensive tax loaded onto Canadian farmers. In fact, it is estimated that that tax will cost farmers something like $130 million. On top of that, there will be an additional tax of one cent on fuel starting January 1, 1987. At the end of December of next year the three cents excise reduction which has been in effect will be wiped out. Therefore, we will see farmers, fishermen, forestry workers and mining companies paying the full shot, plus a couple of extra cents per litre. This shows the kind of double dealing activity for which the Government is becoming famous.

The Hon. Member for Etobicoke-Lakeshore (Mr. Boyer) spoke this afternoon about the tobacco tax and tobacco farmers. If he is really interested in defending the Minister of Agriculture (Mr. Wise), he should visit St. Thomas this weekend. It is expected that 1,000 farmers will rally in St. Thomas to call the Government to account for its lack of action in agriculture. No industry has suffered more than the farmers from the farm debt crisis this past year, especially the young farmers. Yet the Government has failed to act. In fact, by this nine cents a gallon excise on gasoline, it is imposing even greater hardship on the agricultural community.

The Ontario Government changed from a Conservative Government to a Liberal Government last July and within a matter of two or three weeks, in the Budget brought down the provincial Government provided $50 million in relief for the farmers of Ontario. That is the kind of action which this Minister of Agriculture should be taking. Last year he put a moratorium on farm foreclosures. The situation has worsened.

We now have 23 per cent of our farmers, instead of 19 per cent, in serious financial difficulty and we see no action.

The Farm Credit Corporation was reduced from some $494 million of farm assistance, long-term loan funding, to only $90 million this year. On July 10 of this year, the Minister promised to bring in legislation on an urgent basis this fall with amendments to the Bankruptcy Act to provide a pre-foreclosure, pre-bankruptcy arbitration procedure for young farmers facing foreclosure. He started to walk away from this promise in September. Last week he was at the point where he was saying he would seriously consider it. This kind of lack of action is the reason the Minister of Agriculture is going to have to face many hundreds of young farmers in serious financial difficulty this Saturday when he goes home to his riding.

This Government has billions and billions of dollars. It has a $1 billion for a write-off for the Reichmann brothers in Toronto. It has $1 billion for Petro-Canada to buy 1,800 gasoline stations and refineries. But the Government has no money for farmers. This Bill exacerbates their situation because it imposes an additional two cents a litre, or nine cents a gallon, on farm fuel costs. It is a deliberate back-tracking and contravention of the very promises which the Government made. The Government imposes this tax at a time when the harvest is getting into full swing in western Canada. It is a travesty. It is unfair and unjust. On top of that the Government is going to impose an additional one cent sales tax on all farm supplies, including gasoline, which will probably cost a little over one cent a gallon. It will be imposing it on all farm supplies and goods.

The Government promised agri-bonds, long-term low-interest rate funding for farmers. It reneged on its promise. The Committee on Finance, Trade and Economic Affairs made a strong recommendation that we have an agri-bond program to help young farmers who are facing serious financial difficulty, but there was no action about that whatsoever in the Budget. The Government promised to revise Section 31. There was no action there. It promised to expand agricultural research and development. Yet the Government is cutting back $50 million on the estimates of the Department of Agriculture. That is reputed to be coming out of the research budget. The Government is reneging on its promise of an agricultural research institution in Quebec. The Toxicology Centre at the University of Guelph, which would have been very valuable to agriculture, was cut by the former Minister of the Environment. She did not have a clue about anything in the environment but you would think she would have at least learned something about that institution before cancelling it. This is just a totally disastrous history of lack of action or wrong action taken by this Government.

● (1610)

If we look at the rest of the Tory campaign manifesto we see that they promised to allocate the necessary funding to assist producers in refinancing their loans at current prevailing rates. We saw no action, but the Ontario Liberal Government, within a matter of a month, was able to announce a $50 million program of assistance. The Tories promised in the election campaign to impose an effective fast-track policy so that responsive action could be taken to protect producers by imposing import restrictions where necessary. What do we have? The Government imposed a 5.9 million pound limit on EEC beef imports to Canada but when the pressure was on, it was increased to 23.5 million pounds. The Tories said they would work to increase exports and stimulate production to meet export demand. Yet here we have a 5.3-cents a pound countervailing duty on all our hogs going into the U.S.

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

Mrs. Claudy Mailly (Gatineau): Mr. Speaker, I think it is a pity that both the Hon. Member for Cochrane-Superior (Mr. Penner) and the Hon. Member for Skeena (Mr. Fulton) wasted their 10 minutes in exaggeration and puffery rather than addressing the problems of the day. I would particularly like to take up the suggestion of the Hon. Member for Cochrane-Superior that the Government of Canada should imitate the Liberal Government of Ontario. I would like to remind him that that Government brought in tax increases in its Budget. I would also like to ask him if he is suggesting that we should be getting the extra revenue we need to carry on with established programs and reduction of our debt, as well as trying to build up a cushion—

Mr. Foster: Point of order, Mr. Speaker. I know the Hon. Member for Gatineau (Mrs. Mailly) does not know what she is talking about, but I do not see the Hon. Member for Cochrane-Superior (Mr. Penner) in the House. If she is addressing her comments to me, I wish she would call me the Hon. Member for Algoma.

Mrs. Mailly: Mr. Speaker, the same thing applies. The Hon. Member for Algoma (Mr. Foster) is just as confused as his colleague from Cochrane-Superior; it was his performance in Question Period which left his name in my mind. As for the Hon. Member for Trinity (Miss Nicholson), she had an interesting and creative approach to blotting out a terrible record which had the Hon. Member's Party thrown out of office in September, 1984. She spoke of prudent policies which brought us the economic renewal we are now just beginning to enjoy. that sent me to some of the background documents provided by the Department of Finance on the results of these prudent policies. For example, over the past three years our national debt grew at a rate of 25 per cent a year. That is almost three times the rate of growth of the GNP. Under the current fiscal plan debt growth has slowed to 17.7 per cent this year and will slow down further to 14.6 per cent in 1986-87. I fail to see where the prudent policies of the previous Government have brought us the economic renewal we are now beginning to see. Moreover, Statistics Canada, and DRIE surveys, indicate strong growth in investment for 1985, considerably larger than first forecast. Business fixed investment was up 17 per cent on an annual basis in the second quarter. I fail to see what that has to do with any policies of the previous Liberal Govern-

ment. Had we followed those same policies the effect would have been exactly the opposite. For example, when I look at another indicator, the value of the Canadian dollar, I can see that when the Liberal Party came back into power in 1980 it inherited a dollar at .837. By December, 1984, it had gone down to .756. It is now slowly climbing back because of the policies of this Government.

Another matter concerns the Hon. Member for Algoma; he mentioned the metric situation. He seems to have forgotten that it was the Progressive Conservative Party which put forward a motion in this House to allow the use of Imperial measurement in the sale of gasoline. Not only that, the Budget of the then Minister of Finance, now the Minister of Justice (Mr. Crosbie), presented to the House in 1979 was in Imperial measure. It was the Government of the Hon. Member for Algoma, when it came back to power in 1980, which instituted the metric system for the taxation of gas. Therefore, I think he should remember some facts even while he allows himself these very poetic and theatrical stories in this debate.

It is a fact as well that the Minister of Agriculture (Mr. Wise) has helped farmers more than all previous Liberal Governments. An example of that is that in our first Budget we introduced the abolition of the capital gains tax on the sale of farms. This will go a long way toward helping the passing on of family farms from parents to children. I have seen Liberal Member after Liberal Member as well as NDP Member after NDP Member get up in this House and condemn the abolition of this tax. They talk about a gift of $500,000 to supposedly rich people. What they are talking about is the average value of a farm in my riding. One can hardly say that riding is populated by very rich people. As well, the abolition of the capital gains tax, which is a gradual measure as Members are well aware, will help small business. Very often, when small business could have had access to capital, they were stopped from doing that because of this tax on capital gains. A business could not liquidate some shares it might have, for example, in some larger company or some guaranteed investment because of the fact it would face a very high tax on capital gains. This is not a measure for rich people, it is for small and medium businesses. Moreover, when we look at the statistics for the current economic situation, we see that housing starts averaged 185,000 in the third quarter. That gives us an annualized rate of 197,000 units in September. This is an increase of 19 per cent over the level of the second quarter, on top of a 24 per cent increase in the second quarter.

Obviously, Mr. Speaker, we do not enjoy increasing sales taxes. It is true that a sales tax affects everyone across the board and that it does not differentiate between people who are in a better position to make some sacrifices in things which are not essential to their lives. However, the fact remains that the choice was between increasing income tax for everyone and not being able to increase the child tax credit and not being able to continue with some of the programs which we have maintained. Our unemployment insurance fund, for instance, was exhausted by the middle of spring to the point where programs such as the Article 38 program, which was of very useful to small businesses, no longer had any funds to extend in order to create jobs.

• (1620)

Something had to be done and the Budget which was presented was an attempt to try, in an over-all rather than an ad hoc way, to increase revenues to allow us to maintain and improve programs for people who need them most, and also to put us in a better position to take advantage of renewed confidence.

That is the key, Mr. Speaker. When the Member for Trinity was talking about the report of the Conference Board of Canada she omitted to say that you cannot measure confidence and, therefore, when a report such as the one of the Conference Board is issued, it only measures those indicators which are very visible and tangible. It does not measure intangibles such as investor confidence or consumer confidence which is much more important. Therefore, Mr. Speaker, I think that this debate has not really been to the credit of Members opposite. They have wasted time with exaggerations. It would be unparliamentary for me to say what they were doing in this House, but let us say that it was as far from the truth as we are from St. John's, Newfoundland.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, when joining in this debate involves listening to some of the charges we have just heard, it requires a certain measure of self-control. It is obvious that the disagreement about what the effect of this set of tax measures may be can very easily lead to personal charges. That seems regrettable. I suppose that is one of the things that Members fall back upon as a response to the kinds of attacks that they would themselves probably have made if they were in the Opposition. In this case, of course, I am talking about Conservative Members. I expect that if they were in the Opposition and it were a Liberal Government proposing these things, they would be involved in saying the very same sort of things that we are saying now. Given that sort of reality, it is probably inevitable that in the process of defending the Government they will, in fact, stop the observations that are quite unworthy of Hon. Members. I shall endeavour, in my own comments this afternoon, not to do that sort of thing.

In taking part in this debate on Bill C-80, a proposal to increase federal sales and excise taxes, I want to provide a response to some of the observations we have heard, particularly from the Member for Simcoe North (Mr. Lewis), who suggested that we were merely producing noise over here which had no substance, that we had, in fact, no alternative, and that we were merely filibustering and killing time. That is one package of charges, Mr. Speaker, which is also, it seems to me, quite unworthy of Members on either side of the House.

To be faced with a closure motion so early in the debate on an important tax measure is, in itself, an action which all members of the governing Party should regret together with those of us in the Opposition. Surely, Mr. Speaker, to introduce time limitation on only the fourth day of debate, forcing us to a vote this afternoon resolving the matter,

suggests a kind of arrogance that one would have thought the Government would have taken longer in coming to. I know that coming to the House of Commons with 211 Members was a very, very heady sensation. The actions of the Government over the past year and other errors of omission, shall we say, which were committed, surely reflect the fact that the Government was so very sure in its numbers that it felt it could do anything. With much less than 211 Members it can, under the present rules, restrict debate and force us to express ourselves by voting against a matter, but in fact allow the measure to be carried through.

The traditions of Parliament are very, very strong. There are any number of Members of past Conservative caucuses who are spinning in their graves these days as they contemplate a Government bringing in time limitation motions and forcing matters to a vote, taking them out of the hands of Members of the House of Commons. It is not any kind of illegitimate use of the position of an Opposition member to oppose an action of the Government if one thinks it is unwise. There is abundant reason for saying that the tax measures with which we are faced in this particular Bill are unwise. Given that, we have a positive duty to the people of Canada to object to this measure with all the energy we have, knowing always that the rules of the House of Commons now impose very severe constraints on us. Particularly when we are few in number in the House, the possibility of our debating measures indefinitely is obviously very, very limited.

I suppose members of the Government might say that we are few in number because that is what the Canadian people thought of us on September 4 and therefore we should be quiet and let them govern the country as they see fit. Of course, the Canadian people do not see things quite that way any longer. Many, many Canadians know that on September 4, 1984 they made a very serious mistake. I think they are quite supportive of us in criticizing the Government's actions, as is, in fact, our constitutional responsibility, and in pointing out the weaknesses of the programs which the Government has put forward.

I have suggested, Mr. Speaker, that what the Government has put before us in Bill C-80 is a mistake. Members in the Government caucus argue that the deficit had to be dealt with. I will not deny the truth of that proposition. It is a question of how to do it. What members of the Government, private Members included, do not talk about is one of the brute realities which the Auditor General of Canada has pointed out, that is, that the federal Government neglects to collect large amounts of taxes due to provisions such as those of the accelerated capital cost allowances which allow companies to avoid taxes. In just the past weeks we have seen some examples of that sort in the provisions which the Olympia & York interests were able to exploit to acquire Gulf Oil. More recent revelations of the Auditor General indicated provisions which Dome Petroleum was allowed to use earlier this year which will allow it to escape paying hundreds of millions of dollars of taxes.

If in fact the Auditor General is correct in saying that the total of the taxes which are not paid year after year is $35 billion to $50 billion, then I do not understand how any Conservative who can think straight and add and subtract does not realize that the deficit is in fact a result of the tax laws of the country. There are people who are bearing the burden of taxation because the Conservative Government, which felt the same way as the Liberal Government did in the past, has refused to take large and effective action and has left the burden of taxation on individuals and small businesses while large business gets away with all kinds of tax breaks. Some solemn shaking of the head will not change the reality that if the total tax revenue that is not received exceeds $35 billion it will be more than equivalent than the entire deficit in the current Budget. Those Members who do not see the country from the Bay Street perspective will appreciate that if the Government does not close that collection of loopholes it will have no choice but to do exactly what is provided for in Bill C-80 and other measures. The Government will decide to tax the little people in Canada, the individuals, families and small businesses, while the wealthy and large businesses in this country will escape the burden of taxation.

• (1630)

Many Conservative Members will not be back to the next Parliament of Canada. Those Members will want to think about that because in their communities across the country, from Erie to Fraser Valley West and all the way to the East Coast, there are people who will realize that they will have less money to spend next year. They realize that the small businesses in their communities which depend totally on the people in those communities with whom they do business will suffer because of a decline in business.

There are those Members who believe that the way to create a prosperous Canada is to lower the deficit by cutting the expenditures on the one hand while increasing taxes on the little people, including small business and low and middle income Canadians. Those Canadians will say that they did not get the change for which they voted on September 4. Rather, they will see that they got another dose of Liberal Government as far as taxes are concerned and, therefore, ought to look elsewhere. It will be obvious to those Canadians that the old line Parties are exactly as described by predecessors in my Party and caucus over the years. They are Tweedledum and Tweedledee. As David Lewis would say occasionally, I believe, they are Tweedledum and Tweedledumber.

Surely the Conservatives should know better as a Government. The tax measures contained in Bill C-80 have the potential of ultimately reducing the revenues of Government so that the deficit is even worse afterward than it was before. Those Conservative Members should begin pushing the Minister of Finance (Mr. Wilson) and their causus into action. We want substantial tax reform. The people of Canada expect a reduction in the tax burden.

The Acting Speaker (Mr. Charest): I regret to interrupt the Hon. Member but his time has expired.

[*Translation*]

Mr. Fernand Robichaud (Westmorland-Kent): Thank you, Mr. Speaker, for this opportunity to comment on Bill C-80. I say "comment", because I think at this point there can be no more debate. The Government intends to have all the measures proposed in this Bill approved, without considering the demands made by Members of this House. I may add that the demands of the tourist industry will also be ignored.

Mr. Speaker, I would therefore like to share with you a number of comments on this Bill and the tourist industry. I also would like to quote general statements made in this House by Conservative Members when they were in the Opposition. One Member said on March 14, 1984, and I quote:

In 1983, Canada had a record travel deficit, and an important cause of this deficit is the much higher price of gasoline in Canada compared to the United States.

Another Member said on January 30, 1984 and I quote:

The Canadian Automobile Association states that the high cost of gasoline has been a major culprit in deterring foreign travellers from auto touring in Canada. About 85 per cent of all tourism in Canada is by automobile.

Another Member said, and I quote:

The tourist industry is definitely pessimistic. We could take steps to reverse the trend in this crucial sector, and we would be well advised to start by reducing the federal tax on gasoline.

Those statements were made by Conservative Members when they were in the Opposition. I have yet to hear those Members raise the same points in the debate on Bill C-80.

Mr. Speaker, I also would like to share with you some data published by the National Conference on Tourism for Tomorrow. The paper is about the consultation process leading up the National Conference on Tourism for Tomorrow, and it says that more than 1,000 private citizens, businesses, professional associations and specialized groups in Canada gave their views on the problems being experienced by the Canadian tourist industry and the industry's potential. The 1,000 respondents said time and time again that current prices in Canada were too high, especially compared with the United States, and that this was very bad for tourism. Most comments were about the price of gas and alcoholic beverages.

Mr. Speaker, that is what our respondents had to say about the prices and more specifically about the price of spirits and gasoline. And here is what Bill C-80 brings us when we look at the price of spirits and gasoline, which are two major factors for the tourist industry.

Mr. Speaker, I may say, first of all, that the tourist industry is a very important one for Canadians. Tourism generates thousands of jobs. There are 600,000 persons working in this sector, which means that one out of ten Canadians work in the tourist industry. The industry represents 5 per cent of our gross national product and generates revenues of approximately $20 billion, which means it is well ahead of many other industries.

Mr. Speaker, nevertheless, despite the importance of this sector, the Government is doing everything it can to harm an industry that could create the jobs we need today.

To get back to the Bill before the House today, the proposed legislation provides for a 2 per cent increase in the tax on spirits. It also provides for an increase of 2 cents per litre in the tax on gasoline, diesel fuel and airplane fuel, as of September 3. We also find an increase of 1 cent per litre, effective January 1, 1987. The House will recall that the purpose of this increase is to pay for the full indexation of pensions for the elderly. The legislation also provides for extending sales tax to candy and soft drinks, pet food and certain health care products, which of course goes beyond the concerns of the tourist industry. We also find in this Bill the 1 per cent increase in sales tax, effective January 1, 1986.

So, to get back to the tourist industry: If we consider the price of spirits, we find that the Canadian Government is levying three times as much tax on a bottle of spirits as the U.S. Government.

Mr. Speaker, when Americans think about spending a few days in Canada, they certainly look at the price of spirits as a major factor, but it is only one factor among many others.

Mr. Speaker, I shall if I may get back to the price of gasoline, which is the most important consideration for people who come to visit this country by car. In fact, 85 per cent of the tourists who visit Canada, of Americans who travel across Canada, prefer the automobile over any other means of transportation. So if we look at the tax on gas which we were already exposed to in October 1984 . . . Does this mean I have one minute left, Mr. Speaker? Very well. Time flies.

Mr. Speaker, perhaps I may make a few more comments on the increase in the price of gas. If we consider the increase in the price of gas since the new Government came to power, we realize that the price has increased by 8 per cent. That increase is reflected in loss of visitors and especially loss of jobs, which works out to 18,500 jobs.

Mr. Speaker, I think we need these jobs back home, and I think people across Canada need these jobs.

• (1640)

[*English*]

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I am willing to take a minute or two to register the very deep concern that members of my own constituency would want to express about the cavalier way in which this Government is dealing with an essential tax matter. We have watched Tory MPs bob and weave trying to explain the inherent contradiction in a tax Bill that is a repressive measure. It dampens growth, slows down the important initiative and dynamics of many vital sectors of our economy all for the sake of so-called deficit reduction, a deficit that is not reducing at all but is increasing.

It is with great sadness we see that once again the Government is unwilling to hear proper debate and that it has brought in closure so Canadians will not have an opportunity to hear full expression and point of view on a matter that affects them vitally in their own industries and in their daily consumption. It is a Government that we see time and time again has a strategy of keeping Canadians in the dark. Do not tell them what is going on is the new slogan of this Government; make sure we can do what we want. It has covert hidden agendas rather than trying to be prepared to defend our interests.

Some Hon. Members: Oh, oh!

Mr. Axworthy: The only time we find them coming awake is when they face the truth. The truth is not a pleasant thing to face.

An Hon. Member: Look who is calling the kettle black?

Mr. Axworthy: The truth will be faced very clearly.

Once again we find a Government whose only capacity is to yell, bray and get excited when the truth is front and centre. This tax measure hits low income Canadians—

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

[*Translation*]

Order, please. It being 5:45 p.m., and pursuant to order made Monday, November 4, 1985, in accordance with Standing Order 84, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the second reading stage of the Bill now before the House.

[*English*]

The question is the following one: Mrs. McDougall, seconded by Mr. Hnatyshyn moves that Bill C-80, an Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof, be read the second time and referred to a legislative committee, and on the amendment of Mr. Marchi, seconded by Miss Nicholson that the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

Bill C-80, an Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof be not now read a second time but that it be read a second time this day six months hence.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour of the amendment please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Call in the Members.

Before the taking of the vote:

Some Hon. Members: Order. Out, out.

Mr. Speaker: Order, please. May I remind all Hon. Members that our practices have been that Hon. Members should be present in their seats at the beginning of the call of the question if they wish to vote.

The House divided on the amendment (Mr. Marchi) which was negatived on the following division:

(*Division No. 126*)

YEAS

Members

Althouse	Gagliano	Murphy
Axworthy	Garneau	Nicholson
Baker	Gauthier	(Trinity)
Benjamin	Gray	Nunziata
Boudria	(Windsor West)	Nystrom
Broadbent	Heap	Ouellet
Caccia	Hovdebo	Parry
Cassidy	Isabelle	Penner
Deans	Jewett	Riis
de Corneille	Lapierre	Robichaud
Epp	MacLellan	Robinson
(Thunder Bay-Nipigon)	Manly	Rossi
Foster	Marchi	Young—37.
Fulton		

NAYS

Members

Attewell	Desrosiers	Jelinek
Belsher	Domm	Jepson
Bertrand	Dorin	Jourdenais
Binns	Duplessis	Kempling
Blackburn	Fennell	Kindy
(Jonquière)	Fontaine	King
Blais	Forrestall	Ladouceur
Blenkarn	Fraleigh	Landry
Bouchard	Fretz	Lawrence
Bourgault	Friesen	Layton
Boyer	Gervais	Lewis
Brisco	Girard	MacDougall
Browes	Gottselig	(Timiskaming)
Caldwell	Graham	MacKay
Carney	Gravel	Mailly
Champagne	Gray	Mantha
(Saint-Hyacinthe-Bagot)	(Bonaventure-Îles-de-la-Madeleine)	Marin
Charest	Guilbault	Mazankowski
Clinch	(Drummond)	McCain
Coates	Gurbin	McCrossan
Cochrane	Gustafson	McDougall
Collins	Halliday	(St. Paul's)
Cooper	Hardey	McKenzie
Corbett	Harvey	McKinnon
Côté	Hawkes	McKnight
(Langelier)	Hicks	McLean
Crofton	Hnatyshyn	Minaker
Dantzer	Hockin	Mitges
Darling	Horner	Moore
Daubney	Hudon	Murta
de Cotret	Jacques	Nicholson
Della Noce	Jardine	(Niagara Falls)
Desjardins		Nickerson

Members

Nielsen	Siddon	Vézina
Nowlan	Stackhouse	Warner
Oberle	Suluk	Wenman
O'Neil	Tardif (Charlesbourg)	White
Oostrom	Taylor	Wilson (Swift Current-Maple Creek)
Pennock	Tremblay (Québec-Est)	Wilson (Etobicoke Centre)
Pietz	Tupper	Winegard
Ravis	Turner (Ottawa-Carleton)	Wise
Redway	Vankoughnet	Witer—121.
Reid		
Reimer		
St. Germain		
Scott (Hamilton-Wentworth)		

Mr. Speaker: I declare the amendment lost.

[*Translation*]

Mr. Prud'homme: Mr. Speaker, I just want to bring to your attention that I arrived a few minutes late, so I was unable to vote. I did not vote, but I want my constituents to know that I am in the House. I cannot run that fast between committees.

[*English*]

Ms. Copps: On the same point of order, Mr. Speaker. The Hon. Member for Montreal-Sainte Marie (Mr. Malépart) and I were in committee which did not adjourn early enough—

Some Hon. Members: Oh, oh!

Ms. Copps: This is a valid point, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. I take it the Hon. Member wishes to signal her presence here. I think she has done that.

Ms. Copps: My question of privilege is that the Chairman—

Mr. Speaker: If it is a question of privilege, then I am sorry.

Ms. Copps: The Chairman of the committee continued on with the committee meeting. The Conservative Members walked out of the meeting leaving us without a quorum and the Chairman had not adjourned the meeting. Thus, I cannot see how we are supposed to end up in two places at one time.

Some Hon. Members: Oh, oh!

Some Hon. Members: Shame.

Mr. Speaker: Order, please.

The question is the following one. Mrs. McDougall, seconded by Mr. Hnatyshyn, moves that Bill C-80, an Act to amend the Excise Tax Act and the Excise Act and to amend other Acts in consequence thereof, be now read a second time and referred to a legislative committee. Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

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

(*Division No. 127*)

YEAS

Members

Attewell	Gottselig	McMillan
Belsher	Graham	Minaker
Bertrand	Gravel	Mitges
Binns	Gray (Bonaventure-Îles-de-la-Madeleine)	Moore
Blackburn (Jonquière)	Guilbault (Drummond)	Murta
Blais	Gurbin	Nicholson (Niagara Falls)
Blenkarn	Gustafson	Nickerson
Bouchard	Halliday	Nielsen
Bourgault	Hardey	Nowlan
Boyer	Harvey	Oberle
Brisco	Hawkes	O'Neil
Browes	Hicks	Oostrom
Caldwell	Hnatyshyn	Pennock
Carney	Hockin	Pietz
Champagne (Saint-Hyacinthe-Bagot)	Horner	Ravis
Charest	Hudon	Redway
Clinch	Jacques	Reid
Coates	Jardine	Reimer
Cochrane	Jelinek	St. Germain
Collins	Jepson	Scott (Hamilton-Wentworth)
Cooper	Jourdenais	Siddon
Corbett	Kempling	Stackhouse
Côté (Lac-Saint-Jean)	Kindy	Suluk
Côté (Langelier)	King	Tardif (Charlesbourg)
Crofton	Ladouceur	Taylor
Dantzer	Landry	Thacker
Darling	Lawrence	Tremblay (Québec-Est)
Daubney	Layton	Tupper
de Cotret	Lewis	Turner (Ottawa-Carleton)
Della Noce	MacDougall (Timiskaming)	Vankoughnet
Desjardins	MacKay	Vézina
Desrosiers	Mailly	Warner
Domm	Mantha	Wenman
Dorin	Marin	White
Duplessis	Mazankowski	Wilson (Swift Current-Maple Creek)
Fennell	McCain	Wilson (Etobicoke Centre)
Fontaine	McCrossan	Winegard
Forrestall	McDougall (St. Paul's)	Wise
Fraleigh	McKenzie	Witer—124.
Fretz	McKinnon	
Friesen	McKnight	
Gervais	McLean	
Gormley		

NAYS

Members

Althouse	Gagliano	Marchi
Axworthy	Garneau	Mitchell
Baker	Gauthier	Murphy
Benjamin	Gray (Windsor West)	Nicholson (Trinity)
Boudria	Guilbault (Saint-Jacques)	Nunziata
Broadbent	Heap	Nystrom
Caccia	Hovdebo	Ouellet
Cassidy	Isabelle	Parry
Copps	Jewett	Penner
Deans	Langdon	Prud'homme
de Corneille	Lapierre	Riis
Dingwall	MacLellan	Robichaud
Epp (Thunder Bay-Nipigon)	Malépart	Robinson
Foster	Manly	Rossi
Fulton		Young—44.

Mr. Speaker: I declare the motion carried.

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

• (1720)

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

AMENDMENT TO PROVIDE SEPARATE REPRESENTATION FOR LABRADOR

Mr. Rod Murphy (Churchill) moved that Bill C-228, an Act respecting the Electoral Boundaries Readjustment Act (Grand Falls-White Bay-Labrador), be read the second time and referred to the Standing Committee on Privileges and Elections.

He said: Mr. Speaker, I have the honour to present this Bill on behalf of many people from the area known as Labrador. In their presentation to Hon. Members of all three Parties, the residents of Labrador explained that they feel they need a separate seat to represent their interests in the House of Commons. They point to the special dispensation we have at the present time for Prince Edward Island, the two seats we have at the present time for the Northwest Territories and the seat we have for Labrador. In talking with Hon. Members of all three political Parties, they have made a point that Labrador is a distinct geographical entity with clearly defined borders. It stands historically, culturally, socially, logistically and politically apart from the rest of the province.

Labrador has the special geographical consideration and special community considerations which have allowed similar dispensations for Prince Edward Island, the Yukon and the Territories.

Precedent already exists under the Constitutional Acts of 1867, 1982 and special Clauses 51(*a*) Subsection 1 and Rule 6, Subsection 2. Labrador, already difficult to serve because of its geography, must share representation with mainland Newfoundland. The purpose of this Bill is to provide full and exclusive representation for that part of the province. In making my presentation, Mr. Speaker, I do so with the realization that it has little chance of being passed within the next 35 minutes. However, I do believe the people of that region of Canada deserve to have their concerns studied by the Committee on Privileges and Elections of this House of Commons. As you know, Mr. Speaker, at the present time the Committee on Privileges and Elections is looking into a redistribution Bill which was presented to this House by the Government House Leader. It is my intention, in making this speech in the House of Commons today—and hopefully other Hon. Members will indicate their support for this particular motion—that we ask the Committee on Privileges and Elections, on which I serve, to look into the special problems which are faced by the people of that section of the province.

As someone who comes from a large northern riding—and I am sure the Hon. Member for Skeena (Mr. Fulton) feels the same way—we understand the difficulties which a Member of Parliament has in getting around in a large geographical riding where there are no roads between communities and communities quite often have a small population and are spread out. What we are asking is not a blank cheque for the creation of a new seat for the House of Commons, but that the peculiar situation in which the people of Labrador find themselves be investigated by a Committee of the House of Commons and that we do all we can to try to meet the needs and concerns of the people from that region.

I am not going to take the full 20 minutes which would be allotted to me to speak on this Bill because there have been two votes and we only have 40 minutes left for the entire debate. What I will do in the next few minutes is to point out some of the things which have happened in the past. The idea of a separate seat for Labrador is not something which came from one political Party. It is not something which came from the New Democratic Party, the Conservative Party or the Liberal Party. What this is is a response to the efforts of the people of that region. They have founded a committee and that committee has written to people of all political Parties in the last few years. It is a committee which is asking for a seat encompassing the actual area of Labrador. They have written to the Premier of that province and he has indicated support for the concept. They have written to the representatives of the Liberal Party who have supported that concept. They have written to the New Democratic Party and our representative in the House of Assembly there has indicated his support for this proposal. Therefore this is something which has the support, if not officially of all three parties, nevertheless, the support of representatives of all three Parties. I believe it is certainly worthy of study and I would encourage Hon. Members of the House of Commons to indicate their support for this piece of legislation or at least indicate that they are willing to have the committee study particular problems of the people of that region.

[*Translation*]

Mr. Édouard Desrosiers (Hochelaga-Maisonneuve): Mr. Speaker, the Hon. Member has described a situation which seems quite normal to me, and I think the Government should consider this request and examine the possibility of having a representative for Labrador. I think it is entirely fair and reasonable. As far as I am concerned, the Hon. Member has my support.

[*English*]

Mr. Patrick Boyer (Etobicoke-Lakeshore): Mr. Speaker, I am very pleased to have a chance to make some comments on Bill C-228 brought before the House by the Hon. Member for Churchill (Mr. Murphy). It was interesting to hear some Churchillian statements about the need to have adjustments for the electorate in Labrador.

To place this very important recommendation contained in Bill C-228 in a certain context, I would like to turn to several very relevant and timely documents. The first of those is the report of the study group which met at Halifax on September 25 to 27. This is the study group of the Commonwealth Parliamentary Association. It was my honour to be the chairman of that study group. Subsequent to the Halifax meeting the report was represented in Saskatoon before the full CPA Meeting. There appears at page 27 the observation that those Government officials charged with the limitation of electoral boundaries are at times accused of being concerned only with the numbers and of ignoring other factors such as community of interest, community of identity or historical patterns. Since a realistic tolerance level may be difficult to establish, these other factors may have to be given more emphasis. On page 28 of that same report, the conclusion of the delegates was expressed as the view that in redistributing electoral boundaries, equality of representation should be one of the main guiding principles. The principle of one vote, one value, should be uppermost while not precluding consideration of the political, legal and institutional factors. Those are the considered opinions of Parliamentarians from many Commonwealth countries who looked at the same subject which has been raised in Bill C-228, a Bill which would reflect and, indeed, recognize that Labrador has a distinct geographical entity with clearly defined borders and that it stands historically, culturally, socially, logistically and politically apart from the rest of the province, Newfoundland.

That brings us to the fact that, as the Hon. Member for Churchill has noted, the Government, acting through the Government House Leader, has brought forward legislation which will deal with redistribution of the constituencies in this Parliament. Bill C-74, to which I am referring, is at this stage before committee and will be reported back to this House by November 26. This is an important Bill because it not only amends the formula for deciding the number of seats in this House found in Section 51 of the Constitution Act, it would amend the Electoral Boundaries Readjustment Act, which is more relevant to the point raised in the Hon. Member's Bill. It would do so by providing to those commissioners who have the task of dividing up the boundaries in each province the power to depart in extraordinary cases from the 25 per cent rule. As Hon. Members know, the wording of the Act is that the population of each electoral district shall correspond as nearly as may be to the electoral quota for the province. That is to say, the quotient obtained by dividing the population of the province as ascertained by the number of Members of the House of Commons to be assigned to the province. We are suggesting two things in Bill C-74. First, that we change the wording "as nearly as may be" to "as close as reasonably possible". So we are, as the first step, introducing a doctrine of reasonableness. Second, we are amending the section to provide the possibility of going above or below the 25 per cent tolerance in extraordinary cases.

• (1730)

I think, Mr. Speaker, there can be no better example of an extraordinary case than that of Labrador. I am advised by one of my colleagues from Newfoundland that Labrador contains four, perhaps four and a half, electoral districts. Certainly it has a number of representatives in the provincial House, but at the federal level it is of course linked with one of the Newfoundland proper constituencies. The new provision being brought before Parliament in Bill C-74 will allow for the kind of suggestion that the Hon. Member for Churchill has made. That is why when he says here, as he did a few moments ago, that perhaps the Standing Committee on Privileges and Elections should look into the possibility of doing something like this, I would like to reassure him that we have done more than look into the possibility; the Government has brought in legislation which will permit the very kind of thing he advocates. Therefore, I draw from those comments the inevitable inference that the Hon. Member for Churchill will be fully supportive of Bill C-74, not only as it goes through committee but when it comes back to the House for a vote.

If I may be permitted a further point, I was reviewing the book I wrote four years ago entitled *Political Rights,* in which I talk about the quality of representation. I would make a final observation concerning the long-heard expression of one man, one vote, or one vote, one value. There is no question that in a parliamentary democracy such as ours that is a fundamental concept. However, as important as that doctrine may be, it is not the only doctrine relevant here. It is one of two, the second being the doctrine concerning the quality of representation. The concept of one vote, one value, means each of us must represent as closely as possible the same number of electors. At the same time an equally important reality is the quality of that representation. At that Commonwealth Parliamentary Conference in Saskatoon which I referred to a few moments ago, and the Hon. Member for Algoma (Mr. Foster) was there, we heard the very powerful speech by an Australian parliamentarian who said that democracy does not belong to Parliament or the Members of Parliament or the Government or any of the institutions, it belongs to the people. It is not a democracy if the people who live in concentrated urban areas can have ready access to their Member of Parliament any day of the week, any time they want to raise their questions and concerns, whereas in other parts of the country men and women have to wait weeks and perhaps months before the MP comes around to their community and talks to them personally to receive their representations, concerns, and proposals. We do have a geographically scattered population and, as the Hon. Member for Churchill indicates in the Bill before us now, that reality must be recognized in the way we distribute the constituencies.

If this exercise was nothing more than a mathematical computation, we could simply add up the Canadian population and have a computer tell us where the electoral boundaries should be. However, that is not the exercise which is involved when electoral boundaries are delineated. It is, rather, a delicate balancing act which seeks to take into account a

number of important factors, not the least of which is the accessibility of MPs to their electors, as well as having constituencies of a manageable size so that MPs can readily get around them to see those people they represent.

In conclusion, Mr. Speaker, the idea contained in this Private Members' Bill is a very important one. It is one which has already occurred to the Government and is fully reflected in the new provisions which will be part of the Electoral Boundaries Readjustment Act once Bill C-74 becomes law. For that reason I am sure the Hon. Member for Churchill will be exceedingly supportive of these initiatives by the Conservative Government to deal with a fundamentally difficult issue courageously so that long overdue reform of our electoral system is actually addressed, and so that the quality of representation comes closer to reality.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, let me say that I think the present quality of our representation is excellent, it could not be any better, covering the Labrador district. Let me also say that people in areas like Labrador sometimes wonder how it is that they, with a population of 30,000, cannot have a seat unto themselves where they are geographically removed from Newfoundland. They look at another area of Canada which has less population in a federal seat and ask why they cannot have a separate seat. It makes much more sense for an area such as Labrador with a population of 31,000 to be designated as a separate seat than it does for some other areas of the country with less population to be designated as separate seats. Of course, Mr. Speaker, it goes back to the Constitution which states that you must have an amount of seats at least equal to the number of Senators that represent a particular province.

● (1740)

It was good news to hear the Government Member say a few moments ago that with the passage of Bill C-74 this very issue will be addressed by the Government of Canada. I do not know whether we can conclude from that that Labrador will get an extra seat through action of the Government, but it is certainly good news to hear the Hon. Members say, on behalf of the Government, that that problem will be addressed.

I think there is perhaps value in pointing out to the Chamber the reason an area such as Labrador deserves, in a way, to be treated differently than other areas of Canada. There is nothing strange about Labrador. Labrador is the same as Gander-Twillingate is in Newfoundland. Parts of Labrador have the finest facilities to be found anywhere. Labrador City is a modern community. However, due to the geographic location of Labrador, it has certain problems not experienced in any other part of Canada.

With regard to one of the problems, I could never figure out why, in our so-called social security safety net, we have rules based on times of year. There are fishermen all along the coastline of Labrador. The law states that the fishing season will run from May 15 to November 1. That is a strange rule to have in northern Canada because the ice is on shore after May 15. Consequently, the Canadian fishery can be operating all along the coastline of Quebec, Prince Edward Island, New Brunswick, Nova Scotia and Newfoundland, but it cannot operate on May 15 of the Labrador Coast. That has a very important effect, Mr. Speaker. By law unemployment insurance for fishermen is cut off on May 15. What do you do if the ice is on the coastline and you cannot get out to fish on May 15 or June 15?

People who live in areas like Labrador have problems distinct from those in any other northern part of the country. Fishermen ask why they are treated the same as people in the so-called southern areas which you, Mr. Speaker, may call northern areas. Their question should be addressed by the Minister in charge of unemployment insurance who has commissions on-going in an attempt to find out what to do with unemployment insurance. Well, Mr. Speaker, those fishermen could tell her what to do with unemployment insurance. The answer is quite simple. You must treat fishermen like everyone else and then solve the problem on the Labrador coast. If a fisherman could draw unemployment insurance as a normal labourer does, that is, after a 10 or 20-week qualifying period, the problem would be solved. Perhaps that is too simple for the Government of Canada to see. Perhaps it is a little bit too straightforward and sensible for the commissions that are set up to re-examine the present unemployment insurance system. This is a case of outright discrimination against these people.

There is the other problem, Mr. Speaker, of weather. Federal-provincial relations are sometimes very important with regard to areas like Labrador. The Member of Parliament for Grand-Falls-White Bay-Labrador (Mr. Rompkey) was recently working on the problem of the installation of water and sewer facilities in Labrador. As often happens, about four or five months ago the federal and provincial Governments did not agree and the construction season has passed in certain areas on the Labrador coastline.

I suppose that these are some of the factors that went into the decision of the Hon. Member to introduce this Bill, if we interpret some of his explanatory notes correctly. He does say in the Bill that he would make Grand Falls-White Bay a separate riding with a population of 47,559. I do not agree with that. He would make Labrador a separate riding with a population of 31,318. I agree with that. I think we should allow the Bill to pass and then let the boundaries commission decide what the remaining districts in the Province of Newfoundland should be. Certainly the Hon. Member would not suggest that we should have a separate riding with a population of 47,559 when my riding is next door with almost double that population.

However, to facilitate matters, I suggest that we should pass the Bill through the Chamber this afternoon, as I am sure the Government is going to agree with it. We can then ask the boundaries commission to divvy up the remaining ridings in the Province of Newfoundland. Let us not forget, Mr. Speaker, that if the Government had allowed the redistribution to take place, there would have been an extra seat in Newfoundland and Labrador. However, the Government insists that we continue to have seven ridings in Newfoundland and Labrador

and merely redefine the boundaries. I just wanted to make that one point. I hope all Members will agree with this legislation. I take my hat off to the Member for Grand Falls-White Bay-Labrador who has done such a magnificent job on behalf of Labrador over the years.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I agree with my hon. friend, the Member for Gander-Twillingate (Mr. Baker) who said that we ought to move quickly to pass this Bill and send it to a committee for further study. I would like to commend the Hon. Member for Churchill (Mr. Murphy) for bringing to the attention of the House an anomaly which ought to be corrected. Since redistribution is now under active consideration, this is an ideal time to do it.

I would like to say, by way of preface, that it was my privilege a number of years ago to travel with the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey) in the part of his constituency that is designated as Labrador. It was a never to be forgotten experience for me. The difficult aspects of moving from place to place along that coast are deeply imprinted in my mind. For example, I recall being weathered in for four days at a place called Marys Harbour. Being weathered in there was different from what I or the Hon. Member for Churchill are accustomed to. Being weathered in usually means that there is a low ceiling or fog which makes it difficult for aircraft to come in and pick up passengers. In the case of Labrador, we were weathered in because of the extraordinarily high winds. On a number of occasions the aircraft we were using took to the air but made no progress at all because of the strong head winds. We had to come back for another day of waiting. That illustrates the difficulty a Member of Parliament has in representing a constituency with those conditions which face him or her regularly.

● (1750)

I listened with great care to the Hon. Member for Etobicoke-Lakeshore (Mr. Boyer) in this debate because he is certainly the resident expert on matters related to redistribution and matters related to all electoral laws. I want to commend him very highly for the work he performed on behalf of all of us at a meeting of the Commonwealth Parliamentary Association earlier this year in Halifax to do a special study on problems related to electoral law. According to all reports that I have received, his contribution was outstanding.

The Hon. Member for Etobicoke-Lakeshore was absolutely correct when he said that the way in which the House of Commons represents a country cannot simply be a numbers fame that is arrived at by the use of a computer. The House of Commons must reflect, as accurately as possible, the nature and reality of our nation. This cannot be done by simply allowing representation by population to be the one and only guiding principle. We know this because we have already taken a number of steps with legislation in the past in order that more accurate or fairer representation could be given. For example, I draw to the attention of the House the fact that a few years ago we decided to introduce legislation allowing the Northwest Territories to have a second seat. It simply was not realistic to have one constituency that included the western Arctic and all of the eastern Arctic. It made no sense at all. Therefore, the Northwest Territories is represented by two Members of Parliament. It would be unthinkable not to have the Yukon Territory represented. How would the House or Parliament ever be what it is if we did not have representation from the Yukon Territory? The Hon. Member for Churchill tells us that there is an anomaly in Labrador. I agree and I think we should move to correct it by the adoption of Bill C-228.

In concluding, I want to remind the House that my hon. friend, the Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) has been giving serious consideration to a Bill that would allow the aboriginal people in northern Quebec, those people who come under the James Bay and Northern Quebec Agreement, to have representation in the House. They are the Cree of northern Quebec, the Naskapis people of northern Quebec and the Inuit. There should be a seat in the House of Commons in order to represent those people who in fact live under a treaty which we ratified in the House and which puts them into regular contact with the Government of Canada. They have no spokesperson of their own and I would support that Bill from the Hon. Member for Notre-Dame-de-Grâce-Lachine East in the same way that I can support this Bill by the Hon. Member for Churchill. In the same vein, there is a situation in northern Ontario which I believe would justify a seat under exactly the same principle. The Nishnawbe-Aski nation, which lives north of 50 degrees and occupies a territory which stretches from the Quebec border almost to the Manitoba border, do not have their own spokesperson in the House of Commons. It would make eminently good sense if that were a designated constituency for the purpose of representation in the House of Commons.

The Hon. Member for Etobicoke-Lakeshore was quite correct in drawing our attention to the Bill introduced by the Government, Bill C-74, which says that the Commission may, in extraordinary circumstances, depart from the 25 per cent more or 25 per cent less of the electoral quota for the province. Indeed, that does give the Boundary Commission powers an opportunity to respond to legitimate briefs and representations that they did not have before. Nevertheless, I still believe that we should follow the practice that we followed in the past in the case of the Northwest Territories and the Yukon, to provide legislation to give the Commission more direction and greater certainty. They could be told that although they have these powers under the Electoral Boundaries Readjustment Act, we believe that Labrador ought not be ignored, that the aboriginal people of northern Quebec ought not to be ignored and that the Indian people who are part of the Nishnawbe-Aski nation, the treaty nine configuration in northern Ontario, ought not to be ignored either.

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I appreciate the opportunity to participate in the debate on the Hon. Member's private Bill. Its essential purpose is to create a separate riding out of

Labrador. I appreciate the Hon. Member's concern for the people of that area and his proposal that that area of Canada should be made a separate riding on a geographical basis.

I listened with interest to other Members of the House who contributed to this debate. I want to make some specific and general comments. First, I believe that all of us could probably fight for different riding boundaries in different areas of the country, including those areas we now represent. However, the predicament in which we may find ourselves at the end of such a battle would be that we may have a House consisting of some 800 Members. While that may provide an opportunity for more one-on-one representation, the parliamentary process itself would be bogged down in terms of the number of people in the House. Where would we put these Members physically, and how would we support the cost of running the House of Commons financially? I suggest that we would soon find such an approach unworkable.

That does not mean for a moment that I do not understand the Hon. Member's argument that geographically, these people want a separate constituency. I also want to say that in my experience with the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey), he has proven to be a Member who pays attention to the House and does a good job for the people whom he represents. I do not believe that the Hon. Member who presented the Bill or any Hon. Member who spoke on this subject are, by any means, demeaning the contribution of the Hon. Member in trying to represent people from Labrador and Newfoundland. I do not want this debate to leave that impression.

The Hon. Member's suggestion raises some problems. If we were to adopt the principle of the Bill we would have to consider its effect on other ridings in the province.

The Acting Speaker (Mr. Charest): Order. I am always very sad to interrupt the Hon. Parliamentary Secretary but the time allocated for the consideration of Private Members' business has now expired.

● (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

TRADE—PROTECTIONIST MEASURES PROPOSED IN UNITED STATES CONGRESS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I wish to follow up on my question of October 29 concerning the proposed trade negotiations with the United States. My question on that day was to the Secretary of State for External Affairs (Mr. Clark) concerning the potential problem of trade protectionism in the United States.

We have been assured through the Prime Minister (Mr. Mulroney) that President Reagan would exercise his veto should extreme steps of protectionism arise in that country. The Secretary of State assured me of that.

Just going back a little, Mr. Speaker, on September 26, the Minister for International Trade (Mr. Kelleher) recommended to the Government that Canada begin trade negotiations with the United States at the earliest possible moment. Subsequent to that, the Prime Minister announced in this House that we would be sitting down with our ally, the United States of America, to begin the process of trade negotiations.

I would like to highlight the four steps involved in the process with the U.S. The first one we have already covered, that it is really the Minister for International Trade and the U.S. trade representative who submit their reports in accordance with the Quebec trade declaration.

Second, Congress has authority over tariffs. The administration cannot seek negotiating authority from Congress until it receives a proposal for trade negotiations from another country. That is the step we have taken.

Third, a formal proposal is required by letter from either the Prime Minister or the Minister for International Trade expressing our willingness to enter into negotiations of a trade agreement which would include tariff reductions.

Fourth, the administration sends the request for negotiations to Congress, which has 60 calendar days to consider the request. If Congress does not disapprove within this period, the administration may proceed to negotiations. There is no time limit in which the negotiations must be completed. That process has now begun.

I had the privilege to serve as an alternate on the special joint committee of the House of Commons and Senate on the subject of trade enhancement with the U.S. this past summer. We heard witnesses in Halifax, Montreal and in Toronto. Clearly, there are a number of concerns about this important topic. It may well be one of the most important decisions this Government makes. I suggest we should approach it with vigour and optimism but also knowing that we are up against a major ally which has some serious trade problems. That is not to say we should take anything away from what we are trying to do.

May I highlight the four objectives the Government has in mind. They include: security of access, expanded access in the U.S., a stable North American trading system and an ordered and predictable system.

If the decision is made at a later date to enter into very specific negotiations, I am confident that would be done over a protracted period of time. The recent free trade agreement signed with Israel, for instance, is to be achieved over a 10 year period.

Let me highlight how important our trading relationship is with the United States.

• (1805)

From 1960, our exports to the United States accounted for 56 per cent of our total exports. In 1984 that figure had climbed to over 75 per cent. On the import side, 71 per cent of our total imports are from the United States. Exports, as a percentage of our GNP, have grown in a very favourable way from 12 per cent in 1960 to 25.8 per cent now. A full third of what we produce is exported. The export market accounts for two million jobs in the country. Over a 24-year period, some 474,000 manufacturing jobs have been created in Canada. All but a handful of those jobs can be attributed to export trade.

It is a very important topic, one which we need to approach carefully with our counterparts in the United States. Other trade regimes have been organized in the world. It is a different world out there. We must remain competitive. We cannot put our head in the sand and think that things are not happening. For example, the Japanese and the Koreans are very competitive. If we are to get to the Government's main thrust, which is economic renewal in the country, I submit that we need confidence and good judgment to approach the whole subject, in order to get the country moving on a long-term basis and to create much needed jobs.

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the Hon. Member for Don Valley East (Mr. Attewell) has raised a very important question for the future of Canada.

As indicated by the Secretary of State for External Affairs (Mr. Clark) to the House on October 29, President Reagan initially provided the Prime Minister (Mr. Mulroney) with a strong political commitment to halt protectionism in cross-border trade in goods and services during the Quebec Summit last March. This commitment, which was highlighted by both Leaders as a key element in a declaration on trade, reflects their intention to create a more secure, predictable environment for trade between the United States and Canada. That is very important.

As Hon. Members may recall, the declaration on trade made at Quebec also included commitments to adopt measures to enhance access to each other's market, as well as a reaffirmation by both countries of their commitment to a strong, multilateral trading system. In addition, I would note, as did the Secretary of State for External Affairs last week, that the commitment to oppose protectionist legislation was renewed two weeks ago when the two Leaders met in New York.

AGRICULTURE—SUGAR-BEET INDUSTRY—PLIGHT OF FARMERS. (B) REQUEST FOR STABILIZATION PAYMENT

Mr. Maurice Foster (Algoma): Mr. Speaker, I put a question to the Minister of Agriculture (Mr. Wise) on October 21 concerning the Government's intention regarding the sugar-beet industry in western Canada, especially in southern Alberta, where some 580 sugar-beet producers planted some 12,900 hectares in crop last year. It is a very important industry to southern Alberta. Some 550 jobs have been created in the plant operation at Taber. It is about a $170 million business. This is the first year in 60 years that a sugar-beet crop was not actually planted in southern Alberta. As I said, it is a very important industry to that part of the country.

The industry creates about $500 million worth of business across the country. Four times since 1976, the Government has made stabilization payments. In 1976, it was $1.3 million; in 1977 it was $1.1 million; in the crop year 1981 it was $5.9 million; and in the crop year 1982, it was $10.2 million.

• (1810)

In a letter written to me several months ago the Minister indicated that he did not think he would be able to provide any stabilization payments. However, he indicated in a later exchange in the House that he did not remember actually sending that letter to me, although I do have a copy of it.

What is important tonight is that the Government commit itself to two things in order to help the sugar beet producers. First, the Government should commit itself to a stabilization payment for the 1983 crop year, a payment which has been estimated to be somewhere between $15 million and $18 million. I undestand that the Minister has stood up the producers five times. There were meetings which he had agreed to attend at which he did not show up and there were meetings that were cancelled at the last minute. The Minister of State responsible for the Canadian Wheat Board (Mr. Mayer) indicated in a meeting that he had with the sugar producers in late July that he would have a long-term sugar policy made available by October. October has come and gone and still no commitment has been made.

If there is going to be a sugar-beet industry not only in southern Alberta but in Manitoba and Quebec, a commitment by the Government to a stabilization payment for the 1983 crop year must be made and the payment should be due and payable now. There is no problem with the retroactivity of the payment. It used to be a legal problem but that was resolved with the passage of the stabilization Bill earlier this year.

It is essential that this payment be made now. As well, it is essential that there be a long-term commitment to a sugar policy. That commitment was promised by the Minister of State responsible for the Canadian Wheat Board who has been dealing with this problem. It is essential that the Government commit itself to this important industry.

The sugar-beet industry produces some $500 million worth of products used by Canadian consumers. It involves almost 1,000 jobs across the country. it is a vital industry. This is the first year that there has not been a sugar-beet crop planted in some 60 years. I hope that the Government will be able to make a commitment tonight to make the stabilization payment for the 1983 crop year of $15 million to $18 million, depending upon the calculations, as well as making a commitment to a long-term policy that will ensure that the industry continues.

Surely those figures to which I referred earlier regarding stabilization payments from 1976 are relatively small amounts in the scheme of things. That kind of payment is well worth making to save an industry that is important to foreign exchange and to the livelihood of at least 580 sugar-beet

producers in southern Alberta. As well, there are sugar-beet producers in Quebec and Manitoba who will likewise be jeopardized if this stabilization payment is not made and a long-term commitment to a sugar policy is not announced immediately.

[*Translation*]

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I am glad to have an opportunity to answer the Hon. Member's question. First of all, I can say that I know quite a bit about the situation. At the end of last week, I personally met with sugar beet producers from Southern Alberta here on the Hill, outside the House. I have met with them several times in the course of the year, and I even met them in Alberta. The Government has, in fact, already taken a number of steps to help sugar beet producers.

● (1815)

[*English*]

I would like to take this opportunity to clarify the situation raised by the Hon. Member. He felt there were anomalies between the federal Government's treatment of the sugar-beet industry and Ontario tobacco growers. Several points must be taken into consideration in this regard.

In the first place, the Hon. Member is in error when he says that the Minister of Agriculture authorized a $90 million payment to the tobacco industry. No money changed hands. Through the Ontario Flue-cured Tobacco Growers' Marketing Board, the Department provided a loan guarantee so that individual growers could receive cash advances to cover their needs while they store and market their crops the winter months.

The guarantee is handled under the Advance Payments for Crops Act. This Act has been used by a wide range of producer groups since it was passed in 1977. Under this Act there is a $400 million contingency liability which guarantees advances made to producers through their marketing organizations. The marketing organization obtains a loan from a bank or another financial institution and then makes advance payments to its members. The federal Government guarantees the loan and pays the interest charges until the advances are repaid. I should mention that there are seldom defaults under this program. Some 99.9 per cent of advances are repaid.

The Tobacco Growers' Marketing Board has applied for this guarantee every year for the past five years. To date, there have been no defaults on advances made to tobacco growers. The sugar growers have never applied for assistance under this program. The sugar growers have requested a stabilization payment, that is, a support payment to compensate for the fact that the bottom has fallen out of the world sugar market and farmers are not receiving adequate returns on their sugar-beet crops.

[*Translation*]

Mr. Speaker, last April, the Government, announced an $8 million aid program—

Mr. Prud'homme: You are always reading from English texts prepared by the Department—

Mr. Blais: —If the Hon. Member for Saint-Denis (Mr. Prud'homme) had been present at the beginning of my speech, he would know that I mentioned I met them personally, and that I am acquainted with the entire process that concerns Canadian sugar beet producers—

Mr. Prud'homme: I was in the lobby— I was listening to you on television—

Mr. Blais: —We met them, as I said, we set up a program and we discussed with them—

The Acting Speaker (Mr. Charest): Order, please. I am sorry to have to interrupt your comments. The Hon. Member for Thunder Bay-Nipigon (Mr. Epp).

[*English*]

MARINE TRANSPORT—CONSTRUCTION OF FERRIES. (B) PLACEMENT OF ORDERS

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I appreciate the opportunity this evening to say something more about the situation in the shipbuilding industry which is of concern to many Canadians. I appreciate this opportunity particularly because I am the only opposition Member with a shipbuilding or ship repair facility in his riding. In my case it is the Port Arthur Shipbuilding Company.

I am concerned about the state of the industry nationally and I am concerned about the industry in my own riding. In my riding there is a great deal of anxiety among the workers of the Port Arthur Shipbuilding Company with respect to the lack of orders the company has received. The management of the company has pointed out to me the difficulties which they face when competition for repair work is so severe because of the relatively few orders coming to the shipbuilding yards across the country, specifically on the Great Lakes.

There is much reason for concern about the shipbuilding policy of the Government. I have had the opportunity to articulate some of those concerns. I must say that as days pass and the Government says nothing, makes no announcements, I become more and more concerned. After all, more than four months ago, on June 27, I asked the Minister of Regional Industrial Expansion (Mr. Stevens) whether or not he would wait months and months more to provide some answers to the needs of the shipbuilding industry. And he said in one word, "no". But four months have in fact passed and everyone in the industry, and we in the House of Commons, await a statement of policies to follow which would make a real difference.

● (1820)

I am, however, not addressing those general considerations so much as the particular question of the addition of vessels to the fleet of CN Marine in the Gulf of St. Lawrence. I address that particular matter for a couple of reasons; first, because of

the fact that Government Orders are of enormous importance to the industry, given a lack of appropriate policy and, second, because as *La Presse* has pointed out just in the last day or two, there are in fact fewer vessels under construction in the shipyards these days than there are shipyards in existence. That underscores the fact that when Government does nothing in the way of commercial orders, it becomes imperative that the possibility of public orders, Government contracts of various sorts which now provide some business, remains a possibility.

What we quite specifically have for our focus is a statement by the Minister of Transport (Mr. Mazankowski) which was made almost a year ago. I am going to read that statement because it is quite central to our concern, and I quote from *Hansard*, page 217:

> Mr. Speaker, in answer to the Hon. Member's question, it really is a twofold proposition. There will be a rationalization of the Gulf ferry services and the coastal ferry services. As a matter of fact, there will be an additional three new vessels on the Gulf service and one new vessel on the Newfoundland-Labrador coastal service. These vessels will be of the latest state of the art; they will be faster, they will be larger, and they will provide more flexibility and more reliable service. Not only that, this will have a tremendous impact upon the shipbuilding industry and, therefore, will create jobs.

That statement on November 14, 1984, is of enormous importance to people in the industry. When reports surfaced last week that CN Marine might in fact be allowed to import a vessel rather than ordering and having built in Canada a state of the art vessel, I had real reason to raise questions in the House. The Minister's answers were not satisfactory. They were in fact cause for the gravest concern.

In 1979, may I remind you, Mr. Speaker, and Hon. Members of the House, the Conservatives had achieved power and came to office on the basis of many promises, including the promise to build up the shipping industry, to encourage it. It allowed CN Marine very soon thereafter to obtain from Scandinavia two vessels on long-term lease, and by that action prevented the opportunity for construction of these vessels in Canada. At the moment the shipbuilding firm of Versatile Davie in Lauzon, Quebec is near completion of the *Caribou*. That is one addition to the CN Marine fleet.

The question is will the promise of the Minister of Transport on November 14, 1984, that another such vessel would be built in Canada, be kept? The Minister's statements a week ago today were anything but reassuring. In fact, there was enough cause for concern that one of his colleagues, the Hon. Member for Lévis (Mr. Fontaine), presented a report to him on the following day, Wednesday, which pointed out that the cost advantages which CN Marine was putting forward with respect to a vessel from Scandinavia were largely elusory. If one takes a purchase price, of, let us say, $40 million and converts it into U.S. dollars, then puts a duty of 25 per cent on that, then applies the refitting effort which would be required to bring the vessel to scratch, whether it was done outside or within Canada, one would in fact end up with a vessel cost of perhaps $110 million in Canadian dollars. Versatile Davie is completing construction of the *Caribou*, I am told, at the price of about $117 million. So the difference is very small.

You can appreciate, Mr. Speaker, that the construction of the vessel at Versatile Davie would create 2,000 person years of work so that 50 per cent of that cost is likely to go for wages and an additional very large amount of money to Canadian suppliers of materials and so on. We can see that the impact on the economy of the Quebec City area, and of suppliers beyond that, and the return to Government in the way of income tax and corporation taxes, would be quite sufficient. On the other hand, if the work is not there, we are going to see people on unemployment insurance and the Government will be forced to incur other costs while CN Marine tries to get away with saving a little.

• (1825)

The question is then: Is the Government going to keep its promise? Is the Minister of Transport going to stand by his words of November, 1984? I look forward to a response from the Parliamentary Secretary who I know has the interests of shipbuilding very deep at heart. What will the Government do?

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the Hon. Member's comments are appropriate and reflect a genuine concern. I assure him that those concerns are shares by this Government.

The Government is aware of its responsibility to provide good and efficient ferry services at a reasonable, efficient and effective cost. To this end the motor vessel *Caribou*, constructed at Davie shipbuilding, Lauzon, Quebec, will operate on the North Sydney to Port-aux-Basques ferry service. This vessel, built at a cost of $121 million, has a capacity of 350 automobiles and 1,200 passengers, and is expected to commence service in early 1986. As well, a new passenger-freight vessel is under construction at the Port Weller dry docks in St. Catherines for the Newfoundland and Labrador coastal service. The vessel, built at a cost of $20 million, will have a capacity of 130 passengers and will replace the aging motor vessel *Bonavista* which has served now for some 28 years.

Both these projects give work to Canadian workers, using Canadian materials in Canadian shipyards. The motor vessel *Caribou* was the first phase of the rationalization of the Gulf ferry services undertaken by CN Marine. The new service will consist of the motor vessel *Caribou*, a roll-on-roll-off vessel which will be assigned to carry containers, and a new passenger vessel for the North Sydney-Argentia service. The latter ship will replace the motor vessel *Ambrose Shea* and be similar to the *Caribou* but with additional passenger cabins.

The Minister of Transport (Mr. Mazankowski) informed the Hon. Member, in response to his question of October 29, that methods of acquisition of the roll-on-roll-off vessel and the second passenger vessel are under consideration by CN Marine at this time.

In reply to the Hon. Member for Lévis (Mr. Fontaine), on a similar question on October 31, the Minister gave his assurance that the report sent to him by this new yet very knowl-

edgeable Member would be taken into very serious consideration during the course of these evaluations.

We remain vitally concerned about our Canadian shipyards. If it were not for Government orders, our shipyards, already in serious difficulties, would be in dire difficulties.

[*Translation*]

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

The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.28 p.m.

HOUSE OF COMMONS

Wednesday, November 6, 1985

The House met at 2 p.m.

● (1405)

STATEMENTS PURSUANT TO S.O. 22

[*English*]

ENVIRONMENTAL AFFAIRS

BUDGETARY CUT-BACKS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, one year ago almost to the day the Government decided to cut useful and important services. In the case of the environment the Government slashed, without consideration of long-term consequences, $3.8 million from the Canadian Wildlife Service, a 27 per cent reduction in the strength of the service which has a national and international reputation for outstanding research and activities. Some 72 highly qualified scientists, technicians and the like have been lost. A unique federal role has disappeared including, despite denials, the research into herring gull eggs and toxicity in the Great Lakes.

Some $18.7 million has been cut from the Parks Canada budget. Planned developments have been postponed, delayed, or made conditional upon funding by way of public drives; marine park announcements have been postponed; future planning has been curtailed; user fees have been increased; amendments approved by the Liberal Government have been delayed; and northern parks and wilderness area announcements have been postponed.

Some $6 million for a toxicology centre at Guelph has been cut. Forgone is the opportunity to establish a centre of excellence for North America which would attract top quality scientists, including Canadians presently working abroad. A brain drain of emerging Canadian scientists is therefore at stake.

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

* * *

APARTHEID

SOUTH AFRICA—GOVERNMENT BAN ON NEWS PHOTOGRAPHY

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, the Botha Government has decided that if television and photo reporting of demonstrations, funerals, and brutal police behaviour is banned in South Africa, we in the West will believe that they no longer exist. Mr. Botha's desire to do his killing behind closed doors is a clear indication that the Government of South Africa does not intend to introduce significant reform to end apartheid and bring about democratic rule in that country.

Yesterday the Pretoria Government seized clergyman Allan Boesak's passport just hours after a court ruled it should be returned to him. This demonstration of contempt for the courts and the rule of law is one more indication that that anti-democratic Government has no intention of working toward reform in that country.

Surely a Government which denies its citizens fundamental human rights and hides its terrorist tactics from the world should be shut off from the world through the termination of all diplomatic relations.

* * *

CRIME PREVENTION WEEK

CITIZENS' CONTRIBUTIONS TO LAW ENFORCEMENT

Mr. Jim Jepson (London East): Mr. Speaker, during Crime Prevention Week people across the country take time to highlight special measures which can be used in each community, by the citizens themselves, to assist professional law enforcement officers in crime prevention.

In the last five years we have seen the aggregate crime rate gradually start to subside. This is due, in large part, to increased public consciousness with regard to a community's intolerance of criminal activity. Programs such as Block Parents, Neighbourhood Watch, Crime Stoppers, and Crime Prevention Week are excellent examples of how citizens can take part in creating safer neighbourhoods.

Preventive measures are only one part of our criminal justice system and must be complemented by effective enforcement, prosecution, and rehabilitation facilities. Canadians are taking preventive steps to help themselves from becoming victims of crime. It is our responsibility, as legislators, to see that the other parts of the system function effectively.

We must ensure that our courts can use effectively designed legislation to defend community safety and private property. In recent times our system has elevated the protection of individual rights, particularly of the accused, far above the emphasis on responsible behaviour. This trend will have to be reversed through tough but just enforcement and a penal system which places equal emphasis on justice, the rights of victims, and positive rehabilitation based on responsibility and self-reliance. If these goals are pursued, then the efforts of our

citizens in Crime Prevention Week will be all the more worth while.

* * *

ABORIGINAL PEOPLES

INUIT POLITICAL AND CULTURAL SURVIVAL

Mr. Thomas Suluk (Nunatsiaq): Mr. Speaker, this fall the Canadian Government in its strong show of Arctic sovereignty indicated to northern residents that the true North will once again be made strong and free. I would like to take this opportunity to assure the Members of the House and all Canadians that the Inuit have always had a strong history of political and cultural survival.

On the political front we are on the verge of taking over the terrified territorial Government through division of the Northwest Territories. Aboriginal rights and land claims are also close to being completed.

Current Inuit cultural endeavours include over eight hours of daily radio broadcasting in Inuktitut across eastern and central Arctic regions. These programs cover everything from current issues to stories featuring past traditions. In fact the national news is read in Inuktitut daily. Television broadcasts produced by the Inuit Broadcasting Corporation offer similar programs of interest which link Inuit with their historical roots as well as the current affairs of the day.

On behalf of all Inuit I would like to make it known that we are not an endangered species. Because of our presence the true North is strong and free, and will remain so for the next several hundred years.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

PUBLIC SERVICE

GOVERNMENT'S ATTITUDE TOWARD ITS EMPLOYEES

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, the Government's attitude towards Public Service employees is altogether unacceptable. Ever since it came into office the Government has been responsible for the lay-offs of thousands of public servants, and it intends to proceed with the elimination of many other jobs over the next few years without any due consideration for the services rendered to the Canadian public by these loyal and devoted employees.

The Conservatives are trying to reduce the deficit at the expense of public servants, yet they squander taxpayers' money as a result of their ill-advised decisions respecting the banks—this will cost over $1 billion—not to mention certain Ministers' abuses to refurbish their offices, grossly inflated salaries paid to their executive assistants, limousines and other such excessive expenditures by the Conservative Party.

Public servants have never been so demoralized, Mr. Speaker, almost as much as House employees are right now. The Prime Minister had promised to provide public servants with the tools required to boost productivity. By letting the sword of Damocles hang over their heads, does he really expect to maintain good relations between his Government and Public Service employees? It is unfair, Mr. Speaker, and the Prime Minister should make amends to Canadians and public servants for having deluded them in the past.

* * *

[*English*]

THE SENATE

HOURLY WAGE RATE ADVOCATED

Mr. Rod Murphy (Churchill): Mr. Speaker, the Government claims it is always looking for ways of cutting Government costs and has asked opposition Members to give their suggestions. I have an idea which I am sure all Members, especially the Minister of Finance (Mr. Wilson) and the President of the Treasury Board (Mr. de Cotret), will find very hard to resist implementing.

Research I have done into the length of time the Senate sits to debate legislation which has already been passed by the House of Commons clearly casts serious doubts on the Senate's role of sober second thought.

• (1410)

This October presents a particularly good example of how cost effective my idea is, as well as how inefficient the present Senate is, given the cost associated with its operation. During the whole month of October the Senate sat for only 10 hours and 10 minutes. Taking into account the total Senate budget, this works out to approximately $22,277 per Senator for a 10-hour work month.

Given the Government's preference for contracting out work, I would suggest that it makes sense to go one step further and contract out the Senate. It makes even greater sense to pay those people at an hourly wage rate.

* * *

[*Translation*]

PEACE

FORTIETH ANNIVERSARY OF UNITED NATIONS ORGANIZATION

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, a few days ago, I had the pleasure of tabling a petition in the House on behalf of a group of children, and I am referring to the pupils of the Treffle-Gauthier primary school in Jonquière.

Mr. Speaker, on the 40th anniversary of the UN, these children gave me a message of peace which they asked me to transmit to this House.

All these children, who are between 6 and 12 years old, heard from their teachers about the importance of the United Nations Organization and its difficult mission in the world today.

Mr. Speaker, the message, which was handed to me by Magalie Brière on behalf and in the presence of all the pupils of her school, is as follows:

We address this letter to you, the leaders of our country, to express our sadness and our concern about peace in this world. We may be very young, but we believe that everyone has the right to live, and to live an increasingly better life. We want peace and brotherhood to be present everywhere in this world. We are sincere in making this gesture and we believe it is an important one. We firmly believe in your desire and commitment to take concrete action so that our desire for peace will become a reality throughout the world. We ask you to continue to encourage every effort being made in the pursuit of this ideal.

Signed: We, the boys and girls of Trefflé-Gauthier School, October 24, 1985. Mr. Speaker, this document was handed to me before the assembled pupils of this school, in a very original way, because the message was published in a—

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

* * *

[*English*]

MINES AND MINING

CYPRUS ANVIL MINE—IMPACT OF REOPENING ON NORTHERN NEW BRUNSWICK

Mr. Albert Girard (Restigouche): Mr. Speaker, I would like to speak today about the decision to reopen the Cyprus Anvil Mine. We in northern New Brunswick are asking the Government to reconsider that decision. There are presently 200,000 metric tones of over-produced zinc in the world, and this is after a 10 per cent cut by Inco and Noranda, plus the closure of several Canadian mines.

The most recent annual Mines Department market forecast predicted that this over-capacity in zinc production would continue at least until the end of the decade and prices will stay depressed. It said the industry would have to keep supply and demand in tight balance in order to be competitive. The estimated 300,000 metric tonnes which will be produced by the Cyprus Anvil Mine will create havoc in an already saturated market.

There are 2,300 people employed in the zinc-lead industry in northern New Brunswick. The reopening of the Cyprus Anvil Mine will only cause job losses in an area which is already recognized as a very economically depressed area of Canada. The economic impact of any loss of jobs would be devastating to a region which already has a 30 per cent unemployment rate.

I realize that the Yukon has a very high unemployment rate as well, but I think it would be a more well received decision to delay the reopening of the Cyprus Anvil Mine until the zinc market improves.

[*Translation*]

THE FAMILY

SOCIAL MEASURES—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I would like to remind the Members of this House, and especially the Conservative Members, of commitments made by the Right Hon. Prime Minister (Mr. Mulroney) and his Government to our Canadian families.

First of all, on November 5, and I quote: "My Government has as a high priority measures to support and strengthen the Canadian family, which is the conerstone of our society."

On November 15, the Minister of National Health and Welfare (Mr. Epp) said: "It is my role as Minister of National Health and Welfare to put forward signals and initiatives which will strengthen the role of the family and give it more prominence in society than I feel it has been given before."

In his Christmas message on December 22, 1984, the Prime Minister said: "The family unit must remain the cornerstone of our society."

And when his fourth child was born, the Prime Minister declared that the family was the most beautiful thing in the world.

Mr. Speaker, I would invite all the Conservative Members of this House to remind the Prime Minister of these words, since he has cut $55 million, over two years, from support programs of low-income families. The only family that has been able to benefit from the largesse of this Government is the Reichmann family, which received a present of $600 million from the Conservative Government.

Mr. Speaker, in concluding, I may point out to the House that my former colleague from Verdun is with us today.

• (1415)

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—CULTURAL INDUSTRIES

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, in the absence of the Prime Minister and the Secretary of State for External Affairs, both no doubt now visiting Florida, I will direct my question to the Deputy Prime Minister.

Once again we have another example of confusion and contradiction in the Government in its handling of a very vital trade issue. In particular, the Secretary of State for External Affairs yesterday displayed a deplorable lack of understanding of the situation when he claimed the reason we were going to

bargain with our cultural industries was to gain greater access to the U.S. market when, indeed, we already have full and open access to that market. The Canadian Publishing Association said that statement was full of nonsense.

What I want to know from the Deputy Prime Minister is the real purpose behind putting our cultural industries on the bargaining table. Is this the pre-condition that Mr. Shultz told the Secretary of State that the Americans will demand in order to go ahead with the talks? Is that the real reason we are sacrificing our cultural industries at the negotiating table?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I totally reject the twisted and distorted interpretation which the Hon. Member, not just on this occasion but on past occasions, has attempted to put on the words of the Prime Minister and other Ministers in addressing issues. The Prime Minister very clearly said yesterday, and I quote from page 8364 of *Hansard:*

> What I did tell them was that—I repeated my statement of September 26—our political sovereignty, our system of social programs, our commitment to fight regional disparities, our unique cultural identity and our special linguistic character are the essence of Canada. They are not at issue in these negotiations.

Surely nothing could be clearer to any simple-minded person in this House of Commons.

GOVERNMENT POLICY

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I can think of no Minister who better exemplifies what it is to be simple-midned. What he simply demonstrates by that response is that there is a complete repudiation, in the statement of the Prime Minister, of the Secretary of State for External Affairs. That is what we want to know. Who is speaking for the Government? Is the Government prepared to have our cultural industries placed on the negotiating table with the Americans, or are we to listen to the general polemics of the Prime Minister? What is the Government intending to do in this vital area?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, what is so difficult to understand? What is so polemic about a statement which stipulates that our political sovereignty, our system of social programs, our commitment to fight regional disparities, our unique cultural identity and our special linguistic character are the essence of Canada? Is that too complicated for the Hon. Member to understand?

Some Hon. Members: Yes!

Mr. Nielsen: They are not at issue in these negotiations. Is that so difficult for the Hon. Member to understand?

FILM AND BOOK PUBLISHING INDUSTRIES

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I would simply turn the question back to the Deputy Prime Minister. Is it so difficult for him to understand that the Secretary of State for External Affairs has clearly indicated that he intends to have as part of the negotiations our film and book publishing industries? Are they not part of our cultural integrity and sovereignty? Who is speaking for the Government? Obviously the Secretary of State is being repudiated by the Deputy Prime Minister. The Canadian people have a right to know, and it is up to the Government to stop keeping us in the dark.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, that is an utter crock of rhubarb, and the Hon. Member knows it.

Some Hon. Members: Hear, hear!

Mr. Nielsen: The Secretary of State said no such thing and the Hon. Member should not try to distort to the extent that he does.

• (1420)

[*Translation*]

CANADIAN SOVEREIGNTY—TERRITORIAL WATERS—GOVERNMENT POSITION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I have a question for the Deputy Prime Minister.

Yesterday, during oral question period, the Secretary of State for External Affairs referred several times to what happened in the North this summer. The Americans violated our territorial waters, and now the Government has decided to act.

Is this the Government's policy today? Can the Minister of National Defence give the House the assurance that next summer, if the Americans again sail into our territorial waters, the Government will act before our territory is violated instead of after the fact?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): The hon. gentleman and the Government of which he was a part had something in the order of 16 years to ponder that question, and did nothing. We have acted.

Mr. Chrétien: Mr. Speaker, I will tell the Deputy Prime Minister that we passed the Act in 1970. We were never insulted by the American Government when we were in government as the present Government has been with regard to the Canadian north.

EFFECT OF NEGOTIATIONS ON ARTISTS AND AUTHORS

Hon. Jean Chrétien (Saint-Maurice): Is the Government going to follow the same policy in the cultural field? Will the Government act after our publishing and film industries have disappeared and Canadian artists and authors have to beg for work in the United States, as it did in the case of the North last summer?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Sir, I recognize that we have a newcomer into the field of the arts.

Mr. Chrétien: A very successful one.

Mr. Nielsen: I say that "from the heart" to the hon. gentleman. I can assure him that the answer to his question is plain. I have read it and re-read it for the benefit of his more simple-minded colleague. I am sure that he will better understand it given his artistic and discerning talents.

* * *

FINANCE

REPORTED SYNCRUDE TAX REMISSIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Finance. Last week we learned from the Auditor General that Dome Petroleum gained about $1 billion at the expense of other taxpayers in the form of a tax remission. While the Minister has been trying to make up his mind on whether Canadians should be informed about such tax remissions on a regular basis, I have learned that Syncrude has also benefited from tax remissions to the extent of hundreds of millions of dollars. Will the Minister confirm that so far Syncrude has in fact gained upwards of about $200 million in tax remissions?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I will correct what the Hon. Member said in his preamble because, although I am sure not purposely, he has misled the House. He said that Dome Petroleum has gained. If I may remind him, Dome Petroleum would have gone bankrupt had this remission order not been given. Therefore, it is not that Dome Petroleum has gained, it is that the Government has gained by allowing Dome some relief in order that it can stay in business, keep people employed, keep the energy service industry alive and active in western Canada and continue to provide tax dollars to the Government. Therefore, the Government has gained from that remission order.

In relation to the Syncrude order that he spoke about, I will have to clarify the details before responding to that question.

REQUEST FOR REGULAR PUBLICATION OF TAX REMISSION ORDERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I hope the Minister will look into it. It is our caculation that Syncrude has gained up to $200 million so far. This particular remission goes on until the year 2003 and the net cost to other Canadian taxpayers will be in the neighbourhood of $1 billion. Therefore, does the Minister not think it entirely appropriate to decide now that information on such costs to taxpayers who foot the bill ought to be made available on a regular basis to those taxpayers?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as I said, I do want to clarify my understanding and recollection of what the Hon. Member has raised before I comment on it. My immediate response would be that he is excessive in the numbers he has used but I will not comment further without clarifying them myself.

• (1425)

I have said in response to his question last week that I would consider that, and I am carefully considering it now. There are certain aspects of confidentiality as it relates to individuals who receive the benefit of tax remission orders. As I indicated yesterday, there are hundreds of these during the course of the year. I want to clarify that before I make a decision.

TAXPAYERS' RIGHT TO KNOW

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Government in its wisdom has now increased taxes for ordinary taxpayers across the country to the extent of hundreds of dollars and up to a thousand dollars per average family. When taxpayers are paying the bill, as they would in tax allocations and tax benefits to Dome and Syncrude, will the Minister tell us why he must consider this any longer? Why can he not make a commitment to taxpayers of Canada now that when they are paying the bill they have a right to know who is getting that money?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, this is about the fourth or fifth time that I have responded to this question. I think the people of Canada would not want me to make a snap judgment on the floor of the House of Commons but to consider the implications of this, which is something that is quite far-reaching in relation to past practice. I want to consider it carefully before making a judgment.

Let me remind the Hon. Member that we are in no way hesitant to take action where action is needed. We cut out the SRTCs. We cut out limited partnerships where it was inappropriate. We cut out carve-outs, and we cut out income splitting. We put on a surtax for upper-income Canadians and we will establish a minimum tax effective January 1. That is action for which I think the Hon. Member should be applauding us.

* * *

CANADIAN BROADCASTING CORPORATION

SIZE OF GOVERNMENT FUNDING

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is directed to the Acting Minister of Communications. Yesterday the Secretary of State for External Affairs indicated that his Government plans to protect our cultural institutions, if not our cultural industries. Last night we heard a cry from the heart from Mr. Juneau, the man after whom we named our Canadian music awards. He says that our Canadian culture, through our national instrument of the CBC, will be destroyed if the Government proceeds with its savaging cuts

to its budget. How can Canadians be expected to believe that the Government is serious about protecting our Canadian identity?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I have seen the same reports and I fail to see how expenditures of $846.8 million in taxpayers' money in this fiscal year, and, I believe, $825.8 million last year, can be in any way described as destructive of the CBC.

Mrs. Finestone: I don't know whether we will have any Canadian industries left as a result of the way you are speaking and whether we will have any cultural identity left.

REQUEST FOR RECONSIDERATION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, will the Minister take Mr. Juneau seriously, go back to the drawing board and reconsider his program so that our cultural identity can be reflected through a proper communicating mechanism?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I do not know where the hon. lady comes from, but—

Mrs. Finestone: Mount Royal.

Mr. Nielsen: I know the riding of the Hon. Member. But where I come from, $850 million does mean something.

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FINANCE

REPORTED SYNCRUDE TAX REMISSION

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Minister of Finance. On February 13, 1981, I asked the Minister of Finance of that day, Mr. MacEachen, how the Government would pay for the take-over of Petrofina by Petro-Canada. The present Minister of Finance is aware of this because he was the Conservative energy critic when I asked that question. I am still waiting for the answer, as is the Auditor General.

Given the facts raised by my Leader today about Syncrude and its getting tax remissions from 1978 to the year 2002, would the Minister of Finance undertake to come back to the House after the break with the particular figures of how much Syncrude will benefit from those tax remissions?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as I said, I do not give snap answers on the floor of the House of Commons on matters about which I must make a careful study before giving an answer. I have indicated to his Leader that I would look into the problem. Surely that is good enough for now. If he wants to pose the question on November 18, maybe I will have a different answer.

• (1430)

AUDITOR GENERAL

ACCESS TO PETROFINA ACQUISITION DOCUMENTS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, given that both the Minister of Finance and the Minister of Justice, the Attorney General of Canada, used to be in opposition and appreciate the difficulty of Opposition Members getting answers to these questions, will the Minister of Justice now tell the House that he is prepared to go along with the views of the Auditor General, the servant of Parliament, who says he will not abuse his authority if the Government does not appeal the decision of Mr. Justice Jerome, and give some access to those Government documents in the Petrofina case?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have no hesitation repeating that if there is no appeal of that judgment, we will certainly co-operate with the effect of the judgment—

Mr. Broadbent: I guess you have to.

Mr. Crosbie: —and with the Auditor General, whether we have to or not. The Hon. Leader of the NDP would not know whether we have to or not—

Mr. Broadbent: Brr, brr!

Some Hon. Members: Oh, oh!

Mr. Crosbie: There is living proof of the imbecility of the Leader of the NDP.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

THE CABINET

GUIDELINES FOR MINISTERIAL TRIPS OUTSIDE CANADA

Hon. André Ouellet (Papineau): Mr. Speaker, we now know what the Prime Minister forgot yesterday, namely that there are guidelines for authorizations for travel abroad by Ministers. I would like to ask the Deputy Prime Minister, and to refresh his memory, I would like to quote from a letter sent by the Minister of State (Transport) to her colleague at External Affairs:

"In accordance with the guidelines contained in the Prime Minister's letter of January 14 concerning authorizations for travel abroad by Ministers, please find enclosed a copy of the letter I sent to Mr. MacAdam".

Are these guidelines and in this letter dated January 14, 1985, going to be published, and is the Government going to explain what role, mandate and authority Mr. Pat MacAdam was given with respect to the approval of these trips?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman, I am sure knows that the prerogative for setting the guidelines for the use of aircraft by Members of Parliament, DND aircraft that is, is a prerogative of the Minister of National Defence. Those guidelines are completed and hopefully will be tabled before we break.

With respect to the guidelines concerning the use of administrative aircraft by Ministers and others entitled, such as the Governor General and senior officials and so on, they are almost complete. The Hon. Member knows that that is a Prime Ministerial prerogative. They should be ready for tabling, if not before the break, shortly thereafter.

[*Translation*]

MINISTER'S TRAVEL EXPENSES—GOVERNMENT POSITION

Hon. André Ouellet (Papineau): I have a supplementary, Mr. Speaker. Every time we put an embarrassing question to the Government, the Minister or Prime Minister fails to answer the question. The Prime Minister did this yesterday, and the Deputy Prime Minister, unless he misunderstood my question, certainly did not answer the question I put to him.

Is the Deputy Prime Minister prepared to admit that a number of his colleagues have a tendency towards undue expenditure of public funds, especially the former Minister of Communications, the Minister of National Health and Welfare and now the Minister of State (Immigration), whose behaviour in this respect is well known? Is the Deputy Prime Minister going to ask these Ministers who mix personal travel and pleasure trips with their official business, to restore the funds in question to the public purse?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I do not at all accept that rather enlarged preamble of the Member, Mr. Speaker. He should certainly be the last one to be speaking as a member of a former Government that had three Cabinet Ministers arrive on three separate Government aircraft in the town of his seatmate in one day.

An Hon. Member: Within an hour.

Some Hon. Members: Oh, oh!

Mr. Nielsen: I think that is right, I think within an hour of each other. I can assure the Hon. Member though, that travel, in terms of the number of trips by members of this Government as compared with the last, of which he was a member, is down 34 per cent. The number of hours flown on aircraft used by members of this Government as compared with the last Government over the past year is down 27 per cent.

Some Hon. Members: Hear, hear!

NATIONAL PARKS

PROPOSED ESTABLISHMENT OF SOUTH MORESBY NATIONAL PARK

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I have a question for the Hon. Minister of the Environment. He will know that all three Parties in this House support national park status for South Moresby, that the B.C. Government supports it, and there is a national consensus that that area become a national park. Has the Minister any plans to take any action or make any proposals that might head off what is a totally unnecessary confrontation, given the fact that everyone agrees some day that area should be a national park, and soon?

An Hon. Member: Does Jim Fulton agree?

Mr. Fulton: Yes.

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member is right in saying that there is a broadly based consensus in favour of the establishment of a national park in South Moresby. The question, however, is what part of South Moresby should be so designated, whether it should be the entire island or something less. I will say this though. The federal Government is totally committed to the principle of the establishment of a national park covering whatever territory in South Moresby. The prior decision has to be made by the Government of British Columbia and the poeple in that province because it is B.C. Crown land.

Having said that, I can tell the Hon. Member that the federal Government is prepared to do everything possible, including the creative use of public funds to bring about a national park, and I seek the co-operation of the Hon. Member and his Party in that regard.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Good.

CREATIVE USE OF PUBLIC FUNDS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, could the Minister elaborate for us what he means by the creative use of public funds, and give us an idea of what he has in mind to avoid confrontation so that we could have the opportunity of supporting a more concrete proposal?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, there are various legitimate interests to be accommodated in this case, certainly those of the Haida Indians, the logging company, Western Forest Products Limited, and its employees.

I am led to believe that there is some openness, if not a commitment, on the part of the company in question at least to consider the possibility of the federal Government and the Government of British Columbia linking arms to buy out some of the timber rights, the legitimate three licences. I would think that the employees themselves, in other words, those who

actually do the logging, should be accommodated in some fashion.

If that is agreeable to the company and to the Government of British Columbia, it is certainly agreeable to me.

Mr. Broadbent: Good answer.

Some Hon. Members: Hear, hear!

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GOVERNMENT EXPENDITURES

FORMER ENVIRONMENT MINISTER'S LIMOUSINE EXPENSES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Minister of the Environment. It continues to pursue the habits of his well travelled colleague, the Minister of State for Transport.

After Easter in Paris, the former Minister flew to Stockholm, Sweden, where she spent a half day at meetings, attended a cocktail party, a lunch, and a ballet.

Does the Minister agree, according to documents obtained through the Access to Information Act, that the limousine expense of $1,412.35 for a half a day's work, the ballet, and three days vacation, should be paid by the taxpayers?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member has based her question on information obtained yesterday or the day before through the Freedom of Information route.

Since that time I have made available to the media, to her Leader and to other Leaders in the House, a reconstructed schedule of the activities—

Some Hon. Members: Oh, oh!

An Hon. Member: Reconstructed? How about invented?

Mr. Riis: You were doing so well, Tom.

Mr. McMillan: —the now Minister—

Mr. Speaker: Order, please.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

• (1440)

Mr. McMillan: Much of the controversy is based on the very skeletal schedule, which was—

An Hon. Member: It was skeletal, all right.

Mr. McMillan: —the official agenda of the then Minister of the Environment. I had put together, based on what information has been made available to me by my Department and by the Minister herself, all information surrounding the many activities in which she was engaged during the trip in question—

Mr. Axworthy: Shopping, movies, and so on.

Mr. McMillan: —that were not reflected in the original agenda. I suggest that the Hon. Member go back to the drawing-board and rephrase her question on the basis of more up to date information.

HEALTH MINISTER'S LIMOUSINE BILL

Ms. Sheila Copps (Hamilton East): Yes, Mr. Speaker, I certainly will rephrase my question. How can the Minister justify a four-day Swedish junket at taxpayers' expense by the Minister of State for Transport at the same time as the Minister of National Health and Welfare, who was in Sweden to sign the Canadian-Swedish agreement on social security, incurred a total limousine bill of $113, in contrast to the $1,412 limousine bill of the Minister of State for Transport? Can he justify that?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker—

Mr. Broadbent: Jake is in trouble now.

An Hon. Member: Cheap Jake!

Mr. McMillan: —the Hon. Member has referred to a very busy schedule of official Government business—

Mr. Ouellet: Where?

Mr. McMillan: —of the Hon. Minister of State for Transport, the former Minister of the Environment, as a junket, when in fact her trip included bilateral meetings, multilateral meetings, international signings—

Some Hon. Members: Oh, oh!

Mr. McMillan: —informal discussions, environmental briefings and—

Some Hon. Members: Oh, oh!

Mr. McMillan: —tours of environment-related plants in Sweden, in Paris, and elsewhere. I suggest to her—

Some Hon. Members: More, more!

Mr. Speaker: Order, please.

Mr. Fulton: Well done, Tom.

An Hon. Member: Give him a chance.

Mr. Deans: Why is she doing this to you?

Mr. Speaker: I have the feeling that no one is listening to the answer, in terms of the noise.

Some Hon. Members: We are.

Mr. Speaker: Then perhaps Hon. Members would allow the answer to be heard in silence.

Some Hon. Members: Shhh!

Mr. McMillan: May I conclude my answer by saying this. In the relatively short time that I have been Minister of the Environment—

Mr. Rossi: It has been too long.

Mr. McMillan: —I have received one question from her, and that is the one she asked me today, on environmental matters, at a time—

Some Hon. Members: Oh, oh!

Mr. Ouellet: Answer the question.

Some Hon. Members: Hear, hear!

Mr. Ouellet: That is not an answer to the question; that is irrelevant.

Some Hon. Members: More, more!

Mr. Speaker: Order.

An Hon. Member: He is bluffing.

Mr. Speaker: I think we will leave it there. The Hon. Member for Yorkton-Melville.

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PUBLIC SERVICE

NOTIFICATION OF JOB VACANCIES IN PRINCE EDWARD ISLAND

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for—

Some Hon. Members: More, more!

Mr. Nystrom: My question—

An Hon. Member: Table the Minister.

Mr. Nystrom: Mr. Speaker, if we can calm down the Liberals, my question is for the President of the Treasury Board. Last Friday I asked the Minister why, for several weeks this fall, Prince Edward Island Members of Parliament received seven-day advance notice of job vacancies in both DVA and Employment Canada in that province. Since a senior official has said that this was a very serious mistake in terms of violating the merit principle, can the Minister tell us why Prince Edward Island Members of Parliament received a seven-day advance notice of job vacancies in that province? Can he confirm that Peter White, who is the Prime Minister's patronage man, was at the meeting on September 10 in an attempt to steer patronage jobs in that province to the Conservative Party?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, as I indicated to the Hon. Member last Friday, I inquired of the Public Service Commission, which is a body that reports to the House or to Parliament through the Secretary of State, not to Government, and I was informed that that meeting had in fact taken place, and that the decision taken or reached at that meeting, which was an informal meeting which the PSC apparently conducts—

Mr. Broadbent: Oh, oh!

Mr. de Cotret: —The decision taken then was that MPs would receive, at the same time as they are posted, notices of vacancies. It was further misunderstood, unfortunately, by some officials who construed that Members should receive prior of seven days notice. I can assure the Hon. Member that, upon learning of this, the Public Service Commission immediately put a halt to it.

PUBLIC SERVICE COMMISSION'S ROLE

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I thank the Minister for that answer. However, in light of the statement made last night by the Minister of the Environment on television that he would do it again, and the fact that I found out today that similar meetings have also taken place with MPs from both New Brunswick and Quebec, what assurance can the Minister give the House that this practice indeed will not happen again, when a Minister who sits right behind him says that he would do it again if he had the chance?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I am not aware of the comments of my hon. colleague. I would doubt very much that he is being quoted correctly. I can assure the Hon. Member that from conversations with the Public Service Commission, they were quite disturbed that this unfortunate error at the level of officials had taken place. They have assured me and my office that they will have corrective measures in place to ensure that it no longer continues.

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CANADA POST CORPORATION

MARCHMENT COMMITTEE REPORT

Mr. Bruce Halliday (Oxford): Mr. Speaker, in the absence of the Minister responsible for the Canada Post Corporation, I will direct my question to his Parliamentary Secretary. The special committee, known as the Marchment Committee, named by the Minister's predecessor to study the problems and future of the Post Office in Canada, will soon be reporting. Will the members of that committee be able to hold a press conference so that they can elaborate on their findings and on their recommendations, and respond to questions?

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

Speaker, in answer to the Hon. Member for Oxford, I am pleased to report to him, to his constituents and to Members of the House, that when the report is delivered to the Minister it is the intention of the Minister to make such report public. As to his concern about whether the members of the committee can hold a press conference to discuss their findings during the hearings, I will being it to the attention of the Minister, and he will respond to the Hon. Member directly.

* * *

CANADA PENSION PLAN

HOMEMAKER'S PENSION PROPOSAL

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is directed to the Deputy Prime Minister. It concerns the Government's consensus package on reforms to the Canada Pension Plan. Specifically, for the first time it excludes inclusion of a homemaker's pension plan in the common package which will be presented to Finance Ministers tonight at their meeting in Toronto. Will he explain to the women of Canada why his Government is backing off its election campaign promise to include retroactively a homemaker's plan in our public pension plan system?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, in the absence of the appropriate Minister, the Minister of National Health and Welfare, I am afraid that I will have to take that question as notice. I will make sure that a response to the question is given to the Hon. Member as soon as possible.

INTRODUCTION OF BENEFIT IMPROVEMENTS

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I have a supplementary question, and I think the Deputy Prime Minister should answer it. In terms of the consensus package, why in heaven's name would the Government, knowing that a large percentage of Canada Pension Plan disability recipients live below the poverty line, adopt the position of phasing in the improvements to the benefits package over five years, rather than introducing a comprehensive plan in 1986, as recommended by our own parliamentary task force on pension reform?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, the more the Hon. Member speaks, the more I am sure he is absolutely wrong in his premise. Nonetheless, I will take notice of the question. I know that the Government has given leadership in terms of pension reform unequalled in the history of the country. I will make sure that the Minister gets back to him and gives him more detail about that progress than he cares he hear.

AGRICULTURE

PLIGHT OF FARMERS IN DROUGHT ZONE

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is directed to the Minister of Agriculture. He will know that we have been waiting 12 weeks for the report from the Hon. Member for Assiniboia on what action will be taken by the Government in the drought zone. Part of that zone is now under snow in the Peace River block. Farmers have waited long enough. Will there or will there not be special assistance for those farmers?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Hon. Member will know, and the record will show, that the Government always responds effectively to the problems facing the agricultural industry. I know that he asks this question from time to time. Again I am sure that we will not disappoint Canadian farmers this time. The only thing I can say to him is that, if it was four days ago that he asked that question, we are four days closer to an announcement.

FARM FORECLOSURES—REQUEST THAT MORATORIUM BE EXTENDED

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, if there is not to be financial assistance to farm incomes, will the Government be extending its moratorium on farm foreclosures, which now only covers FCC foreclosures, to other lending institutions? Will there be a judicial procedure offered similar to the Farmers' Creditors Arrangement Act in the very near future so that farmers will not be faced with the unfairness of foreclosure as it exists now?

• (1450)

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I think the Hon. Member asked two questions. I would like to remind him that I did not say that there would not be financial assistance forthcoming. With respect to his second suggestion, it is one of the recommendations that we are currently studying, and indeed I take notice of the fact that it was one of the recommendations that was put forward to us by the Canadian Federation of Agriculture. We regard that organization as a very credible organization representing the agricultural industry.

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AUTOMOTIVE INDUSTRY

GENERAL MOTORS OF CANADA—PROPOSED TRANSFER OF PRODUCTION TO UNITED STATES AND MEXICO

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Acting Minister of Regional Industrial Expansion and, in the absence of that Minister, to the Acting Prime Minister. Yesterday it was reported that a General Motors of Canada spokesman confirmed that that company intends to transfer production from its plants is Oshawa, St. Catharines, and Windsor to the United States and Mexico by

September, 1987, at what UAW people say will be a cost of 5,000 Canadian jobs. What immediate steps is the Government taking to prevent that transfer of production and jobs, something which has nothing to do with Canadian quality, productivity, or efficiency?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, as has been pointed out by the hon. gentleman, the responsible Ministers are absent. I will take the question—

Mr. Foster: They are always absent.

Mr. Nielsen: The Hon. Minister of Regional Industrial Expansion is unavoidably absent. I am sure the Hon. Member for Algoma realizes that.

Mr. Foster: What about the rest of them?

Mr. Nielsen: The Acting Minister is away on Government business. I will take the question as notice and see to it that an answer is supplied to the Hon. Member at the earliest possible moment.

AUTO PACT PROVISIONS

Hon. Herb Gray (Windsor West): Mr. Speaker, will the Government immediately tell General Motors that any such transfer of production and jobs is unacceptable to Canadians and contrary to the Canadian-content provisions of the Auto Pact and that, if GM persists with these plans, it will apply the Canadian-content provisions of the Auto Pact to the fullest extent? Will the Government make that undertaking today?

[*Translation*]

Hon. André Bissonnette (Minister of State (Small Businesses)): First of all, Mr. Speaker, I would like to inform the House that General Motors announced a few months ago it intended to reinvest one billion dollars in Canadian plants or in Canada. So we are already on the right track... we are negotiating with General Motors and we believe that the jobs will be saved and in fact, that more jobs will be created.

* * *

[*English*]

ST. LAWRENCE SEAWAY

REPAIR OF LOCK AND ESTIMATE OF LOSSES

Mr. Allan Pietz (Welland): Mr. Speaker, with the planned opening this evening of the Welland Canal after having been shut down—

Some Hon. Members: Hear, hear!

Mr. Pietz: —for three and a half weeks because of the failure of Lock 7 in Thorold, I would like to ask the Minister of State for Transport if she is in a position to give an estimate both of the cost of repairing the lock and the costs to its users, so that we may correlate this to the plan for the super locks that was placed—

Mr. Speaker: Order, please. Order.

Hon. Suzanne Blais-Grenier (Minister of State (Transport)): Mr. Speaker, the Canal will reopen sometime tonight. It is likely that the first ship in will be the *Furia*. We do not have all the figures for the cost of the unfortunate event that occured but as soon as the bills come in we will be able to make those figures public. I must say that there have been no lawsuits in this situation but there have been some Notices of Intent filed.

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ENVIRONMENTAL AFFAIRS

ST. CLAIR RIVER—PRESENCE OF DIOXIN

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is for the Minister of the Environment. A Conservative MP and local officials have now suggested that the tarry blob near Sarnia with what the Minister has called horrible levels of cancer-causing dioxin has been known about for 10 years. Will the Minister tell the House when the Ministry first learned of the frightening levels of dioxin in the St. Clair River, and if it has known about it for years, why the first public confirmation came just in the last month?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I can certainly put the Hon. Member's mind at ease on that question. The first tarry patch containing hazardous chemicals was found in August, 1984, through a routine check of the water in question as part of an over-all analysis of the water in the Great Lakes. It was not determined that dioxin, for example, was in the tarry patch until a year later in August, 1985. A second patch was found in September, 1985. I learned about it as a result of its final analysis on October 26, and on October 26, the very same day, I set up a team of high-powered experts from the United States and Canada to deal with the question.

ORIGIN OF DIOXIN—REQUEST FOR INVESTIGATION

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, given the uncertainty over where the dioxin originates as it does not seem that products that produce dioxin are made in the area, will the Minister order an investigation into possible transport from the United States to Canada by American companies of dioxin-carrying wastes for disposal in the deep-well systems of sister companies in Canada? This could very well be one of the possible sources.

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I think that is a worth-while suggestion and I will give it the careful consideration it richly deserves.

Oral Questions

TRANSPORTATION

FUTURE OF CANADIAN NATIONAL'S TRUCKING BUSINESS

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, CN Chairman Maurice Le Clair's recent statement that CN may be out of the trucking business by the end of the year has caused understandable concern among CN Route employees in Scarborough and other centres. What assurance can the Minister give us that if there is to be a disposition of CN Route, job protection for its employees will have due priority?

Hon. Suzanne Blais-Grenier (Minister of State (Transport)): Mr. Speaker, if a situation like that were to occur, I assure the Hon. Member that we would ask CN to give all due consideration and to do everything possible to minimize the impact on employees.

* * *

INDUSTRY

MODERNIZATION OF SYDNEY STEEL CORPORATION—POLLUTION ISSUE

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Deputy Prime Minister. Sydney Steel workers must keep the coke ovens open because they need those 50 jobs to feed their families, even though a recent Health and Welfare study indicated that those living downwind of the coke ovens die more frequently from cancer, heart problems and lung problems than others. Will the Deputy Prime Minister move now toward making funds available for the second phase of the modernization of Sydney Steel Corporation in order to correct some of these pollution problems? To do otherwise would be to ask people to choose between jobs and their health.

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, because there is a distinct environmental dimension to the question the Hon. Member posed, if I may I will reply to that question. We are very well aware of the environmental hazards to the people of Cape Breton, and even beyond, as a result of the facility in question. I have been in touch with the Minister of Regional Industrial Expansion about the plans for the further modernization of the plant. We are taking fully into account the environmental dimension of the issue.

EFFECT ON EMPLOYMENT

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, the matter is more serious than that. The people are afraid that the Government will use this health study to make a case for closing down the iron-making facilities in Sydney. When is the Government going to follow the words of the Prime Minister by doing everything humanly possible to bring durable jobs to Cape Breton?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, it is not a question of an irreconcilable conflict between jobs on the one hand and health on the other. The two can be reconciled, and that is exactly what the Government is doing in Cape Breton and across the country.

* * *

● (1500)

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of one, presented by Hon. Members on Tuesday, November 5, meet the requirements of the Standing Orders as to form.

* * *

PRIVILEGE

ANNIVERSARY OF SIX MEMBERS OF PARLIAMENT OF CLASS OF '65

Mr. Pat Nowlan (Annapolis Valley-Hants): Mr. Speaker, I wish to beg the indulgence of the House with respect to a question of privilege. Since many Members do not know, and most of those who sit in the Press Gallery are oblivious, which is understandable, let me say that, come Friday, November 8, six Members of this institution, three from one side and three from the other, who came in with Pierre Elliot Trudeau, Mr. Pelletier, Mr. Marchand and others who have gone by the way, to illustrate the political terminality of this system, will be celebrating—or expressing condolences for—their twentieth anniversary in this House.

Some Hon. Members: Hear, hear!

Mr. Nowlan: Mr. Speaker, because in the ordinary democratic way most of us will be roasted in our respective constituencies on either Thursday, Friday or Saturday, I was trying to catch your eye today. These Members, illustrious, constructive and good Members all, are the Hon. Member for Dartmouth-Halifax East (Mr. Forrestall), the Hon. Member for Victoria-Haliburton (Mr. Scott), the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand), the Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins) and the Hon. Member for Hull-Aylmer (Mr. Isabelle) who came in with Pierre Elliot Trudeau—some of us have remained.

Some Hon. Members: Hear, hear!

Mr. Nowlan: Mr. Speaker, I conclude on this note. Because these six Members are semi-superannuates—

Some Hon. Members: Oh, oh!

Mr. Nowlan: I said "superannuates". That is why I wished to beg the indulgence of the House to ask a question of the President of the Treasury Board (Mr. de Cotret), which was not a set-up because he will not like it.

Some Hon. Members: Hear, hear!

Mr. Nowlan: To represent the feelings of those of us who are superannuates, my question is about—and I hope, Mr. Speaker, you will recognize me tomorrow.

Some Hon. Members: Hear, hear!

Mr. Speaker: I think the House has signalled its respect for those who have served 20 years. I am sure everyone here would want us all to wish those six a very special day. In that context, I am prepared to guarantee the Hon. Member a question tomorrow.

Mr. Nowlan: Are you giving me the right to ask my question now?

Some Hon. Members: No!

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

FINANCE, TRADE AND ECONOMIC AFFAIRS—ELEVENTH REPORT OF STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour to present the eleventh report of the Standing Committee on Finance, Trade and Economic Affairs, in both official languages.

GOVERNOR GENERAL'S ACT—PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Mr. Gordon Taylor (Bow River): Mr. Speaker, I have the honour to present the report of the legislative committee on Bill C-78, an Act to amend the Governor General's Act, the Governor General's Retiring Annuity Act, the Salaries Act and the Judges Act, without amendment, in both official languages.

JUSTICE AND LEGAL AFFAIRS—SIXTH, SEVENTH AND EIGHTH REPORTS OF STANDING COMMITTEE

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I have the honour to present the sixth, seventh and eighth reports of the Standing Committee on Justice and Legal Affairs. Hon. Members will know that children are the real winners under these Bills.

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

Petitions

POINT OF ORDER

CORRECTION OF STATEMENT MADE DURING QUESTION PERIOD

Mr. Ian Waddell (Vancouver-Kingsway): I rise on a point of order, Mr. Speaker. During Question Period I inadvertently misled the House when I suggested in my question that Syncrude had a tax remission from the year 1978 to the year 2002. It was to the year 2003. I would like to correct my question.

* * *

[*Translation*]

SUPPLEMENTARY ESTIMATES (B), 1985-86

A message from Her Excellency the Governor General transmitting supplementary estimates (B) with regard to sums required for the public service of Canada for the financial year ending March 31, 1986, was presented by Hon. Robert de Cotret (President of Treasury Board) and read by Mr. Speaker to the House.

* * *

PETITIONS

REQUEST FOR CERTAIN LIMITATIONS RESPECTING FISHERIES

Mr. Roger Clinch (Gloucester): Mr. Speaker, I would like to present to the House a petition signed by 533 citizens from the Pokemouche River area in New Brunswick, who are asking the Minister of Fisheries and Oceans to prevent the use of eel pots and boxnets in this river, in order to upgrade the tourist industry in the region.

POSTAL SERVICE FOR RESIDENTS ON DAVELUY STREET IN SAINT-LÉONARD-ANJOU

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, I have two petitions.

My first petition is from residents in the riding of Saint-Léonard-Anjou, living at numbers 6870 to 7045, Daveluy Street, who are asking the Canada Post Corporation which is already providing services to residents of part of the street, to offer the same services to others who are not receiving them.

FULL INDEXATION OF FAMILY ALLOWANCE AND CHILD TAX CREDIT

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, my second petition bears several hundred signatures of people from the riding of Saint-Léonard-Anjou, who are asking this House to grant, via the Government, full indexation of family allowances and the child tax credit.

Petitions

[*English*]

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I have a petition signed by Nora Harrison who lives on Prince Edward Street in Vancouver and other residents of the east end of Vancouver who say that in their opinion the indexation of the universal family allowance and the massive cut-backs in the public commitment to child benefits are an unfair attack on women and families with children, especially single parent mothers. They ask that the indexing be reinstated.

[*Translation*]

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I welcome this opportunity to present two petitions to the House. The first one is from residents in the Shediac area, and the second from residents of Sackville and Tantramar. Mr. Speaker, these petitioners are demanding full indexation of family allowances.

[*English*]

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I have the honour to present a petition signed by constituents of Winnipeg-Birds Hill who join with other Canadians in protesting the deindexation of the family allowance.

[*Translation*]

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have a number of petitions which I have the honour and the privilege of tabling in the House today, and which concern this Government's appalling decision to reduce indexation of family allowances. One of these petitions is signed by constituents from the electoral district of Trois-Rivières; one is from the electoral district of Kent in Ontario; one is from the electoral district of Regina West in Saskatchewan; one is from the riding of Spadina in Ontario; one is from the riding of Hull-Aylmer in Quebec, a province well represented in this House; one is from the riding of Langelier in Quebec; one is from the riding of Malpeque in Prince Edward Island; and finally, one from the riding of Grand Falls-White Bay-Labrador in Newfoundland.

● (1510)

[*English*]

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I also have the honour to present a petition from a number of workers at the CRS Workers Co-operative in my riding of Vancouver East. They think that the deindexation of family allowance, combined with tax increases and budget hand-outs, place an extraordinary burden on families, especially on women, single parents and poor families.

They call upon the House of Commons to reinstate full indexation of family allowance and rescind unfair tax increases.

I also have the honour to present a petition from professional social workers from the School of Social Work at UBC in Vancouver. They also call for a withdrawal of Bill C-70. They humbly pray and call upon the House of Commons to reinstate full indexation of universal family allowance and rescind unfair tax increases.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is my pleasure to present a petition on behalf of a number of residents from Vancouver, Surrey and Richmond, British Columbia, who also comment on their displeasure with the Government's intention to deindex family allowance payments.

UNEMPLOYMENT INSURANCE—PENSION INCOME DEDUCTIONS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the honour and privilege of presenting a petition signed by 4,000 workers, all members of Local 6500, United Steel Workers of America, in the Sudbury Basin. This petition decries the fact that the Government has changed the Unemployment Insurance Act so that pension income will be considered earned income effective January 1, 1986.

The petition calls for Parliament to rescind that particular provision before it comes into effect on January 1, 1986. This petition also joins the 10,000 other petitioners whose petitions have already been presented in this House on this subject.

[*Translation*]

FULL INDEXATION OF FAMILY ALLOWANCE AND CHILD TAX CREDIT

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I have the honour of tabling petitions from the people of the riding of Montreal-Sainte-Marie, asking the Right Hon. Prime Minister to reinstate full indexation of family allowances and the child tax credit.

I have another petition, on behalf of the people of the riding of Sherbrooke in the province of Quebec, who are also asking the Right Hon. Prime Minister to reinstate full indexation of family allowances and the child tax credit.

I also have petitions from the people of the ridings of Saskatoon East and Saskatoon West in Saskatchewan, the federal riding of Chateauguay and the riding of Thunder Bay-Nipigon; these people are also asking the Government to withdraw its Bill aimed at de-indexing family allowances.

I also have petitions from people from Newfoundland, from the ridings of St. John's East and St. John's West, Mr. Speaker, and from Toronto, in the riding of St. Paul's, and from the riding of Timiskaming in Ontario, and my last petition is from the riding of my colleague from Saint-Michel-Ahuntsic who is ill at this time.

All these people are asking the Right Hon. Prime Minister and the Government to reinstate full indexation of family allowances.

[*English*]

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have the pleasure to submit a petition on behalf of my constituents in Ottawa Centre and on behalf of a number of residents of

the riding of Nepean-Carleton and of the City of Winnipeg, all of whom protest the decision of the Government to deindex the family allowance and urge the Government to reinstate full indexation of universal family allowance and to rescind the unfair tax increases which particularly hit young families with children.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is my honour and duty to present to the House of Commons a petition signed by a number of citizens of the constituency of Prince Albert, and a number of citizens of the City of Saskatoon. The petitioners call upon the House of Commons to reinstate full indexation of universal family allowance and rescind the unfair tax increases.

Mr. Dan Heap (Spadina): Mr. Speaker, it is my pleasure to present a petition from a number of constituents in Spadina and other residents of the City of Toronto who object to the Government's Bill which would partly deindex the family allowance. They ask that the House of Commons have this Bill withdrawn as well as the unfair tax increases which go with it.

Mr. Howard McCurdy (Windsor Walkerville): Mr. Speaker, I have the honour to present these petitions signed by 2,750 constituents from Windsor-Walkerville who demand that full indexation of universal family allowance be maintained and that the unfair tax increases be rescinded.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, it is my duty and an honour to present petitions signed by residents of the metropolitan Toronto area. These persons, largely women, protest the fact that the deindexation of the universal family allowance and the massive cut-backs in the public commitment to child benefits are an unfair attack on women and families with children. They call upon the House of Commons to reinstate full indexation of the family allowance.

* * *

CRIMINAL CODE

AMENDMENT RESPECTING LEGAL COUNSEL FOR UNBORN CHILD

Mr. Lawrence I. O'Neil (Cape Breton Highlands-Canso) moved for leave to introduce Bill C-254, an Act to amend the Criminal Code (legal counsel for unborn child).

He said: Mr. Speaker, the purpose of this Bill is to require that every unborn child be represented by legal counsel at a meeting of therapeutic abortion committees across the country.

Mr. Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

CLERK OF PETITIONS' REPORTS

Mr. Speaker: Before I proceed let me say that I did not complete my petitions earlier this day because of proceedings.

I should, however, indicate that the petition presented by the Hon. Member for York West (Mr. Marchi) does not meet the requirements of the Standing Orders as to form.

* * *

PERMANENT AND PROVISIONAL STANDING ORDERS

AMENDMENT RESPECTING ESTABLISHMENT OF REGISTER OF FOREIGN TRAVEL BY MEMBERS OF PARLIAMENT

On the Order: Government Notices of Motions:

November 4, 1985—The President of the Privy Council:

That the Standing Orders be amended by inserting the following new Chapter after Standing Order 84:

"Chapter XVI
Declaration of Interest by Members

85. The Clerk shall maintain a public Registry of foreign travel by Members of Parliament in which members shall register all visits they make outside Canada, arising from or relating to their membership in the House of Commons where the cost of any such travel is not wholly borne by:

(*a*) the Consolidated Revenue Fund;

(*b*) the member personally;

(*c*) any interparliamentary association or friendship group recognized by the House of Commons; and

(*d*) any recognized party;

together with the name of the sponsoring person or organization which paid for travel to and/or from Canada."

Mr. Speaker: Pursuant to Section (2) of Standing Order 26, this Government Notice of Motion stands transferred to and ordered for consideration under Government Orders at the next sitting of the House.

* * *

MANAGEMENT AND MEMBERS' SERVICES

ORDER OF REFERENCE OF STANDING COMMITTEE

On the Order: Government Notices of Motions:

November 4, 1985—The President of the Privy Council:

That the Standing Committee on Management and Members' Services consider matters related to the establishment of a Register of Members' Interests, and report on these and any other matters relating to registration of Members' interests, including the form and content of such a Register, considering among other matters relating to the registration of Members' interests, the following:

(*a*) remunerated directorships of companies, public or private;

(*b*) other remunerated positions or offices;

(*c*) remunerated trades, professions or vocations;

(*d*) the names of clients when the interests referred to above include personal services by the Member which arise out of or are related in any manner to his or her membership in the House;

(*e*) any payments or any material benefits or advantages received from or on behalf of foreign Governments, organizations or persons;

(*f*) land and property of substantial value or from which a substantial income is derived; and

(*g*) the names of companies or other bodies in which the Member has, to his or her knowledge, either himself or herself or with or on behalf of his or her spouse or dependents, any beneficial interest including—among others, shareholderings—of a nominal value greater than one-hundredth of the total capital assets of the company or other body;

and that it report on the form and content of such a Register not later than December 31, 1985; and

Provided, that notwithstanding the usual practices of this House, if the House is not sitting when the final report of the Committee is completed, the Committee shall report its findings by depositing the said report with the Clerk of the House and it shall thereupon be deemed to have been laid upon the Table.

* * *

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, first I would like to designate Friday, November 8, 1985, as the second allotted day for the Supply period ending December 10, 1985.

* * *

SUPPLEMENTARY ESTIMATES (B), 1985-86

REFERENCE TO STANDING COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, pursuant to the provisions of Standing Order 64, I move, seconded by the Honourable the President of the Treasury Board that the Supplementary Estimates (B) for the fiscal year ending March 31, 1985, tabled earlier this day, be referred to the several Standing Committees of the House.

Because the list is rather long, and there is a detailed allocation of the Supplementary Estimates to the committees, if it is agreeable to the House, Mr. Speaker, I would ask that the list be printed in *Hansard* as if it had been read.

I should point out that I have sent a copy of this motion to my colleagues, the House Leaders of the other Parties, so that all Parties could familiarize themselves with the proposed motion and we could save the time of the House.

Mr. Speaker: The House has heard the suggestion of the Prsident of the Privy Council (Mr. Hnatyshyn). Is it agreed?

Some Hon. Members: Agreed.

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

That the Supplementary Estimates (B) for the fiscal year ending March 31, 1986 laid upon the table earlier this day, be referred to the several Standing Committees of the House as follows:

To the Standing Committee on Agriculture
Agriculture Votes 15b and 30b

To the Standing Committee on Communications and Culture
Communications Votes 5b, 10b, 45b, 50b and 60b
Secretary of State Votes 15b, 20b, 25b and 50b

To the Standing Committee on External Affairs and National Defence
External Affairs Votes 1b, 5b, and 10b

To the Standing Committee on Finance, Trade and Economic Affairs
Finance Votes 10b, 30b and 35b

To the Standing Committee on Fisheries and Forestry
Agriculture Votes 35b, 40b and 45b
Environment Vote 15b
Fisheries and Oceans Vote 10b

To the Standing Committee on Health, Welfare and Social Affairs
National Health and Welfare Votes 10b, 25b, 35b, 40b, 55b and 70b

To the Standing Committee on Indian Affairs and Northern Development
Indian Affairs nd Northern Development Votes 15b, 20b, 25b, 30b, 45b and 50b

To the Standing Committee on Justice and Legal Affairs
Justice Votes 1b, 10b, 40b and 45b
Solicitor General Votes 1b and 25b

To the Standing Committee on Labour, Employment and Immigration
Employment and Immigration Votes 5b, 10b, 15b, 20b and 25b
Labour Votes 1b, 5b, 10b, 15b and L25b

To the Standing Committee on Management and Members' Services
Parliament Vote 5b

To the Standing Committee on Miscellaneous Estimates
Consumer and Corporate Affairs Vote 11b
Governor General Vote 1b
Supply and Services Votes 10b and 15b
Privy Council Votes 1b and 5b
Science and Technology Vote 1b
Parliament Vote 1b

To the Standing Committee on National Resources and Public Works
Energy Mines and Resources Votes 5b, 20b, 35b, 45b and 50b
Public Works Votes 35b, 40b and 45b

To the Standing Committee on Regional Development
Regional Industrial Expansion Votes 1b, 10b, 16b, L26b, 45b and 51b

To the Standing Committee on Transport
Transport Votes 1b, 20b, 80b and 110b

To the Standing Committee on Veterans Affairs
Veterans Affairs Votes 1b, 15b, 20b and 30b

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I wish to advise the House that Question No. 435 will be answered today.

[*Text*]

STREET LETTER BOXES, PRESCOTT, ONT.

Question No. 435—**Mrs. Cossitt:**

1. To the knowledge of the Government, were any mail boxes in the Town of Prescott, Ontario recently removed from street corners and, if so (*a*) what is the name and job designation of the highest authority who made this decision (*b*) on what date was the decision made (*c*) on what date (*d*) how many?

2. Were the residents of Prescott given any prior notice of the decision to remove the boxes and (*a*) if so, by what means (*b*) if not, for what reason?

3. Will consideration be given to re-install the mail boxes?

4. Do the residents of Prescott receive door-to-door mail delivery and, if not, are there any plans to provide such a service?

5. What is the cost per year charged to individual residents of Prescott for post office boxes and what are the reasons for this charge?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): The Canada Post Corporation informs me as follows:

1. No street letter boxes have recently been removed from the Town of Prescott, Ontario.

(a), (b), (c) and (d) However, nine street letter boxes were removed from the Town of Prescott in December, 1983 as part of a continuous process of review which had resulted in the adoption in 1982 of an Ontario Region Cost Reduction Plan. Street letter boxes are not normally provided in communities not served by letter carriers.

2. Notices informing the public were placed on all boxes three weeks prior to removal.

3. Re-installation of boxes at this time would be inappropriate.

4. The residents of Prescott and its environs are served by one of the following modes of delivery: general delivery, lock box or rural route delivery. The three modes of delivery now employed are the most cost effective and are adequate ones to serve this and other similar communities.

5. The rate structure that the Corporation applied to post office box customers in Prescott is identical to that in the rest of Canada since a universal rate is in effect. The fee charged for a box is dependent on two factors: the size of the box rented, and the type of alternate service available to the customer renting the box.

The Corporation's rates are as follows:

		Category of Customers	
Box Size	Dimensions of Box	Customers with Access to Delivery by Letter Carrier, Rural Route, Group Box, and Mail Courrier Service	All Other Customers
A	127mm • 87.3mm	$25.40	$ 6.74
B	127mm • 138mm	$50.88	$13.48
C	127mm • 290.5mm	$76.32	$20.22
D	266.6mm • 290.5mm	$96.46	$33.71

[*English*]

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

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

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I ask that all motions for the production of papers be allowed to stand.

Mr. Speaker: Is that agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

AMENDMENT RESPECTING LOTTERIES

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada) moved that Bill C-81, an Act to amend the Criminal Code (lotteries), be read the second time and referred to a legislative committee.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been consultations between the Parties and I think you will find a disposition to allow the following motion to be brought forward by unanimous consent, presented and passed without debate. The motion is as follows:

That, notwithstanding any Standing or Special Order of this House, when the Order of the Day for the second reading and reference to a legislative committee of Bill C-81, an Act to amend the Criminal Code (lotteries), is called and is disposed of this day, it shall stand referred to a Committee of the whole; and

Provided that not later than the end of the time provided for the consideration of Government Business this day, the Speaker shall interrupt, if necessary, any proceedings then before the House and shall put forthwith, and successively without further debate or amendment, all questions necessary to dispose of the then remaining stages of the said Bill.

• (1520)

Mr. Deans: Mr. Speaker, I just want to say on behalf of my colleagues that we will, of course, give the necessary unanimous consent. However, I must confess that I would prefer us to have arranged among ourselves that the Bill be disposed of during the course of the day. I do not think it is necessary all the time for us to formalize these arrangements in a motion. I hope that among the three House Leaders we will be able to reach some understanding to allow legislation to be dealt with, without the necessity of a motion being put to the House.

Mr. Hnatyshyn: Mr. Speaker, my dilemma is simply this. The House Leader the Official Opposition (Mr. Gray) prefers that I give prior notice in writing with respect to understandings we reach as far as possible.

Mr. Deans: All right.

Mr. Hnatyshyn: On the other hand, the Hon. Member for Hamilton Mountain (Mr. Deans) prefers the more informal procedure. I am equally friendly with both House Leaders and I am going to try and be Solomon-like in this dilemma and try to do my best to get a consensus.

Mr. Gauthier: Mr. Speaker, since I feel somewhat aimed at in the remarks—

Mr. Deans: No.

Mr. Gauthier: —of the President of the Privy Council (Mr. Hnatyshyn), I would point out that it is understandable that I cannot always be on top of all these issues because I do not attend the meetings of House Leaders. However, I am often called to give my agreement to these things. I do not do that

unless I know what I am talking about. I did consult with the President of the Privy Council before and I agreed to this procedure today.

Mr. Speaker: I take it there is unanimous consent for the introduction of the motion.

The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Amendment (Mr. Hnatyshyn) agreed to.

Mr. Speaker: Mr. Jelinek, for Mr. Crosbie, moves that Bill C-81, an Act to amend the Criminal Code (lotteries), be read the second time and, by unanimous consent, referred to Committee of the Whole.

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker, I am pleased on behalf of the Government of Canada to make a few comments on Bill C-81, an Act to amend the Criminal Code regarding lotteries. It was just over one year ago that I began negotiations with provincial lottery Ministers, asking them to contribute $100 million towards this Government's commitment to the 1988 Winter Olympics in Calgary. In return I proposed, on behalf of the Government of Canada, that we would amend the Criminal Code, which would in effect put into legislation the 1979 lottery agreement giving the provinces sole jurisdiction over lotteries and other specific gaming operations. I am happy to announce again that on June 3, 1985, the federal and provincial Governments concluded and signed an agreement incorporating the $100 million funding. The Bill we are discussing today is the result of that agreement.

The provisions in the Code are very complex, perhaps as complex as some tax statutes. At times their meaning must be discovered with the help of lawyers or the courts. For years uncertainties in the law have existed. This resulted in the launching of law suits by each Government over the proper interpretation of the present law, and the rights and responsibilities of each level of Government concerning the operation of lotteries and other gaming activities. These legal battles led to ill feeling between federal and provincial Governments, and diverted public resources to needless court battles. When this Government took office, it decided to put an end to unproductive federal-provincial wrangling and embark upon a course of action which would achieve mutual agreement among the two levels of Government for the public benefit.

One of the provisions of the June agreement provided for consultation with the provincial Ministers responsible for justice. Since that time, officials of the Department of Justice and their provincial counterparts have consulted each other concerning other changes to the Criminal Code consistent with the substance of the proposals contained in the agreement. The negotiations concerning funding for the Calgary Olympics provided an opportunity for achieving mutual federal-provincial reconciliation of these outstanding legal issues. Therefore, the agreement included proposals for both out of court settlement of outstanding federal-provincial litigation, and clarification of the legal rights, powers and responsibilities of each level of Government.

I would like at this time to detail for the benefit of the House the exact nature of the amendments proposed in the Bill which would achieve that clear clarification I justs mentioned. The repeal of Section 188.1 of the Criminal Code would end the legal authority of the federal Government, and the Governments of one or more provinces which have entered into an agreement jointly with the federal Government, to operate and manage sports pool betting. As the House knows, one of the first Acts of this Government when it took power was to dismantle the administrative structure of the Canadian Sports Pool Corporation. You will recall that this corporation was at that time losing some $1.5 million a week of taxpayers' money, not to mention creating a federal-provincial irritant which went way beyond the scope of already existing irritants between the two levels of Government. The present amendment would legally kill the ability of the federal Government to restart the operation of federal sports pools by any new Crown corporation.

As I mentioned, in 1979 the then Conservative Government agreed with the provinces that it would no longer operate federal lotteries. However, that agreement was not put into legislation. The proposed repeal of Section 190(1)(*a*) of the Criminal Code now would go further in preventing the federal Government from restarting the operation of federal lotteries. These two amendments would thereby remove the legal authority for the federal Government to operate sports pools, lotteries and other gaming activities. Such activities would only be permitted under direct provincial management and control, or under the operation of other persons such as boards of fairs or religious or charitable organizations, in accordance with a licence issued by the province. That, of course, is already taking place in a number of our provinces. Furthermore, this Bill would extend the privileges that agricultural fairs enjoy now to include any fair or exhibition with regard to the running of games. In other words, this Bill is legislating what is already in effect so far as the laws of the provinces are concerned, as well as putting into legislation the 1979 agreement between the federal and provincial Governments.

For many years Canadian companies have been highly regarded for their expertise in matters related to technology and printing. One of the amendments in this Bill will include the expansion of that expertise because it has been sought world-wide. This Bill now permit Canadian companies to export materials related to lotteries and gaming, thus adding another dimension to our export package.

● (1530)

For many years as well the definition of lotteries has been a contentious point. This Bill fully clarifies the term "lottery" in a clear and concise manner. In addition, the proposed amendments in this Bill clarify what types of lotteries and gaming activities the provinces may operate and conduct.

I think it is clear from what I have said that this Bill clarifies a number of uncertainties that existed within the law. In addition, it gives a clear legislative recognition to past and present provincial activities, and also puts some very clear restrictions and bounds on what is and what is not permissible. Accordingly, given the state of the current law and the judicial interpretion of it, the proposed Bill does not promote an expansion of gambling. I think it is very important for Members to understand that this Bill does not promote the expansion of gambling, but rather sets some realistic and clear standards of what is permissible.

In summary, Mr. Speaker, this Bill is long overdue. It certainly spells out in black and white a much clearer picture of lotteries and associated games in Canada and transfers to the provinces the lottery rights, which was the intention of the Progressive Conservative Government in 1979.

I would like to add my thanks to all of those who participated for eight or nine months in the very long and tough negotiations in order to bring the agreement to a conclusion in June. This agreement will provide the federal Government with $100 million of non-tax revenues from the provinces. It will eliminate the irritant which existed between the provinces and the federal Government and has, therefore, opened the door to creating much better federal-provincial co-operation in other areas. I would particularly like to thank all the people in the Department of Justice who worked from the federal standpoint. Most important, I would like to thank the provincial Ministers responsible for lotteries for making this Bill a reality.

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased to participate in the debate on Bill C-81. I learned only a few minutes ago about the business of the House this afternoon.

To put the Bill in context, let me say that I believe it evolved from the sports pool lottery which was in operation during the previous administration. That particular mechanism to generate funds for the Calgary Winter Olympics was a noble one because it recognized the need to generate enough funds to make the Olympic Games a success. When we talk of the Olympic Games we are talking about an international event in which the world-wide sporting community will be involved. Therefore, it is important that the Olympic Games be a success.

The previous Government committed itself to a contribution of some $200 million. I am pleased that the present Minister has been able to secure $100 million from the provincial Governments as well as set up a coin program which will generate between $30 million and $50 million.

There are a number of important factors that are generated by this particular piece of legislation which the Minister failed to address. First, he had given us a commitment that the provinces would be contributing upward of half of the $200 million commitment. At the time the promise was made it was an unqualified commitment that the provincial Governments would consider it as part of their mandate to participate with the federal Government in staging this international event. Now we learn that that support is qualified, that the provincial Governments want something in return for the portion that they will donate to the Olympics rather than saying that as provinces they have an obligation to work in partnership with the federal Government to help stage the Winter Olympics in Calgary. Their support was dependent upon the piece of legislation which is before the House today. Is it fair and proper that the right to run lotteries or maintain mechanisms to generate funds for sporting activities should be given to the provinces without any assurance that the moneys generated by the provincial Governments will be directed back into the sports field?

Another thing which the Minister failed to outline was how the remaining portion of the $200 million will be financed. As I mentioned at the outset, we have approximately, depending upon the figures used, $130 to $140 million of the $200 million commitment. There has been no information forthcoming from the present Minister since his appointment in September as to how the shortfall will be picked up. There is no firm commitment on how much money will be generated by the coin program and, therefore, Canadians, those organizing the Olympics and the athletes themselves, do not know how or if the rest of the moneys will be raised.

There is also very little information, if you put aside the previous argument, on how the $100 million to be contributed by the provincial Governments will be shared. Canadians from the various provinces are asking themselves how the split of the $100 million will be arranged. That is an important consideration when one realizes that some provinces are not in a position to contribute on a proportional basis. I would have appreciated it if the Minister had taken the opportunity to elaborate on the splitting up of the provincial contributions. I think it is unfair for a have-not province, if I may use that term, to contribute the same proportional amount as Alberta or Ontario would contribute.

As I mentioned at the outset, I do not completely agree with the concept of removing the lottery business from the federal domain and saying that it is only for the provinces. I believe that the present Minister shares my feelings on that. In the Calgary *Herald* of September 20 he is quoted as saying, in relation to the sports pool program: "We need to come up with a different funding system and that will be a priority". I think that is very important, Mr. Speaker. When the Minister and the Government talk about eliminating a program, about modifying a piece of legislation and about the federal Government abandoning on area, then it is incumbent upon them to say also what will be replacing that system.

In this case sports organizations and interests that have used sports pools to generate funds for sporting activities and are seeing the rights to those pools given to the provinces without any guarantee that funds will be pumped back into the federal sports scene will want to know where they are left. Quite often when Governments tighten the purse strings, as the Government has done, it is inevitable that sportings and cultural activities take a beating and experience very severe financial

restraints. The sporting community ought not to be treated in that fashion. If we are going to delegate away an element that generated funds for the sparting community, it has a right to know with what that element will be replaced. The Minister has an obligation to say that we are abandoning the sports pool and replacing it with another mechanism which it is felt will in fact address the needs of the sporting community. It was the same case in 1979 when the then Prime Minister made an agreement with the provinces to abandon the lotteries field and give a monopoly to the provinces. Was that a fair deal?

● (1540)

I am not suggesting that we should be at war with the provinces, but if we are looking at the sporting constituency, as the Minister obviously should, then we should be speaking for that constituency. In 1979 the federal Government gave away the lottery area which was generating moneys, some of which was to be used in the sporting community. The Government gave away a $200 million plus industry in return for a simple $35 million share. The loser in that deal is the sporting community.

The idea of a lottery or a sports pool is not foreign nor very difficult to understand within the sporting community. Quite often there are Members in the House of Commons who shun lotteries and question whether they are really a hidden tax on individuals who play lotteries the most. They say that some studies have shown that the people who use lotteries the most tend to be in a lower or moderate income bracket.

However, the Canadian Olympic Association has clearly been on the record as endorsing the former sports pool corporation and endorsing lotteries as a way of generating funds for the Canadian Olympic Association. It is also a concept that is not foreign to other countries when considering ways of generating funds for amateur and professional sporting activities. The sports pool or lottery at the federal level which helped to support federal sports initiatives was not totally unique in this country. Many countries in the world have mechanisms which may not be called lotteries or sports pools but which are similar to our lotteries and are used to generate funds for sporting activities.

The sports community in this country is suffering from a lack of financial resources. I cannot think of any better example of that severe financial handicap facing sports organizations than our national soccer team. Last September, the Canadian soccer team qualified for the World Cup soccer tournament for the very first time in Canadian history. They have been attempting to reach the international finals for 28 years and finally, last September, the Canadian soccer team was able to fulfil that very impressive and nationalistic goal.

There was great applause and much back-slapping and congratulations for the men and women who made that victory possible. However, let us look at the condition facing the national soccer team and its players now. I was shocked to read in the Toronto *Corriere Canadese* newspaper, the reality of the national soccer team and its players. It was pointed out in that article that the captain of the soccer team and his family as well as seven other colleagues and families of the seventeen member team were living on unemployment insurance. They did not have a full-time job because they had to train and there were no training funds available, to date, for these players and coaches.

That condition is an embarrassment and should not exist. Yet they do not receive any money. I am told that the only money forthcoming will not be until January when the official training period begins for the national soccer team. The amount of money to be given to the 17 players and coaches is still to be determined. It will largely depend on the generosity of the private sector.

Moreover, it was also reported in that article that part of the team is training in Vancouver and the remaining portion is training in Toronto. Our national soccer team will be playing against the best teams that the world has to offer. It will be in Mexico being watched by the world. Yet part of the team is training in Vancouver while the remaining portion must train in Toronto. The reason for that is that we do not have the necessary funds to bring all the players and coaches together at the same time on the same field. The players are probably not questioning this publicly because they are likely playing from the heart right now. However, if they are honest with their feelings I am sure that they and other Canadians are asking how they can compete against the best teams in the world when their team cannot even be on the same field in order to train together.

I believe that is unfair. I suggest that other teams in the world that will convene in Mexico are receiving not only moral support but financial support from their Governments at all levels. They are receiving financial support both directly and indirectly.

Mr. Jelinek: Mr. Speaker, I rise on a point of order. I believe that we are discussing Criminal Code amendments. I have listened with interest to the typical misinformation coming from the Hon. Member for York West (Mr. Marchi), but I am wondering whether it should be noted that we are discussing Criminal Code amendments as proposed in the Bill.

Mr. Deputy Speaker: The Hon. Member for York West (Mr. Marchi) has the floor.

Mr. Marchi: Mr. Speaker, that is not a point of order. During his speech the Minister stated that this Bill certainly had its roots in the previous sports lottery Bill. The purpose of the sports lottery was to aid sports and I am talking about sports. It is one thing for the Minister to be defensive but he should get up on a proper point of order.

I am not misinforming the House of Commons because the information which I shared with Members in the House is true. Perhaps he should check with the captain of the national soccer team. We will then see who is misinforming and misleading the House.

Mr. Mantha: What about the hockey team?

Mr. Marchi: The Hon. Member for Nipissing (Mr. Mantha) asks about the hockey team. We all know that Moe is a great hockey player but we are talking about soccer at the moment.

Before the Minister rose on his point of order, I was about to say that other countries are supporting their national teams. They do this directly through the funding of national sports federations and also indirectly through lotteries. Some of the proceeds from these lotteries are channelled into the sporting community.

The problem with our present system is that the sporting federations are not permitted to give moneys to teams which may be classified as professional. I believe we should adopt a more progressive, moderate and contemporary approach in dealing with our teams and athletes because, frankly, the situation facing our national soccer team, as a refletion of what is happening to other bodies in this country, is undignified.

The Canadian Broadcasting Corporation is supposed to televise 42 of the 50 games to take place in Mexico. It will televise all three Canadian games in the first round. In order to perform well, we cannot simply rely on the good heart of the soccer players. We must rally behind the sporting community and this team in particular, and while providing that moral support we must also recognize that they must be trained properly in order to be competitive with the other countries.

• (1550)

Let us not take a back seat to anyone. Let us go to Mexico and expect to do well on the field. Let us go with the other teams from other countries and let us not be a laughing stock or an embarrassment in the way we treat our players and teams. Not many countries, even those less well off, treat their players and teams in the kind of a degrading manner.

I highlight that in trying to illustrate to this House and the Minister that the whole concept of federal lotteries and a federal sports pool should not be shunned or cast off quickly to appease provincial Governments. Yes, we should be at peace with our provincial Governments but we should also be doing things that will fulfil, be effective and positive for the national will. If there is a national will to see a national sports mechanism that will function and do honour to our athletes, then we need to fulfil it whether or not the provincial Governments like it. There is no guarantee in this legislation that moneys generated now or in the future to aid sports organizations and national sports teams will be fulfilled. That is the irony of this Bill. That is the irony of this Minister who is speaking on behalf of his colleague, the Minister of Justice (Mr. Crosbie). It is fine to look at the Bill from a legal point of view, but the Minister of State for Fitness and Amateur Sport (Mr. Jelinek) also has a sports constituency to defend. He should be defending the principles that are not in this Bill but should be.

The Government has said: "We are getting out of the lottery business and out of the sports pool business. We are shipping that business to the provincial Governments and they will be happy". That is not good enough, Mr. Speaker. The Minister of Justice can get up and do that because he may not be sensitive to the intricacies of the sporting community but the Minister of Sports should be sensitive and probably is because he comes from that milieu. Therefore, I am somewhat surprised that the sporting community has been abandoned in the lotteries debate. We should not simply see the lotteries as evil and dark things. If they are run properly and if they can generate funds that can be donated to sports organizations without draining the Treasury, what is wrong with that? Around the world we see sports organizations benefiting from the resources that can be drawn upon from sports pools or lotteries.

We should be relooking and rethinking, although it might be a touch too late, at what this Government is doing. There should be a commitment at least from the provinces that, if they are to run the lotteries, some of the moneys intended to assist the sporting community will still be met. I have my doubts about that, Mr. Speaker. It is an unfortunate circumstance for our sporting community. It might be a victory in the Government's eyes for federal-provincial relations but I think that, to a certain degree, it is a cop-out to regional or provincial whims at the detriment of what should be a central and a national vision in this legislation.

We should be thinking not only about the Olympics in Calgary—which this Party, this Parliament and every single Member will rally around and do everything to make it the best Olympics ever—but also we should be talking philosophically about the move we have just made. Just because there has been a unanimous agreement to send this Bill forth in one day we should not laugh it off because there are serious repercussions and a philosophical bent undermining it. A national lottery, sports pool, or call it what you will, to aid sports groups and national professional teams is not wrong.

I hope somehow we can derive commitments from provincial Governments. They will now have a virtual monopoly on the lottery business. If the federal Government says it is wrong to be in the lottery business, why is it right for the provincial Government to be in the lottery business? If you disagree with lotteries, let us make lotteries illegal. We are saying somehow that lotteries are wrong, yet provincial Governments are able to run them.

There are some very serious inconsistencies in the Bill which displease me and I am sure they displease the sporting community. It was hopeful that some guarantee of funds, if lotteries are to exist and be permitted in Canada, would be made. That is not the case here, and I regret it very much.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, it is a privilege to join in the debate on this Bill. It is a privilege because the critic in my caucus for fitness and amateur sport, to which this Bill relates, is my colleague, the Hon. Member for Thunder Bay-Atikokan (Mr. Angus). Illness has confined my friend to his home in the riding. Consequently, this afternoon, as the person in our caucus who spoke to the sports pool wind-up Bill a year ago less two days, I have the opportunity to speak for our caucus as the first speaker with regard to this

Bill which makes certain amendments to the Criminal Code to legislate and set in statute form the consequences of agreements which the Conservative Government reached. These were initially arrived at in 1979, and the Conservatives chose to implement them as soon as they formed the Government in late summer, 1984.

In speaking to this Bill, Mr. Speaker, I will be taking a stance of support for the Bill. I do that in a carefully defined way because it expresses support for the principle that the federal Government is removed from gaming activity in Canada. By this change in the statute law, the Government declares that it will not embark on any endeavours like Loto Canada, which was authorized in the mid-1970s, and the sports pool Bill, which was undertaken in 1982-83. That action, of removing the federal Government from gaming activity, is supported by members of my caucus who regard it as a desirable action.

I recognize that the clauses before us in Bill C-81 provide for other gaming activities to continue in Canada, particularly those in which the provinces, through a number of lottery corporations, are now largely embarked upon. That those clauses are in the Bill gives me considerable cause for unease.

Support for the Bill is partial. The Bill reprints sections of the Criminal Code which are not being changed. The fact that they are in the Bill is the focus for the unease I am expressing.

I want to say something about this matter of gaming and lotteries on which the Government of Canada allowed the provinces to embark and which the Canadian Government in 1978-79 attempted to get into more actively in trying to establish Loto Canada and later the sports pool.

The fact that the Canadian Government was prepared to consider gambling money as a support for fitness and amateur sport activities, for cultural activities and conceivably even for the funding of medical research, gave all Canadians concern about morality. The social implications of this Government action gave very real cause for concern.

● (1600)

I suggest that these are all important areas of activity. I think we would concede that immediately. I doubt whether there is a person in the country who would doubt the importance of medical research. There are people who would have varying assessments of the importance of cultural activity or, for that matter, of fitness and amateur sport, but I would expect most Canadians to place a fairly high value upon these activities. Given that there is this agreement among Canadians about the importance of such endeavours, it is my conviction and that of my colleagues that those activities deserve to be supported by the consolidated revenues of the country and by a proper tax system. Governments should not, in any way, shape or form, be involved in supporting these endeavours by calling upon non-tax revenues.

Given that kind of position, the Government is putting before us today, as it put before us in the sports pool wind-up Bill, a Bill that is only to be supported because of its half-way nature. What one wanted, in fact, was for the Government to concede that gaming is not a good thing, and to ensure that the provinces as well got out of the activity and that the provincial Governments and the federal Government used a sound tax system to generate the revenues to support these important endeavours.

It may be worth saying, in some expansion on that, that this point deserves to be underscored for fitness and amateur sport. I suspect that there are people who regard that as, in some way, a luxurious activity. I am not sure whether I am finding the right words for it, but they do not regard it as an important thing in the mainstream of our life with which Government should be directly involved. They do not appreciate the importance of supporting amateur sport properly and ensuring in our fitness programs that Canadians use their leisure well. The Government has a real stake, which certainly extends to the health of the participants and to the increasing health of the Canadian public. It actually exceeds that and involves the well-being, far beyond physical health, of the Canadian population. Given the importance that one can place on the Ministry of State for Fitness and Amateur Sport, it is all the more important that both aspects of that Ministry be properly supported. It is imperative that the consolidated revenues of the country be adequately called upon to support all these activities.

For that reason, the decision of the Governments, at either level, federally or provincially, to call upon gaming revenues or the results of lotteries to support these activities creates a sense of their own improper evaluation of these activities and represents something to which I am deeply opposed. I think that feeling is shared by all members of my caucus.

The fact of the matter is that others, including Ministers of the present Government, feel quite the same way. Perhaps I could drop back for a moment and note that when I spoke on November 8, 1984, I used a statement by one of the venerable members of my Party, who was then the Hon. Member for Winnipeg North Centre, Mr. Knowles, whom we have the pleasure of seeing at the Table frequently in the chair which he now holds by action of the last Parliament. I quoted the following statement of Mr. Knowles:

> It is because we believe that physical fitness, amateur sport and recreation are important aspects of Canadian life that we think they should be financed out of general taxation and, therefore, paid for on the basis of the ability to pay.
>
> We do not believe that aspects of life as important as physical fitness, amateur sport and recreation should be financed by gambling, which calls on the poor to pay for it, instead of taxation which is levied according to ability to pay.

That admirable statement from 1976 was echoed in the most impressive way by the Hon. Member for Halton, the present Minister of State for Fitness and Amateur Sport (Mr. Jelinek). Speaking on the sports pool Bill three years ago, he said:

> At the outset, I would like to say that this sports pool is nothing more than an indirect taxation by devious ways and means. It is an underhanded way of collecting money from the Canadian public because the Government has failed in its responsibility time and time again to collect it by normal means.

He added to that admirable statement of principle, to which I hold myself, the following observation:

As a former athlete I support anything which can be done to help amateur athletes in this country. But certainly not by establishing the phoney, sleazy programs the Government is talking about which would be taking advantage primarily of the poor people of this nation, and then misleading them with false and misleading advertising.

That, too, is clearly expressed and admirable. I hold to every word of that. Surely the Minister of State for Fitness and Amateur Sport, in introducing the Bill this afternoon for debate on second reading, would agree that it is only acceptable as a half-way measure. We should be involved with getting the provincial Governments out of these activities and with ending the spreading of lottery mania across the country, particularly ending the advertising of lotteries on our television screens and on the billboards of the nation designed to arouse in Canadians hopes which are very rarely fulfilled for anyone.

I want to say something about the matter of lotteries and their continuance at the provincial level because of this half-way measure in amending the Criminal Code. We should in fact be getting out of the business altogether, at least at the provincial level as well as the federal level. The provincial Government of Ontario recently changed and, as a result, opened windows and doors and produced papers of various sorts. It has provided us with some studies on gambling which are of considerable interest.

Of course there has been discussion in recent years as to who are the participants in gambling. The Hon. Member for York West (Mr. Marchi) alluded to some by suggesting that it was Canadians of lower income, the poor, pure and simple, and middle-income Canadians who tended to be the buyers of lottery tickets. The extent to which some of these people purchased lottery tickets leaves one suspecting that the consequence is a reduction of standard of life for them, in the almost always vain hope that they can somehow get out of the circumstances in which they are caught and get on to the rich life which they seek. The reports which were done for the Lottery Corporation in the Province of Ontario certainly underscored that reality. In one case they indicated that in fact it was groups of Ontarians of the sort I have been describing who tended to be the larger purchasers of lottery tickets.

Another study suggested that lottery ticket buyers were more poorly regarded by the public than they should be, and that an advertising campaign was in order to improve the image of those who were gambling. I do not know whether in fact those studies were behind the advertising campaigns to which we have all been exposed and to which I alluded earlier.

I should like to refer to two of the advertising campaigns in this province. There was the "Home, James" series, if I can call it that, which pandered to all kinds of desires for luxurious acquisition by our fellow citizens. The other campaign focused on a druggist in a particularly homey store, an aunt and her niece and the young clerk who works in the drugstore. Those two campaigns were designed to improve the image of the lottery buyer.

● (1610)

Enormous amounts of money have been spent on those advertising campaigns for television time and billboards. A great deal of money was spent on the series this summer that encouraged us all to continue buying lottery tickets while on vacation. All of these campaigns were designed to encourage our fellow citizens to gamble with the conviction that they are going to strike it rich and break out of their poverty and that they would finally enjoy all that their hearts had desired for years.

That kind of advertising is designed to drive people into a never-never land. The possibilities of winning a lottery are extraordinarily low in most cases. There is in fact much more chance of being struck by lightning, and in fact even being struck by lightning a couple of times, than there is of winning a lottery, according to statisticians. Given the small number of people who win, it arouses false hopes to appeal to people to buy tickets in the hope that they will be able to enjoy the kind of life that is held out to them in that series of advertisements.

The fact that advertisers believe that listeners are susceptible to these appeals says a great deal about the circumstances in which many of our fellow citizens are caught. I think we might as well recognize that for some years now, the lives of many Canadians have been lives of depression. During the high interest days of the early 1980s and even earlier, many Canadians were unemployed, caught on social assistance and found themselves without any significant meaningful place in society beyond what they were able to create in family and with friends and community. Given that sense of the hopelessness of breaking out and getting ahead, even for those who were employed in low-paying jobs with very little hope, it is understandable that an advertising appeal that suggests the possibility of prosperity, affluence and luxury would have some appeal to our fellow citizens.

There is something almost diabolical about the fact that the Government helped to create the depressing situation in which Canadians found themselves while at the same time pandering to them by advertising campaigns designed to suggest to them that there was a possibility of getting out of this depression by buying lottery tickets. A social illness is developing and Governments are playing a large part in supporting this. Unfortunately, this Bill which gives the provinces the monopoly on lotteries does nothing to end that.

At the time when Governments are very sensitive to the privacy of citizens, there has been very little protest about one of the most curious features of the lottery system, which is that winners effectively forfeit their privacy and anonymity. They stand revealed before the nation as suddenly wealthy people. There has been very little protest about the demand of the lottery associations that winners identify themselves and stand before television cameras revealed as the sudden possessors of half a million, a million, or in very few cases several million dollars. That particular violation of the privacy of people who have attempted by buying lottery tickets to break out of their straitened circumstances seems to me a curious contradiction on the part of Governments that are so concerned about the privacy of individual Canadians.

My comments on the effect gambling has had on our society and the social malaise to which it relates are, it seems to me, of

very great importance. It is a matter to be regretted by any Government that is really concerned about achieving the kind of social order and public policy to which I and my colleagues are committed.

There is another aspect to the matter of what gambling fosters in citizens which is worth considering. We recognize that the use of lottery moneys for public purposes including fitness and amateur sport is designed to compensate for the Government's unwillingness to use consolidated revenues for that purpose. In looking to consolidated revenues as a basis for supporting these important activities, we do in fact want those revenues to be based on a sound system of taxation.

I do not think it is all that much of a novelty any longer to suggest that the tax system of Canada has become badly imbalanced to the detriment of just the people who tend to buy the most lottery tickets. The federal tax system and, because the provincial system largely rests on the federal system, the provincial tax system as well are oriented toward the taxation of individuals and small businesses. It is of course on middle-income Canadians that the income tax system draws first. As well, poor and middle-income Canadians are hit with sales and excise taxes.

The fact is that the burden of taxation has shifted in a most remarkable way from the balance between corporate and individual income tax and the genuinely progressive individual income tax system that existed a quarter of a century ago to a system that puts an incredible burden on individual Canadians, most of whom are poor or middle-income earners. It is because we have such a tax system that the Government finds itself with the deficit it has. This Government and the preceding Liberal Governments did not have the courage or the good sense to realize that the tax system had to be brought back into balance for the good health of the country. It is for that reason that the Government believes it does not have the revenues necessary to support activities such as fitness and amateur sport through consolidated revenues. It is for that reason that the Government, which has placed this heavy burden on invididual Canadians, ends up supporting gaming activities which end up placing one more burden on poor and middle-income Canadians.

As a consequence of the policy mistakes made in the early 1970s by the Liberal Government, largely supported by the Conservative Party in opposition, people now think that the provinces have to depend on lottery income which, through negotiations, is extorted from the provinces by the federal Government for use in supporting things like the Calgary Olympic effort. It is that combination of policies and social ills to which this Bill relates. Unfortunately, as I said earlier, it goes only half-way toward actually dealing with a problem by taking the federal Government out of gaming activities.

Regarding the Bill itself, I note that certain other changes have been made to it. I would like to recognize the importance of those changes by modifying somewhat what I have just been saying in a broadly general way about gaming in this country. It seems to me that there is a limited place at the community level for raffles and similar activities. It may be a break from the principles which I have been broadly spelling out. I have an uneasy feeling that it may be the case when it is suggested that school children are encouraged to sell tickets to some event or another, or when churches are involved in bingos, or for that matter the bingo business generally, which is used for all types of secular practices as well in many of our community. In saying that that sort of activity ought to be tolerated, we are in fact making something of a concession to the vice which I have been suggesting that gambling is. I think that is probably true in principle. However, I am prepared to concede that a little bit of this might go on.

● (1620)

I personally faced the question of these principles and the potential contradiction when the Lottario draw took place in my riding in the Town of Nipigon late last summer. Very soon thereafter the Nipigon fall fishing derby took place in the same community and concluded with a draw for the entry prize. In the case of the Lottario draw, given what I had said in November 1984 about gaming, there was no doubt in my mind that I was not going to take part in the draw in Nipigon even if it meant missing a fine chance of receiving television publicity. It simply would have been a contradiction of my principles to do that. On the other hand, to attend the concluding hours of the Nipigon fall fishing derby and to accept the honour of drawing the ticket for the entry prize was something that I was prepared to do. I note here that the largest prize of the three drawn was for $100, which I think is relevant to two of the changes to Section 190 of the Criminal Code which this Bill includes.

As the Minister has already noted, one of the changes is to extend to fishing gatherings the permission which agricultural fairs have had for many years to include something in the way of lotteries in their operations. Clearly, that sort of expansion would easily erase any legal doubts which there may have been about the Nipigon event, not that I think there were any.

The second change to the Criminal Code is with respect to an increase in the prize which a lottery operator in a community may receive. This is an increase to $500 from $100 and an increase in the ticket price from 50 cents to $2. I suppose both of these changes simply recognize the effect of inflation over the years. It strikes me that they are immediately relevant to the organizers in Nipigon who will now be able to increase the size of the first prize at the Nipigon fall fishing derby.

These matters of gambling activities, raffles and so forth at the local level are ones which I wanted to mention because it seems to me that we might tolerate in these cases what I have described as an evil in other cases. At the same time, we realize that the consequences of a provincial activity in these areas are, in fact, very great; and the way in which gambling revenues are drawn upon by the provincial and federal Governments for social purposes really smacks of poor public policy.

I must say that on one additional aspect to which the Minister referred I find myself somewhat repelled by the suggestion that Canada has developed expertise in the area of lottery operations which it can make available to others. The

way in which lotteries have expanded in the country since the change to the Criminal Code in 1969 is something of which I disapprove, as all Members will realize by now. To think that as a consequence of that change we are now skilled in the production of various materials which can be exported seems to me to be a most objectionable argument for the legislation which is before us. In fact, it seems to me to contradict what the Hon. Member for Halton (Mr. Jelinek) said in 1983 in describing the ills of gambling activity when he referred to sleazy operations and so on. It seems to me to be quite contradictory for him to advocate in the House at this time that the results of this activity could be usefully sold to others. Surely we should not be involved in perpetrating upon others the material of this particular wrong which we are working upon ourselves.

Given the nature of my support for the Bill, a support which relates to the fact that it takes the federal Government out of gambling activity, I might say that the critical comments of the Hon. Member for York West (Mr. Marchi) with respect to the Government giving up this area are comments which I would entirely share if I regarded the activity under discussion here as a legitimate activity. As I said last fall, when one is giving away the store it should not be too difficult to arrive at an agreement with the recipients of it. If one surrenders a potential chunk of an operation to those who are already well established in the business, it should not really be difficult to arrive at an agreement. All of that is of course to say that this particular 1979 agreement involves a curious complex—at least when Conservatives are in opposition—of moral disapproval and desire for better relations with the provincial Governments. When the Conservatives formed the Government the moral disapproval was abandoned. They focused primarily on good, co-operative federalism and then on giving away the shop. As a result, they are left with a limited negotiating power when they turn to the provinces to obtain somewhat more. Of course, I am talking about something more of the filthy lucre which is involved in this. I shall abandon the particular point I have made here which the Hon. Member for York West has already expanded upon quite properly. I will leave that particular argument to him and take up what the Conservatives, now in government, have quite abandoned. I speak of the recognition of the social and moral consequences of gambling and the conviction that there should be an investigation of this whole matter.

This brings me to one of the other quotations which I incorporated in my comments of November 8, 1984 when I noted that the Hon. Member for Provencher (Mr. Epp), the present Minister of National Health and Welfare, speaking on November 18, 1982 made a statement which I fully endorse. Given the presence of a different Minister in the House today, I suppose I shall have to direct the statement to him. The Hon. Member for Provencher said:

> I suggest to the Minister that he seriously consider setting up an all-party Committee to study the subject of lotteries and what they mean to the Canadian public, both in the immediate and long term, before this Bill is passed.

The agreement among the House Leaders with respect to this particular Bill precludes me from actually insisting on anything such as that. However, it seems to the me that Ministers of the Crown who have expressed themselves very strongly as Opposition Members in quite principled, moral terms with which I heartily concur might take that suggestion from November 18, 1982 to heart and set about striking such an all-Party committee and authorize that committee to call witnesses, invite briefs and seriously consider the effects of gambling on the country.

• (1630)

It is something over 15 years since the Criminal Code was amended in 1969 to allow gambling on the large scale it is now. Almost into the sixteenth year now, we might very usefully have such a consideration of the question by a committee to find out what Canadians think about the advisability of such an endeavour. If Hon. Members, now Ministers of the Crown, really believe the principles they espoused in 1982 and 1983, I have no doubt they will in fact give us such an opportunity to determine what the effect of gambling is.

I will not say anything about what they feel now because this is after all an open question to which they have the opportunity of responding and demonstrating their social good sense and moral principles. I earnestly call upon Hon. Members to take such a stand and give us the opportunity to determine whether we should in fact at some early point have a further revision of the Criminal Code to strike out the power which it has now. Clause 3 with respect to Section 190 of the Act states as follows:

> Notwithstanding any of the provisions of this Part relating to gaming and betting, it is lawful (*a*) for the Government of a province, either alone or in conjunction with the Government of another province, to conduct and manage a lottery scheme in that province, or in that and the other province, in accordance with any law enacted by the legislature of that province—

We might very usefully have a special committee of the House of Commons to consider whether we should in fact repeal that clause as well and remove gambling from the national scene, as it were, where it has been allowed to grow and to proliferate. Let us remove it from that scene and get ourselves back to something of the moral sense which Canadians used to feel, which in fact has been the motive of members of my own caucus, past and present, and Members of the Conservative Party when it was in opposition.

I appreciate this opportunity to conclude the matter which I had the opportunity of beginning on November 8, 1984.

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

Some Hon. Members: Question.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into Committee thereon, Mr. Danis in the chair.

The Chairman: Order. House in Committee of the Whole on Bill C-81, an Act to amend the Criminal Code (lotteries).

Mr. Jelinek: Mr. Chairman, I rise not to expound on the positive actions of the Bill, which I have already done and of which there are many. However, my hon. friend, the hon. Member for York West, when he responded to my comments earlier, was allowed to ramble on about matters which I felt were somewhat unrelated to the Bill. You will recall, Mr. Chairman, that I rose on a point of order to bring this to the Speaker's attention but the Hon. Member was allowed to continue debate. I must, therefore, stand in my place now and respond in kind to the misinterpretation and misleading statements put by the Hon. Member.

I am somewhat surprised because I have very often let the Hon. Member know that I have been disturbed that he has never put any questions to me in Question Period, or at other times when a response can be forthcoming. He seems to hide behind statements and press releases where a response to correct these misinterpretations can be forthcoming. When the Hon. Member is quite certain, as he was a few moments ago, that a response is impossible, then misleading words gush out of the Hon. Member's mouth like a flushed broken toilet. I know that the Hon. Member thought that there could not be a response because he was on his way out of the Chamber just a few moments ago. I did not want to speak behind his back and that is why I indicated to him across the floor to please stay. I would rather make my comments to his face than behind his back, which is his own practice.

The Hon. Member talked about this piece of legislation, Bill C-81, and he referred to the "noble" Sports Pool Corporation initiated by the previous Liberal Government. That "noble" Sports Pool Corporation not only went against an agreement between the federal Government and the provinces, thereby creating a major federal-provincial irritant, but it cost the Canadian taxpayers $1.5 million a week. However, the Liberal Government continued to run the Sports Pool Corporation. It went on and on. If this Government had not been formed when it was, the Sports Pool lottery would probably still be in place and would still be losing 1.5 million tax dollars a week.

That is the reason, my colleague, the Minister of National Health and Welfare and I, as one of the first steps of this Government last September, closed down the Sports Pool so that we could restore the co-operative spirit in federal and provincial relations and save the taxpayers the millions of dollars which otherwise would have been lost.

The Hon. Member for York West said that he was disturbed that Bill C-81 did not spell out how the $100 million, which was the agreement signed last June 3, split the take, so to speak, from the provinces to the federal Government. I really have to scratch my head in wonder because nearly everything said by the Hon. Member is misleading—although I do not believe he is doing it intentionally. I just think he is totally misinformed. If the Hon. Member knew anything at all about what we were talking about, he would know it is the responsibility, as spelled out in the agreement of the Interprovincial Lottery Corporation to divide the profits and, therefore, the payments to the federal Government, according to the sales and profits of each province. It is not for the federal Government to dictate to the provinces, telling them how to divide the loot, so to speak, as the Liberal Government used to do. It is up to the provinces themselves to decide as to how it is going to be done. If the Hon. Member would do his homework, he would find it is explained in the agreement which was signed between myself and the provincial lottery Ministers involved.

The Hon. Member also said that the Sports Pool was established to create funding for the Calgary Olympic Games. That is right, and it lost $45 million. The Liberals did not know how to run the country and they did not know how to run a lottery. It was probably the first Government in the history of the world which established a lottery and lost $1.5 million a week. Can you imagine that, Mr. Chairman?

Then the Hon. Member has the audacity to stand in his place, believing that no one will respond, and say: "If the Conservatives would close the Sports Pool down, how come they did not replace it with some other fund-raising event?" We closed it down in order to save the money. I, as Minister responsible for Fitness and Amateur Sport, went to the private sector and I am happy to report to the Hon. Member that in the last 12 months we have raised in the tens of millions of dollars of new funds from the private sector which are geared toward our young kids in amateur sports in this country. That is what we have done.

• (1640)

Then he went on to say we had given away the shop to the provinces. In fact, we are saving tax dollars. In return for a portion of lottery profits we promised the provinces that they would have the lottery rights. That portion amounts to $35 million a year. That amount is tied to the CPI which rises every year, although fortunately under a Conservative Government it will not rise as quickly because inflation will be less than it would be under the Liberals. As well, I was able to sign an agreement with the provinces for an additional $100 million in return for this Bill. The Hon. Member forgot to talk about that.

Mr. Gauthier: Stick to the Bill.

Mr. Jelinek: The Hon. Member says: "Stick to the Bill". Where was he when his back-bencher was talking about soccer?

Mr. Gauthier: Mr. Chairman, if the Minister wants to use his 20 minutes to make a partisan speech, he is quite welcome to do it. However, we will have to make the same kind of reply. I would warn him that he does not have the reputation of being very objective in his Bills. How about addressing Clause 1 which is before us right now?

Mr. Jelinek: Mr. Chairman, I am surprised at the audacity of the Member. Obviously he was not here when the Hon. Member for York West—

Mr. Gauthier: I was here.

Mr. Jelinek: —was speaking about soccer. I am responding to the matters brought up by his back-bencher.

Mr. Gauthier: You will have a chance on third reading to speak to that.

Mr. Jelinek: We now come to the final point of misrepresentation and misleading information from the Hon. Member for York West. That concerns the World Cup Soccer Team from Canada. He thought there would be no response. He said that this Conservative Government is not funding the World Cup Soccer Team. Do you know why we are not in a position to do so? It was the Liberal Government which created the rules and regulations in the Ministry of Fitness and Amateur Sport which would not allow us to fund professional teams. However, I have news for the Hon. Member. I am going to change those antiquated rules and regulations. The Hon. Member can talk to officials in Sports Canada who will agree with me when I say it is the rules prescribed by the previous Liberal Government which will not allow me to fund the tremendous success of our World Cup Soccer Team. As a former Olympian and member of Canada's Sports Hall of Fame, which I hope some day the Hon. Member for York West will join me in, I understand what it means for a Canadian soccer team to make it to the World Cup for the first time in our history. I know the benefits which will come back to Canada as a result. There are 2 billion people around the world who watch the World Cup championships. When a Canadian team is there it will mean a lot for Canada by way of advertising, tourism and in many other ways. It is for that reason that I am in the process of changing the antiquated Liberal rules and regulations put in place many years ago. We will change them in such a way that we, along with the private sector, will be able to support the World Cup team as they head for Mexico next year.

I just wanted to make certain that the Hon. Member stayed in the House to hear me out. I wish he would not hide behind statements which no one can respond to. I wish he would not hide behind press releases which espouse misinformation beyond explanation. I wish he would from time to time stand up in the House and have the courage to ask me straightforward questions which I would be very happy to answer.

Mr. Gauthier: You are never here.

Mr. Jelinek: The only time he has done that is when I was not here, when I was speaking as the Minister responsible for Multiculturalism to an Italian community group. He picks that day to ask me a question. However, if you counted the number of days I am here in Question Period and compare them to the number of days he was here I will win 10 out of 10.

Mr. Marchi: Mr. Chairman, just in case there are any viewers who did not turn off their television sets when the Minister got up to speak, I want to say that I am shocked and amazed that this individual is a Minister of the Crown. Notwithstanding his background, he used language and style and class befitting a rock. I am surprised he would get up in his place and speak in the manner he did. He alleged that this particular individual is misleading the House and is afraid to stand up, that he runs away and hides behind press releases. I am surprised that this comes from a so-called veteran of the House. He does not impress anyone, let alone his own back-benchers.

If he wants to talk about misleading statements, he should look at what he just said and then take a good long look at himself in the mirror. If we look at the Official Opposition questions of the Minister of State for Multiculturalism and the Minister of State for Fitness and Amateur Sport, we have asked—largely through my efforts and I am not boasting because I am the critic of the two portfolios—more questions and make more statements under Standing Order 22 then the Tories did in four years in Opposition. I challenge the Minister to get up on his feet once again, if he has the courage, and challenge those statistics. We have asked more questions, made more statements and debated the issues much longer than the Government Party did in the four years it was in Opposition.

He also talked about misleading information concerning the Canadian Soccer Team. The information I gave was not misleading. It was the reality. Then he has the audacity to say that somehow we cannot give money to this soccer team as professional players because the legislation or rules do not permit us to do that. Yet this Government is dismantling everything that is good on the basis of a whim. Therefore, I am quite surprised, shocked in fact, that he stands up and suggests the things he does in this manner. When I was speaking from my place I was speaking to the sports constituency and trying to tie that into this legislation. The Minister was trying to play lawyer, which he is not, and forgetting about the sports constituency he is responsible to. That is the issue. It is not a question of a Member being afraid to face the things he has just said because I will stay here all night.

• (1650)

It is not a question of running away and hiding behind press releases because had he been here last Friday I would have asked him the question that I asked his colleague, the Secretary of State, who then answered that there is no statement and no Minister. I would love to have an entire Question Period on multiculturalism and sports. I would like to extend the Question Period by an hour if the governing Party would agree. We are not scared to discuss the issues. We are not scared to show the Canadian people the reality of the Government, and in particular the reality of this Minister because there are deficiencies in both of his portfolios. If we are to do something as Parliamentarians, it is to better those two portfolios which the Minister represents. I, as only one Member of Parliament, am attempting to do my best, as is my Party, to do that very thing. For the Minister to suggest that a Party or a Member is running away, is scared, or is misreprsenting and misleading does him no justice. It does not do him justice as a Parliamentarian because what he says is wrong, and most importantly, it does not do him any justice as the Minister of State for Multiculturalism and the Minister of State for

Fitness and Amateur Sport because people want him to address the issues rather than make his friends on the backbenches laugh because it is close to five o'clock. Let us talk fact and reality. We are prepared to continue as long as the Minister wants to.

I would like to return to this particular piece of legislation as it relates to the winter Olympic Games. The Minister talked about me suggesting that the provinces should split the lotteries in a certain way. That is not what I was saying and the Minister knows it. I was addressing the point that the provincial Governments have agreed, on a qualified basis, to give over $100 million to the Olympic Games in Calgary. I do not agree with the qualifications, but the $100 million is fine. I asked how the $100 million would be split among the provinces rather than how they are going to split the lottery profits that they will make through their grand monopoly. Is Alberta going to pay the same as Nova Scotia? Is Ontario going to pay the same as Newfoundland? Well, the Minister has now left the Chamber. Who is running away from the truth, Mr. Speaker?

Mr. Gagliano: He is hiding.

Mr. Marchi: The Minister is quoted in the Calgary *Herald* of September 20 as saying: "I will come up with a different funding system. This will be a priority for me". When the Minister comes back here, if he has the courage, he can tell the House and this Member what funding system he will be replacing the sports pool or lottery business with. What is the alternative? What can sports organizations expect in terms of generating funds for them? I would also like to ask the Minister whether there is any guarantee that the lottery funds generated by the provinces are going to be channeled into the federal fitness and amateur sports world. Is there a guarantee that we do not know about? Is there a guarantee from the provinces that some of the money will be pumped into sports once again rather than allowing the provinces to use it for a variety of things?

It is just like transfer payments for education which do not get spent on education, Mr. Speaker. That is not right or fair. If moneys are designated to be used in a particular domain, they should be used for those purposes. I would like to know if there are guarantees in place that the moneys generated by the provincial lotteries will be used for sports. If there are not, then the Minister is not defending his portfolio at all.

I would also like to ask the Minister about his personal opinion or preferences on lotteries. We sometimes hear conflicting stories from that side of the House. They say that the federal Government should not be involved in lotteries and that the Liberal Government was wrong to have been so involved. They say that lotteries are a tax on the poor and moderate income earners of the country. Yet, on the other hand, they are prepared to say that it is okay for the provinces to do it. What kind of double-talk is that? You are either in favour of it or against it. I would like to know what the Minister's personal preferences are with regard to the lottery issue.

We want to know a lot of things, Mr. Speaker. Canadians want answers. We want to know how the Minister is going to pick up the shortfall from the Calgary Winter Olympic Games. His Government committed itself to donating $200 million. There is going to be a shortfall of anywhere between $50 million and $70 million. I would like to know, as would all Canadians and athletes, where that money is going to come from. Those are just some of the questions that this side of the House, and particularly this Member as critic, would like to have answer for. I am going to stay in my place and hope that the Minister does not run away but, instead, gives us some answers.

Mr. Jelinek: Mr. Chairman, I am glad that I finally got the Hon. Member to ask some proper questions. Most of them were answered in my initial remarks on Bill C-81, which is what we are supposed to be discussing. He got riled up, of course, because I responded to his accusations and misinterpretations in his earlier comments. He is, again, misinformed.

Mr. Gauthier: Answer the questions for God's sake.

Mr. Jelinek: I would like to invite the Hon. Member to my office some day to teach him a little bit about what goes on in both of my ministries. Then he would perhaps be a little more informed in putting questions. He asked, for example, whether I can guarantee him that the $100 million from the provinces for which I made a deal will be directed toward amateur sport. He should be congratulating me for being able to make a deal for $100 million in return for this piece of legislation.

Mr. Gauthier: We don't trust you.

Mr. Jelinek: The answer to his question is no.

Mr. Gauthier: There you go.

Mr. Jelinek: The Hon. Member for Ottawa-Vanier says: "There you go". Sergio is right because I am saying that the money is not going to be directed to amateur sports. No it will not. If the Member was informed properly he would know that this money will go toward the funding of the Calgary Olympic Games. I can guarantee him that.

Some Hon. Members: Hear, hear!

Mr. Jelinek: Mr. Chairman, I will not stay on my feet longer. I think that we have made an agreement to pass this Bill through all stages today.

Mr. Marchi: No, no. We'll keep going.

Mr. Hovdebo: That was before you started talking.

Mr. Jelinek: Now the NDP is getting riled and I haven't even started to attack them.

The Chairman: The Hon. Member for Ottawa-Vanier on a point of order.

Mr. Gauthier: Mr. Chairman, I think the Minister is all mixed up again. We go until six o'clock tonight so we will have

another hour of the great entertainment which he is putting forth.

Mr. Epp (Thunder Bay-Nipigon): Mr. Chairman, I am a little riled up, I suppose, as my friend in the Official Opposition has observed, because we had an agreement and it seems to me that the spirit of it has been violated. It seems to me, Mr. Chairman, that we should return to the issue. For those purposes, I would like to put some comments on the record about Clause 1 of the Bill which is a general one. I would like to quote from page 26875 of *Hansard* of June 28, 1983, the words of the Hon. Member for Halton. He said:

Mr. Speaker, I would just like to make a few comments on Bill C-95 in respect to the sports pool and motion No. 4 moved by my colleague in respect to the Auditor General taking over the accountability of this sports pool program. In fact, I would hope that Parliament would see fit to study the possibility of the Auditor General being accountable to this House for all Government agencies and Crown corporations, and therefore to the Canadian public.

At the outset, I would like to say that this sports pool is nothing more than an indirect taxation by devious ways and means. It is an underhanded way of collecting money from the Canadian public because the Government has failed in its responsibility time and time again to collect it by normal means. I would like to mention three examples of the devious ways in which this Government has handled the situation from the outset. On June 26, 1981 I asked a question of the then Minister responsible for fitness and amateur sport, and I will quote my whole question because it puts this whole sports pool into perspective. I said:

● (1700)

Madam Speaker, my question is directed to the minister of fitness and amateur sport. When the original Olympic lottery was introduced in order to defray the costs of the Montreal Olympics, the Liberal Government at that time gave Canadians and the House its assurances that no further lotteries or gambling operations would be initiated.

That promise, as the Minister knows, has already been broken. It has now come to my attention that the Minister is well on his way to extending federal gambling programs to what is known as all-sports betting, in other words, reducing the Government to the status of bookies for betting on hockey games, football games and so on. Without once again copping out by giving a stock answer blaming the previous Government, can the minister confirm or deny whether his Government is contemplating such action?

The Member for Halton then said:

The Minister's response was:

I would inform the Hon. Member that the Government has no such plans. We do not contemplate any such scheme as the Hon. Member has mentioned.

Three days later, Mr. Speaker, I produced a sample of a sports pool ticket in this House and showed it to the Minister. He had to agree that they were studying some form of gambling operation but he was not sure whether that was it and he in fact had not seen that ticket. So the Minister was either deliberately misleading the House three days earlier, or he was totally ignorant of what went on in his own Department.

To show you the devious ways and means this Government has used to handle this situation from the beginning, less than three months later, on September 14, that same Minister announced very proudly that the federal Government, the Liberals, were going to introduce a sports pool betting scheme along the lines I suggested he was planning less than three months earlier when he denied it. That is why I call it devious ways and means.

Point number two, Mr. Speaker, is advertising. We have talked about the cost of advertising sports pools and gambling operations by this Government, but there is also misleading advertising. I take you back to December 6, 1976, when I informed the then Minister of Consumer and Corporate Affairs, Mr. Abbott, that the ads for Loto Canada at that time were so misleading that a Canadian is twice as likely to be hit by lightning than he is to win $1 million in that gambling operation. The Minister said that he agreed there was excessive and misleading use of advertising. He said it was exaggerated optimism. He also said that he did not plan to get tough about the ads even though he considered them inappropriate, unfair and in bad taste. He said that while he did not think the ads were misleading, they tend to raise expectations in the public mind which are unjustified. He was then removed from that position and we never heard any further about any changes made in that regard. Again, an example of devious ways and means of promoting federal gambling operations.

A third point, which is probably the most important and comes to the root of this whole problem, is that lottery operations were agreed to by Parliament to defray the cost of the Montreal Olympics in 1976. There was a lot of debate about this and we received all kinds of assurances from the Liberal Government that once those costs were defrayed there would no longer be any attempt by the Liberal administration or Parliament to bring in gambling operations under sports pools or lotteries or any such nonsense. Those were outright lies by the Government at that time because, as you know, Mr. Speaker, the lottery defrayed the cost of the Montreal Olympics but then the name was changed to Loto Canada and the rest is history.

When Hon. Members opposite say that we on this side do not care about helping the arts and amateur athletes, that is the furthest from the truth. As a former athlete I support anything which can be done to help amateur athletes in this country. But certainly not by establishing the phoney, sleazy programs the Government is talking about which would be taking advantage primarily of the poor people of this nation, and then misleading them with false and misleading advertising.

There are other ways to help amateur athletes in this country other than through lotteries and sports pools or indeed even large Government grants. First we should try to expand sponsorship by the private sector of amateur sports programs and the arts. We could expand the development fees which the NHL is now paying towards the development of junior hockey players. That makes sense. But we are not going far enough. What about figure skaters, as I once was? I spent all my time learning that sport in this country. Today the federal Government is subsidizing Sports Canada, rightly so, for the development of figure skaters and other sports, but then the cream of the figure skaters are taken away for foreign professional ice shows which do not give anything back to the taxpayer in this country to develop figure skaters. Surely there is a golden opportunity for this Parliament to go to the Ice Capades, Holiday on Ice and Ice Follies and say that every time they hire one of our skaters trained here in Canada, surely they must pay something back. The same thing is true in tennis and other professional sports.

That is an eminently sound idea which I would encourage the present Minister to pursue. The Member concludes:

These are just some of the ways and means of correcting the existing problem, whether it is on an ongoing basis for fitness and amateur sports, or specifically, as Motion No. 3 stated, that there should be funding for the Calgary Olympics.

In closing, Mr. Speaker—

This is where these comments really come to the point:

—I just want to reiterate my total opposition to any type of lottery or sports pool.

Well said. If only the Bill did that, instead of stopping on the federal side.

I think it is degrading, downgrading and certainly not in the spirit of athletic sports and the Olympics.

Well said again, I would say.

If I had more time I could expand on the many recommendations available to this Parliament and the Government in order to assist the arts and amateur sports in general.

Thank you for allowing me to place these words on the record, many of them sound words and some which I would dispute.

Mr. Jelinek: Mr. Chairman, my only comment is that having heard my words repeated by Mr. Epp in the House today as I sat on this side, I can only say that I made one hell of a speech then.

Mr. Marchi: Mr. Chairman, Otto talks about running away. After my hon. friend from the NDP spoke for 20 minutes, the Hon. Minister got up to say he likes the speech which he gave. Talk about courage, Mr. Chairman.

I also want to cite some quotes from the Hon. Minister. In describing the gaming operations, the Minister said in the Ottawa *Citizen* on September 21 that: "The operations are a tax on the poor and perhaps an immoral way of raising taxes, whatever the Government". What is his and his Government's view of the lottery business? When he describes it as a tax on the poor and a way of immorally raising taxes, does he not believe that that principle holds true whether it is the federal or provincial Government that is involved in the gaming operation?

I have another quote from the Ottawa *Citizen* of September 18, 1984. The Minister stated that: "A different form of gaming operation could continue after that— "referring to the dismantling of the Sports Pool:" —because clearly we have to keep our commitment to the Calgary Olympics and we will". Why is the Hon. Minister wasting the time of the House by saying that lotteries are evil and the federal Government should not be involved in them while, on the other hand, he is quoted as saying that gaming operations, sports pools or lottery mechanisms could in fact be established to raise the funds?

The Minister is obviously sending conflicting statements. On the one hand he states that it is immoral to be in the lottery business, yet he signs a monopoly in the lottery business over to the provincial Governments. He said that the previous administration was wrong in operating the sports pool and using the lottery business as a way of generating funds for sports teams. However, he is quoted as saying that once he has dismantled that pool he could perhaps begin another.

This leads me to my third question. If the former sports pool or another gaming operation was in fact making money that would help sports teams, would the Minister be in favour of such a mechanism? Would he be prepared to give it away to the provinces?

• (1710)

Mr. Jelinek: Mr. Chairman, first when my friend made reference to the speech that Mr. Epp from the New Democratic Party made and I did not respond to it, it was because he read my speech from a few years ago and he did not ask for a comment nor did he ask me any questions on it. I wanted to stand up and say that I thought the words Mr. Epp read were words of wisdom on amateur sport.

Mr. Gauthier: Mr. Chairman, I rise on a point of order. I hate doing this to the Minister but he has been here long enough to know that we must refer to Members not by name but by constituency. The Minister has referred to Members by name. I know he is not here very often but let me remind him that he should follow the rules and refer to Members by their constituencies and not by their personal names.

The Chairman: The Hon. Member for Ottawa Vanier is correct. I am sure the Minister is aware of the rule.

Mr. Hawkes: Mr. Chairman, the normal practice in parliamentary standing committees and legislative committees is to refer to Members by name. We are in Committee of the Whole. Is the rule different for Committee of the Whole?

The Chairman: Yes. I ask the Minister to refer to Members by their constituencies which I am sure he will.

Mr. Jelinek: Mr. Chairman, I apologize to the Member for Ottawa-Vanier. That is the first thing he has said that is correct today.

Mr. Gauthier: Stick around. I can teach you a few things.

Mr. Jelinek: I will refer to my friend as the Hon. Member for York West. In addressing his concern about my not responding to the Hon. Member for Thunder Bay-Nipigon, it is because he did not ask a question nor for a comment. I just commented on the words he read which were from my own speech.

The Hon. Member asked a couple of questions. I will take them in reverse order. He asked why we closed down the Sports Pool Corporation.

Mr. Marchi: No, I didn't.

Mr. Jelinek: He asked why we did not continue to practice the policy of the Liberal administration. I said already in this debate today on three or four occasions that besides the fact the Sports Pool was losing $1.5 million of taxpayers' money a week, it was also a federal-provincial irritant. Therefore, we felt it was wise to close it down.

It is true that while we were considering this, in answer to a question from a reporter at the time—I am talking now about 13 months ago—whether there were other options other than closing down, I said—and I cannot make a comment as to what was quoted in the newspaper—

Mr. Gauthier: Have you changed your mind since then?

Mr. Jelinek: I never change my mind. I said that officials of the Sports Pool Corporation said it could be revised in such a way as to be a money-making operation.

Finally, the Hon. Member asked for my personal views on lotteries. As a Minister of the Crown, my personal views are irrelevant. The views of the federal Government of the Day are that lotteries belong under provincial jurisdiction. Therefore, we have acted accordingly.

Mr. Marchi: Mr. Chairman, the Minister is certainly correct about one thing, that all his views are irrelevant.

The Hon. Minister said that in my preceding question I asked why the Government dismantled the Sports Pool. I did not ask that question. My question was specific. If that Sports Pool, or any other sports pool or lottery, was making dollars, money that would be going to aid sports organizations, would

the Minister and the Government have dismantled that mechanism?

Mr. Jelinek: Mr. Chairman, first, the question is a hypothetical one. The Corporation was not making money. I could sit down right now and feel satisfied that I have answered the question but I will not sit down. We made a commitment with the provinces in 1979 that we were going to hand over, in return for $35 million a year, the lotteries to provincial jurisdiction. That is what we said in 1979. That is what we did in 1984 and what we have concluded doing today.

Mr. Marchi: Mr. Chairman, the Member talked about courage, yet we do not see any courage toward letting Canadians know how the Minister and the Government will be doing things.

If we take the example of the Sports Pool and the lotteries, a method not new to other countries to help sports organizations, if we were to create that type of mechanism and atmosphere and we were making enough funds to help the sports organizations, would he be in favour of that?

Does the Minister agree or disagree with the Canadian Olympic Association which has gone on record in the debate of June 1984 and since then that it is in favour of a sports pool and lottery concept as a way of complementing any funds from the national Government to help sports organizations? Is the Minister agreeing or disagreeing with the Canadian Olympic Association in that regard?

Mr. Jelinek: Mr. Chairman, in answer to the first part of the Member's question, which was a repeat of a question he put earlier, this time let me say his question is hypothetical. He is asking if it would have or would not have. The question is hypothetical and it does not require an answer.

As to the second part of the question, I have always considered ways and means of raising additional funds for amateur sport and how best we can go about doing that. I have concluded that the best way is to approach the private sector in a co-operative and a business-like fashion. I am very pleased to tell the Hon. Member today that I will be making a comprehensive announcement in that regard within the next few months.

In the meantime, I should let the Hon. Member know, as I said earlier, but I want to underline the fact that because of the position I have taken over the last 14 months, amateur sports has received in Canada tens of millions of new dollars from the private sector as a result of the challenge that I put out. I am delighted that the private sector has responded and responded effectively and well for the benefit of amateur sport in Canada.

Mr. Marchi: Mr. Chairman, the Minister of State for Fitness and Amateur Sport gives the impression that since he took the office of Minister he has been responsible solely for the corporate sponsorship or dollars flowing from the private sector. He should know and point out clearly, especially since he comes from the sports milieu, that the corporate sector has always picked up a good share of costs of sporting activities whether skiing, hockey, basketball or what have you. No one is denying that. I do not think it is incumbent upon any individual Member of this House to say it is because I am there that all the corporate sponsorships have been coming through the pipeline. I have talked to a number of individuals in Toronto organizing on behalf of sports and interfacing with the business community. They are quite taken aback that somehow this Minister is claiming that victory for himself and the Government.

We all know that in the past, in the present and I am sure it will continue in the future that the corporate sector will interface with Government, not only in sports, but in a wide scope of Government areas. We should encourage that. We are looking also for something a little more tangible.

The Minister in his statements and in recent accounts in the newspaper said that once we dismantle this aspect, we will be bringing in another scheme to take the place of sports bodies resources. I would like to know where that scheme is. Can he illuminate this House as to his plans? He failed to answer my other question. Does he agree or disagree with the Canadian Olympic Association which favours sports lotteries and sports pools in order to raise funds for the Olympics?

• (1720)

Mr. Jelinek: Mr. Chairman, the Canadian Olympic Association is free to do what it wants in respect of lotteries or any other fund-raising venues. The policy position of the Government is that lotteries are the responsibility of and fall under the jurisdiction of the provinces.

With regard to the private sector, it is true that there has been in the past private sector contribution to amateur sport. Amateur sport is very thankful for that, as am I.

When we assumed office just over a year ago, private sector contributions to amateur sport, in round figures, were something like 20 per cent of the total and federal Government contributions were 80 per cent. I am pleased to say that I approached the private sector on an ad hoc basis and talked consistently and constantly about trying to get more private sector involvement in amateur sport. There is a great return to the private sector. I am also a businessman, and I know from a business point of view that a corporation will not invest in anything unless there is some return. We saw the tremendous success of Canadian athletes at the Los Angeles Olympics. Stars were born. The names of amateur athletes became household words. As a result, we suddenly had a very good product to market, a product which had to be marketed in a co-ordinated fashion.

We have been working on a co-ordinated marketing strategy for past months. As I have pointed out to the Hon. Member, I hope to be announcing it in the next few months. It will be a co-ordinated effort to build upon the success which has already taken place with the private sector. It will involve a more professional, business-like and co-ordinated approach to the private sector on behalf of and in conjunction with the sports governing bodies.

I should let the Hon. Member know that this is not a new idea. There have been studies done in the past. The most recent one was in 1983. A task force was formed and sent across the country to study ways and means of improving private sector involvement in amateur sport. That task force came back with specific recommendations. It indicated that by 1984, last year, if its recommendations were put in place, the funding could be on a 50-50 basis; in other words, 50 per cent from the federal Government and 50 per cent from the private sector.

In an attempt to educate the Hon. Member a little, unfortunately they did not receive the political support needed to go ahead with those proposals. They did not receive political support from the Government of the day which happened to be the Liberal Government. Had they received that support, we would already have a much higher level of corporate support and a mutually beneficial agreement between sports governing bodies and amateur sport organizations.

I am not taking credit for suddenly thinking up a new scheme of going to the private sector and saying: "This is a great, new idea". The idea is not a new one. What I am doing is providing political support, encouragement and leadership, to make certain that we can form an entity to work with the sports governing bodies and with the private sector for the benefit of amateur sport and for the benefit of taxpayers.

We are all committed to improving goals and programs and to enlarging upon the support of all amateur sports. Hopefully that will be the case with professional sports, where applicable, such as the World Cup team. We cannot continually go to the taxpayer and say: "You have to give us more". We cannot do that, and the Government will not do that. There is not a bottomless barrel of money to dig into. The Liberal Governments of the past continually dug into bottomless barrels of money, putting the country further and further into debt. We are not doing that. I will be reducing, hopefully over the next few years, federal Government support, perhaps minimally. At the same time I will be ensuring the ability to raise additional funds in such a way that we give the necessary tools to the athletes, coaches and officials. I, as Minister of State for Fitness and Amateur Sport, will not let down the World Cup team. I will certainly not let down the amateur sports body, including athletes, coaches, officials and everyone associated with them.

In fact, the Hon. Member may know, if he has been following what I have been doing, that I have just expanded and changed the funding criteria in such a way as to expand our support to domestic sports at a higher participation level. In the past the Government only supported, through Fitness and Amateur Sport, high-performance, elite athletes who were working toward winning international medals in the world championships and Olympic Games. That is very important. We will not take away anything from high-performance athletes. We will continue to support them, even to a greater extent than they were in the past. However, under my leadership, we will expand the support program so that we encourage sports governing bodies to get more Canadians to participate in amateur sport. That will do two things. First, with an expanded and broader base for amateur sport participation in the country, we will obviously have more athletes to pick from. If we have a broader base, we will have more athletes from which to choose to develop into the high-performance area. Second, and more important, if we have more Canadians participating in amateur sport, we will have a fitter nation. As a result, hopefully, in the longer term we could start reducing some of the increases in health costs which skyrocketed under a Liberal administration to over $30 billion, not million, per year. I believe, in all sincerity, that enhanced fitness programs and expanded amateur sports opportunities, particularly for our youth and others, can be used as a form of preventive medicine, among other things, to reach the type of goals about which I have been talking.

Mr. Hawkes: Mr. Speaker, I will not take up much time of the committee. Hon. Members will know that I am a Member of Parliament from Calgary, Alberta, the home of the 1988 Winter Olympics. The people of Calgary and the volunteers who are working on the Olympics are becoming more and more excited and better and better trained. We are looking forward to the opportunity to put on a show for the entire world. It will make all Canadians prouder of our country than perhaps they are today. I pay tribute to the Minister for personally contributing to that success.

Today we have seen an example of his skills as a bargainer. He has dealt with the Provinces of Canada in the true spirit of Canadian Confederation. He has helped them reach an agreement to provide some of the funding for the Winter Olympics so that they will truly be a national event in which all provinces have participated. It strikes at the heart of the wisdom of the sew Government. Instead of dictating to the provinces what must be, it is possible under true Confederation to work with the provinces. When the federal Government and the provinces are pulling together, there are very, very positive consequences.

I urge all Hon. Members of the House to give quick and speedy passage to this particular piece of legislation. I thank Hon. Members for granting me the time of the committee and I wish the Minister well in his further work. I know that it will continue to be of the same high quality, with the same high quality results.

• (1730)

Mr. Marchi: Mr. Chairman, I think the Hon. Member for Calgary West forgot to mention that that was a paid political announcement by the Progressive Conservative Party of Canada. Because it is an issue that transcends partisanship, there is no question in the minds of Members on either side of the House that everyone in the country is anxiously awaiting the Calgary Olympics. I think the Government, the Opposition and all Canadians should do all that they can to ensure that the Olympics are going to be the success that we all want them to be. That is a given and that certainly is something apart from this particular piece of legislation.

Just before he made his closing remarks, the Minister spoke a very important mouthful. He mentioned the fact that he hopes and wants to reduce federal funding for sports organizations. That strikes me as being very odd. That is very different from what Ministers of the Crown should be advocating for their particular portfolios. It is like the Minister of National Health and Welfare who, several months ago, defended the deindexation of senior citizens' pensions. In fact, the Minister of National health and Welfare was trying to be the Minister of Finance, forgetting that senior citizens fall within his Ministerial jurisdiction. The Minister of National Health and Welfare should not pretend to be the Minister of Finance. The former Minister of the Environment made wild cuts in her budget including cuts to wildlife services. She should not be walking around proudly telling us that. The Ministers should defend their own particular Ministerial jurisdictions.

Sports organizations are no exception. Rather than defending and fighting tooth and nail to have funding restored at least to the same level it was before, the Minister is prepared and hopes to reduce funding. This is much like the Government talking about the importance of multiculturalism while at the same time reducing the budget of this small Department by nearly 9 per cent. That Department absorbed the biggest budgetary cut of any Department on Parliament Hill. Yet the Government says it is serious about multiculturalism. It cannot suck and whistle at the same time. At least most of us cannot.

I would simply draw to the attention of the Minister that I asked specifically if he or the Government were against lotteries because in 1979 when the Conservative Party governed for a very brief time, the Conservative Government made a deal regarding the lotteries that in part funded sports organizations. At the time the lottery industry was a $200 million industry. Now it is an industry worth upwards of $300 million. The Conservative Government gave that away for an assurance of $35 million. That is Tory mathematics. If the Tories agree with lotteries as a way of complementing financial resources given by the federal Government, how can they say that that is good negotiating?

Tories cannot always hide behind the argument that they want to have good federal-provincial relations. We should and we do have good federal-provincial relations. However, we should not compromise ourselves either. We should not sell ourselves short. That is exactly what the Government of 1979 did. If this Tory Government is prepared to say that it is against lotteries and sports pools because, as the Minister of State for Fitness and Amateur Sport has already said, it believes it is a tax on the poor and an immoral way of raising taxes regardless of levels of Government, and if the federal Government were to eliminate lotteries, then I could respect and appreciate the Government's position. However, the Minister has been quoted as saying that he will look at another gaming operation. If he is not prepared to say that the Government is against lotteries but still gives them to the provincial domain, then what does that say about that Minister who is supposed to be protecting his jurisdiction? If he does not mind lotteries, why would he want to give them away when a good part of the funds generated would help the very people he is supposed to represent?

Therefore, I would ask the Minister, if he is in favour of lotteries and if he is prepared to give the provinces the monopoly on lotteries, will he give the House and more importantly the sporting community his assurance that he will try to fight for the interests of the sporting community and negotiate with the individual provinces so that some of those funds can be used for the original purposes for which they were meant; namely, assistance to sports federations and organizations, be they amateur or professional?

Mr. Jelinek: Mr. Chairman, the Hon. Member is getting boring. He has posed the same question four or five times. I have made the position of the Government abundantly clear. The position of the Government is that lotteries fall under the jurisdiction of the provinces. I cannot make it any clear than that.

While talking about this Bill which deals with Criminal Code amendments, the Hon. Member started to talk about multiculuralism. Yes, I am the Minister responsible for multiculturalism. Since he spoke about it, I can as well. Another example of the Hon. Member's misinformation is that the total budget for multiculturalism this year is slightly higher than it was last year. The Hon. Member once made a statement indicating that the budget for multiculturalism was reduced. It has not been reduced. The facts speak for themselves.

Mr. Marchi: The Estimates are for reductions.

Mr. Jelinek: I do not have the figures in front of me but I would be very happy to provide them to the Hon. Member. The budget for multiculturalism, under a Conservative Government, is slightly higher than it was under the previous Liberal administration.

As far as supporting and fighting for amateur sport is concerned, for goodness sake, I do not believe that amateur sport has ever had a Minister who has fought harder to try to get more for its community than this Minister. I am confident that I have done so. Amateur sports organizations are not suffering as a result of less money. They are all receiving more money because of the extra effort the Government has made in leading and encouraging the private sector to help us build on top of what the Government provides to amateur sport. I will never let amateur sports organizations suffer while I am the Minister responsible for Fitness and Amateur Sport.

In order for me to return to debating this Bill, I must say that when I was able to sign the agreement of June 3 of this year which resulted in the Bill we are debating today, I received congratulatory letters from the President of the Canadian Olympic Association. I received congratulations from the Olympic Organizing Committee in Calgary for having done something that the Liberals were unable to do. I do not blame the Liberals because there were about six or seven Ministers in this position within a period of two or three years. That Ministry became a joke. It was known as a revolving-door Ministry. Therefore, I cannot blame the

individuals who were in my position prior to me for failing to do a job on behalf of amateur sport. I received congratulations from the sports governing bodies and I received thanks for the support I have given them.

When I made my initial remarks regarding this Bill, I spoke in a very sincere, honest and quiet manner.

Mr. Gauthier: And partisan manner.

Mr. Jelinek: I did not get partisan at all. The Hon. Member for Ottawa-Vanier is—

Mr. Gauthier: If you would shut up and sit down, for God's sake, we could get to the Bill.

Mr. Jelinek: If he would have been here, he would have known that there was nothing partisan about the comments I made earlier.

Mr. Gauthier: You are the most patronizing Minister we have ever had, for goodness sake. Quit blowing your own horn.

Mr. Jelinek: The partisan comments came when the Hon. Member for York West started attacking me thinking that I would not respond to him. After he started attacking me with misinformation and misleading statistics, then of course I rose to respond in kind.

I am delighted that I am able to be here on behalf of the Government of Canada to bring this Bill before the House, a Bill based on a $100 million agreement with the provinces, a Bill which will assist and benefit the Calgary Olympics. As my friend, the Hon. Member for Calgary West pointed out, they will be the best Winter Olympics in the history of the Olympic Games. That does not just come from myself and from those of us closely associated with it. It comes from the great individuals within the Olympic organizing committee. I refer to the President, Frank King, the Chairman, members of the committee, the private sector which has become involved, the provincial Government which is one of the partners, the City of Calgary and its Mayor. All of these individuals in conjunction with the federal Government have worked in harmony and unity to ensure that the Olympic Games will, in fact, be the best ever.

● (1740)

I am pleased to announce to the Hon. Member that when Juan Antonio Samaranch, the President of the Canadian Olympic Association, was in Calgary not too long ago to review the progress with respect to the development of the games site he said that it appears that the Calgary Games will be the best ever in the Olympic movement.

Mr. Epp (Thunder Bay-Nipigon): My concern this afternoon has been with the Bill as it relates to the Criminal Code changes involving gambling. At the conclusion of my initial comments I raised some questions about the principled stance which the Minister has taken in the past regarding gambling. It was interesting to hear the Minister come close to clarifying the question I left hanging in the exchange between himself and the Hon. Member for York West. I would like to put this question to him. Given the high moral ground he adopted in 1983 when he spoke so strongly against the use of gambling funds for sports purposes, am I correct in understanding that he has abandoned that stance? He is very good at bandying about terms such as misleading and so on, which are only in order because he does not add the word "deliberately", although I am sure he thinks that. Someone who adopts this high moral ground is, I believe, a fit person to answer a question which is not at all hypothetical but which focuses on the realities of the situation. How far down has the Minister slid in abandoning the principles which he espoused in the summer of 1983? How acceptable is gambling now after all he has said about misleading advertising, sleazy methods and the dependence upon winnings raised from the poor of the country? Has the Minister given up all of that?

Mr. Jelinek: Mr. Chairman, I find it humorous that the Hon. Member says that he now knows what I am thinking. To show him my consistency with respect to my position on lotteries I will repeat what I have said six times today. The position of the Government of Canada is that lotteries fall within provincial jurisdiction. When the Hon. Member talks about my saying some years ago that there was misleading advertising, and I brought the question up to Mr. Abbott, who I believe was the then Minister responsible for Consumer and Corporate Affairs, does the Hon. Member wish to know what the public answer was from Mr. Abbott?

Mr. Epp (Thunder Bay-Nipigon): Not particularly. I am interested in your position.

Mr. Jelinek: I will tell the Hon. Member anyway. The then Minister thought I was right. He thought that the advertising was misleading and he took steps to change it.

Mr. Epp (Thunder Bay-Nipigon): That does not speak for your position.

Mr. Marchi: Mr. Chairman, we are not getting very many real answers to some very real questions. As my hon. friend has mentioned, these are questions which the sporting community would like to have answered. It is fine for the Minister to say that he has received congratulatory notes from the Olympic Association and from sports federations. That is great. In fact, it is almost to be expected. I will bet Hon. Members that during the time in which the previous Government was in office it received congratulatory notes from a good many parties. However, that is beside the point.

Since the Minister failed to answer the question with respect to lotteries falling within provincial jurisdiction I will touch upon the matter. Lotteries have a history of helping sporting organizations. I would like to ask the Minister why lotteries should belong in the provincial domain. I want to know the reasons. He said that they belong to the provincial Governments and I would like to know why. Since they help sporting organizations why can they not be within the federal domain? The Minister gives us many good reasons as to why these should belong within the provincial domain. Based on the

tremendous co-operation which the Minister has received from his provincial counterparts, will he ensure the sporting constituency of the country that he will go to the provinces to obtain the moneys which those lotteries will be generating and give them to the sporting organizations and federations of the country? Will he give the sporting community that guarantee? This is a very specific question which begs a very specific answer.

Mr. Jelinek: The very specific answer is that some of those funds are already being diverted to the sports governing bodies, as the Hon. Member well knows. One-half of the $35 million which comes in goes toward the sports governing bodies of the country.

In answer to his initial question regarding lotteries, I have consistently answered the question. I do not know what the Hon. Member is trying to get at when he says that I have not answered his questions. This Government believes it is within the jurisdiction of the provincial Governments. Historically, that goes back to the development of the first Olympic Lottery. The Hon. Member for Thunder Bay-Nipigon read into the record part of a speech I made some time ago. The House accepted a temporary Olympic Lottery to defer the costs of the 1976 Olympic Games in Montreal. At that time, with the support of all three Parties, the House agreed that it would be a temporary lottery called the Olympic Lottery and that the federal Government would not get into the lottery business. Of course, we were misled by the Liberal Government. No sooner did we pay off the federal Government's share of the Olympic deficit in Montreal the Liberal Government changed the name of the Olympic Lottery to Loto Canada. An Hon. Member from Montreal points out that the deficit has never been paid off. That is true.

The Hon. Member for Thunder Bay-Nipigon has already read word for word what I said about the subject in the House some years ago. At that time the House unanimously agreed that lotteries were not meant to be part of the federal jurisdiction. When we took ofice in 1979 we signed an agreement with the provinces giving them the right to run lotteries. This was in return for a certain sum of money which now amounts to over $35 million a year. Much of the money which the provinces keep goes toward the development of amateur sports in those particular provinces. Today, under my leadership, no one can say that they are receiving less money in terms of what they receive from federal Government contributions and the private sector. In fact, what they must say is that there is more money available for amateur sports today than there was ever before and that fewer tax dollars are being used for this purpose.

• (1750)

Mr. Marchi: The Minister goes back to the deal of 1979 where again, according to Tory mathematics, he exchanges some $300 million in return for $35 million and then he says that half of that $35 million would be used for sports. Of the greater share of the moneys which are being generated by the lotteries across the country, can the Minister provide us with some figures as to what the provincial Governments are spending on sports? Does the Minister really have a control over what the provincial Governments dedicate to the sports area? The Minister laughs but it is important because the provincial Governments, from those lotteries, have more moneys at their disposal to put into sports than the federal Government. Therefore, it would be incumbent on the Minister, and logical, if the Minister knew how the greater share of the moneys were being spent.

Would the Minister be prepared to give us statistics or numbers as a way of assuring Canadians, and the sporting community, that, yes, now that he has given away the lotteries to the provincial Governments, those Governments are in fact putting the moneys into the same areas as would this Government if it controlled the lotteries?

Mr. Jelinek: Mr. Chairman, I did not laugh. I was smiling because the questioning by the Hon. Member is becoming more ridiculous all the time. The Hon. Member is now suggesting that we should have control over what the provinces do with their lottery process. That is the type of Liberal confrontation which existed in the past. That is not what exists now. There is no confrontation existing between this federal Government and the provincial Government.

Surely the Hon. Member is not suggesting that this Government should dictate to the provinces as to how they should spend their revenues, whether from taxes or from lotteries, for goodness sake. I cannot believe that the Hon. Member would even pose such a question.

With respect to statistics of how much of those funds generated from provincial lotteries go toward amateur sports, I believe that is public knowledge in each individual province.

Mr. Marchi: Mr. Chairman, I do not think it is an illegitimate question whatsoever. If the Minister was prepared to stand up on his feet and courageously say that he and his Government are against lotteries, I could respect and appreciate that. However, if we have a money-making mechanism which is to be used to aid sports organizations, that is to be used to take away some of the pressures on our federal coffers, and if the mechanism is doing that, surely to God, that is positive. However, in taking that mechanism, as a federal Minister, and giving it to the provinces, as is now being done, is the Minister suggesting that somehow he is a good Sports Minister? Is the Minister trying to suggest to me that that is in good defence of his Sports Ministry? The Minister cannot rise in this House as the Minister of State for Fitness and Amateur Sport and say that he is taking a mechanism, which is in part going to help sports, and giving it to the provinces, and then say, "I don't know what is going to happen. I cannot tell the sports people how to run their business in the individual provinces."

The Minister sure can, for goodness sake, tell the provinces in a kindly way if he is afraid to bruise some of his Conservative colleagues at the provincial level. He should try in the best way possible to get those moneys going into the sports coffers where they went before.

If the Minister enjoys the co-operation of his provincial colleagues, then why is he scared to go to the provinces and tell them, "We gave you a $300 million, $400 million industry. We are getting in return $35 million. Can you try, please, to help the sports organizations which would have received that if we hadn't given it to you?" But the Minister will not be responsible. He tells us he gave it to the provinces, he does not know what the statistics are, and to go and check for ourselves.

I ask the Minister if that is responsibility to his sports jurisdiction. I think not. I am not telling the Minister to go out and do war with the provinces but, for goodness sake, if he is prepared to take a sports-generating funding mechanism and give it to the provinces, then why can he not go to the provinces and try to get some guarantees? If the Minister is not prepared to do that, he should not give away the mechanism.

Mr. Jelinek: Mr. Chairman, the Hon. Member talks about me giving away the shop to the provinces. This Bill does not deal with giving the provinces anything. This Bill deals with getting $100 million from the provinces, for which I was responsible. That is what this Bill we are discussing today is all about. Why does the Hon. Member keep saying I am giving the shop away to the provinces when the Bill we are discussing—at least, we are supposed to be, Mr. Chairman, with all due respect—is a Bill which is part of an agreement whereby I raised on behalf of the Government of Canada $100 million? That money is from the provinces in return for this Bill. That is what this Bill is all about.

I believe a disease which is shared by all Hon. Members of the Liberal Party is that they forget that the citizens of a province are also citizens of Canada. Why is the Hon. Member trying to break up the jurisdictions? If we are going to give to the provinces, does that mean it is going to disappear from the borders of Canada? Does the Hon. Member not consider that there are citizens of other provinces other than the one he lives in? We are all citizens of this country. Members of this Party and this Government believe that the citizens of British Columbia, Alberta, Prince Edward Island or any other province, are also citizens of Canada.

Mr. Della Noce: Quebec.

Mr. Jelinek: Yes, Quebec. I will go through all of them: Saskatchewan, Manitoba, New Brunswick, Nova Scotia and the Territories.

Mr. Della Noce: And Quebec.

Mr. Jelinek: And Quebec, the Yukon, and Ontario. I had forgotten Ontario, and I am from Ontario.

On a serious note, the point which the Hon. Member is trying to make is a point the Liberal Government tried to make, and that is, if you give to the provinces, it disappears, and Canadians do not benefit. I do not believe that. I believe that when we give to the provinces—although that is not what we are discussing today; we are discussing something the provinces are giving us, which is $100 million—it is still money which is to provide for all of Canada. It is to provide for all Canadians. It is to provide for the benefit of Canadians in the field of amateur sports, in fitness, in health reductions, medicine, the arts and in the whole spectrum of our society. This Party stands united with the provinces.

We have created a new spirit of co-operation between the federal Government and the provinces. It is a spirit which never existed under the Trudeau Liberals. I believe that the attitude which has been expressed today by the Hon. Member for York West, and by other Hon. Members on the Liberal side, even without Mr. Trudeau around, would still not change. Those Hon. Members would still try to dictate to the provinces. They would still try to be the confrontationalists. That is inbred in their blood. That is what the Liberals are all about. They are all about splitting the country apart, putting region against region, province against province, the rich against the poor. That is the problem with the Liberal administration.

I believe that the steps we have taken today, and in the past 14 months, are the best steps that the federal Government has taken in many years, and economic statistics prove it.

The Chairman: Pursuant to the order made earlier this day, it is my duty to interrupt these proceedings and to put to the House the necessary motion to dispose of the remaining stages of Bill C-81.

Clauses 1 to 4 inclusive agreed to.

Title agreed to.

Bill reported, read the third time and passed.

Mr. Deputy Speaker: It being 6.02 p.m., the House stands adjourned until tomorrow at 11 a.m. pursuant to Standing Order 3(1).

The House adjourned at 6.02 p.m.

HOUSE OF COMMONS

Thursday, November 7, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

SEEDS ACT AND CANADA GRAIN ACT

MEASURE TO AMEND

Hon. Michael Wilson (for the Minister of Agriculture) moved that Bill C-64, an Act to amend the Seeds Act and the Canada Grains Act, as reported (with amendments) from a legislative committee, be concurred in.

Motion agreed to.

Hon. Ray Hnatyshyn (for the Minister of Agriculture) moved that the Bill be read the third time and passed.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am glad to take this opportunity to speak on this Bill. To a great extent, this Bill is a housekeeping Bill. It changes the regulations under which the seed growers of Canada operate. In that sense, it is something for which the grain growers have been waiting for a considerable time. Therefore, it is important that the Bill be passed. We hope it will have the effect of tightening up a number of concerns we have about the seed structure.

At committee stage, two very small amendments were made to the Bill, both of which were very technical in nature. Consequently, there will be no consideration of those amendments before the House.

I would like to spend my time pointing out that regardless of the fact that a need for these Acts has been shown in the past and it is a good thing they exist, they do not deal with the requirements of the farmers. Tightening the mechanism and making the advertising adhere to the structure so that it may be more honest are things that need to be done, but the Bill will only help the very few people who find themselves in a particular situation. Consequently, we should spend more of the time of the House establishing some kind of structure to ensure that the farmers can survive from year to year while producing seed. Right now, for instance, every farmer is faced with continuing increases in costs. Fuel, chemicals, fertilizers, machinery, taxes and transportation costs are all going up and they all impact upon the ability of the farmer to stay viable.

• (1110)

We have been spending a considerable amount of time in the Standing Committee on Agriculture lately discussing the Western Grain Stabilization Plan. We have had a number of suggestions as to how we can put in place a safety net so that the farmer can survive in bad times. However, we are not spending enough time making sure the farmer will survive under general circumstances.

I know that almost every time the Minister of Agriculture (Mr. Wise) stands up he lists the number of things this Government has done for farmers, most of which are cosmetic and have had no real impact on the ability of the farmer to survive. We have had quite a lot of lip service paid to the necessity of the survival of the family farm as a basic farm unit. It is a sort of motherhood issue. Everyone says, yes, we have to keep the family farm. Then this Government, like the U.S. Government, allows things to happen which eliminate the family farm and reduce the number of farmers to a level which makes farming much more inefficient. Everyone accepts the fact that the family farm is probably the most efficient unit. On the Prairies it is no longer a quarter or half section, it gets up to a section or six-quarters. It has increased in size in the east as well. However, it is still the family farm unit which produces more effectively.

One of the promises this Government made during the election campaign was that it would do something about the financial structure of the farming industry. This, of course, affects the seed farmer as well. A number of promises were made. Agri-bonds were promised. A reduction of interest rates was promised. A third promise was the elemination of capital gains. Of the three, the agri-bonds died somewhere in the structure. The Minister of Finance (Mr. Wilson) said he could not bring that proposal forward.

The reduction in world-wide interest rates has alleviated the need for the Government to do something about direct financing of farmers, but we still have many more farm bankruptcies than we should have. It is not just the poor farmer who is going under; in many cases, the most efficient and aggressive farmers are affected by this lack of financing. The Government has failed to do anything about the need to allow farmers to survive because of the financial structure of the country. It seems to me that the responsibility for bankruptcies in the farm sector, as well as in all other sectors, should not necessarily always fall on the borrower. The time has come to start telling lending institutions that they must take half the risk, that if there is a bankruptcy they will only get half their money back and the bankrupt should have the right to keep some of it. We need to look at that kind of financial structure

which would put the responsibility for the loan on the institution which lends as well as on the borrower.

● (1115)

The Government has gone along with the user-pay philosophy which affects seed growers specifically. The Government did this in transportation and other areas of the farming industry. In the case of the seed producer, the Government has put in place fees which have tremendously increased the cost of production of seed grains. The Government used to provide inspectors to inspect crops in the field and to inspect seeds to ensure the purity of those being sold at a minimal expense to the farmer. In many cases this has now become a much greater expense to the point where seed growers in my area feel that they cannot now afford to certify as much seed as they used to. Consequently, they are now selling uncertified seeds to a much greater extent than they did in the past and they do not get the same return on their products. The effect of the Government's acceptance of the Liberal philosophy of user-pay is to reduce incomes and make some farms much less viable because the cost of inspection of seed grains and meat is being carried by the farmer to a much greater extent.

The capital gains tax exemption, which I mentioned earlier, is a very acceptable program as far as farmers are concerned. The Finance Committee recommended the capital gains tax exemption for farmers and small business only, but the Government bent under the requirements of the larger financial community and gave it to everyone. Therefore, those who needed it the most got it, but those who did not need it got it as well. That has tremendously reduced the amount of taxes which could have been collected from speculative investments. Although that measure is valuable to the farmer, it is somewhat suspect as a national policy of reducing the amount of taxes to be paid by speculators who build themselves condominiums in Florida and make a lot of money through their resale.

● (1120)

As part of its commitment to make it easier for farmers to survive, the Government also promised to reduce or rebate the fuel tax. Although this was done, if one adds the total increases that will have taken place by next year, the farmers will be paying more for their fuel than they were before the Government reduced the fuel tax. Although the Government fulfilled its promise, the important beneficial effect of that reduction disappeared so that farmers are now paying a greater proportion of their input costs to fuel.

It was not long ago when fuel was considered a minor expenditure as far as most producers were concerned. Now it is one of the major expenses, along with fertilizer, chemicals, machinery and taxes.

While the Seeds Act amendments increase protection for the seed grower, they also increase his cost. While it appears that there is some value to the amendments to the Seeds Act, they take away enough so that many seed growers who demanded these amendments are not certain that they will do them much good. While the Act may protect the quality of seeds, ultimately it may reduce the quality because people will not want to spend the extra amount to maintain it.

I suggest that the Minister of Agriculture and the Minister of State for the Canadian Wheat Board (Mr. Mayer) should be more careful with respect to quality. In western Canada there has been a sudden influx of a considerable amount of dwarf soft wheats which are of very inferior quality. The Grains Commission licensed the growing of HY 320, which can be identified on site as a dwarf wheat because it has a considerable amount of white wheat. However, there is a wide variety of dwarf wheat that is grown in North America and around the world that is almost impossible to identify on site.

While the Government expresses much concern in its Bill about the quality of seed, it has allowed the growing of these dwarf wheats. Farmers will not grow these dwarf wheats purposely but eventually, as this dwarf wheat is mixed with quality seeds of our hard northern wheats, the quality of our product will be reduced. Rather than being able to sell the best wheat in the world, the purchasing countries will consider our wheat as being of no better quality than those wheats which are produced in many other wheat growing areas of the world. We have been able to sell hard northern wheats because they are used to upgrade the quality of flour all over the world. Consequently, we have markets that will remain even when the rest of the production is difficult to sell. Hard northern wheats have always sold. If we get too much of this dwarf soft wheat mixed in with our crops, eventually we will have a difficult time selling it.

● (1125)

The Government has a responsibility. This Bill suggests that the Government is going to take that responsibility seriously because it mentions making quality one of the requirements for seed grains that are sold here. The Government does not seem to be taking this seriously in the sense that we can no longer be sure that the Government will take care of the quality of our seeds. The Government is now allowing soft dwarf wheats to come into Canada for planting and they are being accepted on the market.

We should look at what might happen to the viability of farms if we go into a free trade situation with the United States. There has been a suggestion that a free trade region would be designated between Canada and the United States. I hope the Government, when it does go into the negotiations, which it seems to be leading up to, recognizes that when it comes to free trade in agriculture, we are on somewhat dangerous ground. It is very important that we do not become fortress America. We do not want everybody saying: "You are exactly the same as the States and we can expect the same kind of treatment from you as we do from the United States". Much of the acceptance of our agricultural products and seeds has been based on the fact that we have established a market around the world. It would be too bad if in the process of establishing a free trade area in Canada and the United States

we were to alienate those markets that are so important to us in other parts of the world.

Even within the seed producing structure, Mr. Speaker, many of the structures which have made our agricultural industry stable, things like the Dairy Commission, the Canadian Wheat Board, the Poultry Commission, stable at least part of the time, are of concern. This situation must be looked at in terms of free trade. It would be very detrimental if we found that these structures were dismantled because the Government did not want to make them part of a protected area in free trade negotiations.

● (1130)

The Government does not have a particularly good record. I suppose we could say that it has a poor record of protection of the agricultural industry when it comes to trade. It has failed to protect us from beef imports from Ireland and the EEC. It has failed to deal with countervailing duties on pork by the United States, although they have been reduced to some extent. It even closed down Canagrex, a Crown corporation which was established with the intention of increasing the sale of agricultural products all over the world. It closed down Canagrex, the marketing agency for Canadian agricultural products, and has failed to put anything in its place. It makes noises about the commercial agencies in each country doing the same work. That might have been acceptable if it had happened, but it has not happened. Consequently, the possibility of increasing our trade with countries other than the United States—and even with the United States—has slowed down. There has not been any action in that direction since the closing down of Canagrex almost a year ago.

Incidentally, we have been awaiting an annual report from Canagrex. It is due, legally, but it has not appeared. In fact, it was due some time ago. I guess we should be asking for it more often than we have.

The Government has been promising—and I see the Hon. Member for Assiniboia (Mr. Gustafson) across the way—for some time that it would provide some kind of drought payment for western Canada. That has just not happened. What has happened is that there was a commitment of the Saskatchewan Government and the federal Government of $90 per head for livestock. That promise of $60 by the provincial Government and $30 by the federal Government floundered somewhere along the line. Unfortunately, the Government of Saskatchewan pocketed the $30, and we have a payment of $60 per head to stock producers. Grain producers are still waiting for the Government to take some action on the drought relief program.

I have gone over a litany of promises and areas where the Government says that it has done something to help agriculture. In effect there has been no real impact on the viability of the industry. In some cases it has been a situation of too litle too late. In other cases it has been a situation of cosmetic changes, which have no impact on the incomes of individual farmers.

One of our concerns with the particular Bill—and I must say that it does not appear as a factor in the Bill and it is not a reason to consider holding it up—is that the Minister and his Parliamentary Secretary indicated in their speeches, when they initially spoke to the House on the Bill, that it was an initial step to the establishment of plant breeders' patent legislation. I hesitate to use the term "plant breeders' rights" because I think it is a misnomer, although it has been suggested by the seed industry. I must point out that it is not the small farm seed industry which has been pressing for the Bill. It is the multinational seed industry. Most of the small seed plants in western Canada have been purchased by multinational chemical companies and grain moving companies. In fact, the basic seed industry, the handling of seeds, is gradually going out of the small business area and becoming part of the international agri-business area.

This is a concern which Canadians, particularly seed growers who will be making use of the changes in the Act, should recognize. Even as we tighten up the machinery and the advertising possibilities in the Act, we should be concerned that the Act does not lead to taking away from small seed producers the rights to handle grain and to do the kind of breeding they want to do, which may eventually go to large corporations that in the end do not help producers. Perhaps seed producers might get in on some of the gravy if a plant breeders' patent law were in place, but the cost of seeds to farmers would increase considerably. Of course that is another area which needs to be flagged but is not part of the Bill.

In closing, let me suggest that in the process of dealing with the Bill—and I understand that we will allow it to pass in this session—we as responsible parliamentarians should look at the kind of agricultural income security which makes it possible for seed growers, in fact for all producers in the agricultural industry, to survive. We should ensure that the viability of the family farm, or any kind of farm, is enhanced by the legislation which we pass. This piece of legislation does that to a small extent, but it does not deal with the real problems of the agricultural industry in Canada.

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): Mr. Speaker, it is my pleasure today to speak on Bill C-64. This long-awaited legislation will amend the Seed Act in a very important way. The amendments are in recognition of the important changes which have occurred in the seed industry during the 26 years since the last major changes to the Act were implemented. This legislation has been a long time in the making, and I am pleased to say that it has very broad support.

● (1140)

Extensive consultations occurred with the provinces and with all major associations whose members could be affected prior to the Bill's introduction in this House.

It was unanimously passed at the committee stage following a complete and, I believe, a fruitful discussion regarding several important aspects.

The widespread support for this legislation is understandable. It will serve to strengthen an Act which governs a very important industry in this country, the seed growing industry.

Canada exports about $50 million worth of seed annually, and approximately $300 million worth of seed is sold domestically.

Of course, commercial seeds are the basis of our grain production industry, an industry that exports in excess of $4 billion worth of grains annually. Clearly, it is an industry that is dependent upon the integrity of our seed growing industry.

For the past 80 years, the federal Government has been involved in the regulation and control of seed varieties. The Seeds Act includes a grading system for seed quality, a licensing system for crop varieties, and labelling requirements to help the buyer identify quality seeds.

During the quarter century since the Act was last amended in a significant way, the industry has grown tremendously. There has been a great deal more involvement by the private sector in plant breeding. Bill C-64 responds to these changes.

In essence, this Bill will strengthen the seed licensing system, while providing greater protection against false advertising of seeds.

Perhaps the most important provision is one which will help to ensure that farmers actually receive the seed they assume they are buying based on the product's advertising.

While the current Act regulates the labelling of seed packages, those same regulations do not extend to seed advertising. As a result, it is possible for farmers to buy seed which the advertising tells them is of a certain variety when in fact it is not. Therefore, provisions in Bill C-64 will provide for the disclosure of certain information in advertising and restrict the use of variety names. This is similar to the current requirements for labelling.

I am reminded of the remarks made by the Executive Vice-President of the Canadian Seed Trade Association, Mr. Bill Leask, during committee study of this legislation, in which he stressed the importance of strengthening the Seeds Act to include the regulation of pedigreed seed advertising.

He said that the vast majority of seed companies that do operate within the licensing and pedigreeing process deserve to have their credibility protected. They want assurance that producers who buy a company's product by variety name receive the actual controlled product.

In order to enforce the Act adequately, it is necessary to impose tougher penalties for violations. Therefore, the maximum penalty, on summary conviction, will be raised from $500 to $2,500, with the courts having the discretion of setting the level in cases of conviction by indictment.

This is a significant change and a necessary one in order to indicate this Government's commitment to the maintenance of a high quality seed industry in Canada.

Under the current Act, the losses to the buyer of defective seed can easily exceed the minimum fine imposed on the person who has sold the seed. The intent of Bill C-64 is to allow the courts the discretion of setting fines in relation to the damage caused.

In connection with this provision, the Bill also extends the time limit for instituting proceedings by way of summary conviction. This will allow investigators adequate time to prepare their cases and will ensure that no case is dropped merely as a result of inadequate investigation time.

By way of housekeeping measures, Bill C-64 sets out a new system for daily amendments to the registry of seed varieties. It also changes the bonding provision by transferring bonding authority, through the Seeds Act, from the jurisdiction of Customs and Excise to Agriculture Canada.

And finally, this Bill will clarify the role of the Canadian Seed Growers' Association in the Seeds Act.

As I stated earlier, Bill C-64 has widespread support among the provinces and the seed associations. I know that all Members of this House will want to support this Bill.

Mr. Deputy Speaker: Questions and comments?

Mr. Althouse: Thank you, Mr. Speaker. I would ask the Parliamentary Secretary to the Prime Minister (Mr. Gustafson) to review for us the manner in which the registry of accepted varieties will be changed through Bill C-64 and what those improvements will be.

Mr. Gustafson: The importance of having this Bill passed is the fact that there are a number of varieties in the marketplace which must be controlled. An example already given is HY 320. HY 320 is a variety that can be easily distinguished.

It is important to protect the integrity of the pedigreed and registry seeds. A farmer buying seeds must be assured that he is getting the variety that he desires. The farming community has to have the assurance that there are no problems in relation to the seeds being received. As well, the producers need to be assured that we have the research and development infrastructure such that we can compete effectively in the international market-place.

Bill C-64 addresses these matters, providing the Government, through legislation, the means with which to deal with any infractions.

Mr. Althouse: The Parliamentary Secretary has made mention of infractions. Is he telling the House that as old varieties are dropped from the list of accepted varieties—and our understanding as a result of the committee study of this Bill is that the process for changing such lists will be expedited—is he telling the House that some varieties will be kept on as a result of overseas demand, notwithstanding the fact that they are no longer grown in Canada?

The departmental officials have told us that old varieties are dropped from the accepted list once they reach the point of non-use in Canada, and we were assured that those rules would not change. However, given the remarks of the Parliamentary Secretary, I am wondering whether there have been some second thoughts in that regard such that those varieties which might be sold overseas will be continued on the list

notwithstanding that Canadian producers have stopped using them.

Mr. Gustafson: In answering the question, Mr. Speaker, let me say that it is important that the Department have the flexibility to deal with whatever situation should arise. As I suggested earlier, the regulations must be such that they are capable of dealing with any infraction that should present itself. However, certainly it is not the intent of this legislation to restrict in any way varieties that would be in the best interests of farming practices, whether that be in practice itself or for further research.

● (1150)

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I would like to say just a few words concerning the Bill which is before us. As Hon. Members have pointed out, the Bill concerns a better control of the quality and market representation of seed, the control of the advertising of seed, the imposition of fines for violations and the extension of time limits for investigative practices.

As I was listening to Hon. Members debate the Bill I was thinking that what many farmers in a great many areas of western Canada have on their minds is that, yes, it is fine to be debating a bill such as this which provides better regulations concerning seed, but a seed for what? In other words it should not be forgotten, and it should be of paramount importance to this parliamentary body, to the Minister of Agriculture (Mr. Wise), to Cabinet and all Members of Parliament, that certain segments of the farming community are going through an incredibly bad time simply because of a natural disaster. I suppose that disaster has really hit primay producers from British Columbia to Newfoundland as far as the fishing industry and farming communities are concerned.

I think it is useful for all Members to keep in mind that for once—and this is the worst possible situation we have seen for many years—farmers in certain areas of the country have been left in an absolutely desperate situation which has to be addressed as an emergency. It is fine for us to talk about legislation which corrects some matters which have occurred in the long term, but there is a short-term immediate problem facing a great number of farmers in the country to the point where some are wondering just how they can last from day to day. I speak of certain areas of Saskatchewan, as was outlined by the Hon. Member who spoke a few moments ago. There, for the first time in their lives, farmers have been forced to go to the welfare office.

It is useful to keep that in mind and to continue to remind the Government, the House and the Canadian people that there is a crisis today which faces the farming community—a crisis which has to be addressed as an emergency by the Government. As far as I can see, it is not being addressed. It is not being addressed on the urgent basis on which we have addressed problems in the past with respect to primary producers in other areas of the country.

It is sometimes gratifying to listen to the Government because it does and has responded to the primary producers on the East Coast where, because of weather conditions and so on, the fishery was bad. There was an immediate monetary response by the Government, in co-operation with the provincial Government.

When we talk about rectifying problems which have to do with the marketing of seed I wish to place on the record that there is an overriding and immediate problem of farmers having to go to the welfare office. There are problems within our system and our social security safety net as it applies to primary producers who are self-employed. I wanted to place those words on the record in the closing moments of a debate which deals with an important subject, as Hon. Members have said. However, there are certainly other subjects which are far more important and more urgent in terms of certain farmers in the country which need to be addressed.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

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

* * *

CUSTOMS ACT

MEASURE TO AMEND

Hon. Elmer M. MacKay (Minister of National Revenue) moved that Bill C-59, an Act respecting Customs, as reported (with amendments) from a legislative committee, be concurred in.

Motion agreed to.

Hon. Elmer M. MacKay (Minister of National Revenue) moved that the Bill be read the third time and passed.

He said: Mr. Speaker, I welcome this opportunity to speak briefly on Bill C-59, a Bill dealing with the Customs Act, which is before us today for third and final reading. One might say that it is a piece of legislation whose time has come. As the House knows, this is an important piece of legislation, one which will replace an outdated and, in many ways, archaic statute and one which will facilitate a more streamlined and responsive approach to the management of customs matters in the country. Passage of Bill C-59 will help the Government fulfil a number of commitments it made to the House and to the country.

One of these commitments is to reduce and eliminate unnecessary costs and an unnecessary paper burden for those Canadians and Canadian firms with whom the Government does business. Another is to improve the over-all efficiency and productivity of government operations themselves. The new

Customs Act, which is attuned to modern developments, methods, business practice and transportation will help us achieve these goals. It will do so without weakening in any way the Department's basic role of collecting duties and enforcing Canadian law relating to importation and exportation of goods. The legislation will help customs personnel do their work better and, in the process, of course, it will benefit the Canadian public.

I would like to thank and congratulate members of the legislative committee which reviewed Bill C-59 under the chairmanship of the Hon. Member for Beaches (Mr. Young). I thought the committee acted in a very expeditious yet thorough manner when it examined this piece of legislation. The committee met several times during September and October and received representations from various organizations which will be affected by this legislation. In general, I think the representations which were made both by committee members and by witnesses were constructive and reflected the widespread support for this measure which has developed in the House and among Canadians generally.

I would like to recognize the contribution of the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano) and the Hon. Member for Regina East (Mr. de Jong) for their constructive commentary during debate and the parliamentary and committee deliberations of this Bill, as well as the leadership of my Parliamentary Secretary, the Hon. Member for Trois-Rivières (Mr. Vincent).

I think the broad support for this legislation is due in no small part to the extensive consultation which the Department undertook in its preparation. During the development of this Bill, considerable dialogue was undertaken with those affected by its provisions. Their input was encouraged and some of their suggestions are incorporated in the final version of this Bill.

● (1200)

A number of amendments to Bill C-59 were made at committee stage, some as a result of representations made by members and interested organizations, others of a relatively minor and technical nature. To illustrate, one of the amendments was made as a result of concerns expressed about Clause 110(3), which permits a customs officer who has reasonable grounds to believe that the Act or regulations have been contravened to seize anything that he or she has reason to believe will afford evidence of a contravention of the Act. Some Hon. Members, and particularly the Hon. Member for Regina East, expressed some reservations about the powers implicit in this clause. These are concerns which I shared and which seemed well founded. They prompted some reconsideration. As a result, an amendment was adopted to require a customs officer who seizes anything as evidence to report the circumstances forthwith to the Deputy Minister of National Revenue. This will provide a strong degree of administrative control and will help ensure that this power is not abused.

An amendment to Clause 135(1) will extend the length of time allowed for a person to appeal a forfeiture decision from 30 to 90 days. This amendment was made in response to representations that the 30 day period originally set out was inadequate. During the course of the committee hearings, I believe committee members became convinced as I am of the need to give customs officials the right to open mail items weighing more than 30 grams without first obtaining the permission of the sender or the addressee. Of course, no item could be opened unless officials had reasonable grounds to suspect that dutiable or prohibited materials were enclosed. This change is necessary so that the Department may effectively carry out its role of protecting Canadians from the importation of prohibited items such as drugs or pornography. An amendment was introduced to permit customs officials to be given this authority prior to the proclamation of the Act which I hope will occur in June of next year.

I would also like to remind the House that one of the more progressive features of the new Customs Act is a provision for ongoing review. This is provided for in Clause 168 of the Bill. Clause 168 also requires that a committee of Parliament must, within five years, undertake a comprehensive review of the operations of the Act. In addition, regulations which flesh out the details of the Act must be published 60 days in advance of their coming into force. These two features will ensure that Government takes into account on a continuing basis any concerns of Members of Parliament, the importing community and of course the public at large.

Customs officials who serve in cities, towns and villages scattered all across Canada play an important role in protecting Canadian society and in providing service to the travelling public and Canadian businesses. This new law should enable us to enforce our laws even more effectively and at the same time to improve our service to the Canadian public. The Bill before us today has broad support from the business community and others who will be affected by its provisions. I hope that all Members of the House will join me in expediting third reading so that this important measure may be enacted at an early date. I thank the House for its indulgence.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I too wish to congratulate members of the standing committee for the excellent job they did in hearing briefs, for taking into account certain of the representations made and for changing the Bill. The introduction of this Bill has been necessary for years. Now we finally have a Bill that incorporates things that have been done by customs in Customs. The Bill was originally proposed by the former Liberal administration and then taken in hand by the now Solicitor General (Mr. Beatty) who, about a year ago, was the Minister responsible. It was then successfully put through the House by the present Minister of National Revenue (Mr. MacKay). Perhaps that Minister deserves more credit than the former Minister who is presently the Solicitor General.

I think most of what deserves to be said about this Bill was said at second reading stage and in committee. I believe it is a good Bill and I think we all agree with that. We do have certain reservations about certain clauses of the Bill, clauses to which the Minister referred a few moments ago.

There is a point of overriding concern that was made by the union of the Canadian Customs inspectors in its presentation to the committee and that point referred to the pilot project which was ongoing in Montreal. It concerns the need for the Government to keep in mind that in order to carry out legislation such as this, we may require more public servants so that the Bill may work the way it is supposed to work. Estimates have been made concerning the need for an increased staff in the Customs Department. According to union representations, staff should be increased by about 15 per cent while the pilot projects that were undertaken indicate that an increase of about 20 per cent in the workforce is needed.

In passing this Bill, which was amended at committee and agreed to by all of those who made representations, the Government must now keep in mind that it has an obligation to reverse the trend which was announced by the President of the Treasury Board (Mr. de Cotret) and the Minister of Finance (Mr. Wilson) of cut-backs within the Department of National Revenue. It is fine to pass the legislation which tells the Customs Department that it will do this, that and the other thing, but if the Department does not have the employees to carry these things out, there is no sense in passing the Bill.

With that one reservation and a warning to the President of the Treasury Board, the Bill should pass. The statement made by the President of the Treasury Board in November certainly has to be re-examined as does the statement made by the Minister of Finance in his Budget. To carry out what is described in this Bill as being necessary for the protection of the Canadian public as it relates to the possible mailing of drugs will require additional personnel to enforce.

I feel certain that if the Bill had been passed under the previous administration, we would have had no problem whatsoever with increasing the staff of Customs by 20 per cent so that it could carry out the requirements of this Bill. However, the Customs Department is being held down by the statements of the President of the Treasury Board and the Minister of Finance. I am sure that the Minister who is now responsible for the Department of National Revenue will be making the necessary representations in Cabinet and I am sure that the Minister of Finance and the President of the Treasury Board will see the light and at least assign more personnel to the Department so that the provisions of this Bill can be properly carried out as is the desire of Parliament.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, much if not all of the work on this Bill has already been done. We are now making some final comments with regard to loose ends that may need to be tied up. I recognize that the Bill in itself is so technical that it would be virtually impossible to have a reasoned debate at this time. I do not propose to attempt to address those technical questions.

It is always a pleasure to listen to the Hon. Member for Gander-Twillingate (Mr. Baker). I know that he has had a long and abiding interest in the matter of customs tariffs and has made an in-depth study of it. Having done that, he has accepted much of what is contained in the Bill perhaps, because it was originally introduced by a Government of which he was a member but probably because he understands the necessity to pull together in one concise statute all the things that have occurred and the directions the Government has been taking over the last number of years. However, the point that was made, one I wanted to make myself, regarding the submission of the Customs and Excise Union and the Public Service Alliance of Canada is an important one and should be reinforced. I feel confident that the Minister, although he has not moved to correct at least two of the points in the submission, will do so over the course of the next few months.

• (1210)

On the whole question of the reduction in manpower, the President of the Treasury Board (Mr. de Cotret) indicated some time ago that it was the Government's intention to reduce the total number of person-years in this field. While I do not think anyone would deny that where there is evidence of an over-abundance of manpower an effort should be made to trim it to a size necessary to meet requirements, the problem that seems to arise as a result of this legislation and the implementation, particularly of the pilot project in Montreal, leads to the conclusion that more manpower rather than less will be required. The reduction by the year 1990 or 1992 of about 25 per cent of the number of persons employed, when weighed against what appears to be an increased workload as a result of this legislation, just does not seem to make much sense. I certainly have difficulty understanding the rationale. Whether he responds today or takes it under advisement and reviews it over a period of time to determine whether or not the statistical information is in keeping with the facts gained by experience, it is essential that the Minister or the Ministry has a watching brief on whether or not we are overburdening the existing employees in this area of his responsibility.

The difficulty which will arise will be as follows. Employees can only do so much. We are moving to an honour system in certain areas. Human nature being what it is, there will be a tendency for people perhaps to attempt to avoid payment of the necessary tariffs voluntarily. That will result in one of two things. There will be a reduction of revenue; it was suggested, for example, in the brief I mentioned, that the uncollected revenue in Montreal as a result of the pilot project could approximate $100,000 per month. If that were true and one extrapolates that over an extended period of time, it is not difficult to see where the Government could lose many millions of dollars. It may not turn out that way. I am prepared to concede that this is possible. However, I think we have to be sure that careful scrutiny is maintained to guarantee that in an honour system such as this the moneys owed are collected.

I believe the Minister is aware that in Winnipeg, but it might have been someplace else, there was a sort of honour system concerning the payment of traffic violation fines. The end result, of course, was that they had to go back to an enforcement process. Going back is always more difficult than leaving something in place. I think the Minister appreciates that. What we are saying is this. It would appear that, with the reduction in the number of person-years, inevitably there will

be a heavier workload on those who are left. That could and probably will mean that people who, by design, are attempting to avoid paying the necessary tariff or attempting to circumvent the law and bring into Canada illicit substances will have a better opportunity to do so. I have to wonder whether that is what the Government had in mind. I seriously doubt it.

In any event, as I said, the changes are welcomed in general by most people. The effect on the employees will be felt fairly dramatically. The possibility of a loss of a substantial number of dollars is there. The honour system, as I understand it, is not yet fully analysed and will require further analysis before we make any final and conclusive decision. However, I suggest to the Minister that at the end of a reasonable period of time, perhaps six months from now, he take it upon himself to report back to the House on the actual workings of the honour system. He could perhaps report by way of a statement regarding the revenue collected under the system as opposed to the previous system, as well as on whether or not the methods of collection are yielding the results the Government anticipated and hoped for. If he does that, if he keeps a very close watch on the increased workload which may and I think will result from the decrease in manpower, if he makes a commitment should it be the case that either we are losing money or the workload is being increased to the point where individuals are required to do far more than can reasonably be expected of them, and he undertakes to make the changes necessary, then I think we would accept the legislation. We will expect to hear from him in regard to those two important matters.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I wanted to make a few comments, but I am not going to talk about the technical features of this Bill. Rather, I will talk about the Department as a whole and the image it has developed over the years and how it will be helped or possibly hurt by this Bill.

It is very frustrating for an individual who knows his duty and his responsibility but is unable to carry it out because there is just not enough manpower. It is important that we put on the record the feelings the public has about the Department, particularly those crossing our borders and paying their customs and excise duties and who are being hassled while they do so.

If I understand it correctly, the purpose of the Bill is to overhaul the 118-year old Customs Act. Periodically over the years the Government has responded to problems which have developed in this area by making changes. Bill C-59 seeks to respond to a number of archaic provisions in the Act and to improve its administration. Because of that, I suppose we are allowing the Government, as is its responsibility, to update and codify what it must do to make it work better and easier. The customs branch is primarily concerned with the processing of goods and individuals across international boundaries. To a great extent that has involved for the general public the crossing of the U.S.-Canadian border.

• (1220)

In 1983 the Department undertook a study and there were a number of interesting things revealed in it which we should not lose sight of. The real impact of that study was that, despite all the rules and regulations which exist, the individual judgment of the officer is the most important factor in dealing with the Department. The study concluded that no matter how well intentioned entry laws may be, compliance with them, in the final analysis, is directly proportional to the Department's capacity to enforce them. In other words, the Department has to be concerned with the ability of individual customs officers to enforce the rules and regulations. How they do it is as important, in many cases, as the rules themselves. The kind of character which determines how those rules are put into effect establishes the kind of experience which the general public will have with the Department and, therefore, establishes the image of the Department.

We all know that the taxation branch of the Department of National Revenue has a great deal of discretionary power which, in most cases, is used very well. However, the cases which we hear of are those cases in which that discretionary power is abused. I am sure that every Member in the House could relate one or two incidents which happened to them, their families or their constituents where the people on the receiving end felt that they had been abused. In my own experience as a Member I know that in some cases the officer has been over-zealous in trying to fulfil what is required of him. I have soemtimes worried about whether there is pressure on the officer to make a certain number of inspections even when it involves the same individual on many occasions.

In the city of Prince Albert there is a small office and probably only half a dozen businessmen use it on a consistent basis. I become concerned when, after using the services for many months or years without any concerns, an officer suddenly decides it is time to check on something. I can give a number of examples of goods being sent back before the period of time for holding them had expired. I do not want to belabour that particular point and I know the Minister has received a number of letters from me about that concern.

I think we all know that it is necessary for the powers to be put in the hands of the officer. He needs those powers and it is a good thing that he has them. I am, however, concerned that the powers are sometimes used to the detriment of the image of the Department. In some cases it may be good judgment to be less zealous.

To expand upon this concern, I suppose we should worry about the process by which the officers are recruited and the training which is given to them after they are recruited as well as the type of individual that is recruited. I am sure that Canadians generally expect their customs officers to be civil, reasonable and respectful in order that the crossing of a border will not be an unpleasant experience. I have crossed the Canadian border in both directions countless times and have never had an unpleasant experience in doing so. I believe that probably 99 per cent of crossings are not unpleasant experiences. I also believe that 99 per cent or more of the people

crossing the border are honest and have no intention of taking advantage of the situation at the border. However, I hear that there are places where it is very unpleasant to cross the border and that depends to a large extent on the type of men and women who are customs officers. The point that I am making is that it is important that new recruits do not feel that enforcement requires that they hassle people. I am glad to see that the processes through which the Department is going is actually toward establishing a system under which that will probably be the rule rather than the exception.

I hope that the process through which we are going in the passing of a series of Bills in this House is aimed at the very well articulated concern that the previous Minister of National Revenue put before the country. I am sure the present Minister agrees that he believed that while the responsibility of the officers of the Department must be recognized, the way they enforce the rules is as important as having the proper legislation and regulations. I simply wanted to take this opportunity to make that statement for the record.

• (1230)

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Mr. Althouse: On division.

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

* * *

CANAGREX DISSOLUTION ACT

MEASURE TO ENACT

The House resumed from Wednesday, October 2, consideration of the motion of Mr. Layton (for the Minister of Agriculture) that Bill C-42, an Act to dissolve Canagrex and to amend certain Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I rise to resume debate on Bill C-42, an Act to dissolve Canagrex. I was waiting for some action from the government benches, hoping that someone would offer an explanation as to why this particular Bill is being put before us. The Government has not spent much time attempting to explain why it is dissolving Canagrex, which is not surprising when one sees the ambivalence with which the Government has viewed this agency.

The Conservatives supported Canagrex enthusiastically when the Bill to create Canagrex was first introduced in the House. The Conservative House Leader at that time, the Hon. Member for Yukon (Mr. Nielsen), praised the legislation at first reading. It is very rare for anyone to say anything about a Bill at first reading, yet the Conservative House Leader of the day did just that. He suggested that it was time for such a Bill to be introduced and that such a Bill was at the drawing-board stage under the Minister of Agriculture in the 1979 Conservative Government. According to the Member for Yukon, the Member for Elgin (Mr. Wise) had been responsible for that work and his Party welcomed the Bill with open arms.

The initial speeches which were made at second reading stage of the Bill show that the only criticism from the Member for Elgin was that not enough money would be spent to organize Canagrex. The Hon. Member for Provencher (Mr. Epp) suggested that this legislation was a great step forward in assisting the cattle producers in his riding to export calves to Israel.

The legislation progressed smoothly until the Member for Etobicoke Centre (Mr. Wilson), the current Minister of Finance, said that he believed the Conservative Party should be opposed to agencies such as Canagrex because it is a Crown corporation that would be involved to some extent in the selling and exporting of agricultural products. While he stated that it was his opinion and that of his Party that such agencies should not exist, he made no mention of the Canadian Wheat Board, the Dairy Commission and some other very popular agencies.

From that date forward, however, the die was cast, the Conservative Party turned 180 degrees and became the opponent of Canagrex, fighting it in committee and in the House. The agency had just been established when the Conservatives became the new Government. One of the first actions outlined in the Economic Statement, which was made shortly after the House resumed its new session, was that Canagrex would be dissolved.

When the Conservatives were in Opposition they advocated open Government. It was only after the Economic Statement that we caught a glimmer of what they meant by open government. No one in Canagrex had been told that their agency would be dissolved. They only heard about it on the night the Economic Statement was made. There had been no consultation or clear discussion as to what the agency had been doing prior to the announcement of its dissolution. That was unfortunate because it was quite clear that in the short five or six months it had been operating, Canagrex had been fairly successful. I remind the House that the start-up costs for an agency such as Canagrex are higher than the regular operating costs. However, even for an expenditure of some $2.6 million in start-up costs, it was reported that Canagrex had already achieved sales worth $16 million and had sales in progress that were worth something over $100 million. However, once a decision has been made to close down an agency, it is hard to generate sales.

Many farm products had no means of being exported as a result of the vacuum created by the dissolution of this agency. Those farmers have no choice but to wait for an exporter to purchase their products. The farmers want to be assured that there is a market for their product, and they cannot conduct a

viable operation if they must wait for an exporter to purchase their products.

Less than 4 per cent of over-all agricultural production consists of products that are not produced on a large-scale basis. This includes virtually hundreds of products. These farmers have no way of amassing their production to make it look attractive to foreign buyers. When the producers of these commodities are scattered throughout the country, the problems of putting that production together become almost insurmountable because these products are a provincial responsibility according to our Constitution. When the production in a particular province is not sufficient to warrant action by the provincial Government to seek markets for that commodity, the alternative for farmers is to combine interprovincially. However, this is not possible under the current law in this country.

The Progressive Conservative Government failed to allow that to happen when it opened up the Farm Products Marketing Agencies Act to include the word "tobacco". I had moved a motion that was duly seconded and recorded in the House to permit the Act to be opened up so that producers of red meats, fruits, vegetables and grains could have equal access to that right to organize themselves interprovincially in order to market their products outside the country.

The Government, which is supposed to support the farmers, refuses to allow such authority to be included in the Act. The farmers have had to organize in such a way that a majority of their producers were in favour of such a step before applying for that right. The Government still refused to grant them that right.

The Minister of Agriculture, in presenting his motion to dissolve Canagrex, pointed out that he has been very active and had introduced a great deal of agricultural legislation. He spoke about the hundreds of things that he has claimed to have done since becoming Minister. Subsequently I got a list of what the Minister has claimed to have done as Minister of Agriculture and I began to do some analysis. This Minister of Agriculture has done very little. Most of the one hundred and some items he claims achievements while being Minister were items on which that would have been achieved automatically whether he was Minister of Agriculture or I was Minister of Agriculture, or whether there was no Minister of Agriculture.

● (1240)

Certain programs go on automatically. The Minister kept a score card as each program was triggered. He has boasted of having passed eight or nine agricultural Bills. I have the list before me. They do not do very much to change the way farmers live out in the country. Let me go through the listing to show how innocuous and how little action has been taken in the name of the Government caring and sharing in the agricultural sector.

First let us consider Bill C-4, which was to amend the Farm Products Marketing Agencies Act. This was the Act to which I just alluded which included the word "tobacco". That was all the effort the Government put into that Bill. The Government refused it to be in effect for other agricultural products so that farmers would not have to rely on agencies like Canagrex to do their export marketing for them. The door has been slammed on farmers. They cannot take action on their own, and on top of that Canagrex has been closed up. Then we have Bill C-25, an Act to amend the Agricultural Stabilization Act. We reiterated the power of the Government to form a tripartite agreement for stabilization plans with the provinces and producers who were interested. I say reiterated advisedly because those powers were already in the old Act. The Minister simply wanted some word cleaning up to be certain of having the powers he hoped he had the way the Act was before. A slight revision was made which accomplished nothing more than had been available previously to producers, provincial Governments and the federal Government.

Bill C-29 was an Act to amend the Western Grain Stabilization Act. It did not change the amount of money going to farmers one iota. It gave the Government the power to issue an interim payment in advance of when the final payment could be calculated.

As for the Meat Inspection Act, something happened there. The Government decided to reduce the powers of the federal inspectors and to leave some of those powers up to the plants. We have had some offshoots of what can happen as a result of that with the tuna scandal. We have set ourselves up with the passage of that Act to some more instances of ministerial interference and interference at the company level. Some meat normally not considered fit for human consumption could slip through the system because inspectors paid by the plant, under the control of the plant and hired by the plant will not have the backing of the federal civil service.

We had to repeal the Prairie Farm Assistance Act. That agency had done nothing and had no employees for 20 years, but the Bill adds to the Minister's tally. He likes to tick off things that happen.

We had an Act to amend the Farm Improvement Loans Act. That moved the date forward another two or three years so that the Act could continue, something that Parliament does every couple of years, after its grandfather clause wears out. We amended also the Advance Payments for Crops Act so that the amount of cash advances could be increased. This was a positive move and it did not take any time in the House. We had an Act to amend the Seeds Act which concluded today. It says we shall have quality in seeds and that we can increase the amount of fines if somebody disobeys the Act.

Last, but not least, but in keeping with the kinds of moves made by this Government on behalf of agriculture, we had an Act to amend the Criminal Code dealing with pari-mutuel betting. It is now possible for someone to go to the racetrack and bet on the Kentucky Derby or other races occurring outside the country. This does not have a great immediate impact to help agriculture, but it is one of the Bills the Minister is using to count the great contribution this Government has made to agriculture.

At the same time, the Minister still has some things he is supposed to be looking after concerning Canagrex. He may

have fired all of the staff and told the board that it no longer has a purpose or a function, but Canagrex is still in place, it is still the law of this country and it is important to remember that in terms of what I now have to say. That Act requires the Minister of Agriculture to do certain things upon the receipt of the annual report of the Canagrex Agency. I understand the board of directors had such a meeting on or about September 11. The final report was submitted to the Minister of Agriculture. What is so significant about that, Mr. Speaker? Canagrex had a new provision that was supposed to help provide better scrutiny and control by Parliament. The Canagrex Bill has a clause in it that requires the Minister of Agriculture to table the annual report within 15 sitting days of his receipt of the report. This is a very unusual clause, but it is in keeping with the move toward better parliamentary scrutiny of government agencies and Crown corporations. Once that report is tabled in the House, it is automatically referred to the Standing Committee on Agriculture. I say this is important because the Minister has had that report in his hands far more than the necessary required 15 sitting days.

The Minister has had this report almost two months. He has yet to table the report in the House of Commons according to the law of the land, passed by this House of Commons, approved by the Senate and signed by the Governor General. The Minister has ignored the law. Not only that, Mr. Speaker, he has taken away the right of parliamentarians on the Standing Committee of Agriculture to review that final report, to call witnesses, members of Canagrex or the Minister himself to find out just what has been going on in the agency, what it did in the last few months of its operation and why the Minister decided to do away with it.

It is impossible for us to ask these questions because the Minister refuses to table the report as the Canagrex Act as the law of the land specifies.

Why is the Minister evading the law? It is not because he was not made aware of it. I wrote to him pointing out that he has this responsibility. The letter is dated October 3. I pointed out that he had had the information far in excess of the 15 days the law requires. I asked him to table the report so it could go to the Standing Committee on Agriculture. One of the Minister's assistants responded on October 22. The letter reads:

> On behalf of the Honourable John Wise, this will acknowledge receipt of your letter of October 3, 1985 concerning Canagrex.
>
> Please be assured that your letter will be brought to the Minister's attention at the earliest opportunity.

● (1250)

I am not sure whether the Minister's staff has brought it to his attention. However, I am bringing it to your attention, Mr. Speaker, and to the attention of the House. I think it is time the Minister acted. He has had far too long. The action is clear in the Bill. In order for parliamentarians to conduct their business, it is necessary that the Government adhere to its own laws, the laws of the country.

For that reason, we should carefully consider why we are debating this legislation at all, when the Government and some Ministers of the Crown are flouting the law, in terms of this particular law, at this moment. It makes a travesty not only of the parliamentary process but of our justice and legal system, when a Minister of the Crown ignores the laws of Canada in such a blatant fashion.

Mr. Sid Fraleigh (Lambton-Middlesex): Mr. Speaker, it gives me a great deal of pleasure to enter into this debate. I happen to enter it as a new Member, carrying no baggage for what I have said in the past. That may allow me to provide a little more common sense perspective than has been applied to it so far.

We should go back in history a little in order to have a full grasp on what is proposed in this particular Bill. During the late 1970s and early 1980s, we had a Minister of Agriculture who was running around the country telling the population that there were great and wondrous markets out there which were just waiting to be tapped, and that all we needed was some super agency which could deal state to state and take advantage of those markets. I assure the House that that is a myth. There are no markets out there which are just waiting to be taken up by putting together some type of agency. There is fierce competition in the world market in whatever commodity is involved.

As has been pointed out, the record of the agency in question over its life was one of minimal impact upon the Canadian agricultural industry. The Hon. Member for Humboldt-Lake Centre (Mr. Althouse) made mention of its total sales, but $15 million of the $16 million which he quoted was a credit arrangement with Cuba. Farm agencies were bending over backward to give this organization business so that it would become viable. In the end, they had to withdraw that business because of inaction.

I have been involved with a commodity group which was heavily involved in export marketing, not only to the United States, but to the Pacific Rim and to European markets. There is no golden panacea out there. It is hard work, and only hard work will produce results.

Our country has been pretty well served over the past. Prior to 1982, we had the old Department of Industry, Trade and Commerce which worked in conjunction with Agriculture Canada and, in my opinion, did a fairly commendable job. I am not suggesting for a minute that we do not need a strengthening of some of our foreign trade offices, particularly those in the Pacific Rim. However, by and large, we have had good support from the Government agencies which were in place. I have some concerns about the restructuring of the international trade which took place in 1982 under the former Government. I think a monster has been created in lumping together three responsibilities, particularly that of international trade, which deserve to be separated.

A question has been asked about the rationale for disbanding Canagrex. As someone deeply involved in exporting an agricultural product at the time Canagrex was in place, I assure the House that it did nothing for our industry. It was a duplication of a system which already had the wherewithal in

place. Again I reiterate that it should be strengthened; I am not suggesting for a minute that it should not be. All we have to do is to look at the record of the organization, and I would say that it was rather dismal.

While I am on my feet, I want to say that the Minister of Agriculture (Mr. Wise) has done more for agriculture in one short year, even though the Hon. Member for Humboldt-Lake Centre seemed to take some exception to it. One item which he held up for ridicule was the tripartite meat stabilization program. He said that the authority was there and all it took was for the Minister to carry through with it. I happen to have been involved for the last 15 years from the point of view of the producer sector in trying to get a tripartite red meat stabilization program into effect, and I know that nothing happened until this Minister managed to get Bill C-25 through the House in June. That carries back 15 years.

While dealing with the red meat sector, I should like to refer to the fact that an Hon. Member opposite held up our meat inspection system to some ridicule, particularly under the changes which were put in place. We have the finest meat inspection system in the world, and that is barring none. Even with the changes which have been put in place, no other country is allowed to ship red meat across borders in volumes comparable with that of Canada, and that is almost entirely due to our inspection system, which is held in the highest esteem in most exporting countries.

At this point I will sit down and allow Members opposite to question me on what I have said.

Mr. Althouse: Mr. Speaker, would the Hon. Member care to offer his opinion as to why the Minister has failed to carry out the letter of the law? Why has the Minister failed to table in the House the final report of Canagrex within 15 days, so that it could be automatically sent to the Standing Committee on Agriculture for us to find out what happened in those last few months and in fact look at the record, which is what he said we should be doing?

Mr. Deputy Speaker: The Hon. Member for Lambton-Middlesex (Mr. Fraleigh) on a short answer, please.

Mr. Fraleigh: Mr. Speaker, I am not prepared to answer for the Minister. The Minister is quite capable of answering for himself. I would suggest that the Hon. Member put that question to him in the House this afternoon.

I have indicated my position. If the Hon. Member has questions to put to me on what I said, I am quite prepared to debate it with him. However, as far as a question which only the Minister could answer is concerned, I fail to see why the Hon. Member would direct it to me.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock this afternoon.

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

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 22

[*English*]

ATOMIC ENERGY OF CANADA LIMITED

IMPACT OF BUDGETARY CUT-BACK

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I rise today on a matter that is of the utmost importance to the people of Canada. In the "Budget of Disaster" that was presented by the Progressive Conservatives last May 23, the Government announced its intention to cut the heart and soul out of Atomic Energy of Canada Limited by reducing the research and development budget by 50 per cent over five years. This action will result in the loss of hundreds of millions of dollars to AECL, to the laboratories at Chalk River, and to the Town of Deep River.

Contrary to what the Government says, these cuts will seriously damage the health and safety research programs, programs that have made great contributions in the battle against cancer in our country.

In order to lessen the impact of this ill-advised action, I sought, on August 1 last, a meeting with the Minister of Energy, Mines and Resources (Miss Carney). More than three months have passed and the Minister has not had the courtesy to reply to my request, or even to direct her staff to take this matter seriously by discussing possible dates for a meeting.

I want to tell the Minister that this is a matter that the people of Canada take very seriously and we will not tolerate the arrogant attitude of the Government.

An Hon. Member: Shame on the Tories.

Mr. Hopkins: The people who are affected by the cuts in the budget of AECL deserve a hearing with the Minister: the business community, labour, and the professionals. To continue to ignore them is an insult to Canadians and, indeed, to this Parliament.

* * *

CANADIAN PACIFIC RAILWAY

CANCELLATION OF PENSIONERS' RAIL PASSES—CENTENNIAL OF "LAST SPIKE" CEREMONY

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, today is the one hundredth anniversary of the driving of the last spike and the beginning of transcontinental rail history in this great country of ours.

I come from a town, Transcona, whose very name is a combination of "Transcontinental" and "Lord Strathcona", the man who drove the last spike.

Unfortunately, Mr. Speaker, to mark this anniversary is also to mark 100 years of corporate greed and exploitation. The CPR has apparently recognized this by trying to outdo itself in this anniversary year with an act of unsurpassed corporate cruelty and miserliness, that being to take away arbitrarily the pass rights of all of their pensioners, driving the last spike into the remaining dignity of all of those who, as the ad so piously sings, "Work the CP railway line." These people are now to be cut off from the fruits of their labour.

Therefore, Mr. Speaker, as in days of old, and even now, in mine, mill, factory, and across the prairies, from farm kitchen to farm kitchen, let the cry ring out: "God damn the CPR".

* * *

[*Translation*]

THE ECONOMY

SITUATION IN QUEBEC

Mr. Gilles Bernier (Beauce): Mr. Speaker, according to the latest economic indicators, Quebec's economy is continuing its sustained progress in 1985. Retail sales have increased 11 per cent between September 1984 and August 1985. The increase in capital expenditures is expected to continue. We can say that the private sector is responding favourably to the first measures taken by the Mulroney Government.

From January to August, 1985, the value of construction starts increased 23 per cent compared with the same period last year. Thanks to our policies, 74,000 new jobs have been created in Quebec since September 1984.

According to a recent survey conducted by the Canadian Federation for Independent Business, 37 per cent of small- and medium-sized businesses intend to increase their capital spending between now and the end of this year. Furthermore, 26 per cent of these businesses intend to hire staff, and 41 per cent are planning to increase their working capital.

These figures show once again that our economy's performance has improved considerably since a Conservative Government was elected last year. This is a real injection of optimism!

As soon as our various oppositions decide to stress the positive things this Government has done, the economic skies will be even more serene over Canada, and the prophets of doom confounded. I say to the people of Quebec and Canada: Remember the disastrous legacy we were left by the Liberals! Now, we are gradually making things better, on my honour as a Beauceron!

S.O. 22

THE ARTS

ABITIBI-TÉMISCAMINGUE INTERNATIONAL FILM FESTIVAL

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, from November 9 to 14, 1985, the most important cultural event in the entire Abitibi-Témiscamingue region will take place in my riding.

At that time, Mr. Speaker, the cities of Rouyn and Noranda will be hosting the 4th International Film Festival of Abitibi-Témiscamingue, an annual event that is getting more and more attention from all over Quebec.

Mr. Speaker, I would like to quote two comments made by well known Quebec journalists at the end of the third festival. Richard Guay of *Le Devoir* said: This is the most important annual regional film event in Quebec. This is what Minou Petrowski had to say: "I appreciated the efficient way things were organized, and the cordial and considerate attitude of the organizers, something that is entirely absent from other festivals".

Mr. Speaker, this festival has gone far beyond our borders to become a truly national and international event. The Abitibi-Témiscamingue region has opened its doors to the world and revealed the hospitality, warmth and efficiency of our people.

Finally, I would like to congratulate the entire team that works year-round to make this festival a success and express the hope that the Abitibi-Témiscamingue International Film Festival will have a long life.

* * *

[*English*]

SHIPBUILDING

SHORTAGE OF ORDERS

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, according to industry figures, the Canadian shipbuilding industry has its slimmest order book since the start of the Second World War. This can hardly come as news of the Government. Not only once, twice, but five times in the past year the Government has been asked to explain when the all-too-long promised Government position on the Canadian shipbuilding industry would be revealed, and each time a Minister has risen to tell the House that the shipbuilding industry is indeed a top priority and that action would soon come.

If a "top priority" means wasting a year, I wonder what these Ministers do with those issues that they feel are not quite so important.

DRIE has dismissed pleas from industry and labour alike to reinstate a 9 per cent shipbuilding subsidy. We are the only nation that does not support this most basic element of the national economy with some form of assistance.

To add insult to injury, we must be the only nation to give this preferential treatment to offshore buyers, who get subsidized financing through the Canada Export Development Corporation. Yet our own Canadian shipowners see their Government assistance eliminated.

I ask, Mr. Speaker, where is the logic in that? The time for talk is over. The Canadian shipbuilding industry and the thousands of workers who depend upon it have been cast adrift by the Government. It is time the Government put both oars in the water and headed the economy in the direction of growth, rather than continue with its present course of going in circles.

* * *

SMALL BUSINESS

FORECAST OF GROWTH IN EMPLOYMENT AND INVESTMENT

Mr. Alex Kindy (Calgary East): Mr. Speaker, the Canadian Federation of Independent Business recently announced that the six-month outlook for Canada indicates further growth in employment and investment for the independent business sector. Nearly 30 per cent of the firms responding forecast that they would increase employment, while only 5 per cent predicted lay-offs.

Moreover, investment plan responses were positive. As many as 42 per cent plan to increase capital investment, while nearly 41 per cent plan to increase working capital, including inventories.

Furthermore, the Canadian Federation of Independent Business noted the significance of the capital gains tax exemption, a measure which was included in the Budget of last May.

In the light of what I have just mentioned, it is obvious that the small business sector in Canada has been encouraged by the capital gains tax exemption, thus leading to a climate of confidence in the small business sector.

* * *

SPORTS

NATIONAL SOCCER TEAM—SUPPORT URGED

Mr. Sergio Marchi (York West): Mr. Speaker, Canadians were extremely proud last September when, for the first time in our history, our national soccer team qualified for the World Cup soccer tournament, to be held next year in Mexico. Since then, however, the national team has been living in a miserable, pitiful state. An article in the Toronto *Corriere Canadese* newspaper reported that the captain of the team and seven of his colleagues and their families are presently relying solely on unemployment insurance benefits, with no access to sports training funds.

Some Hon. Members: Shame!

Mr. Marchi: Moreover, part of the team will train in Toronto, while the remainder will train separately in Vancouver, the reason being that there are not enough funds to bring all the players and all the coaches together on one field at one time.

These conditions are undignified and unprofessional, and we are becoming an embarrassment in the eyes of the international sporting community.

The Canadian players and coaches have worked long and hard and have been successful despite government inaction. Other countries fully support their teams, and I believe our Canadian team should be accorded that same respect.

• (1410)

The federal Government can and should help remedy this unfortunate reality. Let us live up to this historic occasion. For the Government to stand idly by and allow its national team to continue under substandard and archaic conditions would not only be irresponsible but would be a sporting and national disgrace.

* * *

REMEMBRANCE DAY

ONE MAN'S MEMORIES

Mr. Gordon Taylor (Bow River): Mr. Speaker, Remembrance Day is a time to remember. I remember that it was not Canada, Britain, the United States or any of the NATO countries which started World War II; it was Hitler and his Nazis who wanted to conquer the world.

I remember Chamberlain, the appeaser, signing the agreement granting almost all of Hitler's demands, leaving Czechoslovakia defenceless and then returning to England where he announced "Peace in our time", to the applause of the people. There was not applause a few months later when Hitler seized the rest of Czechoslovakia and continued his war to conquer the world.

I remember the Nazi army with the modern weapons of war overwhelming the brave Dutch who tried to defend themselves with the few weapons they had, and the Nazi air force bombing the very daylights out of Amsterdam, killing thousands of men, women and children, and occupying that country.

I remember being in Holland to celebrate the fortieth anniversary of the liberation of the Netherlands by the Canadians. I saw the gratitude in the thousands of Hollanders who said: "Thank you for freeing us" to the Canadians who died and the Canadians who lived.

I remember the horrors of war. I remember that wars are started by men and nations who want to dominate the world. I remember the challenge given to all who love freedom from the graves of those who died to free others.

"Take up our quarrel with the foe: To you from failing hands we throw the torch . . ."

I remember! Je me souviens!

Some Hon. Members: Hear, hear!

INTERNATIONAL YOUTH YEAR

LIST OF SUGGESTED PRIORITIES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, in a year which has been designated by the United Nations as International Youth Year it is fitting that our country join the celebration by taking account of the two primary concerns of young people in our country.

The number one priority, for very understandable reasons, is that of jobs. The creation of jobs is a social, political, economic, and human imperative which ought to be of concern to every Member of the House. Too many young people have been left on the sidelines of our society waiting for a chance to contribute, a chance to fit in, a chance to be a full member of their nation.

The tragedy of unemployment must not become the tragedy of an entire generation of young Canadians. It ought to become a leading priority of Parliament in this year to create the conditions for all men and women in our country, young or old, to be able to get a job if they want one.

[*Translation*]

Our second priority should be to listen: listen to our young people when they express their views on so many important subjects. For instance, the nuclear responsibility of the two superpowers was never discussed as intelligently and the cause of protecting our forests and lakes never defended with as much vigour.

There are many other examples, Mr. Speaker—

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

* * *

[*English*]

THE ECONOMY

REDUCTION OF DEFICIT

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, figures released yesterday indicate that for the first time in four years the deficit is going down.

Some Hon. Members: Hear, hear!

Mrs. Browes: That is good news for all Canadians. I commend the Minister of Finance (Mr. Wilson).

The Government has taken sound and responsible fiscal action to reduce the deficit because it recognizes the damaging impact large deficits have on interest rates, business investment, and especially on job creation. We on this side of the House understand the importance of fiscal responsibility and proper management of tax dollars.

In 1985 Nobel Prize winner Franco Modigliani, a highly respected Keynesian economist, wrote:

> In reaching levels unprecedented in peacetime, the deficit has become a serious threat to the well-being of younger and future generations.

That comment was in reference to the American deficit which, on a per capita basis, is lower than our own.

Progressive Conservatives believe that it is irresponsible and unfair to place the burden of increasing deficits on the backs of our children. That is why we recognize today's news as welcome relief for tomorrow's generation.

* * *

[*Translation*]

SOCIAL SECURITY

AVAILABILITY OF FUNDS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, as you know, the Conservative Government has tabled a Bill aimed at reducing family allowances by 3 per cent. The Government's justification for these cuts is that we must reduce the deficit.

How can the Conservatives claim there is no money for our children, when they are giving millions and billions to the rich people in this country?

They say there is no money for our children, but they could find one billion dollars for bankrupt banks. There is no money for our children, but they can find one billion dollars for Dome Petroleum. No money for our children, but they can find $64,000 to pay for a trip by the Minister of State (Transport) (Mrs. Blais-Grenier).

What a staggering contrast, Mr. Speaker! There is a lot of money for the rich and for the privileged in our society, but our children only get de-indexation of family allowances.

The Progressive Conservative Party in 1985 is the same party led by R. B. Bennett in the Thirties. The Progressive Conservative Party remains a party for the rich. The Progressive Conservative Party and the Prime Minister (Mr. Mulroney) have broken their election promises, Mr. Speaker.

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—GOVERNMENT STRATEGY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. Yesterday in Edmonton in response to questions affecting our trade negotiations with the United States he was reported to have said: "What is there to be secret about?" I agree with that. Why has his Government adopted a deliberate and manipulative secret strategy in advancing the negotiations with the United States? Why does he not come clean and tell Canadians what

is on the table for negotiation and what is not? Just what is negotiable and what is not?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Right Hon. Leader of the Opposition asks why we have adopted the strategy which he has ascribed to us. The answer is that we have not.

Some Hon. Members: Hear, hear!

[*Translation*]

REQUEST FOR PROFITABILITY ANALYSIS

Right Hon. John N. Turner (Leader of the Opposition): In that case, Mr. Speaker, it is clear the Government has not revealed the parameters of these negotiations.

I have another question for the Prime Minister. If there is nothing secret about these negotiations, does the Prime Minister intend to provide Canadians with a cost-benefit analysis, so they can judge for themselves which Canadian industries and communities will benefit from these negotiations with the United States and which may be at a disadvantage?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, once negotiations are underway, I assume that negotiators acting on behalf of the Canadian Government will want to advise Canadians, at the appropriate time, of the reasons behind the various positions being taken.

There is an advisory committee on the private sector, in every area where serious preparatory work is being done, and there will certainly be announcements very shortly in connection with this question.

What we are looking for, if, as and when feasible, and since nine out of ten provinces and a considerable part of the population are in favour, is a dialogue with the Americans to find out whether we can improve our trade exchanges and obtain more jobs and more secure markets for Canadians in the future.

[*English*]

REQUEST THAT COST BENEFIT ANALYSIS BE TABLED

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, at this point all we have from the Prime Minister and his Government are vague generalizations as to what the potential benefits might be from a free trade arrangement with the United States. The advisory committee to which the Prime Minister refers has not been completely set up. The provinces have not been adequately consulted. His reference to nine out of ten provinces being in favour will probably not bear analysis when each province looks at the cost benefits province by province.

For the scrutiny of Parliament, will the Prime Minister table a cost benefit analysis so that Members of the House and the joint committee which reviewed free trade during the summer can review the industries which will benefit and those which will be hurt, the jobs which will be made available and the jobs which will be lost? Will he do this so that Canadians can begin to make an intelligent value judgment on the state and direction of these negotiations?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, one of the most thorough of the analyses done so far on the subject was done by the Hon. Donald Macdonald, Chairman of the Royal Commission appointed by a previous Government. Therefore, its impartiality and its objectivity *vis-à-vis* this Government would be, I think, fully appreciated. Mr. Macdonald and his colleagues recently conducted the most extensive research into this area of which I am aware. They came down very strongly in asking the Canadian Government to examine this possibility very carefully. If we examine it carefully, and we shall, it will be with a view to procuring more jobs for Canadians, to attempting to secure longer term and more secure access to American markets, and to bringing in a new degree of prosperity and security to Canada while enhancing our sovereignty at all times.

● (1420)

FEDERAL-PROVINCIAL CO-OPERATION

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I too have a question to direct to the Prime Minister related to the discussions with the United States. He has just said that it will be very important for there to be co-operation with the provinces. There is now a report from the Ontario Legislature that recommends substantial exemptions for certain industries such as the auto, agricultural and cultural industries. There has also been a major representation by the Government of Manitoba and the Government of Saskatchewan requesting that there be exemptions. In the spirit of that federal-provincial co-operation which the Prime Minister wants to have, is he now prepared to agree with the provincial representations that certain industries such as agriculture, culture, and the auto industries can be exempted from those negotiations?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will be discussing this matter and others in some detail with the First Ministers in Halifax at the end of the month. No doubt some of them will want to raise matters such as the ones raised by my hon. friend. Pursuant thereto, I will report to the House.

PRIME MINISTER'S DISCUSSION WITH ALBERTA PREMIER

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, the Prime Minister has already had the opportunity to have a discussion with the Premier of Alberta. I understand that they met yesterday. Considering the importance of the provinces being in agreement with putting on the bargaining table matters under their own jurisdictions, such as marketing boards, agricultural subsidies and support programs, did the

Prime Minister raise that matter with the Premier of Alberta? Is the Premier of Alberta in agreement with putting on the bargaining table and having negotiated those matters that fall under the jurisdiction of his province?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, what the Premier of Alberta told me in general terms was what a delight it was for Albertans to deal with a federal Government that was not interested in savaging the interests of western Canada.

Some Hon. Members: Hear, hear!

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THE AUDITOR GENERAL

CABINET CONFIDENTIALITY—ACCESS TO CABINET DOCUMENTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister. On December 4 last, in a reply to a question put by me about the powers of the Auditor General, the Prime Minister said that when there was "... a collision between the rights of Parliament and certain privileges of the executive. In my judgment, in that kind of confrontation, Parliament should always prevail". Last Friday, as the Prime Minister, will know, Mr. Justice Jerome rendered a historic decision on this question using almost precisely the same words as the Prime Minister but in this instance giving them the force of law. He said the following about the tradition of cabinet confidentiality conflicting with the Auditor General's powers: "where they are in conflict, the Auditor General's right of access must prevail". Does the Prime Minister stand by what he said last December? Will he now give the Auditor General that which is his due?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, that matter is being currently reviewed. It is an important constitutional issue that is under review. The decision will certainly be in the best interests of all parliamentarians and the Government.

AUDITOR GENERAL'S POWERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I hope what is not to be involved is the Prime Minister reviewing another sacred trust. He made this commitment pretty clearly last fall.

My supplementary question pertains to the PCO. The Prime Minister will be aware that Mr. Ward Elcock, the acting legal counsel in the PCO, the same man who acted as counsel for Energy, Mines and Resources in 1981, pointed out regarding the same Petro-Canada case that it is possible to, in his words, hide in regulations certain information. Considering the possibility of hiding material, on instructions from the executive branch, no doubt within traditional powers, which is precisely what the Auditor General was concerned about, and if we believe in open Government, does the Prime Minister not now agree that we ought to give the Auditor General the powers that the Prime Minister promised he would give him during last year's election campaign, and in the House last December?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, we certainly do not accept any of the premises in the hon. gentleman's question. However, I can assure him that, in so far as it is within our power, we are more than anxious to see completely exposed the whole circumstances surrounding the acquisition of Petrofina by Petro-Canada. There is another convention, of the Constitution that has provided a problem in that connection because the papers involved are those that exist as a result of the administration of former Prime Minister Trudeau who, as of yet, has not seen fit to give us consent to release any of those papers. These are matters that are all being examined now.

I would say to the Hon. Member that there are two points at issue. One is Petro-Canada's acquisition of Petrofina, and we are determined that all information regarding that should be given to the public. The second issue is a very important constitutional question involving cabinet Government collective responsibility, and that has to be considered as well.

Mr. Speaker: A short supplementary question.

AGREEMENT MADE WITH FORMER PRIME MINISTER

Hon. Edward Broadbent (Oshawa): Mr. Speaker, since the Prime Minister is clearly not prepared to answer about his responsibility and commitments, I would ask the Minister of Justice if he is now saying that it would be necessary to get permission from former Prime Minister Trudeau to provide the documents that a Justice of the Federal Court indicated ought to be provided by law.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am saying that there was an agreement entered into during the brief tenure of the former Prime Minister, who is now the Leader of the Opposition, with former Prime Minister Trudeau to the effect that the cabinet confidences and documents of that administration would be sealed and not gone into by successors. Whether or not it is a legal obligation, it is certainly a moral obligation that one must consider very carefully. Perhaps the hon. gentleman could tell the House whether the NDP Government of Manitoba or the former NDP Government of Saskatchewan—

Mr. Broadbent: The legal judgment was about your Government.

Mr. Crosbie: Did they give to their Auditors General and the public all their cabinet confidences? Of course they did not. It is time for my hon. friend to cease being holier than thou.

Oral Questions

FISHERIES

FACTORY FREEZER TRAWLER LICENCE APPLICATION

Mr. George Baker (Gander-Twillingate): Mr. Speaker, my question is directed to the Acting Minister of Fisheries, the Deputy Prime Minister. Can the Deputy Prime Minister tell the House if he has arrived at a decision concerning an application by National Sea Products Limited to operate a factory freezer trawler on the East Coast of Canada, an application opposed by every fisherman and fish plant worker in the Province of Newfoundland?

Hon. Erik Nielsen (Deputy Prime Minister and Acting Minister of Fisheries and Oceans): Mr. Speaker, when a decision is made it will be made at the appropriate time and announced in the appropriate fashion.

GOVERNMENT POSITION

Mr. George Baker (Gander-Twillingate): Mr. Speaker, since the majority of this fish will come from Area 2J3KL, which is the east coast and north-east coast of Newfoundland, can the Deputy Prime Minister tell the House how the Government can have the audacity even to consider this proposal which is opposed by the Province of Newfoundland? Is this co-operative federalism?

Hon. Erik Nielsen (Deputy Prime Minister and Acting Minister of Fisheries and Oceans): Mr. Speaker, the factors inherent in coming to any such decision which, as I said a moment ago will be announced, if it is announced, at an appropriate time and in an appropriate fashion, will all be taken into consideration.

STANDING COMMITTEE HEARINGS

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is also directed to the Acting Minister of Fisheries. He will know that every segment of Atlantic Canada is opposed to the factory freezer technology, and he will know that the Government's case in the arbitration with France over stationing factory freezer trawlers in St. Pierre and Miquelon will be destroyed if it is approved. Finally, it is a slap in the face to the Standing Committee on Fisheries and Forestry. Would the Deputy Prime Minister tell the House what kind of mix of political stupidity and contempt would lead the Government to approve this application before the Standing Committee has had a chance to hold its hearings on November 21?

• (1430)

Hon. Erik Nielsen (Deputy Prime Minister and Acting Minister of Fisheries and Oceans): Mr. Speaker, as usual, the hon. gentleman has made three comments in the preamble to his question, two of which are utterly false and one of which is doubtful, in the best possible interpretation.

EFFECT OF LICENSING FACTORY FREEZER TRAWLER

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, would the Minister agree that if he approves the permit for National Sea to operate a factory freezer trawler off Atlantic Canada, he will jeopardize our position on free trade in the fishery with the U.S.? Will he also admit that it runs the risk of destroying rural communities throughout Atlantic Canada?

Hon. Erik Nielsen (Deputy Prime Minister and Acting Minister of Fisheries and Oceans): Not at all, Sir.

COMMITTEE HEARINGS—REQUEST THAT DECISION BE POSTPONED

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is also directed to the Deputy Prime Minister and Acting Minister of Fisheries. Is he aware that the Standing Committee on Fisheries and Forestry has decided to invite on November 21 the Governments of Newfoundland and Nova Scotia, the major fishermen's union in those provinces, Fisheries Products International and National Sea, to appear on the question of factory freezer trawlers? That decision was taken by all three Parties, including his own Parliamentary Secretary. Will the Minister give this House, and in particular the standing committee, a commitment that no decision will be taken on factory freezer trawlers and the application by National Sea until the hearings have been held and the committee reports with our advice to the Ministers? Will he do that?

Hon. Erik Nielsen (Deputy Prime Minister and Acting Minister of Fisheries and Oceans): Mr. Speaker, the broadest possible consultation has already taken place with provincial Governments, the Council of Atlantic Fisheries Ministers, the Atlantic Groundfish Advisory Committee, unions, and the newly formed Atlantic Regional Council. Full discussions and consultations have taken place since this matter first arose, I believe last June.

GOVERNMENT'S APPROACH TO COMMITTEE HEARINGS

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, the Minister is saying that he is going to ignore the standing committee. I remind him that the committee has heard 107 witnesses in the last 12 days, over 100 of whom oppose factory freezer trawlers. I ask him again, in the spirit of reform put forward by the McGrath Committee, to respect the standing committee, allow these hearings to be held, and await our advice before a decision is made. Will he do that?

Hon. Erik Nielsen (Deputy Prime Minister and Acting Minister of Fisheries and Oceans): All I can say, Sir, given the initiative by the Government, and the excellent work done by the Hon. Member for St. John's East, is that this Government, refreshingly, has a heck of a lot more respect—

Mr. Tobin: Will you wait?

Mr. Nielsen: —for the committee system and standing committees in this House than was ever displayed by the former Government.

Mr. Tobin: Will you wait?

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FINANCIAL INSTITUTIONS

REGULATORY REFORM

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Minister of Finance. I am sure he is aware that almost everyone now agrees that fundamental changes to the regulatory and supervisory system which governs our financial institutions must be made, although I am not certain where the Liberals stand on this particular issue.

Mr. Gauthier: Don't worry about us; get your own act together.

Mr. Riis: Will the Minister tell the people of Canada that the Government will act immediately on implementation of a regulatory system as proposed by the finance committee?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the report of the standing committee was just tabled yesterday. I have read in a preliminary way their comments on the question of regulatory reform. I think the committee agrees, as do we in this Government, that it is necessary to strengthen the regulatory system. As soon as we won the election we started on a number of steps relating to the appointment of the Wyman Commission, the Green Paper set out by my colleague, the Minister of State, and which was followed through with an announcement concerning actions she was proposing for the Canada Deposit Insurance Corporation to strengthen its powers. From the time we took office we have moved quickly to strengthen the regulatory system, and we are going to continue in that direction.

COMMITTEE RECOMMENDATIONS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, in light of recent results we have a long way to go, and that is why I am urging the Minister to take immediate action to send a very definite signal that the Government is taking action on this critical matter.

I would like the Minister to assure the people of Canada, particularly those in areas where small regional financial institutions are really struggling to survive, that the Government will not stand idly by and will follow at least some of the recommendations of the committee report so that banks like Citibank, Barclays Bank or the Bank of Tokyo cannot come up and gobble up some of the small regional financial institutions which are struggling to survive?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I thank the Hon. Member for his question. Obviously regional banking is of great interest to this Government, as we have indicated, and our commitment has been on record for a long time. I might also say that the report from the committee is not a quick read. There are a number of proposals concerning foreign ownership, among other things, which we will be examining in a great deal of detail before we come out with our final suggestions.

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FISHERIES

PROPOSED LICENSING OF FACTORY FREEZER TRAWLER

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Right Hon. Prime Minister who is quite concerned with process. Since the Acting Minister of Fisheries and Oceans has refused to give us an undertaking concerning the fishery committee hearings on November 21 when in fact the all-Party resolution was moved by the Minister's Parliamentary Secretary, does the Prime Minister not think it is both irresponsible and in breach of the reforms brought in by the McGrath Committee not to hear the evidence of the two provinces and various interested groups before any decision is made?

Hon. Erik Nielsen (Deputy Prime Minister and Acting Minister of Fisheries and Oceans): Mr. Speaker, even if the inferential fears of the Hon. Member were to assume proportions of any reality at all, he completely overlooks the fact that extensive consultations have already taken place with the Government of Newfoundland and the Government of Nova Scotia, as well as other provincial Governments in Atlantic Canada.

COMMITTEE HEARINGS IN ATLANTIC CANADA

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, tens of thousands of dollars have been spent in the last 12 days by this committee travelling through Atlantic Canada, hearing in excess of 100 briefs which said no to factory freezer trawlers. Is the Minister not making a mockery of the parliamentary process by not waiting until November 21 to hear these important parties make their case here in Ottawa? Is this not mockery of Parliament?

Some Hon. Members: Hear, hear!

Hon. Erik Nielsen (Deputy Prime Minister and Acting Minister of Fisheries and Oceans): No, sir, not in my view. However, I can tell the hon. gentleman—

Some Hon. Members: Oh, oh!

Mr. Tobin: I suppose Blais-Grenier's travels are more important.

Mr. Speaker: Order, please.

Mr. Nielsen: I can, however, tell the hon. gentleman that in my opinion he breaches the rules of this House when he refers to evidence submitted to that committee which, if in fact it was submitted as he described it, and I do not for a moment—

Mr. Dingwall: Don't mislead the House. You have a habit of doing that.

Mr. Nielsen: —take for a fact his description of it—the hon. gentleman asks me not to mislead the House. I suggest—

Mr. Speaker: Order.

Mr. Nielsen: —that he and his colleagues should follow that advice more carefully themselves.

Mr. Dingwall: Don't mislead the House.

Mr. Crosbie: Simmer down, dingbat.

Mr. Speaker: Order, please!

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VETERANS AFFAIRS

SERVICES OF CHAPLAINS

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister of Veterans Affairs. I gave his office notice of this question because I did not think he was aware of the decision his Department made. Yesterday we learned that his Department will be terminating the services of its chaplains and that it intends to provide this service on a contract basis. Would the Minister, who is a veteran himself, not agree that the relationship between veterans and chaplains is a very special one which cannot be provided by contracting out services the way you would a dental program or any other kind of program? Would the Minister not agree that that is the case, and agree to rescind that decision?

● (1440)

Hon. George Hees (Minister of Veterans Affairs): The short answer to that question, of course, is no, Mr. Speaker. I appreciate so much that the Hon. Member gave my office notice of this question. It is an important and very serious one and deserves a serious answer. I have written out the answer which I will give him, because I want no mistake made in the understanding of it.

Veterans Affairs has been steadily transferring veterans' hospitals and nursing homes to the provinces for many years now. Gradually, over the years, we have been moving toward contracting chaplains' services. In conformity with this long-standing policy, all chaplains will soon be employed on a contract basis.

Mr. Nystrom: Dial-a-prayer.

Mr. Hees: I am pleased to assure our chaplains that those who will be employed on a contract basis will receive the same pay and hours of work as they are now receiving. I would like to assure the House that chaplain service to our veterans will not, in any way, be diminished.

Some Hon. Members: Hear, hear!

Mr. Benjamin: But will it be sacred?

DEPARTMENTAL POLICY

Mr. Neil Young (Beaches): My supplementary question is directed to the same Minister, Mr. Speaker. Would he not agree that if his Department is going to continue this service, albeit on a contract basis, it would be much easier on the veterans and would ease any concerns that they may have about that relationship, simply to continue to have the chaplains in the employ of Veterans Affairs?

Mr. Benjamin: It's the same money, the same pay.

Hon. George Hees (Minister of Veterans Affairs): Mr. Speaker, we are simply acting in conformity with the policy we have steadily been moving toward for many years now in this regard so that there will be a consistent policy in the Department with regard to chaplain services. As I said, the chaplains will be completely protected. They will be receiving the same pay, working the same hours, and giving the same service.

Mr. Deans: Why are you doing it?

Mr. Benjamin: Why bother?

Mr. Hees: Our veterans will, in every way, receive the same service from our chaplains. It is simply that we believe and are firmly convinced that doing the work this way is a more efficient and effective way of providing chaplains' services than that formerly employed.

Mr. Benjamin: You said there'd be no change, so why change it?

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EXTERNAL AFFAIRS

EXTRADITION OF UNITED STATES CITIZENS

Mr. Alan Redway (York East): Mr. Speaker, my question is to the Minister of Justice. A few days ago the Minister met with the Attorney General of the United States, Mr. Edward Meese, and, according to news reports, discussed, among other things, the extradition of Charles Ng and Joseph Kindler. Could the Minister tell us if he has now received a request for the extradition of Charles Ng, and can he assure Canadians that Joseph Kindler will be home in time for Christmas?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I did meet with Attorney General Meese on Monday and among the matters we discussed were the two matters the hon. gentleman mentioned. With respect to Charles Ng, there has been no request as yet

received from the United States, or any State thereof, for his extradition, and he is commited to go to trial on certain charges in Alberta at the present time in any event.

With respect to Mr. Kindler, his solicitors have been given until November 15 to submit a written brief outlining their reasons why certain conditions should be requested in connection with any extradition back to the United States of America. That has not yet been received. I will also likely give them an oral hearing following that, and then decide the matter. I certainly think it will be decided before the middle of December.

* * *

ENVIRONMENTAL AFFAIRS

ST. CLAIR RIVER—DIOXIN SAMPLE ANALYSIS

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Minister of the Environment. The Minister's Department received a sample of the St. Clair River toxic waste patch from the Great Lakes Institute at the University of Windsor in August, 1984. He told the House yesterday that it took until August of 1985 for an analysis of that sample to be completed and a dangerous level of dioxin to be disclosed. Why did it take the Minister's Department a year to complete this analysis and disclose the dioxin? Why did it not show a greater sense of urgency with regard to this important matter involving the health and safety of millions of Canadians?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, it is true that a sample was taken in August, 1984, but it was just one of many hundreds, indeed thousands, of samples taken by my Department throughout the Great Lakes area. We were not looking, in particular, for dioxin, or even for hazardous chemicals. Indeed, the sample was revealed almost by accident. When we discovered a year later that, in fact, hazardous chemicals were contained in the substance in question, we acted promptly and expeditiously by seeking further information.

LEAKAGE OF TOXIC CHEMICAL WASTES

Hon. Herb Gray (Windsor West): Mr. Speaker, my information is that the sample was taken pursuant to a contract with his Department to look for hazardous chemicals in the St. Clair River. In any event, Mr. Speaker, today an official of the Minister's Department said that the leakage of toxic chemical wastes in the St. Clair river "could create the biggest hazardous waste problem in North America". Will the Minister confirm now that he and his Government will take immediate measures to clean up the toxic waste problem in the St. Clair River with an even greater priority than he has announced for the Niagara River, in order that the people in the St. Clair River area and downstream can get the necessary reassurance that this matter will be dealt with immediately and that their health and safety will be protected?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, if the Hon. Member had been in the House, or at least paying attention, in the past week, he would know that my Department is acting in just the way he is recommending. I will say, however, that the official who was widely quoted in the media this morning, and to whom the Hon. Member has now made reference, was not speaking with the authority of his political or bureaucratic superiors. In an effort to be forthcoming and open with the media he engaged in some very unhelpful and, as it turned out, unfounded speculation. My Department dissociates itself from his statements and I suggest that the Hon. Member dissociate his question from them, too.

* * *

EDUCATION

COLLEGE AND UNIVERSITY FUNDING

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question is addressed to the Secretary of State. Report after report has documented the deterioration of Canada's college and university system in which financial constraints have increasingly limited quality and accessibility for those in greatest need. Yet there is no sign of a new financing agreement with the provincial Ministers responsible for post-secondary education. Has not the Minister of Finance, by cutting the transfer payment escalator, pulled the rug out from under the Secretary of State in his efforts to negotiate a new post-secondary funding agreement with the provinces?

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, I may remind the Hon. Member, as I informed him several times before, that the Department of Finance has made no cuts but simply reduced the increase to be granted to the provinces. Again, I may remind the Hon. Member that the provinces are responsible for deciding how the money is spent, and that is what they are going to do. I also said that we would soon be meeting with the provincial Ministers of Education. We are going to try to assess the various possibilities we have, and I think that considering the meetings I have had with presidents of universities, professors and with the students' association this evening, that we will be able to find a solution.

● (1450)

[*English*]

DISCUSSIONS WITH PROVINCES

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, will this understanding curtail the diversion of federal funds to the provinces for uses other than post-secondary funding, will it stop the cut in provincial funding, and will there be some change in transfer payments that will ensure that the university and college system is not faced with continuing decreases in funding as it has been for nearly a decade now?

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, we are also sensitive to the specific problems of our Canadian universities. Now, I may remind the House again that the responsibility for transferring the funds lies with the provinces. We are open to suggestions. We did not sign the unconditional agreement of 1977. That was done by the previous Government. If we could find a way, and I am confident that I will, to increase the resources allocated to universities and colleges, we shall certainly do so, but always within the framework of the constitutional agreements under which the provinces are responsible for education.

* * *

[*English*]

PUBLIC SERVICE

PENSION REFORM—POSITION OF PRESENT SUPERANNUATES

Mr. Pat Nowlan (Annapolis Valley-Hants): Mr. Speaker—

Some Hon. Members: Hear, hear!

Mr. Nowlan: Obviously I want to thank you very much for recognizing me on this very interesting day, which is one day from tomorrow!

Some Hon. Members: Oh, oh!

Mr. Nowlan: I sent around these little white carnations which were neutral—not red or blue, but white—and I am sorry that the three on the opposite side, Gaston, Warren, and Len, are not wearing them. The memo said: "This bud's for you. '65-'85".

My question, Mr. Speaker, is very serious, and I have a supplementary, depending on the answer. It is directed to the President of the Treasury Board who has a vicarious knowledge of the question. I laud him for the commendable work on public service pension reform but will he assure the House that, regardless of public service pension reform, the superannuates, those who are now retired, will not be adversely affected in any negotiations he concludes?

Some Hon. Members: Hear, hear!

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, first I want to thank the Hon. Member for giving me notice that he would ask me the question. We have been working for several months on the question of pension reform and I share his concern and the concern of superannuates.

I repeat what I have said on a number of occasions. He can rest assured that superannuates will be treated in a fair and equitable manner and with all due respect to the commitments of this Party and the Government. We are trying to put the plan on a sound financial basis. No changes will be proposed to Cabinet without full consultation with representatives of all the parties involved.

Mr. Nowlan: A supplementary, Mr. Speaker.

Some Hon. Members: Hear, hear!

ELECTION COMMITMENT

Mr. Pat Nowlan (Annapolis Valley-Hants): Mr. Speaker, in the continuing discussions and negotiations, I hope and know that the President of the Treasury Board will follow the policy that was enunciated by our Party in the last election, which says:

> While our Party recognizes the need to negotiate changes to arrangements with current employees, we are determined that these must not affect the benefits for current superannuates.

Will he follow that provision?

Some Hon. Members: Hear, hear!

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the Hon. Member has quoted the commitments of this Party and the Government accurately. I believe that I said in my previous answer that whatever changes are brought to the plan will be fully in line with the commitments of this Party and the Government. I do not think I can be any clearer.

* * *

GOVERNMENT EXPENDITURES

FORMER ENVIRONMENT MINISTER'S LIMOUSINE EXPENSES IN LONDON

Ms. Sheila Copps (Hamilton East): Mr. Speaker, what a difference 20 years makes. A welcome difference.

Mr. Dingwall: That Nowlan is a good man.

Ms. Copps: Mr. Speaker, my question is directed to the Minister of the Environment. He has tried to justify the limousine in Paris. He has tried to justify the limousine in Sweden. Can he justify why, in London last December, for a one-day meeting, the former Minister of the Environment, the current Minister of State for Transport, quite literally chalked up 125 miles in limousine travel at a cost to the Canadian taxpayer of over $400?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I am advised that the then Minister of the Environment was in London representing her Department and the Government of Canada at meetings of the Environment Ministers of the seven so-called summit countries. She used the occasion of being in London to accept invitations to tour a number of environment-related facilities in the Greater London area. In that connection, she incurred the expenses that the Hon. Member referred to in her question.

INVOICED ITEMS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, according to the invoices which were filed by Prestoncrest Limited

Chauffeur Services in London, the bills for 137 pounds sterling and 126 pounds sterling included a pick up of the Minister at the hotel, sight-seeing around London, a trip to the—

Mr. Speaker: Order. Is there a supplementary question?

Ms. Copps: Since the invoices show quite clearly that both days were occupied in a sight-seeing tour of London, does the Minister not believe that the former Minister should reimburse the taxpayers for this waste of taxpayers' money?

Hon. Tom McMillan (Minister of the Environment): Well, Mr. Speaker, before asking a question like that which is certainly insulting, if not slanderous—

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): Just read the invoices.

Mr. McMillan: —the Hon. Member should have satisfied herself that it is not true that the Minister toured environment-related plants, as I indicated a moment ago. Does she have information that would establish that what I have said is incorrect? If so, maybe she should provide it to the House.

* * *

AUDITOR GENERAL

CONFIDENTIALITY OF FORMER GOVERNMENT'S DOCUMENTS—COURT JUDGMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister of Justice. Earlier in Question Period the Minister made an extraordinary statement. He said that he had to consider what Justice Jerome had to say about access to information by the Auditor General and that he also had to consider the confidentiality of former Prime Minister Trudeau's documents in the circumstances.

Is he not aware that Justice Jerome dealt specifically with that question about Mr. Trudeau's papers and said in the last sentence of his judgment:

—the refusal of access was unjustified then and therefore remains unjustified now.

That being the case, that being the law, will the Minister provide the documents?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, whether or not that is the law is not yet quite as clear as the Hon. Member seems to imagine. As I said to him in my answer earlier, there are two questions: there is a legal question and there is a moral question. There is the fact that the former Prime Minister, who is now Leader of the Opposition, made a commitment to his predecessor with respect to the papers of that administration, and his predecessor made a commitment to Mr. Clark, who made one to Mr. Trudeau—

Mr. Broadbent: It is illegal.

Mr. Crosbie: —who made one to Mr. Diefenbaker. These are constitutional conventions upon which the governance of the British system rests. Therefore, we are not as sanguine as the Hon. Leader of the NDP who has never been in government and never had to observe any commitments like this before.

REQUEST THAT DOCUMENTS BE PRODUCED

Hon. Edward Broadbent (Oshawa): Mr. Speaker, if I may say so, the Minister is revealing considerable ignorance of the judgment. The Justice considered the conventions the Minister is talking about. In his judgment about those conventions, he said that the Auditor General's right superseded them. Given that fact, why does the Minister not obey the laws interpreted by the Justice and give the documents that he ought to, now?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the hon. gentleman's question is premature. We are going to do everything in our power to see that the full details of the Petro-Canada—Petrofina operation are given to the public. We want that, but because we are scrupulous about the convention and about agreements entered into with previous administrations, we are having some difficulty. However, we intend to get that red herring out of the way and then deal with the main question, which is the question of responsible cabinet Government and parliamentary democracy.

* * *

CANADA POST CORPORATION

THREAT OF PRE-CHRISTMAS STRIKE

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is directed to the Minister responsible for Canada Post. Once again there is a threat of a pre-Christmas strike. I believe that this threat shows the union's insensitivity to their customers, who are all Canadians. If they are really looking for support, I submit that they are choosing the worst time to do so.

Since many Canadians consider postal delivery an essential service and, accordingly, no strikes should be permitted, will the Minister seriously consider this option in his deliberations over the next few weeks?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, Canada Post Corporation is currently negotiating and every effort is being made to reach an agreement.

• (1500)

The Corporation has faced this situation in the recent past and has managed to negotiate settlements at the bargaining table without any work stoppage. We are optimistic that this will occur again.

Regarding the other committees that will have to report to us, we will have to see by their reports whether this question is dealt with.

* * *

PETITIONS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of one, presented by Hon. Members on Wednesday, November 6, 1985, meet the requirements of the Standing Orders as to form.

One of the petitions presented by the Hon. Member for Westmorland-Kent (Mr. Robichaud) does not meet the requirements of the Standing Orders as to form.

* * *

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honor to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-5, an Act to provide for the creation by amalgamation of the Evangelical Lutheran Church in Canada, to which the concurrence of this House is desired.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, could the Government House Leader tell us what business he proposes for tomorrow and then for the week of November 19?

In addition, could he give us an outline of the business he proposes for the five weeks remaining to the Christmas adjournment?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I will respond as best I can with respect to the next two or three weeks, and I will try to address at the end of my remarks some of the hopes I have with respect to legislation that might be passed before Christmas.

Before that let me say that I am pleased to see the progress made in the House today.

At the present time we are dealing with Bill C-42. If that debate concludes, the next item of business I will call is Bill C-66, which deals with the reorganization of the Canada Development Corporation. A back-up to that piece of legislation will be Bill C-55, which contains amendments to the Immigration Act.

Tomorrow, as I previously announced, will be the second allotted day in the current supply period.

Next week, as Hon. Members will appreciate, the House will be in its mid-term recess in observance of Remembrance Day. I anticipate that tomorrow, in the usual tradition, at 11 a.m., in anticipation of Novermber 11, representatives of each Party will make statements in honour of those who served with such distinction on behalf of our country in the great wars.

Upon return to the House on November 18, our first priority will be to complete the debate at second reading stage on Bill C-62, which is the Bill to bring a new and progressive degree of employment equity to Canadians.

Following Bill C-62, we will return to consideration of second reading stage of Bill C-82, an Act to amend the Petroleum and Gas Revenue Tax Act. Back-up legislation to Bill C-82 will be Bills C-46, C-47 and C-48 relating to the divorce law. These are currently at the report stage, as the Hon. House Leader for the Official Opposition will appreciate.

As can be expected, and as is the usual case, we will monitor the progress being made with respect to legislation that has been announced.

As the House Leader for the Official Opposition has mentioned, there are several Bills on the Order Paper and others coming out of committee which will be brought forward at the earliest possible date, such as Bill C-45, subject to some consultation with opposition Parties. Bill C-45 relates to parliamentary relations for employees of the House of Commons. I hope to deal with that Bill in a manner which will be acceptable in the best interests of the employees of the House of Commons.

We do have other Bills which I suppose I can simply say to the House Leader for the Official Opposition that Canadians expect us to bring forward and deal with expeditiously. Essentially they are pieces of legislation flowing from the Budget.

As the Hon. Opposition House Leader will know, it has been the practice of previous administrations to allow Bills flowing out of budgets to remain unpassed and undealt with for two to three years after a Budget has been brought down. This causes a great degree of uncertainty and some considerable dissatisfaction on the part of those who are trying to plan their affairs and deal with their tax returns. In a sense of fairness to the people of Canada we should try to have an adequate, thorough but nonetheless expeditious treatment of legislation flowing from the Budget. It will be my intention to give priority to those pieces of legislation, which I can assure Hon. Members will be introduced at an early date following our return.

There are important pieces of legislation, Mr. Speaker. Since the Hon. House Leader of the Official Opposition has asked me to cover the period until Christmas, I am only too happy to do so—

Mr. Deans: He did not mean for you to speak until Christmas.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: As soon as I give Hon. Members the good news, they do not want to listen to me, Mr. Speaker.

Mr. Gray (Windsor West): You could send me a letter.

Mr. Hnatyshyn: I can tell the Hon. House Leader of the Official Opposition that there is legislation, particularly in the area of social justice and law and order, Solicitor General Bills, and Bills on mandatory supervision. People are asking why those particular pieces of legislation, which will offer some form of protection for the average citizen, have not been passed by the House of Commons.

Mr. Gauthier: You haven't called them.

Mr. Hnatyshyn: All those pieces of legislation, plus the number of other attractive matters that will be brought forward, will give us a rich legislative agenda. I hope Members of Parliament will pass all items before Christmas.

Mr. Benjamin: And a Merry Christmas to you too!

Mr. Gray (Windsor West): Mr. Speaker, I would like to apologize to the House for asking a question that brought forth such an empty and meaningless response.

Some Hon. Members: Oh, oh!

Mr. Deans: I do not know whether it was meaningless or not, Mr. Speaker. I thought the question was a little empty myself.

Some Hon. Members: Oh, oh!

Mr. Ian Deans (Hamilton Mountain): In bringing forward all this wonderful legislation, would the Government House Leader find some time for a debate on the proposed reforms of the House, bearing in mind that that ought to take place before the Christmas recess to give Members an opportunity to express their views on the new package?

Second, in scheduling House business, would the House Leader also remember to arrange some time for a debate with regard to the two reforms that he tabled earlier this week so that those matters can be dealt with by Members of the House since they affect each and every Member?

Mr. Hnatyshyn: Mr. Speaker, I appreciate the very valid question with respect to the reform of the House. This is a major step forward and one which will be dealt with a good deal of support, I am sure, throughout the House. It is a positive response to an all-Party committee, which indicates that we should make very good progress.

As the Hon. Member will appreciate, I have been carrying on discussions with the House Leaders opposite with the idea of having their suggestions and input. I hope to have a very attractive package ready for December, which we will bring to the House for debate.

I will bring forward one item with respect to the registry of foreign travel at an appropriate time after I have first discussed the matter with opposition House Leaders.

With respect to the reference to the standing committee for study of other items which might be included in a registry, I want to discuss that matter. It would seem to me in the best interests of the committee and the whole process that if we got that into committee quickly, it would allow members on the Management and Members' Services Committee to give it a thorough examination so they could bring down their report by the end of the year. When we can see that report, there will be an opportunity to discuss the final response of the Government with respect to those recommendations.

• (1510)

Mr. Gauthier: Mr. Speaker, I rise on that same question. Most of us in the House remember that the last time we talked about reform in the Chamber was last June 28, at about one o'clock in the morning. I ask the President of the Privy Council—and I think most of us would appreciate it—to come in a little earlier with the reform package this time than was the case the last time, so that we can substantially address it in a manner that we all understand.

Mr. Hnatyshyn: Mr. Speaker, as the Hon. Member pointed out, the discussion we had with regard to the first report of the committee took place at the end of June. That did not occur without very substantial prior discussions with the House Leaders of the opposition Parties. I would have liked to address all Hon. Members of the Opposition personally and to give them the benefit of my sage advice on these matters, but that was not possible, and I had to deal through their House Leaders.

In any event, the Hon. Member can rest assured that we are discussing the matter now. I am sure his House Leader is advising his caucus. In December I will be coming forward with this very important initiative. There will be an opportunity for Hon. Members to participate in the debate. I would be very interested in hearing their positions.

Mr. Blaikie: Mr. Speaker, does the Hon. Government House Leader not think it important that Hon. Members have a chance to debate this matter and put their views on the record before the package about which he is talking—

Mr. Speaker: Order, please. I was reluctant to accept even the earlier question. I think the representations are becoming ones which should be put through the House Leaders for conversation at House Leaders' meetings. The practice here has been to allow House business questions about matters of agenda and scheduling for the next week. This is moving quite a long way away from that, I would suggest, even though Hon. Members know that I, too, believe the subject is important.

Tabling of Documents

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

FINANCIAL INSTITUTIONS DEPOSITORS COMPENSATION ACT—REPORT OF LEGISLATIVE COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour to present the final report of the Legislative Committee on Bill C-79, an Act respecting the provision of compensation to depositors of Canadian Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect of uninsured depositors, in both official languages.

STRIKING COMMITTEE—ELEVENTH REPORT OF STANDING COMMITTEE

Mr. Chuck Cook (North Vancouver-Burnaby): Mr. Speaker, after long and arduous discussion among all three Parties and final agreement, I have the honour to table the eleventh report of the Striking Committee, in both official languages.

CRIMINAL CODE (PROSTITUTION)—REPORT OF LEGISLATIVE COMMITTEE

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, I have the honour to present the report of the Legislative Committee on Bill C-49, an Act to amend the Criminal Code (prostitution), with one amendment, in both official languages.

LABOUR, EMPLOYMENT AND IMMIGRATION—FIFTH REPORT OF STANDING COMMITTEE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I have the honour to present the fifth report of the Standing Committee on Labour, Employment and Immigration, concerning the document referred to the committee entitled *Refugee Determination in Canada.*

In accordance with Standing Order 70(16), I request that the Government make a comprehensive response to the fifth report.

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

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HEALTH

TABLING OF FEDERAL GOVERNMENT'S RESPONSE TO AIDS

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I had the pleasure last week of meeting with the members of the Standing Committee on Health, Welfare and Social Affairs in an information session on AIDS. At that time I referred to a summary of what was currently being done by my Department to deal with this disease.

Therefore, I am pleased today to rise, pursuant to Standing Order 47(2), to table a document entitled *The Federal Government's Response to AIDS*, in both official languages.

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RAILWAYS

ANNIVERSARY OF COMPLETION OF CANADIAN PACIFIC TRANSCONTINENTAL RAILWAY—STATEMENT OF MINISTER OF TRANSPORT

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I rise to address the House today, this seventh day of November, 1985, on the 100th anniversary of the driving of the last spike at Craigellachie, British Columbia.

That historic event, which occurred at 9.22 a.m., was truly one of the most important moments in Canada's history. With the final drive of a hammer, Canada emerged as a united country from coast to coast. A ribbon of steel brought us together as a nation. It gave meaning and substance to the word "Canada". Completion of the transcontinental railway realized our national dream. It serves as a monument and testimony to the spirit, conviction and determination of our forebears.

The sheer act of pushing the iron rail across this land, through muskeg and mountain, over river and plain, stands as a symbol of Canada and the Canadian spirit. That desire to build, to work the vast reaches of Canada, remains a vital element of our national character. The last spike resonates in our imagination and national identity. While it was the end of an epic task, it also marked the beginning of many new and exciting ventures, serving as a springboard for Canada's future.

For the next 100 years, our railways and our transportation system would be instrumental in Canada's economic and social development. The system gave us a base, a link on which to take hold and grow. Now we stand on the verge of a new era in our nation's history. As we look to that future, we again depend on our transportation system to provide the enterprise, innovation and excellence which helped to build our great nation.

Today, just as a century ago, we recognize the importance of transportation to Canada's future and the need to respond with equal vision and spirit to the challenge of building a foundation for national development. To this end, the Government is committed to developing a new legislative framework for transportation to lead us into the 21st century.

Our goal is to develop a transportation system which contributes to the competitiveness of our commerce, a dynamic and energetic system serving new demands. To do so, we must adopt new technology and fresh innovations to provide a wider range of services. We are world leaders in transportation technology, and we must build upon that strength.

We are confident that in a new environment the transportation community will respond to the challenge. Our framework, as outlined in *Freedom to Move*, encourages the competitive

spirit and energy of Canadians to meet our transportation needs.

One hundred years ago, the driving of the last spike helped make our national dream a reality. The spirit of that national dream is alive in Canada today. We are a nation of builders; we take pride in having forged a country out of the rock and soil of our land. The challenges ahead are great; together we can conquer them with the boldness, vision and imagination which made this land a nation.

In conclusion, on this historic day I want to extend sincere congratulations to Canadian Pacific, its management and to all its employees across Canada, whose spirit, dedication and enthusiasm are an inspiration to us all.

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, November 7, 1885, was a red letter day in Canada's history, when the CPR train travelled from coast to coast for the first time. Canadian Press reporter David Gersovitz commemorated this event in a very interesting article on the Canadian Pacific.

Ever since Canadian Pacific completed its first transcontinental railroad link, it has played and has continued to play a major role in the economic development of our country. Since that day 100 years ago, Canada's expansion has been impressive. The prosperity we have in this country would certainly not extend to all its regions without the major communication links provided at the beginning of the century by the railroad.

Interestingly, and I quote David Gersovitz:

In Canada, however, this project was essential—

—that is, building a railroad that would connect Canada from coast to coast was absolutely—

—essential to this country's development, something which could not become a reality without a transcontinental railroad link. Those who wanted a united Canada from the Atlantic to the Pacific claimed that a railroad line cutting across the entire continent, across the formidable Canadian shield, would keep the West from being swallowed up by the United States.

It is a fact that to develop what we know today as Canada's five main regions, it was necessary to cross that formidable obstacle, the Rocky Mountains, and to reach the Pacific. It is thanks to the pioneer spirit and the enterprise of Canadian Pacific that this dream could become a reality and that Canada is a country stretching from the Atlantic to the Pacific, and since that time, to a third coast, on the Arctic Ocean.

As suggested by the Minister, we should congratulate the administrators of the Canadian Pacific who have diversified their operations over a number of years. This corporation, one of the most important in Canada, is the property of a great many Canadian shareholders.

I want to congratulate both the shareholders, who represent a significant part of the Canadian population, the administrators of the Canadian Pacific for their entrepreneurship, but also and especially the workers, not only those who have built the railway but also those who over the years have directly contributed to the success of that company.

Today being November 7, I cannot help being somewhat sorry when I think of the former employees of the Canadian Pacific who retired before 1978 with a lifetime pass as a result of their years of service for that company. They were used to travel with their lifetime passes which were unilaterally cancelled. I dare hope that, on this 100th Anniversary, the administrators of the Canadian Pacific will demonstrate their kind generosity for their former dedicated employees by announcing within the next few hours or days that they will return to these pensioners the passes which they certainly deserve.

● (1520)

[*English*]

Mr. Les Benjamin (Regina West): Mr. Speaker, as a third generation employee of Canadian Pacific Limited—my grandfather having started employment with Canadian Pacific Limited in 1904, followed by my father and then myself—I join with the Minister in his remarks. I only wish the Minister had had more to say.

It is true that this is an historic anniversary. However, there is also an historical record which all Canadians and Members of this House should be reminded of. The workers, the immigrants—who worked, for the most part, under slave-labour conditions—deserve more recognition. One thinks immediately of the Chinese labour involved in the building of the Canadian Pacific railway line. Scores of those workers died in the process. They had to pay a head tax and live like animals, and all for two bits a day. Had it not been for those workers, that line would never have been finished. Recognition has to be given to the contribution of those workers.

So, while this is an historic event, it also is an opportune time to be reminded of this historic behaviour of this corporation, behaviour that represents a century of corporate welfare.

As was said in 1880 or 1881 by the then Leader of the Official Opposition: "Since we are putting up all of this money, land, mineral rights, subsidies, and so forth, why don't we own it?"

And we are still doing it. This particular corporation owes over $1 billion in deferred corporate taxes. It is a corporation that has got out from under commitments and agreements as to the type and amount of service that it would provide forever and a day, not the least of which was the agreement in respect of maintaining a statutory freight rate for the movement of grains.

The CPR has quite a record when it comes to bad corporate citizenship, but the act that takes the cake is the arbitrary cancelling of the passes of its own pensioners.

An Hon. Member: Shame!

Mr. Benjamin: That is the most despicable, small-minded and immoral corporate behaviour that I have seen in a long time. These are people who spent their lives working the CP rail line. They regarded the pass to be both a condition of their employment and a benefit from that employment.

Mr. Speaker, this corporation, as has been the case in 100 years of corporate misbehaviour, is again picking on those who cannot defend themselves, its own pensioners.

I want to say through you, Mr. Speaker, to the Minister that he, with the support of all Members of this House, must take all steps necessary to require this corporation—and it is something that has to happen this month—to cease and desist from taking that action. The pensioners of Canadian Pacific Limited should be allowed to keep their passes.

Some Hon. Members: Hear, hear!

Mr. Benjamin: The Minister has made mention of *Freedom to Move*. It could also be read as *Freedom to Manoeuvre*—something which this corporation is already engaged in. This corporation, a corporation which was set up at a cost to the people of Canada, has made billions of dollars as a result of the land and money grants provided by the people of Canada since 1880. The return on that investment for the people of Canada has been, at best, minimal.

While we recognize the validity of this historic occasion, we also must remember that we have to put an end to the kind of corporate welfare operation that Canadian Pacific Limited has been involved in for the past 100 years.

Thank you, Mr. Speaker.

An Hon. Member: A question for the Minister—

Mr. Deputy Speaker: Under the new rules, Members are not allowed to ask questions.

* * *

[*Translation*]

EXTERNAL AID

RECENT EARTHQUAKE IN MEXICO—CANADIAN CONTRIBUTION

Hon. Monique Vézina (Minister for External Relations): Last September 19, Mr. Speaker, a very strong earthquake hit Mexico, and we all know the aftermath. According to estimates, 8,000 people died in this tragedy and 30,000 more were injured. Material destruction was widespread—thousands of homes, schools, hospitals. Given the extent of the catastrophy, the international community rallied to provide help.

Mr. Speaker, I think that all Members of the House can be proud of Canada's quick response to this tragedy. Less than 36 hours after the earthquake, the Canadian Government had announced a $1 million contribution for emergency assistance through the Canadian International Development Agency, CIDA. Without delay, we sent to Mexico a cargo of essential equipment along with expert staff. On September 24, we announced an additional $250,000 contribution to a fund administered by our embassy in Mexico and reserved for small assistance projects. I should think that Canadians who had close relatives or friends in Mexico were also grateful for the exceptional efforts made by Department of External Affairs consular personnel to find people from whom no news had been received and to assist our fellow Canadians who needed help.

[*English*]

Last September, Mr. Speaker, I indicated that the Government would address itself to the matter of providing longer term aid as well. While the film crews are gone from Mexico, our determination to assist those in need remains. It is for the purpose of reporting to the House on that aspect of our work that I wish to speak today.

[*Translation*]

Our first task was to assess the needs and, to that end, Canada worked in close co-operation with Mexico. As soon as the Mexican Government knew what its priorities were with respect to long-term reconstruction, a Canadian planning mission was sent to Mexico. This team was made up of representatives of two Canadian non-governmental organizations, a spokesman for the business world, and CIDA officials. The members of the mission met with officials of various Mexican Government levels. We also consulted other donor countries, multilateral institutions, private interests and Mexican NGOs.

Mr. Speaker, following these discussions and an assessment of requirements, I am happy to announce that the Government of Canada will be using CIDA budgets to allocate an additional $3,750,000 for aid to Mexico. Areas that will benefit from this assistance—again, further to the discussions we had with the Mexican authorities—are education, housing and health.

The funds will be distributed as follows: first, one million dollars will be spent to rebuild and equip facilities on the campus of the National College for Technical and Professional Training, where a building collapsed, causing numerous casualties among the student population.

Second, I am happy to announce that CIDA will set aside one million dollars for the reconstruction of low-cost housing units and community facilities.

These funds will be channelled through Canadian NGOs under the auspices of the Canadian Council for International Co-operation. The project will be carried out in the most severely stricken communities, in co-operation with Mexican community agencies.

Third, we are allocating the sum of one million dollars for a rural health and pure water project, to be carried out by UNICEF in Guerrero State, which sufferred considerable damage. Beneficiaries of this project will be the peasants in the many isolated communities in this State.

Fourth, a special allocation of $500,000 will be set aside to cope with any additional requests we may receive within these

three areas. Finally, an additional $250,000 will be made available to the Canadian Embassy for its small projects program. Experience has shown that this is an ideal way to respond to immediate construction needs.

Yesterday, our embassy's management committee, which met to approve the initial series of projects, was already proceeding to identify specific projects. These will include rebuilding a primary school, a nursery school, a shelter for young girls and a community co-operative for manufacturing bricks.

● (1530)

[*English*]

These new contributions raise the total value of our aid to Mexico for both emergency assistance and long-term reconstruction to $5 million. I might add that this was done in under 50 days.

Canadians have a very special feeling of solidarity for this hospitable country which remains one of their favourite holiday destinations. Once again, Canada has proven to be true to its humanitarian traditions. I must say that it is indeed an honour for me to represent it whenever the time comes for assistance to be provided to countries and people in need.

[*Translation*]

And I want to pay tribute to all those who made it possible for us to act effectively in such difficult circumstances.

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, the awful tragedy which occured last September 19 certainly hit the consciousness of people throughout the world. While I was naturally impressed by the announcement in today's statement that additional funds will be sent to various agencies to help these people recover from this terrible tragedy, what strikes me most forcibly is the feeling of solidarity and sympathy which has emerged amongst various nations. Immediately following the announcement of this earthquake, independently from any expression of opinion by whatever political regime, there was an immediate feeling in the consciousness of all human beings that they had to do something to help. This always strikes me when such tragedies occur and God knows that there have been a lot of them in the last 20 years: earthquakes, floods, tornadoes, and so on. Of course, I am not speaking about the hunger problem, but about the fact that human beings can suddenly put aside their differences to help a brother or a sister who is suffering and in need of assistance. However, I always ask myself a question: Why is it that we are so quick to provide assistance when such events happen and so quick to forget as soon as the situation is more or less back to normal?

I must tell the Minister that, naturally, there can be no disagreement with her statement. I must also tell her that we would like more to be done. We always want more in such circumstances, which is quite normal.

However, I would like to ask her whether it is truly possible to fool around with the funds provided to our embassies. For my part, both as member and as chairman of the Committee on External Affairs and National Defence, I have always urged that additional funds be provided to our embassies which can provide assistance on the spot to those who need it, immediately and at much less cost.

I have made this suggestion throughout the years and I would like the Minister to take note of it and refer it to the Hon. Secretary of State for External Affairs (Mr. Clark). First, I would like more and more thought to be given to the possibility of increasing the funds provided not only to non-government organizations, because they are directly involved, and often act more quickly than large bureaucratic organizations.

Second, if possible, I would like the funds allocated to embassies, which are directly accountable to the Department, and I am not speaking about the embassies in European countries, because there are virtually no such funds provided for them, but about embassies in underdeveloped or Third World countries, to increase gradually each year so that the ambassador could provide assistance immediately and on the spot after making a single phone call, and even if it is impossible to make such a call.

I would like the Minister to consider increasing the amount allocated to these funds placed at the disposal of embassies.

I would also like to join the Minister, but I would like to do so in a spectacular way, on behalf not only of this Party but of all Canadians, in order to commend officials of External Affairs who really, this time, outdid themselves . . . one casual look is enough, and it is more eloquent. But the Department deployed itself . . . I would like the Minister to transmit to her Department and to all those people who will be listening to us anyway, our most heartfelt thanks. They really have been at the complete disposal of Canadians.

The External Affairs Department is often criticized by certain people. We are not aware of what those persons have to go through. I for one have great admiration for the Department and its officials who represent us, often in an anonymous way, and when it so happens that one mistake is made, right away the entire department is criticized.

Well then, I have seen them at work, I was there, and Canadians also were able to see that on TV, and it was a very good thing that people could see the work done by Canadians at that time. I want the Minister to know that we are proud of those Canadians who work in her Department. This does not necessarily mean it is because of this Government, of course, and I want the Department to be aware of it. But I want to commend the Minister for any initiatives she may have taken.

On page 2 of her statement, it is said that a planning mission was sent to Mexico. Because of our desire to be well informed about this rather than out of mere curiosity, I would appreciate getting the list from her if only to commend those people who work for Canada, and to know who they are. For

the future, this could provide us with ideas when we appear before the Committee on Reform . . . the Committee on the green paper, for making suggestions to the Government. Personally, as spokesman for this Party, I would like to know the names of the mission members and of the representatives of the various levels of Government in Mexico. I would greatly appreciate having the list. I know this is not very complicated, and that the Minister will be happy to send it to us.

● (1540)

I would also appreciate it if, through her Department, the Minister could tell us who were those people who were consulted, which were the other participating countries. Actually I am especially interested in having this information in order to report to my party how other countries responded to such a disaster . . . Because I would like soon to conclude with very concrete proposals which will somewhat extend beyond the statement and which result from the experience we had over the years and which might help the Government of this country. Therefore, I would like to know about those people who have been consulted, and about the multilateral institutions from both the private sector and the non-governmental Mexican organizations.

If this is not asking too much from the Minister, I should like her to tell us with respect to the $1 million earmarked for the reconstruction of low cost housing and community facilities, what she thinks would be their cost price in some countries? It is all very well to say that $1 million will be earmarked for the rebuilding of low cost housing, but how many units? Ten, twenty, thirty or fifty? I think that we would then better understand the thrust of the Canadian contribution, and if it is too low, have Canadians understand that we want to be generous and if we believe in world solidarity we should then be much more generous because this kind of solidarity should always be there since we never know who could be the victim sooner or later.

She stated that there will be a supervisory committee. I would like to know which of those non governmental organizations will control the funds made available to them. I am quite pleased, with an eye on the forthcoming holiday season, on this particular occasion of the Minister's statement to encourage Canadians to make their yearly contribution to UNICEF by buying something from them, since the benefits on the sale of all kinds of items are passed on to that organization. This is a concrete example of what UNICEF can do.

Before concluding, since the Speaker tells me that under the Standing Orders I cannot speak longer than the Minister, some day in committee I would like the Minister to reflect with us on the following fact—if the Speaker would allow me, I will take another 30 seconds—which has been bothering me for years and I mean the fact that we know that on this planet earthquakes do occur. There was an earthquake in North Yemen in January 1983; there were floods in South America in March 1983. I could go as far back as 1980. We hear almost daily about disasters, earthquakes, flood relief for Argentina, floods in Paraguay. We hear about them constantly. What surprises me is that although all western democracies are constantly on the alert to defend themselves, that large military alliances such as NORAD and NATO have the necessary means and structure to defend their member countries within minutes—I am not blaming the Minister—that when a disaster occurs they spread the news that they will generously fight to defend the rights of suffering human beings, and that they do so in a quite unco-ordinated way. It seems to me that the UNDRO which is the United Nations body responsible for seeking help is not as well organized as we would like it to be, so that when a disaster occurs—we know there will be disasters, even though we do not know where or when they will occur—why is there not more co-ordinated effort on the part of each country when an earthquake hits. We are aware that earthquakes can occur either in rural or urban areas. In urban areas, we know that some buildings will crumble. That we know, Mr. Speaker. And day in and day out, medical teams are sent there. I think, Mr. Speaker, that such a suggestion would be quite proper because we would see how we could be prepared in the future, and how we could draw up, as Canadians are experts in this matter, a new world system for the co-ordination of all people who have something to offer to their brothers and sisters in need as the result of a great tragedy.

In my opinion, it could be a Canadian initiative and if the Minister would consider it, I would be willing to study it with her in committee. This could be a tremendous Canadian project that would show the world that if we are prepared to support military organizations, we are also prepared to show our great generosity and resourcefulness in having some sort of organization, multilateral or whatever which would immediately come to the rescue of human beings who are all our friends.

[*English*]

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I would like to thank the Minister of State for External Relations (Mrs. Vézina) for providing an advance copy of her statement. Accompanying the statement was CIDA's estimate of damage that was done. Perhaps Hon. Members can get an idea of the magnitude of that damage if we compare it with what was considered to be a major disaster in Canada, the tornado which ripped through the community of Barrie in southern Ontario. I make this comparison with no intent to belittle what happened in Barrie. When tragedy strikes one individual, it is felt very keenly by that individual. When tragedy strikes a community, it affects the whole community in a very serious way. I am not in any way trying to belittle what happened in Canada as much as I am trying to show the magnitude of what happened in Mexico.

In Barrie, 12 people were killed, some 200 homes were destroyed, there were 300 injuries and the total loss to local

business was estimated at some $27 million. As well, some 100 unemployment insurance claims were filed as a result of the incident. In Mexico, there were some 8,000 people killed, 30,000 people injured, 100,000 left homeless and 150,000 left unemployed. As well, there was extensive damage to schools, hospitals and other public buildings. The announcement of an additional $3.75 million in relief is welcome but it is by no means too much to meet the overwhelming needs that exist in Mexico today. It brings our contribution to both emergency assistance and long-term reconstruction to a total of $5 million.

As the Minister said, the film crews are gone from Mexico and will be responding to some new crisis or excitement in another part of the world. However, the need remains long after world attention has shifted. We know that that is the case as well in Africa. When the attention shifts from the drought in the Sahel, the TV cameras leave but the drought and suffering continue.

Canadians are very generous in sharing when confronted with need. However, like other people in the world, we tend to suffer from compassion fatigue when we are confronted by the same issues over and over again. What is unbelievable when it is seen for the first time on television becomes after awhile simply common.

We must have some way of dealing with the long-term needs after the emotional impact of the immediate crisis has passed. The Canadian International Development Agency is set up to meet that kind of need as is Canada's official Development Aid Program. The problem is that we keep backing away from our commitment to that long-term need.

We originally set a goal of .07 per cent of Gross National Product to meet long-term needs. However, in the early 1980s, we moved the target date of that goal to 1990. At this time last year, we said that we were not going to reach that goal by 1990 and moved the date to 1995. The $5 million we are providing for immediate needs in Mexico comes out of a very restricted CIDA budget. By moving the goal posts we are making it more difficult to respond generously to the immediate as well as long-term needs of Mexico. I urge the Government to take that into consideration. As well, I urge the Government to do what it can with agencies such as the International Monetary Fund to ensure generous treatment of Mexico and other Third World countries which are attempting to reschedule very heavy debt payments. This $5 million we are providing is a drop in the bucket and it will be useless unless we enable those countries to get on their own feet economically.

• (1550)

I want to leave the Government with those two suggestions. We appreciate what has been done in this initial quick response to the immediate crisis in Mexico. We urge the Government to reinstate as a goal the .07 per cent of GNP for ODA by 1990 and do what it can to encourage the IMF and World Bank to reschedule Third World countries' debt.

[*Translation*]

PETITIONS

REQUEST FOR WITHDRAWAL OF BILL C-70

Ms. Carole Jacques (Montreal-Mercier): Mr. Speaker, I have the honour of presenting a petition signed by several hundred residents of the riding of Montreal-Mercier, and by members of the Women's Coalition, who are asking this House to withdraw Bill C-70 aimed at deindexing family allowances.

REQUEST THAT GOVERNMENT WORK TOWARD WORLD PEACE

Ms. Carole Jacques (Montreal-Mercier): Mr. Speaker, I have another petition, signed by a group of students of Urgel-Archambault Secondary School in the riding of Montreal-Mercier. They have thought about the issue of nuclear disarmament, and they are asking this House to work toward world peace.

Mr. Speaker, this petition was signed by 450 students.

[*English*]

TEXTILE IMPORTS

Ms. Carole Jacques (Montreal-Mercier): I also have the honour to present a petition on behalf of the textile workers of Montreal-Mercier who are concerned about low-cost imports competing unfairly with their industry and threatening thousands of jobs in Quebec.

[*Translation*]

MAIL DELIVERY

Ms. Carole Jacques (Montreal-Mercier): And finally, Mr. Speaker, I have the honour of presenting to the House a petition signed by homeowners living at Nos. 7426 to 7450, Jacques-Rousseau Street, Rivière-des-Prairies, in the riding of Montreal-Mercier. They are asking for the same mail delivery services as the other residents on this street.

[*English*]

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Les Benjamin (Regina West): Mr. Speaker, I have the pleasure and duty to present four petitions to the House signed by Canadian citizens from Ituna, Moose Jaw, Weyburn, Melfort, St. Brieux, Stony Beach, Alvena and Domremy. The undersigned petitioners call upon the House to retain full indexing of universal family allowances and rescind unfair tax increases, for which they and I will forever humbly pray.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I also have the pleasure and duty to present a petition signed by many Canadians from Winnipeg who join with people in other Canadian cities in adding their voice to the protest against deindexation of family allowances and unfair tax increases. They call upon this House to do something about that repre-

hensible measure being taken by the Government at this very time.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I have the privilege of presenting a petition signed by citizens of Victoria who protest the deindexation of family allowances concurrent with tax increases which will hit low and medium-income Canadians at the same time millions of dollars are being given away to the banks and oil companies. They call upon the House of Commons to rescind its deindexation proposals as well as unfair tax increases.

[*Translation*]

AID FOR POTATO PRODUCERS

Mr. Ricardo Lopez (Châteauguay): Mr. Speaker, I have the honour of presenting to the House a petition signed by 70 residents of Saint-Rémi and Saint-Michel, in the riding of Châteauguay.

These residents are producers of table potatoes and they are asking Parliament and the Government to come to their assistance and compensate them for the heavy losses suffered in marketing their product.

These losses are jeopardizing the future of producers who are not in a position to absorb the potential loss caused by the drop in the price of table potatoes.

[*English*]

KOREAN WAR SERVICE MEDAL

Mr. Allan Pietz (Welland): Mr. Speaker, I have the honour to present a petition signed by 25 residents of my riding of Welland and other parts of Ontario who would like to see the establishment of a service medal to honour Canadian soldiers who fought so bravely in the Korean War.

FULL INDEXATION OF FAMILY ALLOWANCE AND CHILD TAX CREDIT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am very pleased to present this petition on behalf of families in Canada at the same moment that the Government is considering this measure in committee. The petition reads as follows:

[*Translation*]

That family allowances and child tax credit government programs provide essential help to families with children.

That families with children include a large proportion of single parent families, one of the poorer groups in our society, and that the Government made a commitment during the election campaign to take action to strengthen the family unit.

Wherefore the petitioners humbly pray that the Government of Canada reestablish full indexation of family allowances and the child tax credit.

[*English*]

That is from the great riding of Shefford.

I also have a petition signed by constituents of the great federal riding of Richelieu, again calling on the Government, in light of the necessity of family allowances and child tax credits, to give those families, in particular single-parent families, the boost they sometimes need to put food on the table. They call on the Government to live up to its election promises and back off on deindexation of family allowances and child tax credits.

I have another petition from the great riding of Québec-East seeking a retraction by the Government of its decision to cut back on family allowances, child tax credit and child tax exemptions. The residents of that riding believe that the Government—

Mr. Deputy Speaker: Could I ask the Hon. Member to not make a short speech on every petition?

Ms. Copps: Mr. Speaker, I will not make a short speech. I will simply give to the House the petition on behalf of not only these residents but thousands of other Canadians who are seeking the same thing.

I have one more petition from the residents of the riding of Saint-Hyacinthe.

[*Translation*]

The petitioners, also from the Province of Quebec, ask the Government to withdraw its Bill asking families to pay the cost of the federal deficit while it is giving money away to businesses and banks.

[*English*]

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is my pleasure and duty to present a petition from a number of residents of the fine Province of British Columbia who are concerned that the Government is continuing with its plans to deindex family allowances. They cannot for the life of them figure out why anyone would do this when, on the one hand, money can be found to pay foreign bankers but not to assist hard-pressed families raising their children.

* * *

• (1600)

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Deputy Speaker: Will all questions stand?

[*English*]

Mr. Boudria: Mr. Speaker, on Tuesday of this week the Government was about to table answers to question Nos. 450, 451 and 452 in this House. It has used a technicality in order to delay the answering of those questions. It is allegedly waiting for me to initial a document so that the questions can

be reput on the Order Paper the next day. Mr. Speaker, is the Government so embarrassed by the questions relating to the expenditures for travel by the former Minister of the Environment that it is delaying until Friday in order not to get press coverage on this obviously very embarrassing issue to the Government? The Government has had the answer since Tuesday. Why can it not be tabled now?

Mr. Deputy Speaker: I believe a question has been put to the Hon. Parliamentary Secretary.

Mr. Gurbin: Mr. Speaker, I would like to assure the Hon. Member that there has been no intent to delay.

Mr. Boudria: Why have you?

Mr. Gurbin: We are certainly not embarrassed. I will take his comments as representation and will ensure that the questions are answered as quickly as possible.

Mr. Boudria: Mr. Speaker—

Mr. Deputy Speaker: Does the Hon. Member have another question?

Mr. Boudria: Yes.

Mr. Deputy Speaker: Very well, the Hon. Member for Glengarry-Prescott-Russell.

Mr. Boudria: Mr. Speaker, I want to ask why this document marked "confidential until answered" dated 05.11.85 was given to the Whip of my Party on Tuesday. The Government is alleging that it has the answers and is not willing to answer those questions in the House 48 hours later. If the Government had them 48 hours ago, why is it not providing them now? Surely there is an answer to this question.

Mr. Benjamin: Take it as notice.

Mr. Gurbin: Mr. Speaker, I will clearly have to investigate the comments of the Hon. Member. I will undertake to do that and to respond to him as quickly as possible.

Mr. Boudria: Yeah, tomorrow afternoon, sure.

Mr. Deputy Speaker: Is it agreed that the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

POINT OF ORDER

TABLING OF ANNUAL REPORT OF CANAGREX

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I rise with some reluctance, but since the House has spent a great deal of time in the past several years trying to reform the House and make the Members of the House more in control of its processes and more in control of the Crown corporations

and agencies that the House establishes, I want to bring to your attention the law as it relates to the Crown corporation, Canagrex. I refer to Volume IV of the Statutes of Canada, Chapter 152. Section 40.(1) reads:

> Canagrex shall, within three months after the termination of each financial year—

That financial year ended in March, 1985.

> —make a report to the Minister, in such form as he may direct, on the operations of Canagrex for that financial year.

It goes on in subsection 3 to explain:

> The Minister shall cause a copy of the report made to him pursuant to subsection (1) to be laid before Parliament—

Mr. Deputy Speaker: Order, please. Do I understand correctly that the Member is rising on a point of order?

Mr. Althouse: Yes.

Mr. Deputy Speaker: The Chair believed that the Member was speaking on debate on Canagrex under Bill C-42. Very well, the Member on a point of order.

Mr. Althouse: Yes, I believe you even said "point of order" when I was recognized, Mr. Speaker. The subsection reads:

> The Minister shall cause a copy of the report made to him pursuant to subsection (1) to be laid before Parliament on any of the first fifteen days that either House of Parliament is sitting after the report is made to him;

We have, therefore, established that the report should have been made to the Minister three months after March 31. We have established that once that report has been received by the Minister in the form that he wishes, he must—he "shall" it says—present that report to the House within 15 sitting days. I submit that those sitting days have long since lapsed. It goes on to say that:

> —and every annual report laid before Parliament pursuant to this subsection shall stand referred to the Standing Committee on Agriculture.

The reasoning for that is very clear. That is the immediate opportunity for Members of the House to discuss the annual report and to understand the functions of this Crown corporation.

I rise on a point of order, Mr. Speaker, because it is my contention that the Government is attempting, with Bill C-42, to avoid the law, to try to change the law with this particular Bill. It has failed to uphold the existing law. I argue that because the Government has failed to live up to the spirit of openness which the Committee on Parliamentary Reform has been trying to instill in the House for the last five or six years, that this Bill at least be set down. It is out of order. Until such time as the existing laws can be adhered to, we should not be dealing with laws that will simply make what is now illegal legal.

Mr. Benjamin: It's out of order.

Mr. Deputy Speaker: The Member for Lambton-Middlesex (Mr. Fraleigh) on the same point of order.

Mr. Sid Fraleigh (Lambton-Middlesex): Mr. Speaker, I think it is unfortunate that there was no notice given of this so that the Minister could have responded in kind.

Mr. Axworthy: The Minister should be in the House. Where is he?

Mr. Fraleigh: I want to take the opportunity to give you my perception of this issue. It is that the report is not legally tabled until the end of the fiscal year at which time the Minister is required to table the audited report as I understand it. I apologize to the Hon. Member. He did raise this issue this morning and I should have taken the opportunity at the noon hour to have verified it. However, as I understand it, the Minister does not have to file the audited report until the end of the fiscal year.

Mr. Benjamin: That was last March.

Mr. Deputy Speaker: The Hon. Member for Humboldt-Lake Centre (Mr. Althouse) may have a point, however, the Chair does not believe that it is up to the Chair to rule on a legal interpretation of a particular statute.

Mr. Benjamin: Mr. Speaker, my colleague is asking the Chair to rule on the order of this House having to do with a legal requirement for an annual report to be tabled in this House, as the law requires, and it has not been done. That is all we are asking. We are not asking the House for a legal opinion. We are just waiting for the report and it has not been tabled. The Government has broken the law.

Mr. Deputy Speaker: The Chair will rule that the Hon. Member is asking for an interpretation of the law and not an interpretation of the Standing Orders. The Chair is ready to give an interpretation of the Standing Orders, but does not believe that this is the request which is presently being made.

GOVERNMENT ORDERS

[*English*]

CANAGREX DISSOLUTION ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Layton (for the Minister of Agriculture) that Bill C-42, an Act to dissolve Canagrex and to amend certain Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Deputy Speaker: I wish to inform the House that, because of the ministerial statements, consideration of Government Orders will be extended by 41 minutes this day. Therefore, Private Members' Hour will begin at 5.41 o'clock p.m. I will recognize the Member for Kamloops-Shuswap (Mr. Riis) on debate.

Mr. Fraleigh: Mr. Speaker, I have a point of order. I had time left in the time allotted to me for questions when the House recessed. Do I not—

Mr. Deputy Speaker: Yes, the Member is correct, he had time left, but I saw no one rising on questions or comments.

Mr. Fraleigh: Well, there were a lot of allegations made by previous speakers and I thought surely there would be all kinds of questions on what I had said.

Mr. Benjamin: You blew it.

Mr. Deputy Speaker: Unfortunately for the Member, I do not believe there are.

An Hon. Member: Nobody wants to talk to you.

Mr. Deputy Speaker: The Hon. Member for Kamloops-Shuswap on debate.

Mr. Althouse: You said the Minister was answering those questions, not you.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am pleased to have an opportunity to rise in my place today to speak against this piece of legislation. The Government has taken the decision to wind up what is probably one of the most creative, productive and valuable Crown corporations ever. Quite frankly, I remember very clearly, not many months ago, when members of the government Party were in Opposition and stood in their places, both in the House and in Committee, speaking about the value of having a corporation such as Canagrex in place. They had some concerns about various aspects of it, but, by and large, agreed with the principle. As a matter of fact, I believe it was the present Minister of Agriculture (Mr. Wise) who at one time stood in his place and indicated the value of having a Crown corporation such as Canagrex in place. It is peculiar how one forgets about commitments made to various groups once one is in Government. In this case, the group is the farmers of Canada.

• (1610)

When talking about Canagrex, one cannot help but think of corporations such as the Export Development Corporation. It does an effective job in terms of assisting the industrial sector to develop an export option for its products. It has a budget of some $20 million of contingent liability. It provides specific financial lending and insurance assistance to help reduce the very substantial risk in the export of Canadian industrial products overseas. We consider this corporation as an important aspect of our trade policy and an important component of the development of Canada's economy for export trade.

There is also the Canada Commercial Corporation which assists Canadian corporations, both large and small, to find opportunities for expanding the sale of their goods overseas in foreign markets. I believe the record would show that the EDC and the CCC have very impressive track records and could in fact accomplish much more.

However, there is no commitment to our farmers. They take advantage of our most important resource, agriculture, in order to grow foodstuffs for domestic purposes as well as for sale overseas. There is no commitment to assist the development of those overseas trade opportunities. Canagrex was a Crown corporation that was attempting to do just that. Although it had not been given enough time to prove itself, it had a reasonable track record in the short time it operated since its establishment in January, 1984. Canagrex had a reasonable track record and had made a great many sales. It provided many opportunities for individuals and firms throughout the country. I ask Hon. Members to stand in their place and deny that there were not literally dozens of sales which had not taken place prior to the formation of Canagrex and that there were many more potential sales before the Government decided to wind down its operations.

The Government has taken this action strictly for political reasons. It was fashionable during the campaign to denounce and decry all Crown corporations and say that Government involvement in such enterprises was bad. When one considers the rhetoric used about Canagrex, it was very disappointing that people would politicize the development of this newly formed Crown corporation. As a result of that rhetoric and the attacks made against Canagrex by the Conservatives during the election campaign, I suggest they felt an obligation to wind it down once they formed the Government.

I believe we should comment on the various aspects of Canagrex itself. In fact, Canagrex was a model of what Crown corporations should be in the future. There was a requirement to review its effectiveness every five years. Another section in the Canagrex Act enabled the Auditor General to have access to its books at any time and to have full access to its operations so that the people of Canada would know if they were getting their money's worth.

Canagrex consisted of a broadly based Board of Directors that reflected the need for wide ranging representation. The Chief Executive Officer and President, Mr. Edwin Story, had acquired extensive experience in the export field over a long period of time. He knew the export field and knew what was required in terms of opening new market opportunities. Mr. Glenn Flaten was Chairman of the 11 member Board of Directors for Canagrex. He was President of the Canadian Federation of Agriculture and a member of numerous other agricultural related associations and boards. Mr. Howard Malcolm was President of the Canadian Pork Council and obviously familiar with the hog industry. Mr. Walter Kroeker was President and Director of Vegetable Growers in Manitoba, a vegetable farmer and businessman, and past-President of the Canadian Horticultural Council. There were many qualified individuals on the board who represented various sectors of the agricultural industry. They played an active role once Canagrex began operations in January, 1984. It was most unfortunate that there was no consultation between the Government and those involved in the agricultural community before the decision was made to wind down this operation, especially when one considers that the Government promised to conduct a great deal of consultations with groups before making decisions. That was not the case here.

Many people sent telegrams, wrote letters and sent delegations to Ottawa, at the eleventh hour, once they heard that the Government was planning to wind down the affairs of Canagrex. Let me refer to some of those telegrams. A telegram from Mary Boyd of Charlottetown states:

> Please reconsider Canagrex Bill. Should be discussed by Agricultural Committee. Canada needs Canagrex.

Another telegram from a farmer on Prince Edward Island requests the Government to reconsider the Canagrex decision. He asks that the Canagrex officials appear before the Agriculture Committee to explain the work of the Crown Corporation. Robert Jeppsen of New Brunswick, who was with the National Farmers' Union states:

> Let me state my disappointment with the cancellation of Canagrex. Our present system of exporting potatoes has not proven beneficial to potato producers nor have our exporters been responsible agents abroad. We see Canagrex as a sign of hope. Therefore we request your Government to reconsider Canagrex and bring it to the Standing Committee on Agriculture for hearings.

A dairy farmer from Grand Falls, New Brunswick and another farmer from Manitoba have indicated how vital Canagrex was to the farm communities and their future. There are pages and pages containing the names of active and knowledgeable farmers who realize the potential of that sector. That potential will disappear because of Conservative rhetoric and ideological commitment about Crown corporations.

My hon. friend, the Member for Humboldt-Lake Centre (Mr. Althouse) indicated that we are concerned about proceeding with this Bill because it appears that it is against the law. For example, Section 40(1) of the Canagrex Act states:

> Canagrex shall, within three months after the termination of each financial year, make a report to the Minister, in such form as he may direct, on the operations of Canagrex for that financial year.

That is straightforward. It goes on:

> (3) The Minister shall cause a copy of the report made to him pursuant to subsection (1) to be laid before Parliament on any of the first fifteen days that either House of Parliament is sitting after the report is made to him; and every annual report laid before Parliament pursuant to this subjection shall stand referred to the Standing Committee on Agriculture.

It is our interpretation, as New Democrats, that Government is proceeding in an inappropriate manner. It has not fulfilled its legal obligations. We feel very uncomfortable dealing with something by which the Government is breaking the law, as best as we can determine.

Therefore, in light of our hesitancy to proceed with something that may in fact be illegal, and considering that we have many pressing matters to deal with that are of a legal nature, I move, seconded by the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie):

> That this House do now adjourn.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed to the motion please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

And the division bells having rung:

Mr. Speaker: In my view, it is deemed to be 6.41 p.m. I do now leave the Chair until tomorrow morning at 11 a.m.

The House adjourned at 6.17 p.m.

HOUSE OF COMMONS

Friday, November 8, 1985

The House met at 11 a.m.

• (1105)

[*English*]

REMEMBRANCE DAY

COMMEMORATION OF SERVICE MEN AND WOMEN

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I think you will find unanimous consent of the House to alter somewhat our normal proceedings in anticipation of Remembrance Day, November 11. We would like to proceed with statements by each of the Parties at the beginning of the proceedings. Following that, we will proceed to the usual order of business. The business of the House will be extended for the period of time used for the statements with respect to Remembrance Day.

Mr. Speaker: Can I be clear whether it is the intent of the House to proceed with the normal statements and then the Ministers' statement, or just the Minister's statement?

Mr. Hnatyshyn: The Ministers' statement will be made first, followed by statements under Standing Order 22 and then Question Period will take place in the usual sequence.

Mr. Speaker: I take it there is consent.

Some Hon. Members: Agreed.

Hon. George Hees (Minister of Veterans Affairs): Mr. Speaker, it is my proud duty to remind Members of the House that Canada will be observing Remembrance Day next Monday. Last year I said it was not sufficient to recognize the sacrifices of veterans and their families merely on special occasions. I said they must be regarded as a very special group, worthy of our unsparing attention each and every day. I am thankful that we in this House have been able to give a practical expression to those sentiments during the past 12 months.

I would like to thank members of all Parties in the House for so enthusiastically supporting the provision of additional funds for the benefit of many more thousands of veterans and their families. One of the first pieces of legislation passed by the House allowed the Department of Veterans Affairs to streamline and upgrade long established veterans' programs. I am particularly grateful for the advice and co-operation I received from all Members of the Standing Committee on Veterans Affairs in the preparation of this legislation.

Canadians have been reminded once again this year of the achievement of the men and women we are serving here in Parliament. Some veterans returned to Sicily and Italy to pay their respects to those Canadians who died during a harsh 20-month campaign fought long before the rest of the Allied Forces arrived in Europe on D-Day. Others of us returned to Holland to be greeted with love as representatives of Canadians who liberated that wonderful country 40 years before. Next month another pilgrimage will be going to Asia. There Canada will be able to salute those who were among the first to see action and the last to see freedom again, the defenders of Hong Kong. Cemeteries in Singapore and Burma will be visited by veterans, including some of our own colleagues, who flew so many dangereous missions in that forgotten theatre.

These pilgrimages are always occasions for both sadness and pride. The rows of Canadian graves and the lists of names on memorials are a terrible reminder of the price our country has had to pay in war. Our pride comes from rediscovering just how much respect our service men and women gained for Canada overseas.

I would like to quote some remarks made by the Dutch Minister of Transport when we Canadians visited Holland last May. She said at that time: "During the war Canada was, in the Dutch peoples' eyes, a big, free, hospitable country far away from the acts of war. During the war it was that country whose sons and daughters were willing to risk their lives, and sometimes sacrifice their lives, for the liberation of Europe. The children from that paradise called Canada wore uniforms and went to a hell called Europe. To us, the Dutch, Canada is still a concept we link with freedom and courage".

Such words, Mr. Speaker, eloquently explain why it will be such a privilege for Canadians to commemorate the two World Wars and the Korean War next Monday.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Gaston Isabelle (Hull-Aylmer): Mr. Speaker, as spokesperson for the Official Opposition, I welcome this opportunity to join the Minister of Veterans Affairs (Mr. Hees) in paying tribute to those Canadians whose memory we shall be honouring on Remembrance Day, Monday, November 11.

The Minister referred to the trip to the Netherlands made by our veterans early this year to celebrate the 40th anniversary of the end of hostilities of the Second World War.

I am sure all Canadians were very proud and very moved by the many stories about this visit that were published in the media. On television, we also saw the joy, love and pride with which thousands of Dutch people welcomed our veterans back to their country.

Personally, I was very impressed to see so many young children waving Canadian flags. They seemed to be very much

aware, and at the same time grateful to all those Canadian veterans who were proudly parading past them.

Mr. Speaker, I hope that today's youth in Canada will also show this gratitude to our Canadian veterans.

Since 1953, Canada has not engaged in any armed conflict. If our young people wonder why Canada celebrates Remembrance Day, they should remember the supreme sacrifice made by generations that went before, to give them a present so few had been able to enjoy for so long: peace and freedom.

We enjoy the unusual privilege of peace. Freedom is an integral part of our daily lives in this country. On Remembrance Day, we shall pay tribute to the suffering and bloodshed with which others paid for this freedom.

There is also fear, the fear felt by those who went overseas and who had to face the enemy, and the fear of those who stayed home, waiting anxiously until a telegram announced that a relative or a friend was wounded or killed in battle.

Mr. Speaker, Canadians are not demonstrative people. Remembrance Day has never lost its sacred characteristic, nor its silent dignity, nor its link with past events. The Flanders poppy is a discreet reminder of World War I atrocities and sacrifices—over 67 years ago already.

Speaking of the poppy, I would remind the House that the Royal Canadian Legion is celebrating its 60th anniversary this year. The Legion has been the staunch defender of veterans' rights and the protector of their families for the last 60 years. I commend the Legion for past achievements and I fully expect its future endeavours to be equally illustrious.

As parades worm their way through Canadian cities on Monday, bagpipers will remind us of our grief, buglers will blow the last post. But we will not highlight Remembrance Day by displays of new missiles, fly-pasts, or tanks thundering down the streets. We do have such weapons, of course, but that is not what Remembrance Day means to Canadians. We can still appreciate what Remembrance Day represents—an opportunity to recall Canadian men and women who made the ultimate sacrifice so we may live as we do today, free!

In conclusion, Mr. Speaker, allow me to read a verse from a poem written by John McCrae, physician, poet and soldier, entitled "Somewhere in Flanders":

> You who survive us, it is up to you to take the torch of combat from our emaciated fingers, it is a sacred duty, we shall not sleep under the soil of Flanders if you desecrate it.

• (1110)

[*English*]

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, over 70 years have passed since the first Canadian died overseas in the fight for freedom against totalitarianism. This year marks the fortieth anniversary of the end of the Second World War, a war which I lived through in Britain as a child and which my father, together with so many other fathers of other young men and boys and girls, the brothers and the sisters and the cousins and the other relatives, took part. I remember that at the end of that war we vowed it would never happen again and that we would, in fact, remember the sacrifices. We vowed that we would remember those who died and that we would, in a more tangible way, recognize the sacrifice of those who returned from that war wounded, in body and, in some instances, in mind. I ask the House to think back about whether in fact we have lived up to that obligation, to that undertaking to which we committed ourselves at that time without a moment's hesitation.

• (1115)

In 1984 I had the privilege of travelling with hundreds of veterans as they returned to the places which are indelibly inscribed in their memories. I stood on the shores and at the battle scenes and heard of the terror, the sacrifice and the bravery first hand. I met, with others from Canada, those in France who had befriended and protected our men as they fought for freedom.

I knew then what Remembrance Day was all about and why we, who benefited from the sacrifice, committed ourselves to ensuring that this could never happen again. We continue to owe a great deal to those whose lifetime was one of great sacrifice and suffering, to the widows and families of those who lost their lives.

On behalf of my colleagues, I want to join with the Minister and the representative of the Liberal Party in paying tribute and rededicating ourselves now to meeting our debt to those who served our country, who served it in World War I and World War II, to those who served in the Korean conflict and to those who continue to serve in the many peacekeeping missions in which we take part around the world as part of our obligation.

I continue to pray that we will not lose sight, as Parliament, of the need to develop an economic order throughout the world which will eliminate poverty and want and establish for all people a sense of belonging that will guarantee the level of life-style that will, by its very existence, put an end to the threat of war.

[*Translation*]

Mr. Speaker, we remember.

[*English*]

Mr. Speaker: I am sure that all Members will want to join me in a minute of silence.

[*Whereupon the House stood in silence.*]

STATEMENTS PURSUANT TO S.O. 22

[*Translation*]

EMPLOYMENT

SITUATION IN EAST MONTREAL—GOVERNMENT POSITION

Mr. Carlo Rossi (Bourassa): Mr. Speaker, we learned this morning from the medias that the number of unemployed people in Montreal has increased by as much as one half of 1 per cent over the past month.

We, Liberals, have emphasized these past few weeks the many plant closings and job losses on the Island of Montreal, especially in East End Montreal, because we expected Tory members to do something.

We were wrong, Mr. Speaker, for Conservative members representing ridings on the island of Montreal are not only doing nothing, but they are so incompetent that they simply do not know what to do, which is even worse.

Mr. Speaker, the only minister from an Island of Montreal riding is of course our great international traveler, the Minister of State (Transport) (Mrs. Blais-Grenier) who is much more concerned about Sweden, Corsica, the U.S.S.R. or the London suburbs than she is about the thousands of jobs which are being lost on the Island of Montreal and which are likely to continue being lost.

Mr. Speaker, perhaps the PC committee which meets at the Ritz every Thursday night to give mandates and make appointments might deal with the unemployment situation on the Island of Montreal, for while the number of unemployed is increasing, the number of mandates given to their PC friends is increasing even more.

* * *

● (1120)

[*English*]

SOCIAL AFFAIRS

SITUATION IN BRITISH COLUMBIA—CRITICISM OF GOVERNMENT POLICIES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the Tory federal Government in the name of deficit reduction is cutting back on family benefits, on social programs, on transfer payments to provinces for health and education, and on essential public service jobs. While professing to care about those in greatest need, it is copying the B.C. policy of restraint which has made a devastating contribution to unemployment, poverty, and human rights.

Bill Bennett in British Columbia cut social service programs, eliminated child protection teams, family support workers, closed the Rentalman's office, disbanded the Human Rights Commission, laid off consumer protection officers, closed transition houses and fired elected schoolboards.

While unemployment remains at 14.2 per cent, the third highest in Canada, the number of poor families in B.C. has increased by 400 per cent since 1980. A 400 per cent increase in poverty is a crisis, Mr. Speaker. The federal Government by adding another layer of restraint will add to the poverty and hardship of British Columbians and other Canadians.

* * *

FAMILY VIOLENCE

NEEDS OF VICTIMS

Mr. Brian White (Dauphin-Swan River): Mr. Speaker, this week has been designated as Crime Prevention Week in Canada, with the theme being victims. I wish to take this opportunity to address the House on the importance of this issue.

Violence is always tragic, but none so tragic as that violence which occurs within the family. Abuse of children and wife battering are far more widespread than most Canadians imagine. For example, it has been estimated that at least one in 10 Canadian wives is beaten by her husband in any given year.

There are transition houses and crisis centres for victims which provide an invaluable service for abused children and battered wives. However, they are too few and underfunded. Such a centre exists in my riding in Manitoba, the Dauphin Crisis Centre for Battered Women and Abused Children. The dedicated people involved in this Centre offer counselling, referrals, general information and, in the near future, hope to provide short-term emergency shelter.

The Government has promised that, in consultation with the provinces, it will take action to provide additional assistance to the victims of family violence. It can never be too soon to provide the victims of family violence with somewhere to turn. They need and deserve the support of this House, the provincial Governments, and all Canadians.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

THE ECONOMY

OFFICIAL OPPOSITION'S ATTITUDE

Mr. André Harvey (Chicoutimi): Mr. Speaker, the Official Opposition persists in disparaging our Government not by enquiring as to the great orientations of our election campaign, which are national reconciliation and economic recovery, but by trying to create panic among the poor. We only have to recall the campaign launched last spring to stir up students without any reference to our new program which has been very successful. We should also recall the campaign to stir up senior citizens with no emphasis at all on the new spouse allowance

program worth close to $600 million to be paid to the poorest of those people.

In spite of their eloquent and demagogic statement, truth has its rights and we only have to look at the economic indicators. All this was done despite the scandalous legacy of the Liberal Government. For several years, we have seen them cutting capers on the Parliament Hill steps and putting on a show at the expense of all Canadians. That Government was characterized above all by its arrogance and its contempt for all Canadians.

We should therefore unmask, Mr. Speaker, those new defenders of the widow and the orphan who led the country to the brim of disaster. In 10 years they spent 10 times more than during the first 110 years of Confederation, Mr. Speaker. I have been speaking for almost a minute and one half and this will cost us $75,000 in interests because of the foolishness of the Liberal Government. Our Government should therefore continue—

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

* * *

[*English*]

FISHERIES

ANNOUNCEMENT OF FACTORY FREEZER TRAWLER LICENCES—EFFECT ON NEWFOUNDLAND

Mr. George Baker (Gander-Twillingate): Mr. Speaker, this is a sad day for the fishery and for politics in Newfoundland. The federal Government has announced not just one factory freezer trawler licence, but it has offered two more factory freezer trawler licences, one of them to a provincial-federal Crown corporation, namely, Fishery Products International, which licence was not even requested.

We have the sad situation today in Newfoundland of having the federal Government calling the provincial Government names and the provincial Government calling the federal Government names in open battle. I think that is pretty sad, Mr. Speaker, and is a bad reflection on our political system. What it requires is a full hearing on the matter as far as factory freezer trawlers versus the inshore fishermen are concerned, and for everybody to keep in mind that the best quality of fish is that caught by the inshore fishermen in a trap or by hook and line.

I am hoping that the provincial Government and the federal Government can resolve these differences, because it certainly does nobody any good when we have this situation occurring in a Province like Newfoundland.

• (1125)

FISHERIES

SUPPORT FOR DECISION TO LICENSE FREEZER FACTORY TRAWLERS

Mr. Howard Crosby (Halifax West): Mr. Speaker, my purpose is to make a statement, not to engage in debate. I welcome the decision made by the Acting Minister of Fisheries (Mr. Nielsen) to make a policy change which will result in the issuance of factory freezer trawler licences. I am sure it was not an easy decision for the Minister, and I am sure he applied the Solomon-like judgment of which he is capable in coming to his conclusion.

At the same time all of us respect the views and legitimate concerns of people like the Premier of Newfoundland and others interested in the Atlantic fishery who fear that difficulties may arise from the use of this new technology. However, like any advancing technology, we cannot fear it; we must learn to live with it.

I think the decision of the Minister has allowed the Atlantic fishery to advance with this new technology, adapt it to our own use, preserve jobs, and preserve the traditions of the Atlantic fishery.

I know from my personal experience that the Minister, in pursuing the process by which he came to the decision, had many opportunities to consult with the people in the industry. Many of us in the House of Commons, particularly from the Atlantic area, know more about factory freezer trawlers than we ever wanted to know. There has been a steady barrage of material in the newspapers, in the media, in presentations and so on. I think the consultation process has been followed to the extreme in this case. I think the views of all are well known.

What remains is for Members of Parliament to accept their responsibility to the people—

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

* * *

LABOUR CONDITIONS

UNEMPLOYMENT IN BRITISH COLUMBIA

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, as the Prime Minister (Mr. Mulroney) and his Government formulate plans for the next Budget, today's unemployment figures in western Canada should be studied carefully and should act as a guide to the Government.

In British Columbia, where Conservative ideology has resulted in the devastation of the educational system, the economy, and the province's social programs, and now only offers Expo '86 as the economic saviour of the province, forgetting that there will still be life in British Columbia after 1986, it has become crystal clear that the Conservative approach to economic problem solving has created an econom-

ic and social nightmare for hundreds of thousands of British Columbia residents.

Today's unemployment statistics show that the situation continues to deteriorate in the Province of British Columbia, as unemployment climbs ever higher, from the seasonally adjusted rate of 13 per cent in September to 14.2 per cent this past month.

This should be compared with the Social Democratic Province of Manitoba which has had the lowest seasonally adjusted unemployment rates in Canada. In the Province of Manitoba there have not been vicious cut-backs in social programs, the economy is on the upturn, and the number of unemployed continues to fall month after month. In September it was 7.6 per cent and in October it was 7.2 per cent.

By looking at the facts, and the facts only, the western province led by extremist Conservative ideology is a disaster in economic and social terms, while the western province led by a Social Democratic ideology is a caring and building province. Mr. Prime Minister, you now have budget models—

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

* * *

FIREARMS

REVIEW OF CONTROL LAWS URGED

Mr. Jim Edwards (Edmonton South): Mr. Speaker, I rise today to address an issue of concern expressed to me on numerous occasions. The complaint is that changes to the 1978 firearms control law adversely affect the ownership and use of recreational firearms.

Several reports and evaluations commissioned by the House have indicated that the 1978 changes had little impact on firearms crime. Instead, the resulting growth of the bureaucracy has increased costs, with questionable results.

[*Translation*]

Mr. Speaker, this House must take into consideration requests for the revision and simplification of that law. Recreational firearms can be controlled much more cheaply and effectively.

• (1130)

[*English*]

Firearms control authorities are primarily police officers. Their view of recreational firearms is rightly constrained by their training and experience, but this can lead to unnecessary friction between honest citizens who use firearms for recreational purposes and the authorities.

The diversity of firearms disciplines makes it difficult to achieve adequate control of the use of recreational firearms without enlisting the co-operation of the community itself, which we have not done.

Our present firearms registration system is deficient. A new system, devised jointly by the authorities and the recreational firearms community, would be cheaper and more effective. This is an area where co-operation between citizens and Government could be improved. On behalf of the recreational firearms community in my constituency, I call for a review of the firearms control laws, with the full participation of representatives of that community.

* * *

[*Translation*]

THE ECONOMY

ELECTION PROMISES

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, you will recall that a year ago today, on November 8, 1984, the Conservative Government tabled its document called *A New Direction for Canada, An Agenda for Economic Renewal*. It read: "On September 4, Canadians voted for change, and for a better future. In doing so, they have provided the opportunity to make a fresh start, to build new confidence and a new national consensus toward achieving the economic promise and potential of Canada."

Mr. Speaker, I could not find anywhere in that document that the Conservatives would try to deindex old-age security pensions. I could not find either any reference to the fact that the Conservatives would deindex family allowances. That document does not say anything about the resignation of three Ministers. Nor does it refer to the rancid tuna affair. There is no mention of the two bank failures or the nearly $1 billion gift to Gulf shareholders. Nothing is said of possible revenue losses of $250 million in the case of Algoma Steel. A $2.4 billion increase in the tax burden of Canadians was not mentioned anymore than tax privileges of $500,000 to the wealthy.

To the contrary, Mr. Speaker, the Conservatives promised the earth. They ignored their election promises, their document full of promises. One year later, the Conservatives should bury their document so that a new one could be drafted and give perhaps better reason to rejoice in a year from today.

* * *

THE ECONOMY

GOVERNMENT'S PERFORMANCE

Mr. André Plourde (Kamouraska-Rivière-du-Loup): Mr. Speaker, here is the truth: day after day, it becomes more obvious that the Mulroney's Government is rebuilding the Canadian economy.

The number of jobs increased by 37,000 in October. Since the elections, 333,000 jobs have been created. The rate of unemployment has decreased from 11.5 per cent in September 1984 to 10.3 per cent now.

The Bank of Canada rate has dropped 3.54 points since we took over and currently stands at 8.84 per cent. The charter

banks prime rate is now at 10 per cent, three per cent less than it was. The mortgage rates have declined by 2.5 points and now stand at 11.75 per cent.

During the first nine months of 1985, building permits value has increased 20 per cent over the same period the year before.

During the first nine months of 1985, bankruptcies were down 12 per cent as compared to the same period last year.

Investment intentions of large companies for 1985 are up 12 per cent over last year.

The Canadian economy is actually doing better than the American one.

In September 1985, exports reached a record $10.7 billion, an increase of 10 per cent over September 1984.

Finally, Mr. Speaker, this positive statement should . . .

Mr. Speaker: Order! I am sorry to interrupt the Hon. Member, but I must inform him that his time has expired.

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

OCTOBER UNEMPLOYMENT STATISTICS

Hon. Herb Gray (Windsor West): Mr. Speaker, my questions are directed to the Prime Minister. Today the unemployment figures are out, and they show a troublesome increase in unemployment since last month. In particular, there are a series of sharp increases in unemployment in key regions of the country. For example, in British Columbia there was an increase of 1.2 per cent, with 20,000 people losing their jobs in a period of one month only.

[*Translation*]

Also in Quebec, 10,000 people lost their jobs in a single month.

[*English*]

We have 5,000 more out of work in New Brunswick, and 5,000 more in Alberta.

My question for the Prime Minister is: why have he and his Government allowed this to happen? Don't these figures show that the air is starting to go out of the Tories "jobs, jobs, jobs" balloon?

An Hon. Member: You will wish you had never asked that question, Herb.

Right Hon. Brian Mulroney (Prime Minister): My hon. friend may be sorry he has raised this question. As of today, under a new Progressive Conservative Government, there will have been created in Canada, since the swearing in of this Government, 333,000 new jobs. We have taken the unemployment rate down 1.3 per cent from 11.6 per cent, creating 333,000 jobs in the process.

An Hon. Member: Not in British Columbia, you haven't.

Mr. Mulroney: Interest rates are down; employment is up, investment is up. Canada is on its way to a sustained recovery, and that is good news for Canada.

UNEMPLOYMENT IN ATLANTIC PROVINCES

Hon. Herb Gray (Windsor West): Mr. Speaker, the unemployment figures began trending down under the previous Government. One wonders why the Prime Minister is satisfied with more than 1,300,000 people out of work. Doesn't the Prime Minister realize that his words are empty? Looking at the Atlantic Provinces, we have a 1.8 per cent increase in the unemployed in Prince Edward Island, 1.5 per cent in New Brunswick, with the rate of unemployment in Newfoundland remaining in the area of 20 per cent. Why has his excuse for a regional industrial development policy been such a failure?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, employment increased in the last month by 37,000. The employment record, in all regions and in all provinces, is better now, today, under the Progressive Conservative Government than it was under the Liberals, and that is true in all circumstances, in all age groups across the country. We increased employment by 37,000.

What my hon. friend doesn't mention and what I think the country ought to reflect upon is the fact that, apart from the 333,000 jobs already created, there are jobs and prospects in the bank. Oil wells drilled in the first nine months are up 21 per cent over 1984; retail sales in August were up 13 per cent over 1984; motor vehicle sales in August were up 27 per cent over 1984; housing starts are up 49 per cent over last October.

The GNP is increasing at 4.1 per cent. That is good news for Canada and bad news, I know, for the Liberals.

An Hon. Member: Ask another one, Herb.

UNEMPLOYMENT AMONG YOUNG PEOPLE

Hon. Herb Gray (Windsor West): Mr. Speaker, the Prime Minister's empty words won't mean much to the more than one million unemployed. Doesn't he know that there has been an increase of almost 1 per cent in unemployment for young men aged 18 to 25? Why is he allowing this to happen? Doesn't he realize that his unemployment policies are creating a lost generation of young people? Why is he satisfied with that?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we are not satisfied—and that is exactly the answer. It is for that reason that the Minister of Employment and Immigration has put in place such impressive programs to deal with the particular tragedy of youth unemployment. It is something to which we have tried to respond. The response of the

Minister of Finance has been a decrease in interest rates, in the neighbourhood of 3 per cent. The economy is coming on strong. But the important thing in this respect is that youth unemployment is down from where it was under the Liberals. In 12 months it is down 2.2 per cent, and that, Mr. Speaker, is great progress.

* * *

[*Translation*]

EMPLOYMENT

SITUATION IN EAST MONTREAL—GOVERNMENT POSITION

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, my question is for the Hon. Minister of Employment and Immigration. The Montreal East industrial base is being eroded with the announcement of lost contracts. Would the Minister tell us today, instead of repeating the answer she gave my colleague, the critic for my Party, the Hon. Member for Notre-Dame-de-Grâce-Lachine East, an answer which I have read carefully, what she is doing in practical terms for Montreal East?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I share the concern of the Hon. Member about the employment situation in Montreal. I was in Montreal yesterday with my colleagues from that city and we met with a large number of citizens to try and find practical answers to the problem.

However, I must point out at the same time, Mr. Speaker, that 90,000 new jobs have been created in Quebec in the last year. This is a very positive record.

Some Hon. Members: Hear, hear!

[*English*]

MINISTER'S POSITION

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, East End Montreal will not be satisfied with an announcement of jobs created in general. What the residents of East End Montreal want to know is exactly what is going to be done for the industries of that area.

I quote *La Presse:*

[*Translation*]

Montreal East Cries for Help! Montreal East is ill, and to cure it, the only remedy found was to create the CAMO committee, which all unemployed people in Montreal East are now calling *le comité Chameau* of Quebec and Ottawa Ministers.

Can the Minister tell these people in practical terms, in addition to saying that jobs have been created throughout terms, in addition to saying that jobs have been created throughout Canada, or to saying, as the Right Hon. Prime Minister has just done, that everything is going well, while we can see—

Mr. Speaker: Order, please. That is enough!

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, we are very conscious of existing problems in Montreal East.

• (1140)

[*English*]

I regret that the Hon. Member will not take part in the committee or put forward his suggestions to the committee in order to help the people about whom we are concerned. Indeed, we are taking steps. We have set up a committee but, more than that, we have put into effect a Canadian Jobs Strategy which is already having an effect in Montreal and in Quebec. I would tell the Hon. Member that as of November 1, over 1,000 applications under the Canadian Jobs Strategy have come into offices in Quebec. These applications involve almost $100 million for the many people who need training and jobs. That is a positive approach to the affairs of Montreal East and Quebec, not the negative approach that the Hon. Member is taking.

* * *

FISHERIES

LICENSING OF FACTORY FREEZER TRAWLERS

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is for the Prime Minister. I wonder if the Prime Minister might be able to give the House a definition of consultation. Regarding the factory freezer trawler issue, the vast majority of groups before the Standing Committee opposed it and the Province of Newfoundland opposed it. In fact the decision of the Government to grant three of those permits shows absolute contempt. Would the Prime Minister give us the Government's definition of consultation?

Hon. Erik Nielsen (Deputy Prime Minister and Acting Minister of Fisheries and Oceans): Mr. Speaker, the hon. gentleman heard me say yesterday that the broadest possible consultation took place. The preamble to the Hon. Member's question, as usual, is utterly false. When he makes a statement in the House indicating that all of the provinces were against the granting of licences, he knows, or damned well should have checked his facts before saying such a thing, that it was false.

STANDING COMMITTEE HEARINGS

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, perhaps the Prime Minister cannot handle it. I will direct my question to the Deputy Prime Minister and try to redo the facts for him. The Province of Newfoundland is opposed to the factory freezer trawlers but the real serious question I would ask of the Deputy Prime Minister is if he can explain why he is

not prepared to let the Standing Committee hear all sides of this question in a public forum and not behind closed doors on November 21. Why is he not prepared to let that happen?

Mr. Gauthier: We asked that yesterday.

Hon. Erik Nielsen (Deputy Prime Minister and Acting Minister of Fisheries and Oceans): Exactly, Mr. Speaker. The question was asked yesterday. I do not know where the Hon. Member was yesterday. Indeed, I do not know where he was when he, like all other Members of the House, received a copy of the application from National Sea Products. I did not hear from him on that occasion. All of a sudden he has started to raise these questions. I wonder why he did not make those representations far earlier than now.

CANADA-FRANCE ARBITRATION CASE

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my final question is directed to the Secretary of State for External Affairs. Would the Secretary of State not agree that the Government has cut the ground from under him on the arbitration case with St. Pierre and Miquelon and that in fact we will now have a French fleet of freezer trawlers tied up at St. Pierre and Miquelon? Would he not also agree that, when it comes to the free trade negotiations, the United States will be asking to put freezer factory trawlers in our waters to fish our surplus stock? Has the Government not now cut the ground out from under him in both these cases?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as has become his unhappy habit, the Hon. Member is speaking nonsense.

Some Hon. Members: Hear, hear!

FEDERAL-PROVINCIAL AGREEMENT

Mr. George Baker (Gander-Twillingate): Mr. Speaker, under the heading Legal and Regulatory Restrictions contained in National Sea Products' application to the Government for a factory freezer trawler, it states:

—Article 12 of the Canada Newfoundland 1983 Restructuring Agreement states that FFT's would not be permitted to harvest northern cod.

The Government has violated a federal-provincial agreement. I ask the Acting Prime Minister and Minister of Fisheries what makes the Government so arrogant as to believe that it can violate a federal-provincial agreement and get away with it?

Hon. Erik Nielsen (Deputy Prime Minister and Acting Minister of Fisheries and Oceans): Mr. Speaker, the record of the Government with respect to the conduct of its affairs with the Government of Newfoundland is historic. The Atlantic Accord, the Burin Agreement, the actions of my colleague, the Minister of Employment and Immigration, and every single action the Government has taken has done more to focus attention on the problems of Newfoundland than anything the previous Government which the Hon. Member supported ever did. In this specific instance the intent of that Agreement is being pursued.

The first step in achieving the rejuvenation of the fishery in Newfoundland was the allotment of $76.7 million in the new five-year plan for Fisheries Products International, with another licence being made available to that Newfoundland-based firm. Is the Hon. Member opposed to that kind of rejuvenation in his province?

MIDDLE-DISTANCE FLEET PROPOSAL

Mr. George Baker (Gander-Twillingate): Mr. Speaker, the Minister did not answer the question because I do not think he can. Let me ask him something that he can perhaps answer. We are not now talking about one factory freezer trawler licence being issued. Two more have been offered and National Sea Products is talking about four being issued as early as 1987 in its application to the Government. Knowing that this will have a devastating effect on the inshore fishery, how far does the Government intend to go in issuing factory freezer trawler licences? Is the Minister going to issue the 30 or 40 licences that have been requested by the Newfoundland Government under the new so-called middle-distance fleet?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, obviously the hon. gentleman has not read the release. What is being done is the issuance of a maximum of three licences, one to a Nova Scotia based company, another is available to a Newfoundland-based company, and another to the smaller operators in the fishery. The whole intention of this is to enhance the ability of the industry to compete more effectively in the market-place. What could be so drastically wrong with that approach?

* * *

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

VANCOUVER RADIO BROADCAST FINDING

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Prime Minister. In April a Vancouver radio station broadcast a one and a half hour program with the following themes: incest is a regular occurence among Indians, native people are dishonest, native people have no respect for the law, and native people are poachers, dirty, messy and alcoholic. Does the Prime Minister support this week's CRTC recommendation that there be prosecution in this case, and does he not agree that such prosecution should occur quickly since this broadcast took place more than six months ago?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, on behalf of the Minister of Indian Affairs and Northern Development, I cannot refer to the radio broadcast to which the Hon. Member has referred but I can tell him that I am sure every member of the Government and every Member of the House would want to dissociate himself or

herself from those kinds of statements. They are just not facts. Those of us who have had some responsibilities in the Department of Indian Affairs have always tried to encourage the development not only of models of success but the image, which is correct, and that one is obviously dead wrong.

PROSECUTION INQUIRY

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is directed to the Prime Minister because he is the only one who can now clear up the matter. There is at least one Member of the House who does not share in the remarks just made by a member of the Cabinet. Perhaps the Prime Minister could explain, when the CRTC has described the program as being unsubstantiated, indefensible, ill-advised and irresponsible, and that much of the information was false, and has publicly called for prosecution, why he is not prepared to rise today to say that he will proceed with this prosecution under the Broadcasting Act. His friend, the Minister of Justice, is blocking it at this point in time.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, the Acting Minister of Communications is not in the House today as I indicated to the Hon. Member.

Mr. Gauthier: Yes, he is.

Mr. Hnatyshyn: That is the Acting Minister of Indian Affairs and Northern Development. I would like to associate myself with the remarks made by my colleague, the Minister of National Health and Welfare, with respect to this issue. I will bring the question to the attention of the Minister and he can get back to the Hon. Member.

Mr. Fulton: It is the Minister of Justice who is blocking it.

Mr. Hnatyshyn: There will be two letters then.

* * *

INDIAN AFFAIRS

ECONOMIC SUMMIT AND TRADE SHOW—AWARDING OF CONTRACT

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, my question is directed to the Prime Minister. On October 28 I asked the Minister of Indian Affairs and Northern Development whether Argyle Productions of Toronto, headed by his good friend and political adviser, Bill Marshall, was involved in the planning and conducting of a native economic summit and trade show. To that suggestion, the Minister said that he rejected it. I wonder if the Prime Minister could explain to the House how the Minister could respond in that way when we now know that Argyle and Marshall are involved in this event in a very substantial and lucrative way.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, on behalf of the Minister of Indian Affairs and Northern Development I would like to indicate to the Hon. Member that that issue will be brought to the Minister's attention when he returns to the House.

• (1150)

TENDERING PROCESS

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, will the Prime Minister agree to inquire into this matter to determine whether the tendering process was completely and fairly used in every respect in the awarding of these contracts?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the first answer applies and those details will be conveyed as well.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—APPOINTMENT OF CANADIAN AMBASSADOR

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the Prime Minister. It was announced this morning that Simon Reisman will be our ambassadorial head in the free trade talks with the U.S. What consultations have taken place with the provinces on this appointment? Did all provinces give explicit approval to the appointment of this quite conservative centralist to this key job in these negotiations?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, when we were sworn in as a Government we did not contract out our national responsibilities to the provinces. We selected Mr. Reisman as a man of great distinction and uncommon accomplishment in international negotiations because we felt and were secure in the knowledge that he could represent the national interest and harmonize the provincial interests therewith, with great competence in the negotiations.

PROVINCIAL CONCERNS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I am told by my colleagues, who should know, that that is vintage Trudeau.

Given the background of this ambassador in the central corridors of power here in Ottawa, can he really be expected to reflect the opposition of all provinces to bargaining over our cultural industries? Can he be expected to reflect their concern about bargaining away agricultural support programs? Can he be expected to reflect—

Mr. Speaker: Order, please. That is the third question.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Canadian negotiating team will indeed reflect the interests of the Canadian community because that negotiator and the team working with him will be consulting directly with the provinces, with the industrial sectors, reflecting what he learns rather than bringing pre-con-

ceived prejudices into the discussions as has unhappily been the characteristic of the Hon. Member.

* * *

INDIAN AFFAIRS

ECONOMIC SUMMIT AND TRADE SHOW CONTRACT

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Prime Minister and relates to another important aspect of the Bill Marshall contract.

Last September the Prime Minister personally tabled conflict of interest guidelines which declared, among other things: "A public officer holder shall not accord preferential treatment in relation to any official matter to family members or friends." Given that Mr. Marshall ran the Minister of Indian Affairs' municipal campaign in Toronto, was his chief of staff during his term as mayor, and ran his Conservative Party leadership bid, would the Prime Minister not consider Mr. Marshall to be a personal friend of the Minsiter and therefore the guidelines have been seriously breached in this $200,000 contract? What is he prepared to do in light of this serious violation?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, again the answers I have given on this issue apply. However, I want to tell the Hon. Member that, yes, members of this Government and this Party, and I would hope members of his Party, but maybe they do not have many friends left, have a lot of friends and supporters. We have many Canadians who want to work with government and see our country improve. I suggest that if he asks questions, he should ask them legitimately and not imply that because people might have friends they should be totally isolated from anything in Government.

CONFLICT OF INTEREST GUIDELINES

Mr. Sergio Marchi (York West): Mr. Speaker, the number of friendships the Government has is going to drain the federal Treasury. Will the Prime Minister have the courage to get up on his much-touted conflict-of-interest guidelines and agree that the awarding of a $200,000 contract to the political and personal friend of the Minister of Indian Affairs is simply another crass example of political patronage? Canadians want to know when this is going to stop—

Mr. Speaker: Order, please.

Mr. Marchi: —and does he have the courage to revoke the contract?

Hon. Jake Epp (Minister of National Health and Welfare): First of all, Mr. Speaker, as I understand it, the figures concerning the consulting firm are wrong. For example, does he take Seneca Communications, a native-run organization, as part of that as well? Yes, they are supporters and friends of this Government as well. When he looks at some of those issues, he should stay with the facts rather than the innuendo he loves to throw around.

* * *

CANADIAN PACIFIC RAILWAY

CANCELLATION OF PENSIONERS' RAIL PASSES

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. He will know that yesterday, on the 100th anniversary of the driving of the last spike, and on many other occasions in this House, Members on all sides have expressed their anger at the action taken by the CPR in arbitrarily cutting off the pass rights of its pensioners. Because there is widespread support in the House for such a measure, will he consider making a personal representation to the CPR on behalf of all Members to have this measure revoked?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I would be very happy to respond to that question. I share the concern of the Hon. Member and, I am sure, the concern of other Hon. Members. I have made representations to officials of CP and asked them to consider coming before the standing committee to explain and justify their action so all Members of Parliament who are interested will have an opportunity to ask questions and seek clarification on the action CPR has taken.

REQUEST THAT PRIME MINISTER INTERVENE

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, the idea of having them before the committee is a good one and certainly not something one would want to criticize. However, there is very little to clarify. The CPR has done something which has invoked the disapproval of all sides of the House. I ask the Prime Minister, not the Minister of Transport, will he intervene personally with the CPR and say that this is the kind of thing it should not be doing anytime, particularly not on the anniversary of the driving of the last spike?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I listened with sympathy and concern to the point raised by my hon. friend. I know he will agree that, given the fact we have in this House probably the most outstanding Minister of Transport this country has ever seen—

Some Hon. Members: Hear, hear!

Mr. Mulroney: —he will want to join with me in encouraging the Minister in his representation to CP. However, the point raised by my hon. friend is an impressive one and I know we will follow through as best we can.

DEPARTMENT OF EXTERNAL AFFAIRS

HONG KONG CLUB RECREATION COSTS

Mr. Alex Kindy (Calgary East): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and concerns the high cost to Government of our foreign service employees as shown by their membership in the Aberdeen Marina Club in Hong Kong. It costs about $200,000 to maintain one foreign service person out of the country. Does he intend to have a review on that subject and report to the House?

● (1200)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, not only are we intending to have a review, but the review is virtually completed between myself and the President of the Treasury Board. The President of the Treasury Board will shortly be indicating the response to the report of the Auditor General. I simply want to take the opportunity to say how much I, as a Minister, appreciate the work of the Auditor General in drawing to my attention accusations about practices within a Department under my jurisdiction.

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[*Translation*]

INDUSTRY

REQUEST FOR RENEWAL OF FOOTWEAR IMPORT QUOTAS

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I have a question for the Right Hon. Prime Minister. In May 1984, Mr. Prime Minister, you promised in the Eastern Townships that if you were elected, you would maintain quotas on shoe imports. We know that quotas are essential and vital to the economy of Quebec. Will your Government, Mr. Prime Minister, indeed respect—

Mr. Speaker: Order, please. I am sorry to interrupt the Hon. Member, but I believe he knows very well the question must be put through the Speaker, please.

Mr. Tardif: Will he respect that commitment?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as the Hon. Member is very much aware, there has been a report prepared by a tribunal established to study the matter and recommendations have been made. Those recommendations are now being considered by the Canadian Government, and an announcement, a statement of our position will be made before the end of November.

INQUIRY WHEN ANNOUNCEMENT WILL BE MADE

Mr. Alain Tardif (Richmond-Wolfe): I have a supplementary, Mr. Speaker. That decision was to be announced in September, then in October. Today is November the 8th, and we know that already the whole market is lost for next spring. You are in a position today to state on what day, at what time that decision will be made, so that importers and manufacturers may know what to expect?

Right Hon. Joe Clark (Secretary of State for External Affairs): I can indicate once more to the Hon. Member that the decision will be made and announced before the end of November.

* * *

[*English*]

AUDITOR GENERAL

ACCESS TO CABINET DOCUMENTS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Prime Minister. On November 4, this week, when asked in the House about access to cabinet documents the Minister of Justice said:

—I can assure the hon. gentleman that a decision will be made this week.

Does the Prime Minister hold by his own stated views that in that kind of confrontation Parliament should always prevail, and by the decision of Justice Jerome that the Auditor General's right to access must prevail? Will he announce today, in keeping with the commitment of the Minister of Justice, that the Government has decided to give the Auditor General the documents in question?

Right Hon. Brian Mulroney (Prime Minister): The Minister of Justice is not in the House today, Mr. Speaker. He has been reviewing this matter and will be making a recommendation to the Government. As soon as that recommendation is received, which I hope will be very shortly—in fact I know it will be shortly—we will respond in an appropriate and, I hope, helpful way.

GOVERNMENT POSITION

Mr. Ian Deans (Hamilton Mountain): The Minister of Justice stated categorically that the decision would be made this week. This is, for parliamentary purposes, the last day for two weeks that any questions can be asked with regard to this matter. Therefore, is there any conclusion which can be drawn other than that the Government is not prepared to give the documents requested by the Auditor General and ordered given by Justice Jerome, and that the Government is attempting to hide not only these documents but also documents pertaining to other matters decided upon by the Government?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, why would the Hon. Member draw such invidious conclusions from a faulty premise? In point of fact the Minister, as I understand, said that a decision would be made this week. He will, I assume, make his decision as Attorney General and

make a recommendation to us before the week is out and we will respond in due course.

The Minister indicated in the House that, notwithstanding pretensions by my hon. friend to the contrary, this is indeed a complex matter. There is the request for documentation from the Auditor General—

Mr. Deans: You said Parliament should prevail.

Mr. Mulroney: If I may, there was a request for information. He indicated the intention of the Government to respond fully and with alacrity to that to the extent humanly possible. He indicated that there was a second, complex dimension to the problem which dealt with undertakings in regard to documents under the control of previous Prime Ministers. We have not yet had a response, to the best of my knowledge, from the Leader of the Opposition with regard to his judgment to free up those papers.

Mr. Gray (Windsor West): Did you ask?

Mr. Mulroney: The Minister of Justice is proceeding to come forward with recommendations in both of those areas and I hope that my hon. friend will find our response appropriate in both of them.

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HUMAN RIGHTS

DEATH OF UKRAINIAN POET, VASYL STUS

Mr. Joe Reid (St. Catharines): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The Minister knows that Vasyl Stus was a Ukrainian poet, a strong and vigorous supporter of human rights and freedoms, and a member of the Helsinki monitoring group, who died in the fifth year of a fifteen-year sentence in a Soviet concentratioan camp. What action has the Government of Canada taken or what action will it take to protest this loss of life in the interest of freedom and human rights?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have followed the case of Vasyl Stus very closely. All Members of this House are deeply saddened by his death. The House may recall that five or six months ago, when I was in the Ukraine, I had the opportunity to raise directly with the leaders of the Government of the Ukraine the deep concern of Canada about the human rights situation in the Ukraine and elsewhere in the Soviet Union. I did that to the best of my ability conveying, I think, the full conviction of Canada. We intend to continue to make that kind of representation on behalf of human rights everywhere in the world, but particularly behind the Iron Curtain. On behalf of the Government I want to extend our most sincere sympathies to the family of Mr. Stus.

Some Hon. Members: Hear, hear!

FOOD AND DRUGS

DISCOVERY OF TOXIC SUBSTANCES IN WINES

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is directed to the Minister of Health and Welfare. The federal Government became aware of toxic substances in wines in May, 1985. We learned yesterday that certain imported wines contain a cancer-causing substance called ethyl carbamate. Will the Minister tell us that he will assume his responsibilities under the Food and Drug Act and assure Canadians that the food they eat is safe for human consumption?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Member refers back to the first instance of the Austrian wines. Ethyl carbamate was not a factor in that situation. It was diethylene glycol at that time, which falls under the Food and Drug Act. What we have in Ontario, and I imagine that is what the Member is addressing the report of yesterday that there are fortified wines and spirits manufactured in Ontario which have urea carbamate in them, which is a carcinogen. As of this morning we have health protection branch people working with the distillers, the wine manufacturers, the LCBO and the Ontario Government. There are indications that we also have some imported wines and fortified spirits which contain the same product.

INSTITUTION OF PROSECUTIONS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, the Food and Drug Act states:

> No person shall sell an article of food that
>
> (*a*) has in or upon it any poisonous or harmful substance.

Will the Minister assure the House that he will prosecute any importers or sellers of tainted wine which is unfit for human consumption? Will he assure this House that provincial commissions or boards which control the sale of liquor will not be exempt from prosecution if they are found to be guilty?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, through my Ministry the Government has taken a very clear position on this situation, whether it involves imported wines or domestic products which contain substances in contradiction of the Food and Drug Act. Our argument has been very straightforward that these substances should not be in the products. That is the position we have taken.

I have also said in the House that so far, happily, provincial liquor commissions have pulled these products off their shelves on a voluntary basis. Additionally, as of November 21 when we meet, the provincial authorities, the liquor commissions and my own Department will look at further standards. I will take the Hon. Member's suggestion under advisement as well.

BANKS AND BANKING

NORTHLAND BANK—FUTURE PROSPECTS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Prime Minister who, I am sure, during his recent trip to Alberta discussed with the Premier of Alberta the need to maintain and develop regional financial institutions. The finance committee looking into the bail-out Bill has decided that sufficient evidence exists now that the doors should not be closed on the Northland Bank. Would the Prime Minister, therefore, be prepared to instruct the Minister of State for Finance, who has been dealing with this matter, to consider, with some rigour, ways and means of keeping that bank in place if, in fact, sufficient evidence does exist?

• (1210)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I read with interest the observations made by the committee. However, I would also draw the Hon. Member's attention to the expert witnesses on the part of the Inspector General of Banks and the curator for the Northland Bank who drew different conclusions based on detailed studies over a number of weeks into the operations of the bank.

I can understand the position that has been expressed by the management of the bank, who have a certain emotional involvement because they are directly involved in the decisions affecting that bank.

We, as a Government, must look to and rely on the observations and conclusions drawn by these expert witnesses to whom I just referred.

REQUEST FOR RE-EXAMINATION OF BANK'S STATUS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my supplementary question is directed to the Minister of Finance. He will be well aware that the bank itself feels that sufficient life may have been breathed back into it so that it can be saved. The committee members, most of whom are from western Canada, are of the same mind.

Considering that evidence does exist that perhaps there is a possibility of saving that western-based bank, would the Minister of Finance at least look further into this whole matter before the door is completely closed on the bank?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me take the Hon. Member through the sequence of events that have taken place over the past three or four months that have indicated very clearly the desire of the Government to give the Northland Bank every opportunity to keep its doors open.

During the period prior to the appointment of the curator of the bank there were a number of discussions between the Inspector General and the bank to try to encourage it to find some other means of maintaining its viability. When the curator was appointed, we gave the bank over a month to find other partners to work with, in an attempt to find a way to keep that bank open. The Minister of State for Finance asked for assistance from a respected investment banker.

The Hon. Member should also remember that it is important that we keep in mind the interests of the depositors who, until this matter is resolved, will not be able to get their money back. This includes insured depositors as well as uninsured depositors.

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AGRICULTURE

REQUEST FOR EXTENSION OF TELEPHONE SERVICE TO FARMERS

Mr. Arnold Malone (Crowfoot): Mr. Speaker, my question is directed to the Minister of Agriculture. Will he take the opportunity at the upcoming First Ministers' conference to make a representation to provincial Ministers of Agriculture urging that they encourage their provinces to extend private telephone service to farmers, wherever possible? This is not only for the purpose of privacy of conversation, but also so that they may have access to the enormous capacity of data banks in marketing and economics which presently exist in farm technology. That access is limited because of the absence of private phones on farms.

Mr. Speaker: Order. The question is becoming a speech.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the representation from the Hon. Member for Crowfoot. Those of us who know the Hon. Member will appreciate his knowledge, experience, and good advice with reference to the agriculture community.

I want to assure him that I will answer his question positively and will make every effort to make representations on his behalf at the First Ministers' conference.

* * *

[*Translation*]

TRANSPORT

ABOLITION OF CHAMPLAIN BRIDGE TOLLS—GOVERNMENT POSITION

Mr. Carlo Rossi (Bourassa): Mr. Speaker, my question is directed to the Hon. Minister of State (Transport), but in her absence I will direct it to the Right Hon. Prime Minister of Canada. During the election campaign, the Member for Laprairie geared his publicity to the abolition of Champlain Bridge tolls. Two weeks ago at a Conservative meeting in Greenfield Park, the Minister of State (Transport) promised to abolish Champlain Bridge tolls just before the next elections in order to make political gain. My question to the Prime Minister is as follows: Could he tell the House whether the Minister of State (Transport) stated a personal view or was she stating Government policy when she announced the Cham-

plain Bridge tolls would be abolished just before the elections for political purposes?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, that matter is currently under consideration by my cabinet colleagues and me. The Hon. Member will be pleased to know that it is being very actively considered and we will report to him at some later date.

[*Translation*]

Mr. Speaker: I recognize the Hon. Member for a brief supplementary question.

REQUEST FOR PRECISE ANSWER

Mr. Carlo Rossi (Bourassa): Mr. Speaker, it might be something under consideration by the Cabinet, but it is a position stated by the Member for La Prairie and by the Minister—

Mr. Speaker: Order. A brief supplementary please.

Mr. Rossi: Could the Hon. Minister of Transport state categorically whether or not he will abolish the tolls?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the answer remains the same. The matter is under consideration.

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AGRICULTURE

PROPOSED NATIONAL TOBACCO MARKETING BOARD— ATTITUDE OF TOBACCO MANUFACTURERS

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is directed to the Minister of Agriculture. As the Minister knows, the tobacco manufacturers are stalling on the establishment of a national marketing board for tobacco. They initiate court actions, they refuse to bargain with the existing provincial boards, and now they are saying that if farmers persist in developing a national tobacco marketing plan some manufacturers will pull out of the country.

If these manufacturers choose to leave and do their manufacturing outside the country, is the Minister prepared to restrict access to Canada for their brands of tobacco and tobacco products?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I do not know the extent of the Hon. Member's knowledge of the tobacco industry and the difficulties that the tobacco growers of this country are experiencing at the moment.

I would rather take a more positive view and hope that common sense and good judgment will prevail. I hope that in the very near future it would be possible for the Ontario Flue Cured Tobacco Marketing Board to negotiate a settlement on the 1985 crop with the tobacco companies.

MINISTER'S POSITION

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, the companies are being very hard-nosed. Will the Minister not show that he is prepared to be equally hard-nosed on behalf of Canadians so that, if the companies leave, their products will just stay out of the country?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, perhaps some of the difficulties that the industry finds itself in now are due to some rigidity on both sides which may have taken positions that have not been in the best interests of both parties and, indeed, of the industry.

I have met with the board. I have met with the tobacco companies. In fact I am having another meeting on Saturday afternoon with the board. I am simply trying to close the daylight between the two parties so that a settlement can be reached.

* * *

[*Translation*]

PUBLIC WORKS

REQUEST FOR DETAILS CONCERNING FUTURE OF NATIONAL CAPITAL COMMISSION

Mr. Gaston Isabelle (Hull-Aylmer): Mr. Speaker, I have a question for the Minister responsible for Public Works.

It is rumoured in the National Capital area that for all practical purposes, the last terms of reference that the Government gave to the National Capital Commission dates back to 1956. In view of the fact that there has apparently been no announcement as to future responsibilities of the National Capital Commission, would the Minister tell the House if there is any truth to the rumours that the National Capital Commission will be abolished or that its operational responsibilities will fall under the Department of Public Works?

Would the Minister comment on these rumours?

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, if the Hon. Member is worried by rumours, I wish to tell him on one hand that I think he has nothing to be worried about and, on the other hand, that the Nielsen Commission, as everyone knows, should bring forward a rather comprehensive report by the end of the year. In the context of this report, I am much more optimistic than the Member for Hull-Aylmer as regards the future of our beautiful capital.

[*English*]

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on November 7, 1985, meet the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for Dauphin-Swan River (Mr. White) by filing with the Clerk of the House, also meets the requirements of the Standing Orders as to form.

* * *

POINT OF ORDER

ALLEGED DEPARTURE FROM PRACTICE ON HOUSE ADJOURNMENT

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I rise on a point of order which arises out of the mechanism used for the adjournment of the House yesterday evening. It is a rather important point of order, as you will undoubtedly realize and so recognized at the time. This, of course, is the first opportunity we have had to bring this matter to the attention of the House because under our generally accepted proceedings it is not possible at the time of adjournment to bring up points of order. That procedure has been disallowed on several occasions.

● (1220)

I would like briefly, in developing this point, to go through the sequence of events yesterday afternoon. At about 4.30 p.m., or thereabouts, the Hon. Member for Kamloops-Shuswap (Mr. Riis), pursuant to Standing Order 30, moved that the House do adjourn. It came about that the bells were made to ring on that issue in order to bring in the Members to vote thereon.

I presume that at some time after 4.30 p.m. it was indicated to you, Sir, by the Whip of the Official Opposition, that he had no intentions of coming to the House so that that vote could take place. However, I do not know that. It is a surmise.

What did happen, Sir, is that at 6.17 p.m.—and if I recall correctly the two most conscientious Members of this House were present, you and I, Sir—you rose in the Chair and said, and I quote from *Hansard* at page 8470:

> In my view, it being 6.41 p.m. I do now leave the Chair until tomorrow morning at 11 a.m.

The actual time, Sir, as I have already stated, was 6.15 p.m. This would appear to depart substantially from established practice in this House. On previous occasions when a motion to adjourn the House has been made, and one of the Parties refuses to come to participate in the vote, the bells have rung until the formal hour of adjournment. Because of the ministerial statements yesterday that normal hour of adjournment

would have been 6.41 p.m. This would appear to be a radical new practice. What took place yesterday evening was presumably meant to establish a new precedent for the operation of this Chamber. Therefore, my I suggest that some form of explanation by the Chair might be given as to why this took place and, if possible, citing the authorities under which this action was taken.

It also occurs to me, Sir, that if it was possible for the Speaker to adjourn the House some 30 minutes or so—

Mr. Speaker: Order, please. I appreciate the representation the Hon. Member is making. Is he really raising a point of order or is he making representations to me?

Mr. Nickerson: I am making a point of order, Sir. If the Chair could address itself to these questions; first, if it is possible for the Speaker to adjourn the House some 30 minutes before the appointed time, would it not, therefore, he possible, using the precedent which was established yesterday evening, to adjourn the House—

Mr. Speaker: I fully appreciate the importance of the subject the Hon. Member is raising, and I fully appreciate that he may want to make representations to me on this matter. I am perfectly happy to hear the Hon. Member's representations in the normal way in which representations are heard. However, if he has a point of order to make, I suggest he may want to make it, because so far what the Hon. Member is doing is making worthy representations but not yet, in any way I can see, raising a point of order.

Mr. Nickerson: My final point, Sir, is that it is possible that the privileges of Hon. Members might, by this action, have been breached. It is possible that at some point in time between the time at which the House adjourned and the normal hour of adjournment, Hon. Members might have wanted to come in to participate in the vote and to continue with their deliberations. The action taken by the Speaker yesterday evening was such that it prevented that possibility from taking place. Therefore, it would be my submission that there were difficulties with the precedent established yesterday evening.

Mr. Speaker: I take it that the Hon. Member is making representations and I appreciate his representations.

Order Paper Questions

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is my pleasure to present a petition on behalf of a number of residents of western Canada who are protesting the Government's decision to reduce the increases to family allowance and, therefore, ask the House of Commons to encourage the Government to reinstate full indexation of universal family allowance as well as to rescind a number of unfair tax increases which were introduced to the House by the Minister of Finance (Mr. Wilson).

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Kilgour (Parliamentary Secretary to Minister for External Relations): Mr. Speaker, I wish to advise the House that Question No. 3 will be answered today.

[*Text*]

RENOVATION OF SIR ALEXANDER CAMPBELL BUILDING

Question No. 3—**Mr. Ellis:**

Were renovations carried out on the 8th and 9th floors of the Sir Alexander Campbell Building and, if so (a) for what purpose (b) at what total cost?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Yes, renovations were carried out on the 8th and 9th floors of the Sir Alexander Campbell Building.

(a) The purpose of these renovations was to permit the Canada Post Corporation to assume all the new functions associated with becoming a Crown corporation. Many tasks formerly carried out by the federal Government are now direct functions of Canada Post's operations.

(b) The total cost of the work carried out was $1,428,180 broken down as follows:

Public Works Canada	$488,494
Canada Post Corporation (includes electrical, construction, mechanical and changes to heat, ventilation and air conditioning systems)	$939,686

[*English*]

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

Mr. Speaker: The question as enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 63—QUEBEC'S ECONOMIC SITUATION

Mr. Lorne Nystrom (Yorkton-Melville) moved:

That this House condemns the Government for abandoning the people of Quebec by reneging on its commitment to:

(1) Develop new job potential in Quebec communities;

(2) Ease the tax burden on low and middle income families; and

(3) Protect and safeguard key existing industries such as lumber, textiles, agriculture, pulp and paper and footwear.

He said: Mr. Speaker, our motion, as you just said, condemns the Government for abandoning the people of Quebec by reneging on its election promises. We mentioned three of them here: (1) to develop new job potential in Quebec communities; (2) to ease the tax burden on low and middle income families; and (3) to protect and safeguard key existing industries in the province of Quebec.

Mr. Speaker, I suppose you remember the election on September 4, 1984 very well. It was certainly a great victory for the Progressive Conservative Party across Canada, including the province of Quebec. It was an overwhelming victory.

After 21 years with the Liberal Party in power, the people of Canada and Quebec voted for a change, and the Progressive Conservative Party won 211 seats across this country, including 58 in the province of Quebec.

However, Mr. Speaker, the situation has changed, and it did so very quickly. Canadians are very disappointed. The turnaround took place in the last two or three months, and according to the last Gallup Poll, the Progressive Conservative Party dropped from 50 per cent to 45 per cent of the popular vote across Canada, while the Opposition parties, the Liberal Party and the New Democratic Party, made a 10 per cent gain.

According to the latest Crop poll in Quebec, Mr. Speaker, where the Progressive Conservative Party came out with a huge majority some 13 or 14 months ago, that Party now ranks second and the New Democratic Party is third with 22 per cent of the votes.

Mr. Speaker, it proves that people in Quebec and the other provinces are disenchanted with the Government team across the aisle. Why this change, Mr. Speaker? Why such changes in Quebec and elsewhere in Canada after only 13 months?

First, the image of the Prime Minister (Mr. Mulroney). He is not competent at all, he is badly organized, and then the question did arise as to whether the Prime Minister had told the House of Commons the whole truth about the tuna incident.

Second, two Ministers had to resign, the former Minister of Communications and the former Minister of Fisheries and Oceans.

More significant still, Mr. Speaker, the Prime Minister broke the election promises he had made to men and women in Quebec and in the rest of Canada.

• (1230)

During the 1984 summer election campaign the Prime Minister and his Party made hundreds of promises, but Canadians can see now that the promises are not being honoured.

First of all, the Prime Minister made an election promise respecting employment. What he said was: "Jobs, jobs, jobs". So where do we stand after one year? Statistics Canada made their figures public this morning, and the unemployment rate is now 10.3 per cent in Canada, and this is the seasonally adjusted rate, Mr. Speaker. Our unemployment rate is 10.3 per cent, but the United States reported a rate of only 7.1 per cent in October, while the number of unemployed in Sweden and Japan is roughly 3 per cent. In October last year 1,305,000 Canadians were without jobs, yet in October this year 1,200,000 Canadians were still looking for work. That is only a difference of 105,000 fewer unemployed for the 13 months the Progressive Conservative Party has been in power, in spite of the fact that the recession in the world has nearly come to an end, that interest rates all over the world are lower now than a year ago, and that oil prices are now lower than a year ago. There are still in Canada 1,200,000 unemployed people, which represents an unemployment rate of 10.3 per cent.

In the province of Quebec, the unemployment situation is pretty bad, especially in Montreal East, Desbiens and Valleyfield. The unemployment rate in the province reached 11.8 per cent last month, and between September and October, 8,000 people lost their jobs in the transportation industry. In the trade and commerce industry, there were 10,000 more unemployed people than the previous month. What sort of future do you think the young people who are unemployed have in the province of Quebec, Mr. Speaker? The Prime Minister has broken his promise to create jobs for Canadian men and women in Quebec and everywhere else in Canada.

He has broken another promise in the area of social programs in Canada. I clearly remember that during the election campaign he used to say that he would not fight the deficit on the backs of the poor. He had the best intentions, but what has happened since then? As a first step, last summer, the Government tried to deindex the Old Age Security pensions under the pretext of presenting a fair and equitable budget. The Conservative Party was going to hit the pocket-books of as many as three million Canadians in one of the most disadvantaged groups in our society. After seeing the anger of senior citizens throughout the country, who were able to make themselves heard, the Government was forced to withdraw its deindexation proposal.

Now, the Conservative Government is threatening to deindex family allowances. As you probably know, Mr. Speaker, the Government has introduced a Bill to reduce family allowances by 3 per cent. The Government justifies these cutbacks by saying that we have to reduce the national deficit. How can the Conservatives say that there is no money for our children when there are so many millions for the wealthy in this country? Mr. Speaker, the Government says that there is no money for our children, but it can find $1 billion for bankrupt financial institutions. It says that there is no money for children, but it can find $1 billion for Dome Petroleum. The Members opposite say that there is no money for our children, but they can find $64,000 for a trip to Europe by the Minister of State for Transport. What a contradiction! They never run out of money for the wealthy, but in the case of children, they deindex family allowances. Mr. Speaker, I am certain that the Hon. Member for Joliette (Mr. La Salle) disagrees completely with his Government, and I hope that he will rise immediately to address the House on this issue.

Mr. La Salle: With pleasure.

Mr. Nystrom: He says that he will do so with pleasure. I was speaking about the important matter of family allowances, Mr. Speaker. We must not forget that they were implemented in 1945. They became universal in Canada two years later. In 1947, family allowances accounted for 7.7 per cent of federal expenditures; last year, they only made up 2.4 per cent of our federal expenditures. Moreover, the national debt represented the same percentage of the national income forty years ago as it does today.

Who is victimized by that Tory policy, Mr. Speaker?

First, the children of Canada, and you must not forget that 20 per cent of our children in Canada live in poverty and in Montreal . . . According to the most recent statistics available, there are 160,000 children living in poverty in the City of Montreal. Children are the victims of that Tory policy.

Second, the women of Canada are victimized, and the Hon. Member for Vancouver-East (Ms. Mitchell) has often referred to the problems of Canadian women with respect to the cut backs in family allowances. And do not forget, Mr. Speaker,

that we have women who are heads of single-parent families in this country, and some 50 per cent of single-parent families live in poverty. Four years ago, there were 600,000 single-parent families in Canada, and what with cut backs made in family allowances, those families will suffer even more.

Mr. Speaker, I know you agree that we can change all that. There are two, three or four weeks left to change the minds of the Conservative Members and the Government on family allowances. I would like to tell those who are watching us, the men and women who are watching these debates this morning, that four things must be done to save the indexation of family allowances in this country.

First, it is important to write to your Member of Parliament and to the Prime Minister of Canada. Second, you will have to phone your Member of Parliament's constituency office—and this is most important if your MP is a Conservative—you will have to phone his office immediately and tell him you do not support the de-indexing of family allowances. Third, petitions must be circulated throughout the country, and this is most important. And, fourth, the question of family allowances must be raised with your local press.

Mr. Speaker, another broken commitment of the Conservative Party dealt with the matter of taxation, the tax burden borne by Canadian men and women.

The last Budget brought down by the Minister of Finance (Mr. Wilson) increased the gas tax by two or three cents a litre. There was also an increase in the federal sales tax. And the federal sales tax is the worst kind of tax, because it hits everyone, the rich, the middle-income people and the poor. By 1990, the average Canadian family will pay $300 more a year in extra taxes. The Government has also reduced indexation of the tax system. You will be paying more income tax, even if your annual income increases at the same rate as inflation does in this country.

● (1240)

If these examples are not enough to convince you that our Prime Minister's Government prefers to ignore the interests of people on low and middle incomes, what about the Government's decision that let the Reichmann family save one billion dollars in taxes in the Gulf Canada purchase? Not only did this tax exemption fail to produce any new jobs, but Gulf also recently announced that 600 workers would be laid off and the refinery closed in Montreal East, where we have a very serious unemployment problem, Mr. Speaker.

And what about the nearly one billion dollars in tax rebates the Syncrude Company in Alberta has been receiving since 1978? It is very obvious the Government is prompt to help the rich in our country, but it has failed to create a single job.

Mr. Speaker, bankers and big investors will be the biggest beneficiaries of the billion dollars the Government has decided to pay to uninsured depositors; and I am referring to a situation I am sure we are all familiar with. The uninsured depositors are the same people who took a risk by investing in the Canadian Commercial Bank and the Northland Bank. Those same billion dollars could have been used to maintain indexation of family allowances every year until 1990. Mr. Speaker, we know that was not one of the Conservative Government's priorities.

Today everybody realizes that while the rich in Canada are benefitting under the Conservative regime, the poor are not.

According to an economist, by 1990, a poor family with two children and living on a salary of only $10,000 per year will have lost $400 in income. A middle income family with two children and an average income of $30,000 per year will have a drop in income of $1,100 by 1990, thanks to the Budget of the Minister of Finance.

In 1985, the Conservative Party is the same party that was led by R.B. Bennett in the thirties. The Conservative Party is still a party for the rich, everywhere in Canada.

And the Liberal Party, and we have Liberal members with us here in the House, the Liberal Party, Mr. Speaker, was not so different as a Government. I remember very well when Mr. Lalonde was the Minister of Finance, two or three years ago, and they increased the federal sales tax. It was exactly the same thing.

I remember vividly, and the Hon. Member for Vancouver East (Ms. Mitchell) mentioned it two or three times, that Mr. Trudeau's Government limited the amount of family allowances at the time of the 6 and 5 per cent, when we had inflation rates of 15, 16, 17 and 18 per cent, that the increase in family allowances was restricted to those 5 and 6 per cent. It is strictly the same thing, Mr. Speaker.

In conclusion, what we need in this country is a real change, what we need is a Government for ordinary citizens. We are an immensely wealthy country. We have a positive people facing our future. We have vast quantities of natural resources, but let us not forget what happened in other countries of the world, for instance in France, in Germany and in Japan. All three countries were almost completely destroyed during the Second World War forty years ago. Now, the standard of living in France, in Germany and in Japan is almost the same as ours. And do not forget also that those countries did not have any oil nor any of the national resources that we have in Canada.

Something else, Mr. Speaker, in the United States, the unemployment rate is 7.1 per cent and in Canada 10.3 per cent; in Sweden it is between 2 and 3 per cent and in Japan approximately 3 per cent.

Mr. Speaker, why in a country such as Sweden having a population almost the same as that in Quebec, the unemployment rate is between 2 or 3 per cent? Why is the standard of living as high in that country as in Canada?

Mr. Speaker, we can do something for ordinary Canadians in Canada. I mean we should give money to the ordinary Canadians and not to the rich. Give money to the workers, not to the banks; give money to farmers and producers throughout Canada, not to big foreign oil companies. And with changes such as these, there will be jobs for everyone in Canada.

Mr. Speaker, I will be over in another minute. On that basis, Canada, Quebec and Saskatchewan will be strong. We will be strong all across Canada with a policy designed to encourage ordinary Canadians.

And for our children, Mr. Speaker, and I do have two of my own Canada will truly be the country of the future.

The Acting Speaker (Mr. Paproski): Questions and comments. The Hon. Member for Richmond-Wolfe (Mr. Tardif).

Mr. Tardif: Mr. Speaker, I would like to know, having listened with great interest to the Hon. Member's statement, I would like him to tell the House which Government introduced the family allowance program? Which Government introduced the old age security pension programs? Which Government introduced social welfare programs? And which Government did indeed introduce all the social measures Canada is now enjoying?

Mr. Nystrom: Mr. Speaker, the same Government which slashed the family allowance program. The same Government which three or four years ago cut back by as much as 6 and 5 per cent old age security pension expenditures.

And do not forget that historically, it was a Liberal Government here in this House, but that Liberal Government was spurred on by the CCF Party, by the New Democratic Party. They introduced family allowances in 1945 because the CCF Party told them it was a priority. They spread the idea around and all across the country. And remember something else. We have here, at the table, Mr. Stanley Knowles, Mr. Speaker, and it was Mr. Stanley Knowles, Mrs. Thérèse Casgrain, Mr. J. S. Woodsworth, people from the CCF Party who launched the idea of old age pensions in Canada. And without the CCF Party, the Liberal Party would never have done anything for senior citizens in Canada. It is thanks to Mr. Knowles, to Mr. Woodsworth and to the CCF Party that we have in this country social programs that are different and better than in the United States.

The Acting Speaker (Mr. Paproski): The Hon. Member for Bourassa (Mr. Rossi).

Mr. Rossi: Mr. Speaker, I would like to know how the Hon. Member can claim that the NDP or the CCF introduced family allowances, old age security pensions and all those other social programs when they have never formed the Government?

Mr. Nystrom: Mr. Speaker, that is a good question. I know that the Hon. Member was elected six or seven years ago, but he was not here when there was a minority Government in Parliament.

However, in our parliamentary system, with a minority Government, the third party has a lot of influence on the Government.

• (1250)

For myself, I was in this House in 1972 and 1974 when Mr. Trudeau was Prime Minister, but with only 107 or 110 Members of Parliament. At the time, it was the NDP who told Mr. Trudeau that he could remain Prime Minister on the condition that he take action on three or four very important issues, such as Petro-Canada, the indexation of old age security pensions, the indexation of family allowances, and so on. We must not forget that we have a democratic system and that this system sometimes work better with a minority Government.

Mr. Gauthier: With blackmail!

Mr. Nystrom: Not at all, Mr. Speaker, it is a democratic system. Historically, when Mr. King was Prime Minister, before Stanley Knowles, at the time of Mr. Woodsworth, there was a minority Government in this House. He spoke to the Leader of the CCF, Mr. Woodsworth, who told him: if we are to support the Government, we want pensions for senior citizens in Canada. That is why Old Age Security pensions were introduced in Canada, exactly in the same way as we later had Family Allowances and Welfare. Mr. Speaker, because we live in a democratic system, Members of all parties can have a real influence and a very large power in this country.

The Acting Speaker (Mr. Paproski): Questions and comments. Another question? The Hon. Member for Hull-Aylmer (Mr. Isabelle).

Mr. Isabelle: Mr. Speaker, I have a short question for my hon. friend and colleague. I would simply like to ask him if he believes that the Conservative Party will do as much for the Canadian population as the Liberal Party did, thanks to Members of all parties including, of course, the New Democratic Party which was also part of this Chamber? Does the Hon. Member think that he will have as much success in promoting his ideas with the Conservative Party, even though it is not a minority but a majority Government, which can do almost anything it wants?

Mr. Nystrom: I am of course very happy, Mr. Speaker, that my "adopted" MP should ask me a question. I say that because when I am in the National Capital Region, I reside in his riding of Hull-Aylmer, and I know he does a very good job.

Mr. Speaker, I know it is more difficult with a majority Government; especially now with 211 Conservative Members.

An Hon. Member: You voted for them!

Mr. Nystrom: No, I voted in my home province; I am an MP from Saskatchewan, and I always vote there.

Mr. Speaker, it is more difficult now because of the overwhelming majority of the Conservative Members. However, even with its majority, we can still make the Government change its mind from time to time. I remember very well, last summer, when the Minister of Finance wanted to deindex the old age security pensions, there was a general outcry throughout the country against such proposed measure. I remember very well, Mr. Speaker, the anti-parliamentary language used by Mrs. Denis when addressing the Prime Minister.

An Hon. Member: It is your fault!

Mr. Nystrom: It was quite anti-parliamentary! However, Mrs. Denis told the truth which everybody knows. She appeared on the French and English television networks, and as a result of her campaign and the unrelenting efforts of the Hon. Member for Beaches (Mr. Young) and other Members of the House as well as the elderly, although the Conservative Members in the House were 211 strong, the government had to change his mind.

I make the same call today, Mr. Speaker. In the same way we can change the Government's mind about the deindexation of family allowances if the people in Quebec start calling their Conservative member's office.

Mr. Kindy: I would like to ask my good friend who is sitting not far from me here, a question. Does he believe that we can balance the budget while making huge social spendings because, all things considered, if we keep on spending and the deficit keeps on growing, we will end up like a South American republic, a banana republic. As our revenues allow us to put more money in the social envelope, we will be in a position to increase family allowances and old age security pensions. But we must safeguard our ability to do so. Does he think this is a sound argument or not?

Mr. Nystrom: That is a good question, Mr. Speaker. I know full well that we have a problem with our deficit. You must not forget that the Prime Minister said during the election campaign that the deficit would not be reduced at the expense of the less fortunate in our society. The Prime Minister said that, he made that election promise, Mr. Speaker. But there is now before the House a proposal to cut back family allowances as the Government did with old-age security. At the same time, there is a lot of money for bankrupt banks. One billion dollars! I hope the Hon. Member does not approve of that. There are another billion dollars for Dome Petroleum; several million dollars for Syncrude, for Gulf, but in my riding, Mr. Speaker—

The Acting Speaker (Mr. Paproski): I am sorry—

[*English*]

Mr. Wilson (Etobicoke Centre): Mr. Speaker, on a point of order. By way of clarification, the Syncrude remission order was signed by the Leader of the Official Opposition (Mr. Turner) when he was the Minister of Finance in 1975.

The Acting Speaker (Mr. Paproski): That is not a point of order; it is argumentative.

The Hon. Member's time has expired.

[*Translation*]

The question and comment period has expired.

[*English*]

I believe the next speaker will be the Minister of Public Works (Mr. La Salle).

Shall we call it one o'clock?

Some Hon. Members: Agreed.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[*Translation*]

The Acting Speaker (Mr. Paproski): Order, please! When the House took recess at 1 p.m., the Hon. Minister of Public Works (Mr. La Salle) had the floor.

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, I should like to deal briefly with the remarks made by the Hon. Member for Yorkton-Melville (Mr. Nystrom), the mover of this censure motion.

I think we should all ponder the part which all elected members of Parliament should play, whether they sit on Government or Opposition benches. The Hon. Member for Yorkton-Melville talked about democracy, and we are all glad, I am sure, to live in a democratic system. However, while such a system allows us sometimes to say silly things, it should not prevent us from telling the truth and to behave as honestly as possible, thereby ensuring the credibility of the system in the minds of the Canadian people, in order to have a Government and country as honest as we hope them to be.

When a Government has been in power for 12 or 13 months, Mr. Speaker, it is easy to emphasize the problems which affect this great country, and to deplore especially the situation which exists now in the province of Quebec.

It is easy to take a pessimistic view of events. But it would be just as easy to recognize that some things did happen, some interesting proposals were made and that a change occurred.

And I frankly believe that no Hon. Member in this House can deny it.

The Prime Minister of Canada is blamed for not having kept his promises. In fact he has four years to do so. He has already made good on some of them and I believe it is important to take part in this debate today, and I shall try to do it in a non-partisan way in order to remind all Canadians, especially the people of Quebec, that we have been truly concerned with the status of Quebec within the federal system.

That being said, Mr. Speaker, I would also ... speaking about openness, the sponsor of the motion before us has emphasized the difficult situation regarding unemployment. That problem did not arise on September 4, 1984! And the Hon. Member is well aware of it, having been in this House since 1968, I believe.

I wish he had said, for instance, that as Minister of Public Works, as you have seen it, Mr. Speaker, I was very pleased to announce on behalf of the Government and in the best interests of the citizens of Edmonton, which is very close to his own province, a $200 million project that will create 2,000 jobs over the next three years. I wish he had said that. He surely forgot, because I have known the Hon. Member for a long time and he usually is a very honest person. He did not have to praise the Government, but he could have, at least, mentioned the fact and thanked the Government for having considered the difficult situation of the construction industry in Alberta.

Coming back to Quebec, Mr. Speaker, it is true that we have done a number of things which I have witnessed. As a Minister, I was very glad and proud to announce them nationally, but also in the Province of Quebec. However, the most important promise made by the Prime Minister was a commitment to restore the economic climate of this country, to prepare for a real economic renewal which would create a climate favorable to investment. I think all Members agree with that. We all want to encourage investment.

For Quebec in particular, Mr. Speaker, our Government—and nobody found fault with that—was able to reopen communication between the two levels of Government. I believe that the Hon. Members opposite are aware of this improvement in our relations with Quebec. Now, Quebecers are proud to talk and negociate with the Government of Canada and they are willing to make proposals and enter into agreements with us. This is a very good thing, and I am sure Quebecers are delighted. That was the national reconciliation the Prime Minister (Mr. Mulroney) referred to so often during the election campaign, and that is what we have achieved, Mr. Speaker.

• (1410)

People who are willing to listen and to understand the meaning of this reconciliation, of this renewed dialogue with Quebec, will understand that it definitely creates a favourable climate for investment, a climate that was urgently needed. We created that climate, Mr. Speaker.

In addition, there have been a series of agreements with the province of Quebec, and I suppose our friends opposite will tend to overlook this fact. So I think we on this side have a duty and we are of course delighted to point out that we have concluded agreements with Quebec that will create jobs and produce some very interesting projects. And I am sure that both Liberal and New Democratic Party Members will at least applaud the projects resulting from these agreements.

We were not condemned for signing a historic agreement for $1,600 billion to be spent on regional economic development. We did that, Mr. Speaker. The agreement means $350 million for industrial development, $100 million under a federal-provincial agreement on tourism, $40 million for communications, $40 million for cultural infrastructure, $300 million for forestry, $170 million for transportation and $100 million for the development of new technologies.

Now, Mr. Speaker, I am mentioning a few points which in my opinion should be mentioned and kept in mind throughout our beautiful province of Quebec, and should also be kept in mind by all of us in this House in replying to an accusation which I feel is not fully justified, to the effect that Quebec would have been left out, forgotten in our present and future policies.

Mr. Speaker, what was important first and foremost was to restore this atmosphere. And we did restore this atmosphere. We can now speak together, and I believe these Opposition days should also give us the opportunity to make some observations without necessarily indulging in criticism, which is probably the easy way out.

With respect to Quebec, Mr. Speaker, I also knew where the Liberal Party stood during the election campaign with regard to the Pétromont plant in Montreal. Of course the overall situation was mentioned. We managed to bring down unemployment, Mr. Speaker, although not enough. They will say: it is not enough. Of course it isn't, and we intend to go on. We lowered our interest rates, and we are very pleased and everybody is very pleased with that. But they on the other side will not mention it, and I know that too. We controlled inflation down to its lowest level in years, and that of course is another highly positive achievement. But in East Montreal—we had, quickly after the elections, and some Hon. Members may not recall this, we had pledged $15 million to at least try and save a plant in Montreal called Pétromont. We may be accused once again by opposition members of being in a difficult position with a Montreal refinery, but they will forget to mention the fact that for instance in the past ten years some 12 refineries were shut down throughout Canada. They will probably say that we have not done our homework in respect of the textile industry. Thousands of jobs have been lost over

the past ten years. Yet, it was not under a Progressive Conservative Government. They will probably say that we have not done our duty in respect of the footwear industry. A statement concerning the footwear industry is forthcoming, and we are going to do everything possible to save jobs in both the textile and the footwear industries. Thousands of jobs have been lost in both these industries.

And my hon. friends know it. I am not putting the blame especially on the Hon. Member for Richmond-Wolfe (Mr. Tardif) for that. I am not saying anything of the sort, Mr. Speaker. What I am saying is that before blaming us for jobs which are being lost in a difficult climate which is not of our own making, Mr. Speaker—

One should be careful before accusing this new Government which is striving every day to repair the almost irreparable, Mr. Speaker. That is what we are up against. There is more. For instance, the Hon. Member for Yorkton-Melville (Mr. Nystrom) blamed us for the billion-dollar rescue of the banks, as if we had wished those people or any bank in Canada to experience such difficulties. That is not true, Mr. Speaker. We have to deal with the situation. We try to make the best of it and I think we have shown the best of dispositions toward those who put their confidence and their money in those banks. Then again, we will be told that we only protect the rich because we reacted, we realized the importance of suppressing any doubt about the credibility of our banking institutions. We had no other choice. We had to act, and we did. I know that action will prove to be quite worthwhile, in the mean and long term, Mr. Speaker, because we cannot afford to leave any doubt about the credibility of our banking institution and jeopardize the investments we need from abroad and within Canada. So we responded to a situation we inherited, Mr. Speaker.

I do not want to spend all the time I have critizing our predecessors, but I say we have changed course in the last fourteen months. As our colleagues of the opposition know, because the figures are there to prove it, the economic conditions are more favourable, and business people have a greater degree of confidence. Of course, this morning mention was made of a slight increase in the unemployment figure but people seem to forget, for example, that over the last 12 months, more than 300,000 jobs were created in Canada and nearly 100,000 of those were in Quebec; the matter came up no doubt as a result of the poll published this morning, and I am not happy with these figures, Mr. Speaker, of course I am not. But the question is: so we really want to see our economy take an upward trend and get our country back on the road to prosperity? That is the question we have to ask ourselves, and each and every Member in this House is moraly responsible for achieving that goal which is not only to have our country regain its economic stature, but also to have a sound economy.

I think every member, in the Opposition as in the Government, has a certain responsibility towards this objective and I think that we ought not to go beyond what is generally accepted. To level criticisims is very easy, Mr. Speaker, and I have been in the ranks of the Opposition before, but never have I indulged in petty politics. I did not want to be considered as a second-rate politician, Mr. Speaker, and that is why I have consistently refused to score political points at the expense of the elderly, as was done here recently when it was implied that our party is against the poor and the elderly. God knows, Mr. Speaker, we have a lot of respect for these people, and if we work so hard to get our economy going again it is especially in the interests of the poor and the elderly, Mr. Speaker! Some will say that our investment oriented policies are directed only at those who are capable of investing. Of course, they are! Mr. Speaker, farmers, businessmen and homeowners are fully aware of the impact of the $500,000 maximum capital gains tax exemption. But why did we abolish the capital gains tax! To give people an incentive to re-invest in their own country—they are free to do so and we have confidence in Canadians—and also to create jobs so that we will be able to give work to those who are unfortunate enough to depend on unemployment insurance or who for too long have been living off welfare.

It is part of an over-all strategy, Mr. Speaker, and those people know it. I would suggest that the initiatives we have taken will pave the way to economic recovery, particularly certain agreements we have signed with Quebec. I am proud of them, so are all my Quebec colleagues, and I commend them. However, Mr. Speaker, I remain somewhat wary of the Opposition approach. I keep wondering whether they really want us to succeed in getting the economy back on the right track and creating new jobs.

• (1420)

You know, the previous Government has institutionalized unemployment. I have to point out that the number of unemployed went from 300,000 or 400,000 to 1,750,000 in the last 12 or 13 years. They probably think we are biting off more than we can chew when we say we want to reverse this trend, but they should help us anyway. They should react positively, and I will be the first to applaud if they can recommend incentive measures to create jobs. But they refuse to support our efforts to achieve that goal, however noble it may be since that is how we want to give renewed hopes to our youths and make elderly Canadians feel even more secure. No wonder I entertain serious misgivings about the objectivity of those people who are launching unrelenting attacks against us barely 13 or 14 months after we took office.

Mr. Speaker, over the last 14 months we have steered a different course so as to expect better days. The economic picture is brighter: interest rates are lower, as I said earlier and the number of bankruptcies has also decreased significantly; we have evidence that confidence in the economy is growing and that negociations on tremendously important projects are about to start. With regard to our negotiations on free trade, there again the Opposition is quick to spread doom and gloom and predict failure while alarming Canadians with dismal predictions. The biggest mistake this Government could make would be not to move with regard to free trade.

We are aware that not only must we begin negotiations but we also have to open wide our ears to have meaningful discussions with our American partners, neighbours and allies. We are aware of the challenge and the work involved. But doing nothing would be irresponsible from this Government and we are not irresponsible people, so we shall tackle those negotiations face to face with a very specific goal in mind: to improve what we have and to increase the number of jobs directly related to our export markets. That is our goal, Mr. Speaker, and we think that we will therefore entirely fulfill the responsibilities given to us.

I might add that as far as the province of Quebec is concerned, I was also very happy to agree to a payment of $27 million to compensate farmers following crop losses they suffered in 1983. We have not found it necessary to refund those people. It has now been done, Mr. Speaker. We also approved a $26.7 million payment under a crop insurance program. Funds of $16 million have also been earmarked for a very interesting industry in Sainte-Foy, namely an optic and laser centre. And what about the settlement of the Mirabel claims? I think that all the Hon. Members are quite happy with the settlement which I was able to achieve with the expropriated landowners within nine months of being appointed. Naturally, we hope, by implementing relevant policies, to be able to give back to these farm lands their former natural beauty and usefulness.

Mr. Speaker, I know that my allotted time is nearly over, but while this motion accuses us of having forgetten Quebec and of not thinking about the poor, our whole economic policy is aimed at helping those who need it the most. The Opposition can do whatever they like, we shall probably refuse to develop a social policy as a whole. We are honestly and sincerely trying to help those most in need, but we shall have to create a renewed prosperity. Then, we shall be able to provide more assistance to those who need it the most, and, like the Members opposite, we shall be quite happy to improve the lot of those we represent.

The Acting Speaker (Mr. Paproski): Questions and comments. The Hon. Member for Richmond-Wolfe (Mr. Tardif).

Mr. Tardif: Mr. Speaker, I listened with great interest to the comments of the Hon. Member for Joliette (Mr. La Salle), and I must say that either his comments are demagogic, or else the Minister is making very valid efforts without receiving any support from his Quebec colleagues.

I have noted his commitment concerning the shoe industry. However, I also remind him that he made the firm commitment during his election campaign that his Government would pay $13 million to hog producers. There is one thing I know, and that is that if the Minister had got his way, this amount of $13 million would have been repaid a long time ago.

However, I have been wondering, and this is my question: How come he does not get the support of his Quebec caucus, which is quite powerful, for this kind of initiative?

I also have a subordinate question. The previous Government had made commitments which were endorsed by the conservatives during the election campaign, namely, the cartography project and the agricultural laboratory in Victoriaville—where, I believe, he is going this weekend—which was to specialize in plant diseases and protection. They also promised to build a gas pipeline between Sherbrooke, Windsor and Asbestos. These were firm commitments. Why didn't he deliver? Why didn't he carry out such projects which would have created much employment?

Mr. La Salle: Mr. Speaker, I shall not go back to 1979, when our friends opposite defeated us over an 18 cents a gallon tax. We know what happened afterwards.

So I would have lots to say about honesty.

As concerns the $13 million that were promised to hog producers, I remember having promised $27 million during the election campaign for crop losses. A $30 million figure was mentioned but we settled for $27 million. That amount was paid by our Government.

The Hon. Member mentioned a $13 million commitment, but he forgets, once again, to mention and thank me for the $27 million which was given to farmers in his constituency and elsewhere in Canada. He forgets about it, but that is understandable.

As for the $13 million intended for hog producers, Mr. Speaker, the Hon. Member knows perfectly well that we could have settled that question soon after the election, if it had not been for the position our American neighbours have taken about that industry. He understands it so well, Mr. Speaker, that he could even explain the situation to me. We were actually embarrassed, because we feared that a quick payment of that subsidy might have resulted in the loss of export markets as high as 25 per cent for hog producers in Quebec. That would not have been very helpful so soon after the election.

He mentions several other projects, such as the Cartographic Centre which, obviously, he should know is still alive. However, the Hon. Member will understand that we have a $200 billion deficit, the legacy of these gentlemen of the previous Government who forgot to take care of that before they left. So we have a small debt of just $200 billion, the servicing of which costs some $25 billion. Obviously, we had to postpone certain projects because of that, not only in Quebec but all over Canada.

Heaven knows, Mr. Speaker, how much I would like to carry out these projects as Minister of Public Works. That would really make me happy. Due to various considerations

and budgetary restraints, it has not been possible to go ahead, but we have not forgetten or rejected these projects.

It is our hope, Mr. Speaker, that as we proceed with this economic recovery, we can implement those projects as soon as possible, both in the area of cartography and others, in the best interests of all Quebecers, and in all the constituencies of Quebec.

There is no problem about that, Mr. Speaker, and it is not always easy, as the Hon. Member for Richmond-Wolfe very well knows. He did not mention the footwear industry in his remarks to me, because he knows perfectly well, having been a Member of a Government which unfortunately had problems with the footwear industry, yes, he knows perfectly well that this cannot be solved as easily as he would hope, and if it was that easy, I wonder why he did not do so during the eight or ten years he was with the Government, and a majority Government besides.

● (1430)

Mr. Kindy: Mr. Speaker, I would like to commend the Minister of Public Works (Mr. La Salle) for his liveliness, the way he defends the interests not only of Quebec but of Canada, and of this country's economic situation.

I would like to congratulate him no just for the work he is doing in this House, but also because he is a most able Minister.

I have a question for him. He mentioned an investment in Edmonton. Could he give a few details on what is being done with respect to that investment?

Mr. La Salle: Mr. Speaker, true enough, this may not be the most difficult question, however, it is relevant.

I assume that each one of you would like to have a project that would be creating 2,000 jobs over the next three years. In the larger National Capital region, here in Ottawa, we have no cause for complaint, there are museums that are proceeding well, and so on. So in the case of Edmonton, it is a major federal presence that will be called Place Canada, in Edmonton proper where a hotel, office, and business complex will be built, of course, for the benefit of people living in Edmonton. And, there is not doubt about it, the federal Government probably will also have congenial office space for its public servants in Edmonton.

What to my mind was the most interesting for Edmonton, considering the unemployment rate in the construction industry prevailing in the great City of Edmonton, in that great region of Canada, since there were economic problems there as elsewhere, I think, was this compensation, this federal presence which responded to a need in the construction industry. I remember quite well that the unions at that time had talked to me about that as well as other people concerned, civic authorities and the Members of this House. Our Members, Mr. Speaker, had told me that it would be relevant to have a major project there because of the economic circumstances existing in Edmonton.

As a Quebecer and as Minister of Public Works, I will admit, Mr. Speaker, in this fine spirit of national reconciliation, that I was proud last Tuesday to dedicate this first-rate complex which will take shape during the forthcoming months, of course to the great satisfaction of Westerners.

Mr. Heap: Mr. Speaker, I should like to put a question to the previous speaker.

Mr. Speaker, on May 4, 1984, in the Sherbrooke newspaper *La Tribune*, the following could be read: "A Tory Government would not remove quotas on imports set by Canada in the footwear and textile industries as indicated Wednesday to *La Tribune*, by the Conservative Leader Brian Mulroney. The quota policy will remained unchanged, according to Mr. Mulroney who said that he was not in favour of free trade in those areas."

[*English*]

Mr. Speaker, I would like to know whether the Hon. Minister can tell us if the Cabinet remembers the promise made by the Prime Minister (Mr. Mulroney) on May 4, 1984, when he was seeking the votes of footwear workers and others in Quebec. We have heard "delay, delay, delay" in the past two months. The Hon. Member for Joliette (Mr. La Salle) said that there will be an answer, but we have heard that for weeks and weeks. Members have asked when we are going to hear a statement. We know that retailers are not buying from Canadian buyers because they are waiting for the end of the quota in three weeks. When will the statement be made and will it honour the pledge made by the Prime Minister?

[*Translation*]

Mr. La Salle: Mr. Speaker, I am very pleased to inform my hon. colleague that a decision will be made before November 30.

The Acting Speaker (Mr. Paproski): The period provided for comments has now expired. Debate. The Hon. Member for Saint-Denis (Mr. Prud'homme).

Mr. Marcel Prud'homme (Saint-Denis): Thank you, Mr. Speaker. Earlier, when I was listening to the Hon. Member who presented the motion for the NDP, and who comes from a riding in Saskatchewan, I felt that I had to tell him, first of all, that I did not have to be grateful to him for presenting this motion and limiting it to Quebec, because in any case, he know and his party knew, that yesterday, today and tomorrow we were having a general meeting in Halifax, where the majority of the Quebec caucus, at least our party's Quebec caucus, since they don't have any Members from Quebec, would probably be attending. At the request of my whip, the person responsible for party discipline, we managed to get some of our Members to stay, because this motion, in addition to condemn-

ing the Government, might also be construed as an attempt to demonstrate, at least partly, that the party I represent, which has had many Members from the province of Quebec and which very shortly, I am sure, will be able to win back the trust of Quebecers . . . so I certainly do not have to be grateful to him for the way he, in a more or less rhetorical fashion, limited his motion, although after listening to him via the television cameras, I had not heard anything that concerned Quebec. He did not speak at all to the motion before the House, the motion concerning Quebec and the fact that this Government has apparently abandoned the province of Quebec.

I thought he was exaggerating a bit, especially when I heard him talking about social programs. Having always been an avid reader of La Fontaine's fables, if I may on this Friday afternoon, Mr. Speaker, and this is quite relevant, I should like to relate what came immediately to my mind. When I listened to my very good friend the Minister of Public Works (Mr. La Salle) I was reminded of another fable. The NDP Members who openly take credit for all social programs reminded me of La Fontaine's fable about the stagecoach and the fly. It is unfortunate that young Quebecers and Francophones in the rest of Canada are no longer taught La Fontaine's fables, everybody should know them because they seem to always apply in every human situation. Now, about the stagecoach and the fly, I will skip the first few lines. It was going uphill on a sandy and tough road which was hard to climb. It goes something like this: "The fly sees horses coming. It gets the idea that buzzing them will help. It stings them one after another, convinced that it alone keeps them pulling the coach. Indeed it takes full merit and complains it is doing all the work. After an arduous climb the coach finally reaches the top of the hill and the fly says: Now I can breathe, I worked so hard for those poor people, they finally made it to level ground".

My friend the Minister of Public Works takes it for granted that all of a sudden everything is peachy and inflation is going down, as if the previous Government did not have anything to do with that. But it does take time and the downward trend was clearly unmistakable before the elections when the inflation rate was 4 per cent and interest rates were levelling off. There is one of La Fontaine's fables which applies, not to him, but to his Party, the one about the frog trying to grow as big as an ox. This really applies, Mr. Speaker, to the Government which claims all the merit for the completion of almost everyone of the big projects which were already started and for which it just had, as was mentioned yesterday by the Minister of Public Works (Mr. La Salle) to reap what others have sown.

• (1440)

What strikes me, Mr. Speaker, is that during the debate on this motion today, the Hon. Member of the NDP did not really make any reference to his motion, which will probably allow the Government and Official Opposition Members to digress a little, but I will leave to my colleague and friend, the Member for Richmond-Wolfe (Mr. Tardif), to speak about the third part of the today's motion, that is:

> Protect and safeguard Key existing industries such as lumber, textiles, agriculture, pulp and paper and footwear.

I will entrust my colleague and friend of Richmond-Wolfe to do that.

I was not offended because we are among colleagues, and there is no reason to be shocked because one of then says things he or she might not like, however I was somewhat surprised at the strategy of the NPD which had the whole debate revolue around the situation in Quebec. Obviously, the Gallup Poll gave them temporarily 22 per cent and they believe, of course, they have made extraordinary progress; they imagine themselves in power, as the fly of the la Fontaine fable they see themselves at the top of the hill. Well, I must say to him, Mr. Speaker, that I would have liked to see him make the same remarks in English, because what I do not like with the NDP, with socialists—although socialists are very respectable people—I so not mean nasty and mean socialists, but socialists—They always take the same approach to debates in a very clever but around about way, the class struggle approach. I find this dangerous, expecially when they say "The rich get richer and the poor get poorer" I have seen the theme of their campaigns "Let's make the rich pay". It has a demagogic and sad ring to it. It seems to me that there should be a better way to approach this debate, and I say that out of friendship for my colleagues, because when people hear those words and take them at face value they might reach in a violent way which I do not think is what the NDP had is mind the NDP, formerly the CCF and eventually I don't know what—I feel, Mr. Speaker, that one must always guard against this kind of class struggle rhetoric.

Having said that, I of course agree with them when they say the Government has reneged on its commitments. The abandonment mostly of their social programs because, as the Hon. Minister of Public Works said earlier: There are people in the political world who are trying to make us believe that we want to frighten the elderly, the old people, our elders. I would never dare accuse one of my opponents, even if during the last election campaign my opponents travelled across the constituency saying: Mr. Prud'homme is scaring you. I will not repeat what I said when I met those elderly people because of those who know my constituency, there are 12 homes for the elderly, I have known those people forever and they would have kicked me out if I had dared go and stir them up, scare our senior citizens, and as I said at the time, almost several months ago, it would have been a shame for my father who died at 90 to hear that his son could have gone to an old citizens home just to stir them up. But it was indeed facts that led us to go and speak to those people. It was facts. And what were those facts? The fact was that the Government decided to de-index old age

pensions. They are saying: Well, no, it was not serious. But I ask them: If your intention was not really to de-index and roll back pensions, why did you do it? It was the people's involvement that made you step back. And I have to say that I shall not be claiming the merit of that achievement for my party, and even less so for those who jumped on the bandwagon, the CCF Party which joined us in the wake of the efforts by our colleague, our champion, the one we had chosen within our party to be a leader on those matters, the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart).

But at the same time, and for the first time in their lives, the people of Canada got organized. Senior citizens who used to remain silent got their act together.

And I must say that I strongly oppose what I always hear from our socialist friends in Canada, that the Liberal Party also had brought down indexation, had de-indexed with its six and five program . . . which is misleading because that is not what happened. The deindexation proposed by the Government related to the first 3 percent . . . it was an immediate attack against senior citizens, those who received those cheques, to remove the first 3 percent saying . . . you will have nothing. However, the temporary proposal of the government at that time, and it did not last very long because inflation decreased rapidly, was 6 percent and 5 percent the following year, and it was not enough. But this hardly occurred because inflation decreased to 6 and 5 percent. Thus there is a difference between taking immediately the first 3 percent and what we did at that time.

It is the same as far as family allowances are concerned. I am very pleased to see that a distinguished colleague, a friend of Hon. Members' who is not a Liberal, an Hon. Member from the east end of Montreal, has just started to realize how dangerous the situation is, because she is now presenting petitions. The day before yesterday, the Hon. Member for Montreal-Mercier (Mrs. Jacques) presented petitions similar to those presented by all my colleagues, asking for the Government to withdraw their Bill on the deindexation of family allowances.

Why all this? Because it is related to the end of my speech. The Hon. Member, if anyone is honourable in this House he is, the former Minister of National Defence and Hon. Member for Victoria (Mr. McKinnon), presented a motion on behalf of his constituents to oppose deindexation. He is not a Liberal! He is not a member of the NDP!

He stood up by presenting a petition, and I do not know whether he spoke against the legislation or not, but he presented a petition, which was remarkable, knowing that it would be embarrassing for the Government.

Take it from me, Mr. Speaker: before the debate on the Government's plan to deindex family allowances is over, even my colleague the Hon. Member for Verdun will be tabling petitions calling on the Government to renounce its plan.

Mr. Speaker, the Government has failed to fulfil its promises concerning the well known RRAP—I cannot stand these acronyms!—Residential Rehabilitation Assistance Program. The activities in Quebec under this program have considerably decreased, while in Ontario they have hardly decreased. I cannot help thinking. I see in the statistics published this morning that Ontario is somewhat better off. There are 7,000 more jobs in Ontario. Unemployment has decreased. But for Quebec and other Eastern Canada regions which are faced with the same problems, it is simply more, much more of the same.

I should like to know what the elected representatives of the ridings I am going to name—I am not going to name all of them—have done about the RRAP—I do not think the hon. member who represents the City of Victoriaville is a Liberal. I hear that my friend the Hon. Member for Trois-Rivière was met with a demonstration, and that something resembling a sit-in took place at the PC office. I hear also that Gilbert . . . I mean the Hon. Member for Verdun has had his own problems. I can see our good friend the Minister, that is, the Hon. Member for Rimouski-Témiscouata (Mrs. Vézina) who manages to calm us with her smile when the goings get rough. Major cuts were also made in her own riding, and the people there fumed. The elected representatives of East Angus, Bécancour, even Victoria . . . The Council of mayors . . . A council of Bellechasse mayors say the same thing. A good friend from Rouyn-Noranda. They must be embarrassed. I hope they will find some way of explaining the unexplainable. Would you believe, Mr. Speaker, that a colleague who presides over our proceedings as you do, the Hon. Member for Sherbrooke (Mr. Charest), also has problems. Questions are asked in Sherbrooke, in Windsor.

• (1450)

So, Mr. Speaker, those promises must be fulfilled. Those cuts hurt middle-income earners and those who are ill off.

I could go on and on. Broken promises! Lord! I will be charitable and suppose the Government will eventually honour those promises, as the Minister of Public Works who responded on behalf of the Government said earlier. He asked for a chance for a Government that has been in power for only twelve, thirteen or fourteen months. I am quite prepared to give them a chance, since that allowed them to make all overtures. Everything they take credit for would have happened anyway, without them. Personally, and that is the advice I gave my colleagues, I prefer to start applying more pressure on the Government after eighteen months, two years or two years and a half. That is when the Conservative Government will be applying its own policies, which I fear.

In Montreal, as a last word on RRAP, Mr. Marcel Sévigny, the spokesman of demonstrators, was quoted in *La Presse* of Wednesday, March 20, 1985, as saying: "One hundred and twenty-five representatives of housing co-operatives on the

Island of Montreal demonstrated yesterday . . . " I say to you, Mr. Speaker, that those people will make the Conservative Government members move. There is no doubt about that.

I can say one thing, and that is my reply to those who say things were bad before. Even though my colleagues in my own party do not agree with my interpretation of our defeat, I believe the Canadian people seemed to have had enough with us. Very well. They made a decision. They re-elected 40 members of our party. I thank them, like my colleagues Rossi, Tardif and others who came back. We thank the people for keeping us but they decided they wanted a change. They decided that the Hon. Member for Rimouski was good enough, that the Hon. Member for Verdun was useful as well as my colleagues from Alberta and Nova Scotia who have been re-elected, and they wanted those people to bring about some change. Well, we are still waiting for a renewal.

I can tell you something, and I will quote from official documents of the Government. Things were not that bad in Montreal. At that time, we did not hear about problems like we do now in Montreal, and I am very concerned because I am first and foremost a Canadian and a Montrealer. And I do not forget my Quebecker status, which means I am a good Quebecker-Montrealer-Canadian.

However, in a magazine called *L'économie du Québec 1984* published by the Department of Regional Industrial Expansion, one can read, and I will only quote one paragraph: "For the second year in a row, the rate of growth of the Quebec economy has been higher than the national average". The Conservatives were not yet in power, or had been for a very short time. "Thanks to the sustained growth of the manufacturing and trade sectors, the real gross domestic product has increased by 4.9 in 1984, that is half a percentage point more than the Canadian economy as a whole. The improvement of the economic situation also resulted in a decrease of the number of bankruptcies in all economic sectors, except the resource sector". Our good friend, the Minister of Public Works said exactly the same thing earlier and I quote: "Since we came to power 18 months ago, we . . . " I was listening very carefully as I always do when our friend the Minister of Public Works is talking. Always, faithfully. I found that quotation in an official report, no less; entitled *L'économie du Québec 1984* published by the Department of Regional Industrial Expansion of the Government of Canada. I have it in my hand so that people can see it. There are copies available. It was released in August 1985. At that time—

I will tell you, Mr. Speaker, what has changed since that time, and I am sorry to have to mention that. People tell me sometimes I should be a little tougher. Nevertheless I am sorry to have to say that, Mr. Speaker. In Montreal we need doctors, that is strong Ministers who are able to deal with problems when they arise.

Of course, Mr. Speaker, we had problems in Montreal in the past, but the Ministers representing the island and the city of Montreal were so powerful that they immediately found solutions to them—and I will conclude with this hoping I will be asked some questions—what about Versatile, Vickers, Bombardier, Gulf, Canadian Steel Wheels and others; indeed, we had problems in the past, but in those days we had people in the Cabinet who could give help to those important companies such as Vickers and Bombardier. But what do we see today? For all those 40 ridings in the Montreal region, I do not mention the Hon. Minister for Public Works who knows very well how to take care of his own area and riding—

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member's time has expired. We have a period now for questions and comments.

[*Translation*]

Mr. Tardif: Thank you, Mr. Speaker. First, I would like to congratulate the Hon. Member on the quite remarkable way he described what is going on in Quebec, and with your permission, Mr. Speaker, I would like him to complete the last comments he made in this House about the situation on Montreal Island, especially in the eastern part. What are the problems and what solutions can we expect in the future?

• (1500)

Mr. Prud'homme: I would like to thank the Hon. Member. I shall be very brief because the rules say that we must be but it is really tragic, Mr. Speaker, that each time we ask the question to the Hon. Minister of Employment and Immigration (Miss MacDonald), she can only quote imposing figures. I can assure you that the workers at Versatile Vickers, Bombardier, Gulf, Canadian Steel Wheels, Parisette, D'Aoust & Lalonde, SKD Technology, of Montreal, and the others who will be joining them will not use these figures to buy food next Christmas or next Easter. They want jobs and they want the Government to act immediately. This is what is happening in Montreal East, and there is one thing I have noted for one of the first times in my political career. I went to Vickers, and in spite of what the Minister of Employment and Immigration said this morning in reply to one of my questions, we cannot sit on all the committees when there are only 40 of us and 21 legislative committees and 23 parliamentary committees. We know how to share work in my party and we have done so. We have the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart), the Hon. Member for Bourassa (Mr. Rossi), the Hon. Member for Richmond-Wolfe (Mr. Tardif) and the Hon. Member for Shefford (Mr. Lapierre). We each deal with certain issues.

I can tell you, Mr. Speaker, that these people, and especially the Vickers employees will not be satisfied with speeches or statistics, they want jobs. I know the Minister of Public Works very well, we all know he has a big heart, that is why I ask him to try and understand the desperate situation of Vickers employees. They thought they had an iron-clad contract and they see it go somewhere else. Even if it creates jobs elsewhere, it does not help them. I have met these people who will come on Parliament Hill and that is why I ask the Government to do something to deal with the sad situation in Montreal East,

because nothing creates more social problems than plant closures. If one closes, others are sure to follow . . . this is the domino effect. I know the Government is going to study the matter, but $100,000 to create a committee with the provincial Government, called Manpower Adjustment Committee, or MAC for short, will not solve the problem. I was at these meetings, Mr. Speaker, and I can tell you, and there is no doubt in my mind, that this people will not accept that we abandon Montreal East totally. You can ask my colleague from Bourassa, who was with me, or the Liberal Member for Saint-Léonard-Anjou (Mr. Gagliano). They have met these people.

The Acting Speaker (Mr. Paproski): A question from the Minister of Public Works (Mr. La Salle).

Mr. La Salle: Mr. Speaker, I should like to ask the Hon. Member for Saint-Denis (Mr. Prud'homme) a question. Concerning the contract signed by the former Government, it was clearly stated in the original contract to St. John's that of the six frigates, three would be built in Quebec. If there is an oversight today, I think the Hon. Member will understand the problem and it is that Quebec and not necessarily Montreal was mentioned. I am sure this contract was not concluded in bad faith, since guarantees were sought. It is now difficult if not impossible to politicize the debate, because there will be no job loss in Quebec. I understand the frustration of the people in Montreal who are bound to lose those jobs to other workers in Quebec.

However as Quebecers, I do not think we will quarrel about jobs in Quebec. I think that the Minister who was then responsible forgot a comma, because Montreal is not specifically identified. I think that the Hon. Member for Saint-Denis will admit that oversight which is the cause of a major problem but we should insist on that matter.

Mr. Prud'homme: Mr. Speaker, I have a short answer for the Hon. Minister. When that contract was awarded, it was understood that the Lévis shipbuilders, near Quebec City, would have their share. Because they had lost that contract so to speak, they were given something else, that is the retrofitting, or TRUMP program, for $650 million. Montreal got the other contract. It is so obvious that that was the real intent of the Government, no matter what the legal contract says, that the people from Saint-John, New Brunswick, were forced to go to Montreal since Paramax was directly linked to that contract. Paramax, which creates some extraordinary high technology jobs is not in Quebec City but in Montreal, to stay closer to shipbuilders. Those are the facts that need to be remembered.

Therefore, I would submit to the Minister what I consider a shrewd proposal. If, as is your intention or not whether there was an error, the contract now goes from Montreal to Lévis, I tell you in return, take the TRUMP contract from Lévis and transfer it to Montreal. This would make sure that the people concerned in east end Montreal and In Quebec City are happy, because the TRUMP contract was given to the people in Lévis who were expecting the contract that went to Montreal. Do the reverse. But, please, do not let people out of work, please, Mr. Minister. I urge your Government not to allow those people to be out of work. This will be a disaster for them. They can no longer be displaced. You know very well that, with all the great programs of your colleague, the Minister of Employment and Immigration (Mrs. MacDonald), it is difficult to place people in other jobs at their age. The Minister knows this very well. Mr. Speaker, you are a reasonable, intelligent and understanding man, you know very well that those people who have just lost their jobs cannot be placed in other industries. And yourself, if you had to decide, you would find that so clever that you would say: This sure makes sense, the TRUMP contract was given to Lévis, let us give it back to the Montreal people who just lost a contract to Lévis. Clearly, this is so very obvious.

[*English*]

Mr. Malone: Mr. Speaker, in response to the Minister of Public Works (Mr. La Salle), who spoke for some time about the advantages which the Government of Canada provided to the country, particularly to the Province of Quebec, the Hon. Member for Saint-Denis (Mr. Prud'homme) said that those advantages came about because they were on stream from the previous Government.

Would he take this opportunity to explain to the House and to Canadians why a $200 billion debt, which takes one out of every three tax dollars to pay for the interest on that debt, is an advantage? Had the Government been left with a stronger economy, which had not been blown away by borrowing, we would have been able to do much more than the Hon. Member is now suggesting that we are. Can he not reflect upon his own past in that regard?

The Acting Speaker (Mr. Paproski): I will allow one minute for the Hon. Member's rebuttal.

Mr. Prud'homme: Thank you, Mr. Speaker. I have sat with the Hon. Member for Crowfoot (Mr. Malone) in the House for a long time. I never saw him point his finger at the Government, when he was on this side of the House, for incurring all these expenses.

Mr. Malone: Oh, yes.

Mr. Prud'homme: I stand to be corrected, but I never heard the Conservatives, when they were in the Opposition, reproaching us or asking us to give up all the good programs which indeed were expensive.

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member but the period for questions and comments is now over.

Mr. Prud'homme: Have a nice weekend.

[*Translation*]

The Acting Speaker (Mr. Paproski): I am sorry, my hon. friend, but the period provided for questions and comments has now expired.

The Hon. Member for Essex-Windsor (Mr. Langdon).

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, today the House is considering a motion presented by the New Democratic Party concerning the situation in Quebec. The motion reads as follows, and I quote:

That this House condemns the Government for abandoning the people of Quebec by reneging on its commitment to:

(1) Develop new job potential in Quebec communities;

(2) Ease the tax burden on low and middle income families; and

(3) Protect and safeguard key existing industries such as lumber, textiles, agriculture, pulp and paper and footwear.

Mr. Speaker, I would like to speak to the third point which deals with the situation in Quebec's industry.

What is that situation? Mr. Speaker, today, if we consider all the statistics on the unemployment situation, we see that Quebec has an unemployment rate of 11.8 per cent. That is an increase over last month and constitutes a level of unemployment that is not acceptable in this country. However, some regions of Quebec have unemployment rates that are even higher. For instance, Jonquière and Chicoutimi have an unemployment rate of 15.5 per cent. The city of Montreal has an unemployment rate of 11.4 per cent, far too high for a city of its size.

Mr. Speaker, if we look at regions in Quebec that are located far away from these urban areas, and I am thinking of the Gaspé—In the Gaspé, we find unemployment rates as high as 17.1 per cent, 40.6 per cent, 40.9 per cent. This is intolerable in our country.

And these problems are the result of a widespread loss of jobs in industry in Quebec.

● (1510)

I have here a list of all the jobs lost in Quebec after the Progressive Conservative Government was elected last year. There is for instance in Ormstown a textile industry where 80 jobs were lost. There is another small plant in Saint-Jérôme where 30 people lost their jobs. The list could go on and on and on. There is for instance a small clothing factory where 55 people lost their jobs. But those are minor setbacks. There seems to have been a change this year in Quebec. Some shutdowns are taking place which create massive unemployment. Take for instance the case of Shawinigan with 175 jobs lost.

There are many other cases in such industries as lumber, footwear, leather, but mostly in the textile industry where losses are quite severe. Last May, for instance, in Quebec, 264 workers became unemployed at the Wabasso plant in Shawinigan and 560 at the Wabasso plant in Trois-Rivières. Those are weak industries, small scale industries, but industries which used to play a major role in the province of Quebec. Today I wonder that the Government's strategy is in tackling the problem of those losses in the manufacturing sector of Quebec. I believe there is no strategy, and I do not say that because I am a socialist, a Member of the NDP, I am saying it because I have discussed the matter with the textile industry in our country and they handed me their files and in the files you find a lot of interesting things.

In the files of the textile industry, for instance, you find a statement by the Conservative Party, a statement for immediate release, on July 26, 1984. That was close to the elections. This is the way they look at things in that statement: the Progressive Conservative Party will be committed, and it is a promise: first to fair trade, but not free trade.

That was not said by this NDP member. The Conservative Party said no to free trade before the election. It is true, that was your opinion.

Secondly, with respect to the textile industry. Stability is based on a promise of comprehensive quotas and a controlled increase of imports. Where is that promise now? There are no such comprehensive quotas. The Minister has perhaps forgotten them? Is that the explanation? I do not think so because the textile industry has held meetings with the new Tory Ministers who will provide a great future for Quebec.

For instance, in November 1984, the textile industry arranged for a meeting with the Minister for International Trade (Mr. Kelleher) and responsible for international exchanges. At that meeting, the textile industry set forth all the problems and difficulties experienced by the textile sector in Quebec and referred to all the jobs which would be lost if nothing were done.

Mr. Speaker, what has been done? Nothing! The textile industry is quite articulate and thinks that the Government really wants to respond to the industry. After a year's work to arrange for another meeting with the same Minister, on October 4, to deal with the same matter, with the problems it was experiencing, the textile industry told the Minister: "We told you that if nothing was done many jobs would be lost in the textile sector. And now since you have done nothing, many, many jobs are lost".

And at that October meeting the Minister was asked if it was then possible to arrive at some decisions. Was it possible then to amend the textile industry policy in a way that would be consistent with their election promises? Was it possible to have comprehensive quotas? The Minister answered no, it was not possible.

I have before me a press release issued before the election, which says: Here are comprehensive quotas, they are for you too if you vote Progressive Conservative. But after the election,

the textile industry told me the Minister had said: No, that is not possible.

And the textile industry apparently was not the only one to have made that proposal.

• (1520)

I have here a letter from the Quebec Government which says exactly the same thing. This letter, Mr. Speaker, is signed by Rodrigue Biron, the Quebec Minister of Trade and Industry. It reads, and I quote:

> The announced shutdown of the Dominion Textile Company plants in Saint-Jean-sur-Richelieu and Valleyfield, with the resulting layoff of more than 800 workers, and the recent Wabasso shutdown in Trois-Rivières and Shawinigan, with the resulting loss of 1,000 jobs, are but a few examples of the disastrous situation facing the Quebec textile industry.

And this is not an NDP Minister but a Quebec Minister who sent the Minister of Regional Industrial Expansion, Mr. Sinclair Stevens, this letter last August to ask for the implementation of global quotas. It is a small, direct and simple request, related to a promise the Conservative Party made before the election, and it is something very important for the future of the textile industry in Quebec as well as in the rest of Canada.

Here is a communication from the committee for the survival of the textile and clothing industry, it is an invitation to join forces so that this great magician, the Canadian Government, will not make our industry vanish because imports are not restricted. The survival of the textile industry is now for sale. But what does the Government do? It does nothing. Mr. Speaker, this Government has no strategy at all. We see the same thing happening in many other areas, like forest products industry, clothing and textile industry, for which there is no strategy. There is a strategy that could support Quebec communities and inform them about their economic future and that of our country. Take the Desbiens situation for instance. This is a project our Party considers very important, Mr. Speaker. During our tour, we visited Jonquière and found this small pulp and paper mill, and we have fought for Desbiens, asking in the House that the Government support this industry. It might not be a big struggle, but it is the struggle of a community which does not want to become a ghost town. This community seeks a balanced economy with jobs and a future.

When we raised questions, the Government announced help for Desbiens. But this now brings an other important question. The private company, which was considering building or renovating that small plant, has backed down. We must find an other solution and the House should take up this challenge. When we have this kind of small community which thinks in terms of planning the future, I believe we should have economic tools to help them.

The Acting Speaker (Mr. Paproski): I am sorry.

Mr. Langdon: Thank you, Mr. Speaker. The hope of that small community is the same as the great hope of the province of Quebec, and we endorse it without question.

The Acting Speaker (Mr. Paproski): Questions and comments. Debate. The Hon. Member for Charlevoix (Mr. Hamelin).

Mr. Charles Hamelin (Charlevoix): Mr. Speaker, first I must say that I am a little moved to be recognized after some very experienced members such as the Hon. Member for Yorkton-Melville (Mr. Nystrom) who brought forward this motion, then the Hon. Minister of Public Works (Mr. La Salle), of course, the Hon. Member for Saint-Denis (Mr. Prud'homme) and last my colleague from the New Democratic Party.

Earlier today, the Hon. Member for Yorkton-Melville proposed this motion in this National Week of Career Counselling announced by the Hon. Minister of Employment and Immigration (Miss MacDonald), I hope the hon. members of the NDP will take this opportunity to train for another career than prophet of doom in Quebec. I beleive this is a golden opportunity.

Moreover, I would like to indicate that the Hon. Member who is the sponsor of this non-confidence motion before us, said he belonged to a party which represents ordinary people. I, for one, as Member of Parliament for Charlevoix, I come from a region and I have not been elected by the previous Liberal "establishment" but precisely by ordinary people. I am the representative of a peripheral area. I represent ordinary people. I am Member of Parliament for a region where unemployment rate vary between 20 and 80 per cent. In my riding, I succeeded to a Liberal Minister, the Minister of Public Works, as well as Minister for Small Business and Tourism. When I was elected, I found that the economic situation in that riding was just as bad as everywhere else in Canada and particularly in Quebec.

• (1530)

I would like to say as well that I agree with the last intervention of the Hon. Member for Saint-Denis (Mr. Prud'homme) who spoke about the poor East Montreal region which is now in difficulty. I sympathize with those people and I suffer with them. But what about our peripheral areas, what about us people from the Upper North Shore, from remote areas like the Abitibi, from Gaspe, Rivière-du-Loup, Rimouski, who are constantly facing prohibitive transportation costs and business investment disincentives? I sympathize with people of East Montreal. I am quite sure that the meeting which is taking place between the Members from East Montreal and the Minister of Employment and Immigration (Miss MacDonald) as well as some of her colleagues will bring about solutions. This is a unique opportunity for them, given the

closeness of markets and so on, to start a new process in East Montreal.

As for us, what has been done for us during the last fifty or hundred years? We live in outlying, isolated areas. It happens that 13 or 14 months ago we too in Charlevoix in particular and in Eastern Quebec generally, voted, with an overwhelming majority for change? Why did we vote Progressive Conservative?

Precisely because we wanted to breathe into our people, the disadvantaged, a new spirit, a will of change, a will to control our affairs.

The previous speaker was talking about a mere 11 per cent unemployment rate. If I had an unemployment rate of only 11 per cent in my riding, I would be taken for a god. People would kiss my hands and feet. I would be carried in triumph.

The fact is that unemployment in my area is well over the national average. We always exceed it. And we avoid comparisons, because although it may sometimes be comforting it can also be distressing at times. In the area of underemployment and underdevelopment, we still have much progress to make. Yet we have started making some progress in cooperation with people. For example, just a day ago, I was 60 miles deep in the forest as a result of a deal made with Miss MacDonald to invest $509,000 in a forest management project. I was in the ditches with the guys, about a hundred men working at forest management and feeling proud and happy, despite the temporary nature of this investment, to be able to control the future of the forests. Because, of course, Charlevoix is also the country where *Le temps d'une paix* was filmed, it is the Little Switzerland of Quebec and indeed of Canada and one of the most beautiful areas of our country.

I urge my hon. friends to support the tourist industry in my riding by visiting Charlevoix next summer or even this coming winter . . . they could ski there also. That is an invitation. They will find excellent accommodation and can expect a warm welcome on the part of my constituents who are working hard to change things and improve their lot.

And I do my part too, as a backbencher, or rather, as I often tell the people in my area, I am a proud "front-sitting backbencher". We have managed, thanks to the Hon. Minister of Public Works (Mr. La Salle) and the Minister of Employment and Immigration (Mrs. MacDonald), to get some $15 million to invest this year in my riding and to mobilize my constituents around a number of projects which are a little more significant and around which we hope to create long and middle term jobs, for in spite of all the investment contraindication, we are trying to adapt to a changing situation. We make very effort to do so, Mr. Speaker.

The results are often late in coming. Like people in other areas, those who have lived for years up there on a Cadillac level find it hard now to step down to a Volkswagen. However, I urge them to follow the example of our people and to show this new spirit. Along those 100 miles of coastline my riding is almost 300 miles long—there are communities with just one small industry and often during the winter, you can count on you left hand those who are working. Do not waste time counting those who do not work. It takes too much time, the other way is easier.

However, we are trying to rouse those communities and to breathe into them a new working or creative spirit. And I was quite pleased, indeed, to take advantage of the support provided by my Government for certain projects and that creative spirit is going quite far. One of our industries was advertising today in the *Globe and Mail* its intention of issuing a new series of shares once it will have secured a loan from the Quebec Government which has not yet been confirmed. However, in view of their worthwhile project, which is to build a fifth pulp and paper mill, those people are issuing new shares. And I can tell you that the decision to expand has come from within, from the workers, the ordinary people, the leaders and the unions who are fostering this development and asking for this new investment. I hope that the issuance of new shares will be really successful and that they will find the necessary capital without too much help from the Government. Of course, they have asked us to intervene. They asked the Quebec Government. If the Governments of Quebec and Canada had been willing to open up the valves, we would have been the first on to congratulate them and to provide financial aid to that business. However, what is more fantastic yet is that they have done it all by themselves encouraged by the worthiness of their project. I feel this is great and I hope it will result in the creation of 200 or 300 jobs in an area which is highly underprivileged, but still experiencing major technological changes.

Some investments have also been made under the Minister of Public Works (Mr. La Salle). This week, a $800,000 project in my constituency will get under way for the refitting of a new wharf. The use that is made of those wharves will be changed. I have had funds invested this year in Tadoussac, where the tourist industry is experiencing new developments, where very low unemployment rates have been felt in that small community because of the natural phenomenon of whales visiting our shores. This is an extraordinary event, which year after year generates activity with people coming to enjoy that tremendous attraction. And this has been done by local people. There is a new spirit that is spilling over. And, of course, If we had all that money available, if it were not for that damned $200 billion deficit, if the previous Governments had not run wild with the coffers, we might afford to add to all this activity. There is also a tremendous awareness effort in the small community of Sacré-Cœur, where cooperative movements "rehabililated" a mill. Yet, the previous Governments had spent $47 million, but because of the distances those $47 million proved to be unproductive investments. There were successive failures, but for the first time, the local people took

over that investment and the company manager, assisted by the chairman of the cooperative union was proud to show us the 196,000 board-feet of average production, a figure never before achieved for that mill and which has steadily been maintained for some months now. That same cooperative union with others in the area, and even some private investments are triggering a process that will, as I wholeheartedly and despite unfavourable conditions, our remoteness, the financial reluctance of the banks—In remote areas like the North Shore, banks think that assets have no resale value at all whereas in Quebec City, you can get loans up to 70 per cent or 80 per cent of your investment, because banks know their money will easily be recovered if the project fails. The bank thinks: "I will recover as much as 70, 75 or even 90 per cent of my investment." In our outlying communities, you get 0 per cent. And investors must give iron-clad guarantees.

Despite all that, however, there exists a new climate, a new will and a new hope. And contrary to what today's motion implies, I think that we are creating new opportunities in the remote areas. If past debts were not so heavy we could build our future more rapidly.

Now, this is a young Government and despite a lack of resources, it stimulates people and investments. When my Government says it intends to negotiate free trade, it has a tremendous impact where I live. However, free trade is important for the forest industry, the lumber industry, the sawmills which cut our timber. Should the Americans decide to limit our exports, as they intend to do under the influence of the protectionist lobby responsible for the Gibbons Bill and others, something we watch very closely, it would be a disaster.

That is why it is crucial that or Government anticipate that trend and tell the Americans: "Let's sit down and negotiate". Naturally, our people expect our Government—elected for that purpose—to protect the interests of the average Canadian. I can tell the Hon. Members of the NDP that, in my riding, dealing with the lumber industry and exports to the U.S. is dealing with ordinary Cannadians.

I repeat, I represent ordinary people, not the Establishment.

I was working on a project in a community of 800 inhabitants. We had the financing. We had, thanks to the Department of Regional Economic Expansion, the Department of Manpower and Immigration, the Government of Quebec and Hydro Quebec, a nice little project of $1.7 million. We were to announce it, to start creating 60 jobs, permanent jobs. But, the threat of American protectionism was enough to make the main developer back down. That was the only threat.

• (1540)

You can see the need for us to initiate such a process in the best interests of regions such as mine, where tourism and the forest industry, which often has low stocks because of the infestation by the spruce budworm, need investments. An agreement of $300 million has been signed with the Quebec Government, and I have learned that workers in my constituency are already benefiting from this agreement. What is also interesting, is that—my colleague tells me that we should speak about remote areas, such as Pontiac, Gatineau, Labelle and Lac-Saint-Jean. He is right. This is Canada and Canada is a country of regions. If we were ever to forget that fact in Ottawa, this country could not survive. We, in the ordinary regions, are what make up this country.

As I was saying, this new agreement between Canada and Quebec is beginning to show results. There are new spruce trees in the forests and work for the unemployed in my region. It is unfortunate that this motion has been introduced by a Member from Saskatchewan, even though I have a lot of respect for him. I see his intervention as coming from someone who wants to invite us to do more for Quebecers. However, I can assure the Hon. Member that we, the new Conservative Members from Quebec, who might, it is true, not speak that often in this House . . . do you know what we are doing? We are waiting to see the results of all this experience.

Of course, we cannot judge the future by the past. We saw what our predecessors did. You, socialists, never had the opportunity to implement your proposals. However, the people in France now bitterly regret having done so, and there will be major changes in this regard.

However, I understand this proposal. I would rather view it as an invitation from a colleague to do more. But before redistributing wealth, we have to create it. We are now doing so with what little means we have at our disposal, but I hope that the policies we are implementing and which admittedly impose certain sacrifices on the public will enable the outlying regions to initiate an ongoing process to achieve their economic potential so that their needs will no longer always be subordinated to those of the major centres.

As for the 74,000 jobs created in Quebec, I would naturally have liked them all to be in Charlevoix. Some of them have probably been created in our region, and it is thanks to the dynamic attitude of this Government, to this new spirit of entrepreneurship, to this new will to promote development, because of which within four years, we shall have fulfilled our mandate to change, maybe not that much, but significantly, the economic picture in Quebec and Canada.

Mr. Langdon: Mr. Speaker, the Hon. Member made a magnificent speech. We have many NDP members who could say the same, but we must say it is the same Government who decided to give away $865 million to two major banks. It is also the same Government which made cuts in RRAP, the program that was so helpful for your area.

I agree with what the Hon. Member had to say and it was very interesting to hear both speeches one after the other. I also think as a Member from a peripheral area, namely South Ontario instead of Quebec, but it is basically the same.

I think it is essential for all of us from remote areas to appeal to the Government who pays more attention to demands from Montreal, Toronto or Edmonton; we must tell him that he must now listen to remote areas.

I believe it is sound to struggle, it is important for the Hon. Member that we support him and we hope that during next Parliaments we will lead the Government to at last listen to what remote areas have to say. That would be helpful.

• (1550)

Mr. Hamelin: Mr. Speaker, I thank my colleague for his support which, I hope, will be more forthcoming than in the past for this Government. I am as anxious as you are to achieve all these objectives and you know, I wish we would have the "Decade of remote areas", but we should give ourselves the means to achieve that end. My people and myself still have enough patience to understand that we must give ourselves the means to act, to give more consistency to this economy, to have more confidence in private enterprise because I too believe in it, even though it is difficult in our region. But I am prepared as well as my fellow citizens to ensure that we take some time, that we change our scale of values and that within a short time we may achieve all the objectives that this Government and this party . . . all the objectives I have set to myself as a Member of Parliament both for my riding and for all peripheral areas.

The Acting Speaker (Mr. Paproski): Questions or comments. The Hon. Member for Richelieu (Mr. Plamondon).

Mr. Plamondon: Mr. Speaker, first of all I want to congratulate the Hon. Member for his excellent presentation. We understood how much you wanted to defend the interests of peripheral areas. You have said it many times in your speeches and since you talked about Canada and its regions in your presentation, I wish you would tell us about a statement that you made a few months ago regarding that suggestion to help our regions and to create a special fund for this purpose. Following the statement that you made a while ago, I wish you would give us details as to how this special fund would work to ensure that peripheral regions are taken care of.

Mr. Hamelin: Yes, Mr. Speaker, a few months ago, within the very structures of our party, I did suggest the establishment of a regional fund of development, not to be confused with a fund of regional development, and I even put forward a figure of several millions of dollars for each of the ridings or outlying areas. From that fund we, the people from the regions, could draw on the basis of various factors, criteria, competitiveness, investment disincentives, to realize all our social and economic potential. Unfortunately, for the time being we lack the resources to put these policies into place, to establish this regional fund of development, but the idea has already gained ground, for even the Quebec Government and certain people have talked about it and I hope that the idea will gain even more ground to the point of allowing us to establish it at some point in the future, when the funds are available.

The Acting Speaker (Mr. Paproski): Questions and comments are over. Debate. The Hon. Member for Richmond-Wolfe (Mr. Tardif).

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I am very pleased to take part in this debate. If I may, however, like my colleague I deplore the fact that the motion, which has my full support under these circumstances, has been introduced when most Quebec Members have to attend the Halifax convention. Be that as it may, I should like to take the next few minutes to voice my views with respect to the motion before the House.

• (1600)

As Hon. Members may recall, we were in the midst of an election campaign a year and a few months ago, facing men and women who were crisscrossing Quebec and making every kind of firm commitments. The underlying theme of all those commitments was "jobs, jobs, jobs". Everybody then knew the state of the country's financial situation. Canada's debt was not a secret to anyone and, more than that, during the months following the election of the present Government it became clear that our indebtedness was definitely not as outrageous as they had claimed throughout the election campaign.

It is therefore fair to say that they were fully aware of the Canadian economic situation when they made those hundreds of promises and commitments on the hustings. They knew that Canada had gone through extremely hard and difficult times when, unfortunately, the deficit was bound to increase. They knew what the score was all right, but it did not stop them from making formal promises. So election day came and we all know the results—the Canadian people gave a massive vote of confidence to the Progressive Conservative candidates.

Here we are now, November 8, wondering what has been accomplished during those short 14 months. We have been hearing all along that inflation went down and interest rates declined since they took office. We were also told that they had a strong mandate to take whatever action was necessary under the circumstances. Well, as everyone knows, one does not have to be an economist to realize that the current situation with respect to interest rates and inflation happens to be the outcome, the result which could have been generated only through policies which had been implemented long before the Conservatives even arrived on the scene.

They pass a number of measures. They introduce a number of bills, but the particular feature of this Government is that for the majority, if not for all of its initiatives this Government, dug into the pockets of the constituents of my hon. friend who are people of modest means, whose salaries are very small or very average.

There may be a certain logic in taking money from the people through direct and indirect taxation to lower down the deficit. On that basis that kind of rationale is acceptable. However, what is unacceptable, what is even odious, is the fact that these sums collected through taxes on drugs and deindexation of family allowances, are being given away to the tune of $1 billion or several hundred millions to individuals or companies which also have certain responsibilities under the circumstances and should participate in the economic recovery of this country. It is totally unacceptable to take money from people who cannot afford that extra expense.

Still under the theme of job creation, they also said to the people of the region I know best, the Eastern Townships, the Bois-Francs, that they were going to develop, as soon as possible, a number of projects, absolutely essential to the economy of the Eastern Townships to strenghten its infrastructure and to create direct jobs and thousands of indirect jobs.

Obviously, I am referring to map-making, to the gas pipeline which should have linked Sherbrooke, Windsor and Asbestos and would have created hundreds of jobs as a result of infrastructure improvement.

They also said, because this is an agricultural oriented region, that they would develop a project which had been announced in June, a research laboratory, the phytoprotection laboratory, in Victoriaville. The cost of that project was 12 or 13 million dollars. Agriculture Canada had given its approval. This amount of $12 million was to come from the Laprade Fund, but once again, the project was postponed indefinitely.

The Minister of Agriculture (Mr. Wise), in response to a question that I put to him last week, said that he did not know enough about the project to answer a question of this importance. These were issues with a regional dimension. These were issues which were and still are necessary, in order to preserve the basic and significant economic nature of the Eastern Townships and the Bois-francs.

But there were other issues as well. Personally, I come from an asbestos producing region. During the election campaign, it was said that asbestos was a very important natural resource and that we should intensify research activities in this field and make additional efforts to promote it again in order to be able, eventually to consider transforming that product in larger quantities. What happened to the asbestos? A year and a few months after September 4, some 1,200 layoffs in the asbestos sector were announced; 1,200 people who were very well paid, lost or will lose their jobs in the next few months and weeks; 1,200 direct jobs that will disappear. It is well known that jobs earning $25,000, $30,000, $35,000 or $40,000 per year are very contributive to the economy and themselves generate an enormous number of indirect jobs.

So, what happened in that regard? Nothing at all. Absolutely nothing. Yet, it would have been easy for Canada which professes to believe in asbestos to put into place policies that would have served as a model, on the international level, to issue guidelines to all construction undertakings to use as many asbestos-based materials as possible. Asbestos is no longer the controversial substance it once was, and it can now be used in a scientifically acceptable fashion. There is evidence that asbestos can be useful, even protect and save lives. It just have to be used safely according to rules and regulations.

There have also been commitments concerning an industry that is of special interest to me, that has been the subject of a fight to which I have been closely associated and still is, that is the footwear industry. The footwear issue is very simple and easy to understand. There are 20,000 jobs in Canada in footwear manufacturing, equally distributed between Ontario and Quebec, 10,000 in each province. Approximately 100 million pairs of shoes are bought in Canada.

At the present time, we import about 65 million pairs. Some will say I am against imports. I am not opposed to imports, I am for a just and equitable share of the Canadian market for manufacturers, through protectionism, with a view to ensure half of the market that is estimated at 100 million pairs. If Canadian manufacturers were guaranteed that share of fifty per cent, Mr. Speaker, the 20,000 jobs would first be secured. Second, that would lead to the creation of 6,000 new jobs in the next few weeks or months, at most within a year. During the last election campaign, there were men and women representing the Party which is now the Government who came to Quebec and said: "If we are elected, we solemnly promise to continue the quota system. We will make sure the jobs in these vital industries for the Eastern Townships are fully protected." They made a clear commitment to maintain the quotas.

What has happened? Under pressure, the Government is saying that it is in the interest to the consumers to abolish the quotas. I feel it would be easy to prove the opposite, because importers are very much interested in getting rid of the goods manufactured in this country and replacing them with imports with a much greater profit margin. When they speak, these people generally do so on behalf of the retailers. Well, there are some 4,000 independent retailers in the footwear industry who are never consulted, who never have their say and who in fact are for the protection of the Canadian footwear industry.

The Government had clearly defined its stand during the election campaign. The quotas which had been established under the Liberal Government were coming to an end. As a matter of fact, they will effectively do so in November. The Government promised to make its decision known last August. Then, it promised to make it known in September. Then it said it would be in October, and although the date today is November 8, there is still no decision. And the Secretary of State for External Affairs (Mr. Clark) stated today in the House that the Government would make its decision known before the end of November. At the end of November, a decision will be made concerning footwear, and quotas end November 30.

However, we must realize that the decision, even if it were a good one, and I did take notice of the statement of the Hon. Member for Joliette (Mr. La Salle), namely that jobs would be safeguarded . . . Even if this decision is good at the end of November, some harm will have been done, a prejudice will have been done, for which we will have to pay next year, because as everyone knows orders in the footwear industry must be placed 6, 7 and 8 months in advance.

Now, importers, assuming that quotas would disappear, have already placed their orders; they have already made their purchases for next Spring and next Summer.

• (1610)

Now, even if the decision were good, some harm, a prejudice would have been done to the Canadian manufacturing sector. Why? Simply because we were passive, because we have not made a decision, because we have not delivered after making formal commitments which were very clear, very precise.

There is also the textile and clothing industry, although this is another sector. At the present time, we talk a lot about the necessity to turn to a free trade policy, about the necessity to liberalize trade with the United States. In a constituency like mine, and I am not the only one in this case, there are dozens in Canada, constituencies which would in fact become extremely vulnerable if the economic barriers, customs barriers, with the United States were to be abolished.

Dozens of small businesses which do not have the capacity to invest millions or even billions of dollars, are literally going to go bankrupt. Small businesses which employ presently 25, 30, 50 and 100 people and which, in the case of free trade without conditions, will disappear. Unfortunately a constituency like mine cannot hope to benefit from the investment of billions or hundreds of millions of dollars, considering that such investments are generally made in densely populated areas. Remote constituencies or those which are not too close to large centres will fall victim to the consequences of such a policy.

I am proceeding rapidly because there is another fundamental aspect for Quebec which, in my opinion, has been totally and shamefully ignored, namely, agriculture.

And speaking of agriculture, the spokesperson for your political group, now the Hon. Roch La Salle, said in Longueuil: To live you have to eat. We understand that. He was inferring that farmers would get everything they wanted under a Conservative Government. In a question I put to the Hon. Member I mentioned the $13 million they have been waiting for all this time. According to the Minister's comments, they can now forget the whole deal. You have adopted a Bill which according to some Members is fantastic for agriculture and I am referring to Bill C-25, the stabilization legislation. This is an unprecedented setback for Quebec farmers, and here, they all agree that they have been sold down the river by the Members from Quebec. Not a single Quebec Member rose in the House or even expressed disapproval of this measure which was an insult to everyone involved in agriculture in the province of Quebec. Today, those same farmers are very concerned about the Government's indecision—it reminds me a little of the footwear industry—about establishing a long-term dairy policy. It has been promised repeatedly by the Government, which was very emphatic about it, even implying that production costs would cover all the input, all the elements involved. We are still waiting. It was promised for August 1. The Minister has said time and time again: You will get a long-term dairy policy and we are going to release it on August 1. Today, on November 8, we still have no policy. They are now talking about reviewing a problem which had aroused considerable interest, and I am referring to the Crow rate. They are considering the possibility of putting that back on the table, with the clear implication that eventually, payments will be made to the producers instead of to the railways. Most farmers in Quebec are very pessimistic today about this whole issue.

Still on the subject of agriculture, Mr. Speaker, and with your permission, since we are often given this opportunity, I would like to talk about what the agricultural or the agri-food industry has been discussing in recent weeks in a journal which comes very close to what the Government's official spokesperson on Agriculture Canada, the Parliamentary Secretary, was saying: We are not here to play Santa Claus, and the Government is no longer financing the shortfall between production prices and costs. We cannot apply social welfare or social insurance policies to agriculture. That is what he had to say about the stabilization bill. A little later, that same Parliamentary Secretary, the same official spokesman of your Government said: I was feeling somewhat uneasy as I spoke in favour of Bill C-25, but I do not feel I am a traitor . . . Because the word traitor is not used by him, but by the farm community which says that the Quebec deputation is composed of 59 traitors, and these will be my final words, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Questions or comments. The Hon. Member for Bourassa (Mr. Rossi).

Mr. Rossi: Mr. Speaker, I certainly wish to congratulate my Hon. colleague for Richmond-Wolfe (Mr. Tardif) for speaking in such objective fashion. I would indeed like to ask him how we could explain to the people of Canada the difference, since he mentioned the de-indexation of family allowances and old age security pensions, how we could explain to the people of Canada what the difference is between the full 3 per cent de-indexation and what the Conservative Party are claiming we were going to cut down with the 6 and 5 per cent? What is the difference, and what was the impact of those 6 and 5 per cent in terms of wage control in the industrial sector in the provinces?

Mr. Tardif: Mr. Speaker, I wish to thank my Hon. colleague indeed for allowing me to qualify somewhat this aspect, which seems important in the circumstances, since that argumenta-

tion has been cropping up repeatedly on the other side of the House, namely that we too in the past were somewhat unfair to the people benefiting from social programs, which by the way had been introduced by the Liberals. The 6 and 5 per cent were not aimed just at the lowest income people, they applied to every sector of society, every individual and every company. The basic feature was that the first 6 per cent were unassailable, sacrosanct, and that the restrictive measures, if any, applied to the higher amount. The policy put forth by this Government concerns the first 3 per cent, and this means people will lose the first, the second and the third percentage points. Now within that context, the decision reached by the previous Government under the 6 and 5 policy which this Government is taking advantage of because if we are so often told today that the inflation rate is good, that growth is on again, it is the result of measures such as those taken by the Liberal Government. The 3 per cent are not aimed at large companies, at the rich people, at those who will benefit from capital gains of $400,000 to $500,000, but at the people to whom my colleague was referring, the little people who really need those 3 per cent.

I agree, as I said earlier in this House, that 50 cents, $1, $1.50, $3, $4, $5 per month are not much, but people are vulnerable. But what I say is that for these people, it is very important to know one, two, three months in advance that they will have $5, $10, $15, or $20 to spend on Christmas. It is these people who suffer the most because of your unfair measures. And what is even more despicable is that you are literally bleeding them to feed big companies, very big companies that do not need that money at all.

Mr. Kindy: Mr. Speaker, the Member for Richmond-Wolfe (Mr. Tardif) has raised quite an interesting point. He talked about asbestos. According to him, asbestos is not as dangerous today as it used to be because of new processes. Will he explain which processes he is referring to when he says that as such asbestos is not hazardous to health?

● (1620)

Mr. Tardif: Mr. Speaker, I know of a Member who could give some of the details, I think, and I mean my colleague because I understand he is from Sherbrooke. And in the Sherbrooke area, asbestos is most important. What I want to say is this: at a time asbestos was submitted to a lot more research than any other resource, product or commodity. We had an unbelievable volume of expertise on it and I do not think there is anything on the Canadian market that has been subjected to that many studies and analyses. Obviously, when a subject is as researched as this one has been, it is difficult not to find some failings. But what I am saying is the properties of asbestos have been identified as well as the effects of a non-regulated use, in other words, we know all about the parameters involved in the use of asbestos. And since we fully know about all the peculiarities of this natural resource, asbestos can now be used in a totally safe way.

Finally, I will say, Mr. Speaker, that dynamite, gasoline and a lot of products that are extremely more hazardous than asbestos are being regularly transported—we realized and accepted that those are essential products to the same extent as asbestos. Furthermore, asbestos has saved and is still saving hundreds of lives.

The Acting Speaker (Mr. Paproski): The period for questions and comments is ended. Debate. The Parliamentary Secretary to the Minister of Regional Industrial Expansion.

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, I would like first to take this opportunity to thank my colleagues for their contributions, and especially my colleague for Charlevoix (Mr. Hamelin). If there was any need for an example of involvement by Conservative Members, I think he has set it. The Hon. Member for Charlevoix has been an advocate of regions, and has been promoting his own region within that spirit of renewal that motivated all Quebecers and all Canadians in 1984. He has realized that it is not by handing out money to a region that it will become a dynamic region.

The work required now from those Members who want to respect the movement they set up, who want to respect the people is indeed to get involved, to work very hard and to motivate their community. The Hon. Member mentioned a current example in his area, a business which has decided to invest although it has no definite feelings that there will be government involvement.

That determination to invest is to be found also in the Charlevoix region; it is to be found throughout Quebec, throughout Canada.

Those who are monitoring the situation, and I do not mean the Government or any political party, but people who usually monitor the Canadian economy . . . we have had over these last few weeks the economic statements of the Royal Bank of Canada. If you take a close look, all indicators are positive. The average number of hours worked in manufacturing industry is growing, the house building industry is picking up and so on. The Royal Bank of Canada has good news; a real economic recovery is taking place in Quebec.

The Canadian Federation of Independent Business talks as well about a steady growth in employment and capital investments for small businesses. It indicates that the capital gains exemption announced in the May budget has clearly brought about stronger investments. That is yet another analysis confirming that we are achieving our objectives and that better days lie ahead for the Canadian population.

The Canadian Economic Council is also optimistic. Canadians can well have faith in the economy of their country. There is indeed a recovery and this recovery will continue.

A moment ago, my colleague from Richmond-Wolfe (Mr. Tardif) was mentioning among other things the regional unemployment situation. The Hon. Member from Essex-Windsor (Mr. Langdon) said that the unemployment rate had just gone up slightly. To better make his point, he stated that this rate is unacceptably high for Canada.

Mr. Speaker, I am convinced that anybody speaking about unemployment in this Chamber would always find the rate unacceptable. Any unemployment is wrong, and the Government's task in this regard is precisely to find remedies.

If you look abroad, you will see that the current OECD forecasts put Canada right behind Japan. I must say I feel very good being placed there by OECD in terms of economic growth. If that growth can be allowed to continue, Canadians will have a more stable and more balanced standard of living.

Cost of living increases are presently stabilised at around 3 or 4 per cent. Deficit for the first five months of the year is only $300 millions. Compared to last year, this is already an improvement.

All these improvements, and my friend the Minister of Public Works (Mr. La Salle) touched on that this morning, could in part be attributed to the spirit of cooperation. We have the will to succeed, but this will must be supported by a better understanding between the various levels of Government, general acceptance by the population and cooperation at all levels.

Within a year, the Department of Regional Industrial Expansion supported 559 projects in Quebec which will generate some $648 million of investment. They will create 12,324 new jobs and help maintain 9,400 others. Naturally, there are problems in certain areas or certain industries. What we must avoid is tranferring the problems, that is to say solve the problem of an area at the expense of another. We have to be more dynamic, more innovative and we must find new solutions.

I heard a lot about federal-provincial agreements. They too mean money spent in Quebec, for the Quebec people. A moment ago, my friend, the Hon. Member for Charlevoix (M. Hamelin), was talking about the benefits for his area of the forestry agreement.

There are also other agreements which will have an impact in Quebec in the areas of industrial and regional development, and tourism. These total over $450 million. If we look at industrial development, under the agreements already signed, $152 million have been committed, of which 50 per cent will come from the Federal Government. We have therefore put aside $77 million to help certain businesses in Quebec.

As concerns tourism, $32 million have been allocated. We could also add the amount of $45 million already allocated under federal-provincial agreements by the Government since its coming to power.

Under all regional and industrial development programs, $90 million were allocated between September 1984 and April 1985, and another amount of $22 million has been allocated since April.

The Hon. Member for Richmond-Wolfe said earlier that we have done nothing for the textile industry. We should not forget that this Government is now working on a textile policy which will be proposed and developed in consultation with the industry, and that, this year, the Canadian Government has allocated an additional amount of $44.4 million to the textile industry through the Canadian Industrial Renewal Board. In the textile, clothing and shoe industries, 234 projects have been approved which made it possible to create or preserve 1,730 jobs.

There is another program developed by the Department of Regional Industrial Expansion to increase the productivity of the defence equipment industry, under which $95 million were provided to Quebec manufacturers between September 1984 and April 1985, and $31 million since April.

We must not forget either that the Federal Government provided an amount of $10 million to help the Quebec Labour Federation create a small solidarity fund. Such contributions could be offered to similar organizations on the condition that they were created in accordance with provincial legislation. This is another contribution to the Quebec economy.

The Hon. Member, whose constituents probably go to the various financial institutions to ask for loans, should know that, this year, the Government has taken care of small businesses and, under the Small Businesses Loans Act, it has guaranteed 11,524 loans to small businesses for a total of $342 million.

The Federal Business Development Bank has granted 938 direct loans since September 1984, which represents an investment of $220 million.

• (1630)

Quebec businesses now owe $457 million to the FBDB. When we look at these figures, it is impossible not to realize that this Government wants to allow our businesses to become more dynamic. If the Government—During my own electoral campaign, I insisted on two major themes, which were also the two major concerns of the people in my constituency, in Quebec and throughout Canada, namely unemployment and the economy.

If there is one thing that my constituents understood, it is that it was impossible to lower unemployment and improve our social programs if we did not succeed in promoting economic recovery. What this Government and private businesses can do at the present time is to continue to work together. It seems easier to increase the deficit to stimulate the economy than to try to work with local businesses and people to have them take control of the situation and invest in the economy in our areas. I appreciated very much the comments of my colleague from Charlevoix because he seems to understand that it would take more than grants to get his area moving.

The Acting Speaker (Mr. Paproski): Questions or comments. The Hon. Member for Bourassa (Mr. Rossi).

Mr. Rossi: Mr. Speaker, I certainly want to congratulate the Hon. Member for Charlesbourg (Mrs. B. Tardif) who seemed to have so well all the facts and figures. However, I would like to ask her how many businesses took advantage of capital gains? I would also like to know how she could say that those capital gains were invested when the legislation has not been passed yet? Could she tell me how many businesses invested and also what are the amounts involved?

Mrs. B. Tardif: Mr. Speaker, I thank my colleague for this question. He knows perfectly well that when we talk about those provisions, it is with a view to encourage businesses to use them. The important thing right now is that our business community realize that they will benefit from investing in our economy.

If businesses understand the message that was sent to them, they will invest large amounts and in this regard, I consider what happened in the case of Charlevoix. The business community decided to use some other means rather than asking for Government grants or if they do, it will be as a surplus. They will first appeal to the population and the Canadian people are asked to invest in Canada as foreign people were asked when the legislation on Investment Canada was prepared; they were told that Canada was in business. I think the same principle applies. Many Canadians have yet to understand that it is in our interest to invest at home and that we will manage to improve our situation by investing in our businesses.

The Acting Speaker (Mr. Paproski): Questions or comments. The Hon. Member for Bourassa (Mr. Rossi) has the floor.

Mr. Rossi: Mr. Speaker, the Hon. Member has not answered my question because in her statement, she did say at the outset that people who have made capital gains had re-investyed their money in this country. If the Hon. Member wants to check the "blues", she will see that she did say that capital gains were re-invested.

Therefore, I ask the question: How many businesses have re-invested these funds since the legislations has not been passed yet? Are you not deceiving people when you say that capital gains were re-invested? I think you are deceiving the Canadian people. I would like the Hon. Member to answer my question.

Mrs. B. Tardif: Mr. Speaker, yes I will read the "blues" and if I said that, I did not mean to. What I wanted to say was that that provision has been worked out to help our businesses and also that I hope they will understand the message and use it.

Mr. Tardif: Mr. Speaker, I do agree with my colleague that some of the remarks made by the Hon. Member for Charlevoix (Mr. Hamelin) were very interesting and attractive. I want to remind you, Mr. Speaker, and this is the heart of the problem, that he did say on several occasions in his speech that if we could increase or intensify our will to control our affairs by making investments at the federal level, it would be ideal. What I want to know is what do you say to those who need this Government effort in the area of resources when, on the one hand you give billions of dollars to large corporations and on the other you tell them: "Listen, we do like the idea, the initiative, but, as you know, the country's financial situation does nos allow us to get involved in your investment?"

What can you tell them after having invested billions of dollars with the multinationals? As a sub-question, I understand that there is a footwear industry in my colleague's riding; what do you tell those workers? That you did not make the decision? What do you tell them, considering the simply disastrous impact of the present situation? And a final question, with your permission. My colleague has access to data that could certainly have been interesting to this House if she had told us what proportion of her Department's funds has been spent in Quebec as opposed to those spent elsewhere. It would have been interesting to have those figures.

Mrs. B. Tardif: Mr. Speaker, I have to admit I am not too sure about the meaning of first part of the question about the billions of dollars we could not promise the multinationals, but still I will try to answer as best as I can.

Obviously projects submitted cannot all be considered, for various reasons. Therefore some projects get our support while others do not, and my colleague should know that, as a rule, the preference will go to cases which will produce results, and we would rather not provide help when no jobs are created. So we will set priorities and respect them.

My colleague referred as well to the shoe industry. Mr. Speaker, I am quite interested in that file. I have been working on it for quite some time, perhaps even longer than my colleague. You may think that you have a major problem in Richmond-Wolfe, but I should point out that in Charlesbourg we have 1,000 jobs directly related to the shoe manufacturing industry. There is no easy answer to that problem, and I would suggest that a parliamentarian who has been here for many years should know that different viewpoints are expressed in the course of negotiations, that it does take a little time to reach a consensus. As my colleague the Minister of Public Works (Mr. La Salle) said, the shoe manufacturing industry should have an answer before the end of this month.

The Acting Speaker (Mr. Paproski): Questions and comments are over. Debate. The Hon. Member for Spadina (Mr. Heap).

Mr. Dan Heap (Spadina): Mr. Speaker, I am pleased to take the floor and support the motion of the Hon. Member for Yorkton-Melville (Mr. Nystrom). I would like to respond to the Hon. Member for Charlesbourg (Mrs. Tardif) who said something about the money spent by the Government to help the shoe industry. She said that she was concerned about the fact that thousands of people would be losing their job in the footwear industry, in his town, but she forgets to talk about the commitment that her leader made, on May 4th, 1984, when he promised to maintain import quotas. The Prime Minister (Mr. Mulroney) said then: "A Conservative Government would not abolish the import quotas in the footwear and textile industries".

• (1640)

On Wednesday, the Conservative Leader, Mr. Brian Mulroney, pointed out to the newspaper *La Tribune* that the policy on quotas would remain the same, and he made clear that he was not in favour of free trade in these industries. He also added he did not intend to bow to the pressures that could be exercised by the Common Market on the United States in order to bring down the quotas on footwear and textile products in Canada. He said that he would not hesitate telling that to President Reagan, when he meets him in Washington, next month.

Mr. Speaker, they said that they intended to renew these import quotas at the end of the month. It was necessary to do it in September or October. Mr. Speaker, in September and October 2,000 may have been lost jobs in Quebec alone. Three hundred and twenty jobs were lost at the G.A. Corbeil Company, in Montreal. At the Empress Company, in Montreal, 100 workers lost their jobs. The companies Saint-George Shoe, in Saint-Georges de Beauce, Jean E. Blais, in Saint-Cézaire, Chaussures M.G., in Actonville, Boot Legger Incorporated, in Montreal, M. Lalonde, in Montreal, Popular Shoes, in Contrecœur, La Parisette, in Montreal and Gen Foot, in Contrecœur, laid off respectively 225, 110, 155, 375, 100, 147, 160 and 200 workers. In Grand Mère 100 jobs were lost.

Mr. Speaker, if the Government does not give its word, to maintain the import quotas on shoes, we could lose even more jobs, because Canadian retailers refuse to order shoes made in Canada, while waiting for the end of import quotas, this month.

[*English*]

I do not have very much time because I have to catch a plane, Mr. Speaker, but I want to make one more point in this connection. The public opinion on this point has been tested by a Decima poll which has shown that 44 per cent of Canadians consider imports are a serious threat to Canadian jobs and 66 per cent said that they would prefer to maintain quotas in order to protect jobs even if it means paying higher prices for footwear.

It is not enough to talk about all the great things the Government would like to do if it had more money or even about the things the Government may have done in subsidizing certain industries. The point is to renew the quotas on the importations of footwear, otherwise we stand to lose a whole industry in Canada of 20,000 jobs, as has been pointed out, half in Quebec and half in Ontario. That is the action that is needed and it is not a substitute for that to give certain subsidies or to promise certain grand programs for the future. If those companies give up because they are losing the Canadian market to countries that pay wages perhaps one-tenth of ours, then it will be too late to try to restore the industry by government subsidies. I would urge the Hon. Member for Charlesbourg (Mrs. Tardif) to consider this and to use her influence with the Government to have those quotas declared and restored immediately.

[*Translation*]

The Acting Speaker (Mr. Paproski): Questions and comments. The Hon. Parliamentary Secretary to the Minister of Regional Industrial Expansion (Mrs. B. Tardif).

Mrs. B. Tardif: Mr. Speaker, I would like to put a question to my hon. colleague. He spoke of course of job losses in the footwear industry and Government concerns in that regard.

I would like to remind him that there have been job losses before those of the last year. When we examine the decline of that industry over many years, we realize it is not a new problem.

There is however a question I asked several times last summer when I toured the country with a group of Members of Parliament to study the textile, clothing and footwear industries. At a dinner, I asked my table companions: How many of you are wearing Canadian-made shoes at the moment? I would like to ask my colleague the same question, and see how committee he is to Canadian industry. If Canadians do not make it their main concern to buy Canadian products, the problem will remain with us for a very long time.

Mr. Heap: Mr. Speaker, I am happy to say that I only wear shoes and clothes made in Canada.

[*English*]

The Acting Speaker (Mr. Paproski): I know the Hon. Member has to catch a plane. Questions and comments are now terminated.

[*Translation*]

Mr. Gilbert Chartrand (Verdun-Saint-Paul): Mr. Speaker, I am sure the House will allow me to raise another point before dealing with the motion proper.

Today, I should like to congratulate a former Member of the House who last Sunday was fortunate enough to be elected Mayor of the City of Verdun.

Mr. Raymond Savard was elected Mayor of the City of Verdun, and I take this opportunity to assure the new administration of my full support and cooperation for the next four years.

Mr. Speaker, I should like now to turn to the censure motion which the Hon. Member for Yorkton-Melville (Mr. Nystrom) has moved and where he condemns in part the Government for abandoning the people of Quebec by reneging on its commitments. As a Quebecer eager to defend the rights of my province and region, I can hardly accept that.

• (1650)

When he says that the Government has failed to develop new job potential in various communities, I point out that the Verdun-Saint-Paul riding which is not much industrialized has managed to create over 900 jobs last year. The Government

has invested $1 million in my riding to create these jobs, and it would be very difficult to demonstrate that Canadians are unhappy or dissatified with the efforts their elected members have made in their respective ridings. It is a fact that many industries are faced with problems. But there is a whole new generation of politicians who have entered politics to improve the well-being of the people and provide them with better services, to make it possible for them to work at something they like and raise the living standards of their families, and I think they will achieve that in a not too distant future.

Admittedly the textile and footwear industries are in a very difficult position now. I have had the opportunity of travelling and meeting with many people who export their products in Canada. Here, we are told that we do not protect our industries; and yet, when we go to other countries where footwear and textiles are produced, we are simply told that our industries are overprotected, that the market is completely closed, that the exporters are not allowed to sell their products on the Canadian markets. One must understand that our textile and footwear industries are indeed in a very difficult position, where the markets are invaded by virtually all the countries of the world.

There is also the fact that these people have an expertise in various types of machinery, and they have the know-how; and I am confident, for the Montreal area for example, that very soon there will be an economic upturn, an upturn which will bring new industries and high technology. I believe that we must mention it, because all over the world, Canada has the reputation of being an unequalled producer of high technology. I am confident that very soon we will be able to retrain these people who will have lost their job; it is indeed true: in some industries, we will retrain the workers in other fields where we do have state of the art high technology on the international level.

We must also recognize that the new programs, the housing programs, will create many jobs. They will put to work many people. I will give again the example of my area, the riding of Verdun-Saint-Paul.

Last year, I managed to get more than 235 housing units that were subsidized by the federal Government. This meant that people were needed to build and improve and repair them. And when people say that we are not doing our best to reduce the tax burden on families, especially on low income families, and I am not saying that my riding is any poorer than another riding, but these are average people who work hard to succeed and who have worked hard to get what they have today. And now, thanks to these subsidies and the jobs we are providing, these people will be able to live a better life, have a roof over their heads and a home that can compare with homes anywhere in Canada, and all this at very reasonable cost.

These people can live comfortably, can live very well and can prove to themselves that they have the respect of all Canadians, that no one can tell them they are poor and they have to live in poverty, because that is just not true that some people want to be poor or think they are poor and will never get ahead. When I decided to go into politics, I had thought about it for a long time. Several years ago, I decided I wanted to get involved in politics and do something for the people around me, and I ran in the municipal election. I found this an extraordinary experience, because now I had a chance to meet people in their own homes, to see what their needs were and find out where they worked and what they did and what they had against the system. But I realized that at a given level, one cannot do more.

A new team was formed at that time, a team with an extraordinary leader, someone who believed in Canadians and who was prepared to give all Canadians a chance to succeed, to achieve their goals and stop being jealous of others.

The Right Hon. Prime Minister (Mr. Mulroney) gave me a chance to become a member of this team when he said quite simply: "I am giving you a riding, but it is not an easy one." These people have been manipulated for years and years and told time and time again that with a Conservative Government, they would not get anywhere and would lose everything they had. However, at 30, and I was actually 29 at the time, all this was a challenge, and you do something because you believe in it. I really took the bull by the horns and I went to see these people who did not belong to my municipality at the time, they were living next door. These people had always been told: "Oh, we don't care about the people of Verdun because they are poor." Nobody was interested and nobody wanted to get involved. But today, I am proud to say the people of Verdun have understood.

Those people gave me a chance to go and meet them, speak to them, and stop telling them lies and telling them consistantly that everything was going to be taken away from them, that they were not going to be allowed to succeed, they were not going to be given a chance, because the Progressive Conservative Party was the Party of the rich. The last elections showed a participation by those people. The percentage of votes went up by 15 per cent from 60 per cent to 75 per cent. So there was indeed a dissatisfaction among them.

The Hon. Member for Saint-Denis (Mr. Prud'homme) was wrong, I believe, when he said earlier that we no longer study La Fontaine's fables at school. I, for one, have been lucky and fortunate enough to have parents that allowed me to learn, to study and to travel. And what I have learned is what I want to give to the people of my constituency of Verdun-Saint-Paul. Day after day, they come and see me. It is not true that they always come and ask for jobs, and tell me that they are unhappy, that things are not going well, that they pay to much tax, that their pension is about to be cut, that they are not satisfied with Bill C-70 on family allowances, and they do not want to have it. All that is not true.

Many express very hard views, but we let them speak. As you know, being a Member of Parliament today no longer means that you just work five days a week. It does not consist simply in attending functions and cutting ribbons. It means being in your office and meeting people who come and tell you about their everyday life, tell you about the difficulties in the plant where they make shoes; tell you that the Unions are sometimes much too harsh with the bosses or with themselves. You have to go and meet those people at home. You have to speak to them.

And when I see a Party like the New Democratic Party, to me, the New Democratic Party are socialists. How could we accept a socialist Government in a country like Canada? Canada is a country of free enterprise where everyone is allowed to succeed. And if someone is rich, it means that he has worked and has been successful, and has been involved in an environment, in a community. It should be clear that if I personally spend hours and hours working, I shall never ever accept overnight to give everything I have to people who don't want to do anything. An I am not afraid of saying that to anyone. When people come and see me at my office and tell me: "I am willing to work, but I want to work 35 hours a week with a salary of $40,000 a year", I ask them questions. For instance, I ask them: What is your educational background? What can you do? And frequently the same answers crop up. Eight year. They gave up and are frequently what we call dropouts. I am willing to help them, but not by taking money out of the taxpayers' pockets. It would be most unfortunate for the people of Canada and mostly for that particular individual, because I fail to see what interest there would be for that individual to live off the government.

The Conservative Party really had new ideas to offer and it proved it by bringing new Members to the House and when I say "new Members", I do not mean only young ones, from 27 to 35 years of age, but also new Members who are 50, 60 or 65, as well as socially involved women, not only the feminist type who have a grudge against males, but also women who are willing to work in the community, for the prosperity of their constituents and neighbours. Our Prime Minister gave us that opportunity.

Now, they try to tell us that we are not keeping our promises in Quebec when we work late every night, seven days a week. The NDP Members are not the only ones to work late at night. We do too every day, seven days a week, in order to give our constituents the service they are entitled to receive and that they did not get for a number of years.

How is it that everywhere we go people keep asking us: How come you are not treated as a VIP? You are the Hon. Member of Parliament and you should be seated at the table of honour and be asked to make a nice speech about all of the Government's achievements. In fact, most Conservative Members go to see the people, sit with them and discuss their problems. We listen. We are not members of Cabinet. It is very difficult to change decisions once they are made, but at least there are Ministers who listen and give us a chance to say what we have to say. However we do not give them our personal views but those of thousands of Canadian men and women.

If sometimes we reverse a decision like the one on the deindexation of pensions, it is not because we fear the electorate. On the contrary, I think that our Prime Minister is too smart to waste his time on polls. It is because each and every one of us went in our constituencies to talk to our senior citizens, who told us that they were against it for numerous reasons. We had the opportunity to express those reasons to the Cabinet, to the Right Hon. Prime Minister, and the decision was made there, at a time when every Hon. Member had the opportunity to express his views. This is democracy. This is what I call enabling people to make progress ina country all of us can be proud of.

Could some people say that they are not proud to live in Canada? How many of us have travelled all over the world to see poverty in other countries? We say that there are no jobs here: have you been in France, have you seen what the socialist party has done in France? I have a personal example. My family has been in business for years, for more than 40 years, and we deal with a French company which had been in business for 130 years. Because of the socialist government, because of unions which really twisted its arms and prevented it from working, that company will close its doors and lay off 250 workers this year. Strangely enough, people here want a socialist Government thinking that the Government will give everything, whereas we have blatant examples in various countries. For us in Quebec it is easier to find examples in France, because we are much better informed on France, particularly because of the language. Do not deceive our people, the Canadian people, in believing that your ideas are better. Tell them the truth, tell them that Canada is the ideal country, the place where young or old people, where any one who has an idea can succeed if he wants to work. There is no free lunch.

To conclude, Mr. Speaker, I wonder if the Hon. Member for Yorkton-Melville (Mr. Nystrom) is not trying to do to his leader what the Liberals have been trying to do to theirs since September 4.

The Acting Speaker (Mr. Paproski): Questions and comments.

• (1710)

[*English*]

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, in closing the debate on this motion today we have to be aware that this is a national Parliament. The Hon. Member for Yorkton-Melville (Mr. Nystrom) has quite correctly and appropriately drawn our attention to a number of national problems and their adverse effects in the Province of Quebec such as the lack of effective job-creation programs. There is an

inequitable tax system which causes low and middle-income families to pay more than their fair share of taxes in Canada, and difficulties and problems in certain industries or sectors such as the forest products industry. These are all national problems with serious effects in Quebec as well as in other provinces.

It does not matter to what extent the Government boasts about job-creation endeavours. As Members of Parliament we still have to face up to the fact that we have double-digit unemployment in Canada, much higher than in the United States. Everyone I think rejoiced rather cautiously when the unemployment rate in September dipped to 10.1 per cent. It has not been at that level for a long while. Everyone hoped that this was the beginning of a new trend, but when the figures came out today, as we begin to approach another long and probably cold winter, we see the unemployment rate is once again building upward. In October there was an increase of .2 per cent so we are back again to 10.3 per cent. Now there is concern that this may be a trend that is going to be with us for several months. It is most disturbing that in these figures there is an increase of .6 per cent, taking us to 8.5 per cent unemployment for young men in this country between the ages of 15 and 25. The unemployment rate among women in the same age category is also alarmingly high, nearly 14 per cent. In Quebec the unemployment rate is above the national average. It is nearly 12 per cent, compared to 10.3 per cent for the rest of the country. In Atlantic Canada we learned from questions in the House today that the situation is really in a state of crisis. Prince Edward Island in one month had an increase of 1.8 per cent in unemployment, taking that province over the 13 per cent point. New Brunswick had an increase of 1.5 per cent in a single month, increasing the rate of unemployment to 15 per cent. In Nova Scotia it is 13 per cent, and in Newfoundland it remains at almost 20 per cent.

I can well understand that a Government wants to boast about job creation and quote figures about the number of jobs created in a certain period of time. However, I think the Prime Minister (Mr. Mulroney) was correct and apt when he stated this morning that he took no satisfaction at all from these statistics. I think all Members of Parliament share that feeling with him.

The United Church of Canada, Mr. Speaker, has a national working group on the economy and poverty. It met with a Liberal caucus task force last summer. It used some rather strong language in talking about the May 23 Budget. It referred to that Budget as being obscene.

Mr. Nickerson: You should have heard what they said about the MacEachen Budget.

Mr. Penner: The Budget the Hon. Member is bellowing about does not have any effect on Canadians today.

Mr. Nickerson: It sure does.

Mr. Penner: The Wilson Budget does have adverse effects. I do not know about the Hon. Member for Western Arctic (Mr. Nickerson) but I am living in the present. He wants to live in the past, that is his choice.

However, this working group condemned the Conservative Budget for one reason. It put the rich ahead of the poor and the unemployed. It gives tax breaks to the rich while at the same time it cuts services to the young. It cuts services to women and elderly and unemployed. Look at the figures that this working group provided for us. It pointed out that no matter how well we think we are doing in this country in our attempts to alleviate poverty, there is still one in five Canadians classified as poor. Some 75 per cent of this nation's wealth at the top end is held by 10 per cent of the people. At the bottom end 1 per cent of the wealth is held by 40 per cent of the people. Realizing that, one wonders how the Minister of Finance (Mr. Wilson) could bring in the kind of Budget we heard on May 23.

In the same submission the Church told the caucus quite clearly that the situation is getting worse. I am among those Members of Parliament who feel a deep sense of concern about the size of our deficit. I am concerned about the growth in our national debt. However, at the same time, I cannot help but be aware that in 1945, at the end of World War II, on a per capita basis we had a higher deficit than we have today. Despite that we managed to live with it. Not only that, successive Liberal Governments were able to bring in a number of social programs which today are part of the very fabric of our society, programs which the Prime Minister during the election campaign described as a sacred trust. Social programs will not be part of the negotiations when we deal with the United States on a free trade agreement, said the Government.

Our focus today really ought not to be on reducing our social programs. That is not where the emphasis should be. That is not where we should be looking for better accountability and better use of scarce financial resources. We ought to be looking at the elimination of government mismanagement and waste. Cutting social programs at the very same time we introduce legislation in this House which will cost the taxpayers nearly $1 billion to pay unknown and uninsured depositors in two failed banks is extremely difficult for my constituents to comprehend. I cannot explain it to them and I share their perplexity. We do have an inequitable tax system in this country, as suggested by the motion in the name of the Hon. Member for Yorkton-Melville. However, when you add together tax revenues lost on personal income which escapes taxation, to that of corporate write-offs, there is enough money there, about $31 billion, to cover our federal deficit.

I wanted to take some time to speak about the third item in today's Motion, namely problems with the forest industry. However, suffice it to say in the time remaining that the forest industry is in some difficulty at the present time. I am at somewhat of a loss to understand or appreciate exactly what the Minister of State for Forestry (Mr. Merrithew) in this Government is doing. He promised last April that he was going to carry on extensive consultations with interested Canadians regarding the forest products industry. We have yet

to hear from him. It is now November. What has he learned from these consultations? When can we except him to announce a national forest products strategy to help overcome some of the serious problems we are facing? There is the problem of protectionism in the U.S., especially with reference to softwood lumber; the instability of domestic and foreign markets; the need for an effective reforestation program. Like other Members of Parliament, we are wondering, debating, asking questions about the free trade agreement to be negotiated with the U.S. At present, Sir, we have free trade with the U.S. in lumber. There are many people wondering if any new comprehensive free trade agreement, while it may on the one hand remove the threat of congressional legislation which would have the effect of limiting lumber exports to the U.S., on the other hand are wondering if a free trade agreement is not also going to lead rather quickly to some kind of parity between our currencies. If that were to happen, and it probably will, along with the effect of declining interest rates, I suggest it will be far more serious for our lumber exports than any quotas imposed upon us would be.

The Acting Speaker (Mr. Paproski): It being 5.16 o'clock, it is my duty to announce that pursuant to Section 2 of Standing Order 63, proceedings on the motion have expired.

Pursuant to Standing Order 4 this House stands adjourned until Monday, November 18, 1985, at 11 o'clock a.m. pursuant to Standing Order 3(1).

The House adjourned at 5.16 p.m.

HOUSE OF COMMONS

Monday, November 18, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT EQUITY ACT

ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-62

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

That, in relation to Bill C-62, an Act respecting employment equity, one sitting day shall be allotted to the consideration of the second reading stage of the said Bill; and

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

She said: Mr. Speaker, almost a year ago on November 20, 1984, I tabled in this House the report of Judge Rosalie Abella on equality in employment. Very shortly after that, in fact within days, almost within hours, opposition Members were demanding and pleading that the Government give its response to the Abella royal commission report. That was a year ago. In March of 1985 I had the privilege and honour of presenting the Government's response in principle. At that time I promised that legislation would be introduced shortly. Still, the Opposition got up and demanded immediate action with regard to legislation. The Opposition said: "Bring it in within the next few days, within the next few weeks".

Sir, the legislation was presented on June 28 of this year. Along with it we presented a working paper which was designed to stimulate wide-ranging consultation and debate throughout the summer months. That, indeed, took place. Mr. Speaker, second reading debate on Bill C-62 has been under way since October 3. In other words, what I am explaining to the House is that this particular piece of legislation has been received, delivered, analysed, scrutinized and debated for the better part of a year. Thoughout all of that time there has been intense consultation with business, the target groups, unions, individuals and organizations right across the country. More consultation, more discussion and more debate will follow at committee stage. Therefore, it is time to move this Bill forward, Mr. Speaker.

Hon. Members opposite have indeed made points and we have attempted to answer them. Then they made the same points over again. This circuitous discussion on equity, of course, is not new. This sort of thing has been going on for years and years until the Government has the courage to introduce this specific, practical, employment equity legislation.

I have listened to those who say that the legislation does not go far enough and I have listened to those who say that it goes much too far. It would be nice if one could please all of the people all of the time, but, Mr. Speaker, we live in a real world. The new legislation is a realistic effort to solve the employment problems that are faced by women, native people, disabled persons and visible minorities.

First, this Bill seeks to attain what is attainable. It establishes a mandatory reporting requirement on larger firms under federal jurisdiction which employ 100 or more workers. That, in effect, will have impact on over one million Canadians. Second, in addition to the mandatory reporting requirement, the Bill makes effective use of existing enforcement agencies and resources. In fact, the Bill brings these agencies into operation for the first time in order to ensure compliance based on results. We do not need to create new enforcement bureaucracies when the Canadian Human Rights Commission already has the power to ensure that investigation and enforcement is carried out.

I may say that this approach is well in line with one of the options recommended by Judge Abella in her report. Under Model 4 of the enforcement mechanisms in her report Judge Abella suggests that the Canadian Human Rights Commission would be responsible for issuing employment equity guidelines, for collecting, reviewing and assessing data, for investigating and adjudicating disputes, and for contract compliance. Mr. Speaker, we are doing things very much in line with the proposals of Judge Abella. The Canada Employment and Immigration Commission is preparing equity guidelines and will offer consultative services to the firms involved. Similarly, we will ensure that data is collected and we will make it available to the Canadian Human Rights Commission as well as to individuals, groups and organizations across the country. The Canadian Human Rights Commission, in following up on this data, will handle the investigation and adjudication of disputes about employment equity, such as is recommended in the Judge Abella's Report. Section 32.3 of the Canadian Human Rights Act, legislation which is already in force, empowers the Canadian Human rights Commission to initiate complaints where reasonable grounds exist. The mandatory data collected as a result of Bill C-62 will provide the grounds for investigations.

• (1110)

The data that employers will be required to provide under the legislation will be specific and clear enough to ensure effective enforcement. No one will be able to cover up employment discrimination once this Bill goes into effect.

The Government will provide the Canadian Human Rights Commission with the resources necessary to conduct effective investigations. We believe that by using an existing agency rather than creating a new one, we save precious tax dollars and cut down on administrative overhead and overlapping responsibilities. More to the point, we use an agency which has already proven its worth and which has shown to the Canadian people that it can be effective in safeguarding equality and helping to eliminate discrimination in this country.

Contract compliance procedures are also in place. I might point out that these procedures do not require legislation but only the will of the Government to write into the contracts it has with business the requirements that will be necessary. It makes eminent sense to require enterprises that wish to do business with the federal Government to live up to employment equity standards. That has been done. We are doing that by requiring that all contracts for $200,000 or more be backed up by employment equity plans. Canada Employment and Immigration Commission officials will monitor these contracts and advise the contracting Minister about companies who do not live up to their commitments. The result of that may be that the companies will be barred from doing future business with the Government.

I believe that these enforcement and compliance measures will ensure that employers live up to the spirit and the intent of the new law. I would like more time to speak on this particular matter but I realize that my time is indeed limited. I believe that we have reason to be optimistic.

While the opposition Members have spent much time criticizing the legislation, they seem to agree that employment equity is an important and vital objective. Some members in the Opposition claim that it does not go far enough. However, I ask them what they did in previous years. This Government is the first to have the courage to take action in this field and implement new, strong legislation for employment equity. It is time to move this Bill forward. It is time to get on to the next step in this process. The people of this country want and need employment equity. We want to give it to them.

• (1115)

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I want to preface my remarks this morning by indicating to the House that at the international conference held in New York some seven or eight days ago, the international reporting group indicated that the existing legislation, not Bill C-62, is among the most innovative and creative legislation in the western world dealing with women's problems.

As the Minister indicated earlier, there is no doubt that there were complaints about the record of the previous Liberal administration. I can assure the House that when I finish my remarks the Minister will understand that I believe certain portions of this Bill are not strong enough. However, when one examines the previous Government's commitment to the enhancement of the quality of the workplace and the payments related to it, I suggest one will find that the previous Government's record will stand on its own. Furthermore, that record is recognized by the international community.

The Minister is quite correct in saying that there will be representatives of various groups in our society who believe very strongly that Bill C-62 does not address the problems that were dealt with in the Abella Commission's Report to the Government of Canada. These groups which indicate that the Government's response to the Abella Report is far too meagre to be discussed this morning represent a majority of women in this country. These groups include the Canadian Labour Congress, the Urban Alliance on Race Relations and the Canadian Congress for Learning Opportunities for Women. These groups represent a majority of women in this country.

These are the same groups which appeared before the Abella Commission. They represent women, disabled people and members of visible minorities in this country. They stated that there is a need for mandatory affirmative action programs to overcome the inequalities that women experience in the Canadian labour force. They said: "Those mandatory affirmative action programs must be backed up by strong and effective enforcement procedures if we are to see progress toward equality".

Therefore, one of their first criticisms of Bill C-62 is that the Government has not opted for mandatory affirmative action programs.

A second concern is the monitoring process. The Minister indicates that she believes that the Canadian Human Rights Commission has had an excellent track record and should not be concerned about its ability to ensure that the intent of the legislation will be enforced. However, the Bill only requires employers to report the data on their workforce by sex, race and disability. Not only do we maintain a reporting relationship, I believe the Bill indicates that the Government will do little with these reports until 1988. There will be a three year delay while the Government reviews the reporting relationships from these various data bases before any action is taken.

It has been clear in past years that when a Government simply indicates it wants to have a reporting relationship rather than providing strong and effective legislation, it does nothing to address the immediate inequalities that exist in the workforce. Furthermore, while public reporting is useful and should continue, it is important that the Government act on that information once it has been collected. When one considers that there will be a three year delay in accumulating the reporting information, and when one considers the past record of the Canadian Human Rights Commission, I suggest it will be the year 2000 before we see the first test case before the Supreme Court.

The point made by these groups to the Abella Commission was that the purpose of affirmative action programs is to move away from the complaints system, to which I just alluded,

which places the onus for change on the victims of discrimination. Instead, the onus should be placed where it properly belongs, that is, on the employment systems themselves. We are saying that the reporting stage is only the first step and the Bill should provide greater ability for the Government to respond to inequalities that exist in our workforce.

Before I go into the specifics of the Bill, let me refer to a statement made by the Canadian Labour Congress. It state that it has been possible to file complaints regarding failure to pay equal pay for work of equal value for almost 10 years now. But this complaint system has not been very effective in bringing pay equity to women. It is already law. As an example, federal sector employers should be required to provide equal pay for work of equal value in their establishments.

• (1120)

The Government's Bill today does not require this. The onus remains on women to make their employers obey the law. That is a serious flaw in the legislation, Mr. Speaker.

As I have indicated in moments past the complaint system itself has been far too slow and has not yet addressed the systemic discrimination that exists in the workforce toward women.

Let me indicate some other areas where we believe serious flaws exist in Bill C-62. First, Judge Abella herself recommended four alternative enforcement mechanisms to ensure that employment equity is implemented. The Government indicates that the Human Rights Commission, with no formal extension of its own mandate or of its funding, will both monitor and enforce the program. There again that is a very serious flaw. As you know, Mr. Speaker, the backlog in cases before the Canadian Human Rights Commission is sufficient now that there are serious doubts whether the CHRC can fulfil the kind of mandate that Bill C-62 will give it unless its funding mechanism and mandate are extended to deal with it effectively.

Second, the extension of employment equity to federally regulated business will exclude companies with fewer than 100 employees. In effect, what we are talking about is excluding roughly 82 per cent of companies that do business with the federal Government, which is the intent of Bill C-62. With only 18 per cent of companies required to enforce these regulations, I really do wonder about the commitment which the Conservative Government has to address the inequality that takes place now in the workforce with respect to women.

Let us now look at Government contracts for goods and services. I mentioned earlier that employment equity will only apply to those companies with more than 100 employees and to contracts over $200,000. In other words, it means that effectively you have eliminated the need for small business to adhere to the new regualations under Bill C-62.

The Minister of Employment and Immigration (Miss MacDonald) has indicated on the floor of the House previously that the majority of jobs being created today, never mind the existing pattern, are created by small business.

Miss MacDonald: Mostly women.

Mr. Frith: Small business and mostly women. I believe 65 per cent of small business jobs are being created by women, but Bill C-62 will exclude the necessity of small business to adhere to the degree of qualification.

Although reporting by Crown corporations and the larger federally regulated businesses will be mandatory, monitoring by the Canadian Human Rights Commission will be done at random. The Minister has declined to define what, if any, power the Canadian Human Rights Commission will have to enforce employment equity. That is a very serious flaw in the legislation. I can only indicate to you, Mr. Speaker, that others who follow me in this debate will point out the flaws that are inherent in Bill C-62. I hope the Government will use the committee structure to allow us to improve this Bill so that the working relationships of women in our society will be improved.

I will not stop without saying that I recall in the last Parliament the howls of outrage every time the previous Government brought in time allocation on its Bills. Yet this Government has done the same thing. I am astounded at the hypocrisy of the present Government, looking at its trade record, which only 16 months ago screamed with outrage every time allocation of time was moved.

• (1125)

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I want to say a few words on the time allocation Bill brought before the House by the Minister of Employment and Immigration (Miss MacDonald).

I want to oppose the motion brought before the House for many of the same reasons which the Minister herself used to oppose these motions when in Opposition. I can recall the Minister making statement after statement as an opposition Member saying that this represented a guillotine and did not give the House proper time to consider a particular Bill. I can quote speech after speech of hers. She has a very short memory. If she were on this side of the House she would resent being pushed around by the Prime Minister's Office and by the Government House Leader.

We have had only a few days of debate on Bill C-62 since it was brought before the House. We had a debate on October 3, October 21, on October 23, on October 30 and on October 31. That is five days, but in reality we had only four days. On October 30 only one speech was made. The second speaker moved adjournment of the House and the bells rang for the rest of the day. We have had four days of debate on this legislation. Is four days of debate long enough on an issue as important as employment equity for the women of Canada, for native people, for visible minorities and for the handicapped? The answer to that is no, it is not long enough.

Our Party has had 14 Members speak on this Bill, the Liberal Party has had a comparative number, and Conservative Party Members have not been anywhere near as involved.

To me it is passing strange that a Conservative Government that spoke in opposition about openness, consultation and national reconciliation would spend only four days on an issue

as important as employment equity before bringing down the guillotine. It is not fair at all.

This is an important issue to women, to the visible minorities, to the native people and to the physically handicapped. We have to make sure that we have strong legislation to make sure these people have opportunities for employment equity. The program in the Minister's Bill is not adequate. She said we can accomplish these things through a voluntary method of affirmative action in Canada, but that is not the case.

Judge Abella in her report said that we need mandatory affirmative action. The Americans have been saying that for years. Let me read to the House a statement made by Judy Lichtman, Executive Director of the Women's Legal Defence Fund in Washington, D.C. At a conference the other day here in Canada she said that she was dubious about affirmative action programs that do not have fixed goals for employers. She said:

In our American experience, we got no compliance until there was an enforcement mechanism.

We do not have an enforcement mechanism in this Bill and that is what this debate is all about. Everything is voluntary. In the United States they do have such a mechanism. But until there was something mandatory in the U.S. there was no compliance. Miss Lichtman went on to say:

Under U.S. law, firms doing business with the federal Government cannot discriminate by gender and must meet deadlines and targets for hiring women.

In Canada, in this Bill, we do not have any targets, deadlines, objectives, goals or quotas in terms of affirmative action by companies from which the federal Government buys supplies and goods. Miss Lichtman went on to say:

A court can order companies with more than 15 employees to take affirmative action measures.

In this Bill the program applies only to companies that have over 100 employees that do business with the federal Government. In the United States, a much bigger country, the American can make companies with 15 employees or more comply. Why can we not do the same here with companies with 15 or more employees and make this rule mandatory? If that were the case, we would not be having this debate in the House of Commons. The Bill would have gone to committee after a couple of days for detailed study and analysis.

This is the fourth time we have had a time allocation motion in this House since September, that is four time allocation motions in the last two months. I am concerned about that as a parliamentarian. What was in the past an occasional practice is becoming a custom under the Conservative Government of Canada of bringing in time allocation time and time again. Before long this will become a custom and a convention. I do not think that is good for an open and free democratic parliamentary system.

● (1130)

Also, in the last while we have had rule changes. Now, compared with the past, we have 20-minute speeches with a 10-minute question period. After a certain amount of time expires, we are down to 10-minute speeches. There is less need to have a closure motion or a time allocation motion than there was in the past. I recall what members of the Conservative Party have been saying in the House in the last 15 years after the Liberals brought in time allocation motions after several days of debate. They said that it was the guillotine and that the House had not had enough time to deliberate. In those days we had longer speeches. We would go on for several weeks, such as in the case of the Crow debate, before time allocation was brought in. The Hon. Member for Yukon (Mr. Nielsen) would rise in the House as an opposition Member and talk about how horrible it was that democracy was being chocked or cut off.

One reason the Conservatives are losing popularity faster than any other Government in the history of Canada is that they have misled Canadians. They have not been honest with Canadians as to where they stand. They said one thing in Opposition; they do another thing in Government. We have another example of that today. While in opposition, they talked about full and fair debates, free-ranging debate and several days of debate. They would rise and be very angry at the Government for cutting off debate. However, once they are in Government, the table is turned; it is a different tale. I think that is why Canadians are becoming very dismayed by the Conservative Party which sits across the way. That is why we are seeing in the House what will become, in my opinion, a one-term Government.

Some Hon. Members: Oh, oh!

Mr. Nystrom: I am getting some reaction from one-term Members sitting across the way. Perhaps they can rise in the House and tell us why, when their Party was in opposition, they made speech after speech saying that it was unfair to bring in time allocation, eight, nine, ten or twelve days of debate in the House, but today that very same Party, in government, brings in time allocation after only four days of debate. They say that it is because it is a new Government, a new caucus and new Members. Part of the reason they won so many seats is that they led Canadians to believe that they would be different.

Some Hon. Members: We are.

Mr. Nystrom: They are different. They are throttling democracy and freedom and speech in the House of Commons by bringing in time allocation. This is a one-term wonder which we see across the way. The Gallup poll and other polls are reflecting that.

The people who are the angriest with the Government across the way are the Conservative Premiers in western Canada who have to face their electorate in the next few months. Grant Devine is shaking in his boots because the Prime Minister (Mr. Mulroney) and his federal Conservative colleagues are pulling stunt after stunt, such as the one they are pulling today in the House of Commons. They won because they misled Canadians. When they were in opposition, they said one thing; now that they are in Government, they say exactly the opposite. If

John Diefenbaker were here today, he would be awfully dismayed with this ragtag group sitting across the way.

It would be one thing to bring in a motion like this if they had been saying such things in opposition. However, it is another thing to say the opposite in opposition to what they are doing now that they are in Government. That has been the legacy of the Conservative Party in the last 14 months since they won the Government of Canada. That is why the people of the country are losing trust and confidence in the Government sitting across the way.

I appeal to Hon. Members of the Conservative Party, even those on the back-benches, to rise and speak their minds. They should not be pushed around by the Minister of Employment and Immigration (Miss MacDonald). They should not be afraid of the Prime Minister of the country. He will not be there very long. There is a tradition in the Conservative Party that they gobble up their leaders every few years. They should not be afraid of him. They should stand up and be rugged individuals like they preached during the campaign. They should speak their minds and have the courage of their convictions. Then the people of the country will respect them for it. If not, we will see across the way a one-term Government and a small rump of Conservatives in the House come 1988 to 1989.

Some Hon. Members: Hear, hear!

• (1140)

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I welcome this opportunity to take part in this debate, and thus bring the second reading stage to an end and refer the Bill to committee according to our normal procedure.

Mr. Speaker, I welcome this opportunity to speak today, and not because I feel we are suppressing individual freedom of speech. On the contrary, Mr. Speaker, we will have ample opportunity within the legislative committees to make our points and to indicate to the Government the amendments we would like to see in this legislation. There is certainly no shame in doing so, and I do not think we are to be criticized for following this procedure.

Mr. Speaker, I may point out that we previously considered a similar Bill in the House. The Bill went to the legislative committee, where we considered again the same motions that had been presented before the House, and I just realized now that when the Bill comes back to the House, we will again be considering the same motions that were presented in committee after first being presented in the House.

Members of the public listening to us this morning and on other occasions often say, and I think we should listen: There is a lot of repetition and a lot of redundancy.

Mr. Speaker, I welcome this opportunity to take part in the debate, because basically, our Bill is based on two concepts: trust and performance. We want, and our friends opposite have always wanted to have a system with public servants to run it. We will make a plan and develop it, and penalties will be provided.

Canadians must be told how to achieve legitimate objectives that are set by a government, whatever its political affiliation. Our friends opposite always thought: Not only are we going to give you a plan, we have an objective and we gave you a plan. That is how things were, Mr. Speaker, because we were not working according to a Government plan and that is how people were kept in a state of inferiority.

Mr. Speaker, this must be true because when our friends opposite talk about women in the House, they are always talking about them in connection with their place in society, with family allowances and pension plans. They are kept in a state of inferiority and they are not given the information they should be given, and that is the kind of role our friends opposite have made women play. We want to do better than that.

Mr. Speaker, we are going to set objectives, and we are going to start by cleaning our own backyard. We are going to set general objectives, and then we are going to compare performances from year to year. And that is what we are going to measure. We are not going to measure a plan set up by a public servant. We are going to measure performance.

Mr. Speaker, we must stop telling Canadians: This is what we want. We must tell them: Here is the recipe for achieving what we want to achieve.

Mr. Speaker, the other day I was listening to the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano) when he said: There was one important measure in the Budget, and that was the rebate on . . . that is to say, Canadians would not be paying taxes on profits, on capital gains over four or five years. But he said: Unfortunately, Mr. Speaker, Canadians were not told how to spend the money they would save in the process, and these people are going to invest that money elsewhere.

That shows the difference between our two parties, Mr. Speaker. The party opposite would have said: We are granting a tax rebate on capital gains, but we are also going to tell you what you have to do with the money. This Government is saying: Here is a tax rebate, and we think Canadians are smart and clever enough to know what to do with the money they will save. That is the difference in our philosophies.

Mr. Speaker, it takes a plan based on performance, not a plan set up and run by public servants. That is the essential thing: a plan based on confidence in the public. Instead of being a public servant run plan, it will consist of a public plan and reports that will be tabled in Parliament. We are hearing reactions from the various associations, and that is how it should be. We are now hearing from these various associations across Canada. Some support the Government's action and others do not criticize it except to say it does not go far

enough. But even with this legislation which, according to the Opposition, does not go far enough, we are going much further than you ever did in the last fifteen years.

Mr. Speaker, these organizations will be able to have input in a Government plan and in an office or a commission, and they would not have had that right before, while today, the plan is public, it will be released to the public, and even the Canadian Human Rights Commission will be able to intervene legally as required in certain cases. Not only it will be able to do so, but it will also have to hear individuals or pressure groups which will want to be heard on the matter.

Mr. Speaker, this is the thrust of this Bill. We are ready to discuss it in legislative committee. We are ready to hear once again the views of the Opposition. However, we have to say that this is a constructive measure. The legislation now in effect is the first step. The usual criticism is that it does not apply to all businesses. Mr. Speaker, firstly, we begin by cleaning our own house. Secondly, we proceed by groups or targets and on the basis of performances. The eligible groups will be in a position to resort to self-scrutiny and self-control because discrimination is not a legal issue. First and foremost, it is a matter of attitude and openness. And Canadians, both men and women, have made some progress since then.

Mr. Speaker, I spent a week in a riding where I visited an Indian reserve. Its leaders are telling the Government that it is urgent to act as far as employment equity is concerned.

All this, Mr. Speaker, still is a matter of confidence and I mean confidence at the level of Canadian businesses and businessmen and not confidence in the plan put forward by the Government. Confidence in businesses on the basis of their performances from one year to another. This is the basic issue. This is the reason why I am pleased to support this Bill and to say: We will now go to the legislative committee to consider and further discuss the subject matter of Bill C-62.

Finally, Mr. Speaker, I should like Canadians to understand the Government's initiative which rests on action—not a voluntary one—aimed at drawing a logical plan for each business. In that respect, the voluntary aspect will not allow the company to choose the direction of its plan, because the direction or the target have already been chosen. As far as means and performances are concerned, year after year, Canadians are mature enough to review them without necessarily relying on a Government plan providing all criteria.

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I am pleased—and sad—to take the floor on this Bill dealing with an issue which I think should have been given a lot more attention.

Mr. Speaker, I would suggest that for the first time women, disabled persons and native people are quite justified to feel that the Minister of Employment and Immigration (Miss MacDonald) has let them down.

Mr. Speaker, not only is the Government promoting a Bill which reflects the approach of the Prime Minister (Mr. Mulroney) and his Government—a hypocritical approach—but at best this is a half-baked measure like all the others. Hon. Members need only recall the deindexation of old age security pensions, the deindexation of family allowances and the 10 per cent tax on sick Canadians. And now we are considering this feeble attempt at a Bill, when for years on end women, disabled persons and native people have been fighting to gain full recognition in terms of employment equity. This Government can only come up with second-class measures.

Mr. Speaker, we Canadians now have laws for second-class women, laws for second-class disabled persons, and laws for second-class native people. Any women lucky enough to get a job with a company having more than 100 employees soon finds out that she rates minimal protection, what we might call token protection.

But if she happens to be one of fewer than 100 employees she does not have any protection at all. That, Mr. Speaker, tells us all about our Prime Minister. The Hon. Member who just resumed his seat, the Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Hudon), could only keep repeating that it is a matter of confidence, Mr. Speaker. Obviously he got up too early to read this morning's newspapers, otherwise he would know that the latest Gallup poll indicates that 52 per cent of Canadians no longer have confidence in this Government, 52 per cent of them disagree with Government policies after only one year since it came into office. Worse still, Mr. Speaker, most people do not even know what this Bill is all about, so you can imagine how they will react when they do find out what the Government has in store for them!

I have to say that the women who successfully ran under the Conservative Party banner are nobodies! Mr. Speaker, the *Coalition des femmes du Québec* met with Quebec women Conservative MPs only to be told that they did not want to be associated with the case of women. That is not what they had promised, Mr. Speaker. Is there one Hon. Member who will try to have me believe that women will be protected if they get jobs with companies having more than 100 employees? Most women who work as waitresses in the restaurant industry will not be protected under this measure, Mr. Speaker. This is where they are being exploited, Mr. Speaker, but the Minister of Employment and Immigration (Miss MacDonald) would rather bury her head in the sand like an ostrich and heed the advice of the Minister of Finance instead of standing on her own two feet and advocating the kind of Bill she personally favours. If the Tories keep this up, Mr. Speaker, 75 and even 80 per cent of Canadians—not only 52 per cent—will turn against this Government.

Is it acceptable that, in 1985, human beings elected to represent their fellow citizens introduce a Bill for the purpose of granting a minimum protection based on the status or

corporation, Mr. Speaker? It reminds me of the Government's Bill concerning the spouse allowance for widows and widowers. Half measures all, Mr. Speaker. If you are single, you are not entitled to it; if you are separated, you are not entitled to it. They create classes of citizens. They have just the Prime Minister's image, just a clean-cut guy with a nice slogan, very nice on the surface but without substance, Mr. Speaker.

When I think of the promises that were made by this Government, I recall the debate which Canadian women had organized during the election campaign; how great our dear Prime Minister looked, with such an open-mindedness and so many firm promises. I can understand that Conservative Members are anxious to limit the length of the debate, for they are ashamed to see what the Government is proposing now compared to what it had promised; I can understand that Conservative women are ashamed and dare not rise to deal with this issue. I can understand that, because if I were they, I should be ashamed too to defend this Bill, in view of all the promises their Party had made to the Canadian people.

What will be the end result of this Bill, Mr. Speaker? From now on, companies willing to do so will submit a report to the Government, and a bunch of civil servants will compile the relevant data. On the proper forms, company so and so will state: I have over 100 employees. Last year, I had not a single woman on my staff. This year, I have one. She could be either a caretaker or a telephone operator. All other companies will do likewise. This will amount to a lot of paperwork which will have to be processed, and in three years the Government will table in the House a report dealing with this issue. It is a joke, Mr. Speaker, and a bad one at that. It is worse than if the Government had done nothing. When one does not know what to do, instead of coming up with half-measures, one had better wait. Your party had agreed to consult the various groups and to govern together with the people. Although the various groups are against this Bill, the Government is bent on having it adopted. Mr. Speaker, I should like to remind you of the conference held here, in Ottawa, and during which the Prime Minister acted as presiding MC and where it cost us $1,000 a minute to see Brian Mulroney's face on.

• (1150)

All participants were in favour of equality for women and the handicapped; yet, the Minister of Employment and Immigration had the gall today to introduce a Bill, or rather to try to stifle the Opposition by moving closure. If I were she, I should be quite embarrassed. At the time she was sitting on the Opposition side, she used to fight for women and worked very hard to improve their lot. Now that she is making $40,000 more, Mr. Speaker, she is keeping her mouth shut. She introduces half-measures. That is outrageous. That is a shame. She has lost her credibility. She was the last of the Cabinet Ministers who still had a minimum of social credibility.

The Minister of National Health and Welfare (Mr. Epp), the so-called Minister of social injustice, has lost all credibility. The Minister of Finance (Mr. Wilson) cannot find anyone who will believe him. As for the Prime Minister (Mr. Mulroney), it is even worse: nobody can trust him any longer. The only Cabinet Minister with a measure of credibility was the Minister of Employment and Immigration, but she has lost it all today.

Not only is the Government not open to consultation, Mr. Speaker . . . The Parliamentary Secretary has already warned us that in committee he will listen to what the Opposition has to say, but he will change nothing . . . In committee, he will listen to the representations of the various groups, but he will change nothing. It is a fraud! The Government should be ashamed to ask Canadian people and groups to step forward and make representations, when it has already decided to have its own way. It is a shame, Mr. Speaker!

My friend the Hon. Member for Brome-Missisquoi (Mrs. Bertrand) who has a lot of experience, reminds me that . . . It seems to me that these people should stand up. The Hon. Member for Gatineau (Mrs. Mailly) refused this past weekend to take part in a debate on family allowances. I understand that she was ashamed of her Government's actions, but I feel that people should stand up and be counted. People should defend their position, Mr. Speaker.

Mrs. Mailly: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Gatineau (Mrs. Mailly) on a point of order.

Mrs. Mailly: Mr. Speaker, I would like to ask for guidance. As I read them, it is not allowed under the Standing Orders to refer to an Hon. Member as being present or not in this House, unless that Member is taking part in the debate.

Mr. Deputy Speaker: With due respect to the Hon. Member, I do not believe the Hon. Member has mentioned the presence of the Hon. Member for Gatineau (Mrs. Mailly) in his speech. I think he referred to possible debate, but I do not believe he referred to her presence as such in this House. If that were the case, the point raised by the Hon. Member for Gatineau would be valid.

Mr. Malépart: As usual, Mr. Speaker. Her facts are all wrong.

I will therefore resume my comments, Mr. Speaker, as concerns the Hon. Member for Gatineau (Mrs. Mailly), I would welcome her comments on that, I would like to hear her say sincerely, right in front of her constituents of both sexes, whether she wholeheartedly supports equality for women. Or would she rather say this to all those employees, to all the women in the constituencies of Gatineau, Brome-Missisquoi, the constituency of the Minister of Employment and Immigration: "Ladies, if you work in a plant that has more than 100

employees, there will be a small program. But if you happen to work for a company with less than 100 employees, we will not be looking after you".

Mrs. Mailly: This is more than you did!

Mr. Malépart: We will see how that goes. As the Parliamentary Secretary to the Minister of Employment and Immigration said: "Well now, we will check on that. People have every confidence in us". Yes, businessmen had such confidence in Brian Mulroney, the Prime Minister, that in the East End, companies are shutting down 52 per cent, Mr. Speaker. Government Members should say that 52 per cent of the people disagree with Government policy. And speaking of disagreement, they did not even know about this legislation because this is no legislation.

Mr. Speaker, I see I am running out of time, although Government Members are getting interested in my comments. A couple of them are waking up. They were asleep. I hope that my speech is not just waking them up, because waking them up is easy, but giving them at least some courage, the courage to defend the interests they were committed to during the last election.

The day after September 4, and I will conclude on this, I saw on television two or three ladies who are here now, Members in this House. They said: "We are going to be there, stirring up the whole thing, we will change all that". I see two of them smiling. But today, you can see they are stirring nothing, Mr. Speaker, They are on all fours, saying: Yes, dear Brian, yes, kiddy boy, do that—

Mr. Speaker, I pray the Hon. Member for Gatineau, the Parliamentary Secretary, the Hon. Member for Brome-Missisquoi (Mrs. Bertrand) to show some courage, to stand up and then people will be proud of you. But right now, people are ashamed of you. Mr. Speaker, I conclude by asking Government Members to amend this Bill, to provide protection for every woman, for every handicapped person, and for every native person, whatever the number of businesses, whatever the number of employees in the workplace.

[*English*]

Mrs. Mary Collins (Capilano): Mr. Speaker, there is a certain irony in the efforts of the opposition Members to delay the passage of Bill C-62 dealing with employment equity. This irony, I am sure, is not lost on the Canadians most in need of the positive measures put forward in this Bill, that is, native people, disabled people, members of visible minority groups, and the women of Canada's workforce. Canadian women in particular must find this whole exercise of nit-picking especially ironic. The two decades which have passed since women surged in record numbers into the workforce is a period distinguished by a singular lack of practical action on employment equity from various Liberal Government incarnations. Instead, what Canadians got was a lot of studies, commissions repeating the findings of other commissions, and a lot of high minded talk, all of it amounting to absolutely nothing in the way of pragmatic progress for women in the office and on the shop floor. Now that the real action on these longstanding concerns is dangerously imminent, the Opposition has once again resorted to type and we are faced with even more talk. This is not only unnecessary but, in the context of two decades of inequity buttressed by inaction, it is totally unconscionable.

Where women are concerned, employment inequity has been twofold, the inequity of opportunity to compete for certain positions and, within the positions they do occupy, inequity of salary—64 per cent of what men make for doing the same work, to be exact. As for inequity of opportunity, statistics show that despite the fact women now represent 41 per cent of the labour force and will reach 50 per cent by the end of the decade, only 4 per cent of senior managers and only 10 per cent of middle managers are women. Yet, in the face of this, we get weeks of stalling on innovative legislation that will require employers to integrate employment equity provisions in their long-range planning.

It should be stressed as well that the importance of the commitment expressed in Bill C-62, and the equity provisions of the Canadian Jobs Strategy Program, go beyond redressing long standing and obvious injustices. As we progress by real and practical steps towards employment equity, there will also be a spinoff effect that will be felt throughout the Canadian economy and Canadian life. As a nation we can no longer afford to exclude any group if we are to revive economically speaking. Be it women, native people, the disabled or members of visible minorities, the growth of the economic dimension these groups represent will stimulate the growth of the economy as a whole. Through the employment and training programs of the Canadian jobs strategy, particularly the job entry program, women are finally being given a chance to realize their goals within the modern workforce. Through important measures like this Bill we will ensure that women will encounter fairness and flexibility on the job as they strive to reach those goals.

This Bill is not a band-aid measure established in isolation from other Government programs and the realities of the market-place. On the contrary, it is designed to complement other federal initiatives to foster equity of opportunity and salary for Canadian women. Quite simply, women and other target groups must be assured of fairness of choice and fairness of income. This precedent-setting legislation is a practical step toward that goal.

• (1200)

I suspect that it is this very practicality which has caused such earnest confusion among the opposition Members. Some say Bill C-62 goes too far and some say it does not go far enough. Perhaps the source of their discomfort is that Bill C-62 actually presumes to do something and to do it in a reasonable, flexible framework which makes its goals achievable. No wonder the Opposition is disoriented. Can you believe, Mr. Speaker, no more studies, studies, studies; no more bureaucratic blizzards of paper work dumped on unsus-

pecting business people; no more inflexible regulations which break down the instant they are applied to regional or individual circumstances? What Bill C-62 proceeds from is the almost revolutionary presumption that results are more important than rhetoric.

We are making a clear commitment to employment equity and we are asking Canadian companies to make that same commitment. That commitment is backed by tough enforcement and penalty measures through the Canadian Human Rights Commission, although we hope to receive a level of co-operation which will make these enforcement measures largely unnecessary. The Government will also require contractors who do more than $200,000 worth of business with the Government to implement employment equity. And where Bill C-62 or other employment measures are concerned, we put these requirements into a workable framework. At a time when the Canadian economy is finally struggling, with the help of the Conservative Government, to get its head above water, it benefits no one, particularly women and other target groups, to throw employers an anchor of unattainable, unilateral and over-complicated legislation. A balance must be struck if the goals of equity are to be achieved. Make no mistake, Bill C-62 means business where equity is concerned. This Government is committed to equality for all Canadians and we are proud to be the first to go beyond the rhetoric of equality by taking concrete steps.

Bill C-62 ensures action and results. It also assumes good will on the part of Canadians as its legislative context. The advance interest and enthusiasm of Canadian enterprises, including some small businesses which do not even come under the legislation, indicates without question that this course is the right one.

The enthusiasm of participants, combined with the urgency of the situation for working women and other target groups in the labour force, makes the ongoing argument of the Opposition all the more empty, especially when we consider its track record on this issue.

We have made a legislative commitment to employment equity and we have backed it by real money and by objectives which are both fair and attainable. It is a commitment which is built upon the co-operation and initiative of all concerned. The time for talk is over. The time for action is now. Because it is so imperative that we move this issue forward in the interests of Canadian women, I am pleased to move, seconded by my colleague, the Hon. Member for South West Nova (Mr. Comeau):

That, pursuant to the provisions of Standing Order 9(4)(A), the House continue to sit through the lunch hour this day for the purpose of continuing consideration of the motion of the Minister of Employment and Immigration.

Mr. Deputy Speaker: All those objecting to the motion will please rise.

And fewer than 25 Members having risen:

Mr. Deputy Speaker: There not being 25 Members rising in objection the motion is adopted.

Motion (Mrs. Collins) agreed to.

Time Allocation

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, we have just listened to the well practised rhetoric of the Hon. Member for Capilano (Mrs. Collins) who eloquently defended what the Bill does not contain, that is, action. The Hon. Member said that the Bill means business. The Bill actually means that business has been heard far more clearly in its 80 per cent opposition to affirmative action than other voices. We have before us now a motion to limit debate on a little Bill that is such an inadequate response to so many of those voices. There has been the clear voice of the aboriginal peoples, of the disabled, of those with skins of a darker hue, and those of women. These voices have been recorded, reported, supported and ignored. These voices have told us that the most significant aspect of life is being able to have the same access to secure employment and decent salaries as everyone else in the country. These voices tell us that they ought to be able to house and clothe themselves and send their children to school on the basis of adequate income and access to jobs. It is an absolutely fundamental right of every person to have a job without regard to sex, skin colour, religion or anything else.

We have been told that it is no longer true that when members of minorities apply for jobs they are faced with a bigot who says: "Coloured people are not employed here". We have been told that complaints presented to the Human Rights Commission have become less and less effective as explicit discriminatory action no longer occurs with the frequency of the past. We have been told that systemic and institutional barriers to members of minorities and women for promotion must be attacked. I have indicated clearly how that must be done.

We do not have a Bill which in fact will implement affirmative action or employment equity. We have instead a Bill which says, "No more. We are going to count minorities and count them twice. We are going to find out which companies are naughty and which are nice". In this Bill there is a mechanism for ascertaining whether or not the statistics of employment of minorities, women and the disabled reflect the population in an area where they have equal access to jobs.

Affirmative action has a number of elements and everyone who has looked at the issue understands what those elements are. If we are going to have an adequate Bill, it should be directed at the entire federal sector and all government contractors. This Bill is limited in that regard. It says that affirmative action dictates that there should be a timetable. It says that affirmative action requires that there should be established goals and targets. The misunderstanding of that concept was clearly indicated by the Minister when she said that quotas become ceilings. That is the clue to the orientation of this Bill.

• (1210)

Affirmative action has been in existence for almost two decades on the North American continent. In places where affirmative action has been effectively implemented quotas have not been set. A quota is a nasty flag raised by those who oppose affirmative action. It elecits all types of negative

responses. It is the bugbear of those who oppose affirmative action. The fact that the Minister herself refers to quotas in the context of affirmative action indicates the orientation of the Bill which is before us. As the previous speaker said, little is imposed upon business in the implementation of affirmative action. True affirmative action requires something more than counts; it requires targets, timetables and an enforcement mechanism. More important than anything else in order to be effective is the necessity for penalties. Affirmative action must be based on a plan or plans which are specific to the businesses involved in a situation which has to be addressed. That plan should also include employee or union involvement along with that of management and members from the designated groups. None of this is contained in the Bill before us. The Bill is a mockery—a mere sham—in response to the needs, concerns and actions requested by women, the disabled, natives and the visible minorities. It is no wonder that the Government is trying to impose a limitation on debate. What the Government is saying to those of us who sit on this side of the House who want to communicate the message that the designated groups would have us communicate is: "Shut up. We do not want to hear any more about it".

We have a little Bill which we intend to pass which ignores all of what has been said. We are purportedly leading the nation on a track of real progress in answer to discriminataion in employment. Yet, when we look south to the United States, which has a history of slavery and struggle in terms of the civil rights movement, a country to which we have compared ourselves and which we consider as being so much better in so many respects in terms of its treatment of women and minorities, we see affirmative action programs which are far more effective in the key areas. The Americans have requirements for timetables. They have targets and penalties which apply to all federally-regulated employers and all federal contracts.

The designated groups under this legislation have asked for contract compliance. Yet there is only limited contract compliance set out in the Bill. They have asked that the number of employees be reduced to 50, as it is in the United States. That has been denied. What we have before us is a betrayal of all of those whom this Bill purports to serve. It betrays the young native who says that violence and suicide is a common occurence on reservations where youth unemployment might be 100 per cent but is actually close to 90 per cent. There is a betrayal of the highly skilled female secretary who makes less than a janitor. It is a betrayal of the 70 per cent of black youth in Halifax who are struggling to find jobs. It is a betrayal of the disabled who were promised by the Prime Minister (Mr. Mulroney) that their needs for employment equity would be looked into and that action would be taken.

No wonder the Government wants to shut us up. It does not want to hear the message. It wants to get through with the matter quickly so that, presumably, no one will notice the magnitude of the betrayal of the needs of so many of the people in the country. It is a shame that the Government does not want to listen. It refuses to hear what has already been said so many times. Perhaps it is a waste of time to continue the debate because for half a century the minorities have been asking for the type of action which affirmative action would provide in allowing them to have equal participation in our society. Maybe it is just as well that we be frank. The Government is not interested and it wants to cut off debate.

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, it is a pleasure for me to participate in this important debate on Bill C-62 and on the motion of the Minister of Employment and Immigration (Miss MacDonald).

Women, the disabled and ethnic minorities have waited long enough for the type of practical and effective employment equity legislation which Bill C-62 represents. During debate on the Bill we have all heard of the frustrating statistics which demonstrate the need for employment equity legislation in the country. We have heard of discrimination in the workplace which visible minorities and the disabled experience almost every day. We have heard of the wage gap working women face simply because they are women. Above all, we have heard of the tremendous waste of human resource and talent that this type of discrimination wreaks on our country and upon our furture. The time to act is now. Further delay of the Bill will only delay equality in the workplace.

The question we on this side of the House are asking, is why would the Opposition want to delay legislation which will give millions of Canadians new hope and new opportunity? The country simply cannot wait. Why delay legislation which, for the first time, will give the Human Rights Commission the date and the resources it needs to further the cause of equality in the workplace? Why delay legislation which, for the first time, will compel hundreds of private firms which deal with the Government to implement workable employment equity? Above all, why delay legislation which will bring the country into the 21st century in terms of fairness and equality in the job market?

The Opposition would have us believe that the answer to employment equity lies in quotas and Government red tape. They simply do not understand that quotas are unworkable, unfair and unnecessary. A recent poll conducted by the American Enterprise Institute in the United States found that 77 per cent of blacks actually oppose quota-style affirmative action programs. Despite forced quotas, discrimination still exists in the U.S. because employers treat people as numbers and as fillers for Government forms. Our Government believes people should be judged on merit and capability.

Bill C-62 reaffirms our intention of encouraging a positive and progressive environment for employment equity in Canada. As the Minister of Employment and Immigration has said, employment equity is about opportunity, the opportunity for Canadians everywhere to earn a decent living and to participate fully in our society.

This past weekend the newly elected Leader of the Ontario Progressive Conservative Party, the Hon. Larry Grossman, highlighted the importance of involving ethnic minorities more actively in the political and decision-making process. I share his sentiments. I applaud his commitment to equality oppor-

tunities when a new Progressive Conservative Government is returned to the great Province of Ontario.

Some Hon. Members: Hear, hear!

• (1220)

Mrs. Browes: Bill C-62 represents an important turning point for Canadians. It signals that Canadian women are not going to be balkanized in clerical and service sector occupations. It signals that native people and visible minorities are not going to be denied opportunity because of the colour of their skin. Job discrimination, whether overt or unintentional, can no longer be condoned by a country that expects top performance in its industrial sector. Systemic, unintentional discrimination is inefficient and a waste of our human resources and impedes the natural flow of the free market. Mr. Claude Bruneau, President and Chairman of the Imperial Life Assurance Company of Canada recently said, and I quote:

I see 50 per cent of the population becoming financially autonomous and scant attention has been paid by business.

He also said there was a great opportunity for women as business leaders. And this, I might add, would be of benefit to the whole country. This Government's vision of a fair and equitable labour market can truly serve the interests of all Canadians. Fairness and equity are more than mileposts for social justice. They also show that this society needs the participation and contribution of all our human resources if we are to be competitive.

We are taking a positive first step towards change, one which works with Canadians, not against them. By requiring the implementation of employment equity we are telling employers to take the time to examine the composition of their workforce. Are there barriers that block the entry of potentially good workers? Are these barriers truly necessary to the job? Does everyone have access to training? Who got promotions last year? Is there under-representation of women or native persons at the executive level, and if so, why?

Therefore, let me say that, in the interests of justice, prosperity, and basic human rights, this Parliament should pass Bill C-62 as quickly as possible and prove to Canadians our commitment to equality and social justice.

[*Translation*]

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I rise today to speak once more about Bill C-62, which aims at promoting employment equity for women, visible minorities, the native people and the handicapped.

These objectives are quite valid and I support them wholeheartedly. However, I object to Bill C-62 as it now stands because it does not provide the mechanisms required to achieve the stated objectives of the Minister of Employment and Immigration.

Like many pressure groups representing women and the three categories mentioned earlier and covered in Bill C-62, I believe that it is essential that legislation to promote employment equity include effective enforcement mechanisms, target dates and penalties.

Since the tabling of Bill C-62 in this House, the Committee on Equality Rights has tabled its report. Earlier, I heard my colleague say that Bill C-62 should have the support of all Opposition Members. However, I am somewhat surprised at what she said because she herself supported the report on employment equity which deals among other matters with Bill C-62.

It has been said that the Conservative Government wants to apply Bill C-62 to all companies having more than 100 employees, but not to the Government itself in its capacity as an employer. Yet, Mr. Speaker, the recommendations contained in the report of the Parliamentary Committee on Equality Rights, of which my colleague was a member included recommendation No. 60, which states:

We recommend that employment equity legislation apply to all federal public sector employers and to employers under federal jurisdiction, with necessary adjustments being made by regulation for small businesses and agencies.

This was one of the recommendations of the Committee, but this Bill does not reflect these recommendations.

I also believe that the minorities should co-operate with employers and unions in developing employment programs. A great many groups representing women, the native people, the handicapped and visible minorities have deplored the lack of mechanisms to enforce employment equity programs. The Abella Report emphasized the importance of having an independent agency responsible for implementing employment equity programs. The report *Equality for all* also recommends that the legislation designed to guarantee employment equity contain implementation mechanisms through which the Canadian Human Rights Commission would develop special programs and have the financial and human resources it requires to do so. The members of the Parliamentary Committee on Equality Rights also thought that the employment equity legislation should provide for a periodical review of special programs so that they might be adjusted or cancelled according to how the situation develops.

I am somewhat surprised that the Hon. Member described this Bill as sensational this morning, as there is a striking contrast between this legislation and the report she signed herself. Since employment equity concerns not only the labour force, as stated in the report of the Parliamentary Committee on Equality Rights, but our whole social structure, the members of the Committee recommended a series of measures to help women, the handicapped, native people and visible minorities to achieve real equality. I therefore question the statements made by the Hon. Member earlier. Mr. Speaker, the recommendations of the Committee are important since the family responsibilities of women constitute real obstacles to their equality on the labour market. The same is true of the major financial costs which the handicapped must bear if they are to live a relatively normal life.

Realizing the importance of these factors in the daily life of Canadian men and women, the Committee also recommended that, in consultation with the provinces, the Federal Government urgently take measures to ensure that day-care services in Canada be available at affordable prices. The Committee on Equality Rights, of which my colleague was a member, also wants the Income Tax Act to be amended so that the handicapped can be entitled to deduct from their income the costs of special devices and services, including additional job-related transportation costs which are a direct result of their handicap.

This report is one of the best that this House has received, and the Hon. Member who extolled the merits of Bill C-62 this morning was among those who signed it. Once again, I am somewhat confused about this because, in view of this report, Mr. Speaker, I am in fact urging the Minister of Employment and Immigration to withdraw her Bill on employment equity and introduce legislation which will better reflect the recommendations of the Parliamentary Committee on Equality Rights. This report was accepted by the three political parties, I think it is a progressive report, and I believe that the Conservative Government should take advantage of the fact that it was a unanimous report to implement new guidelines. The Minister of Employment and Immigration told reporters last week that the women's movement should deal with basic issues and put less important matters aside. In my opinion, she now has a golden opportunity to introduce in Bill C-62 elements which groups representing women, visible minorities, the handicapped and the native people consider essential. This bears repeating: I think that the report on equality rights ranks among the best we ever had, so I am surprised that the Minister would not implement the recommendations made by the committee members concerning this Bill. I am still more surprised to see my colleague support a Bill which is lacking, when in fact she belongs to the sub-committee which presented a report on equality. I find that quite astonishing.

Regarding the Bill under consideration, we learned last July that the Government would only require from employers a statement that they endorse the principle of equal opportunities for men and women, nothing more for the time being. It falls far short of the Abella report recommendation. The report went as far as urging that the Canadian organization responsible for ensuring compliance with equality provisions related to employment in the federally regulated sector monitor as well compliance with private sector contractual obligations. Well, this Bill C-62 does not provide for any such commitment. As I pointed out a few minutes ago, the lack of enforcement mechanisms makes the Bill under study totally useless.

Mr. Speaker, allow me to refresh your memory concerning the reaction of some politically independent people and groups who are strongly opposed to Bill C-62. At a meeting organized last spring by the federal caucus of Conservative women of the Montreal region, UQAM labour sociologist Évelyne Tardy stated that toothless employment equality legislation would be useless.

I have received a great many telephone calls from groups of women concerned about the Conservative Government's lack of political will in the area of employment. On the other hand, I have received a great many phone calls from groups of women and other people supporting the report of the Sub-committee on Equality Rights. I should like, therefore, my hon. friend to come clean. As I listened to her, I had the clear impression that she had two different ways to approach this bill.

Of course, I am very disappointed today that the Government should impose closure on such an important bill as this. This demonstrates the Conservative Government's lack of understanding of and sensitivity for women issues. We are all aware that in Canada poverty is a fact of life for a great many women and that today, in 1985, 42 per cent of married women with children must go out to work. I do not think that a bill such as this will make it possible for Canadian women to achieve the place they deserve on the labour market. I am extremely disappointed and I want to make it quite clear again that I categorically oppose Bill C-62 in its present form.

• (1230)

[*English*]

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, when I return to my riding of Niagara Falls on the weekends I am very pleased to discuss some of the federal issues which are before this House. One of the things that I am particularly proud and pleased to discuss are the provisions of Bill C-62, the employment equity Act. People like it. It appeals to their basic sense of fairness which, I think, characterizes Canadians.

When my constituents ask me about the progress of this Bill, I have to be fair about it. I tell them that the NDP and the Liberals are against it and are trying to hold it up, just as they are doing with several other pieces of legislation before this House. They argue that it does not go far enough, that it does not have enough enforcement to scare Canada's business community into action. They then issue their classic response: "Let's do nothing, let's forget about it and maybe the problem will go away on its own".

I am disappointed, Mr. Speaker, with that attitude. However, having observed the proceedings of the Thirty-third Parliament up to this point, I am not surprised by it. I believe it is that kind of closed-minded outlook that lies at the root of the need for this employment equity legislation. Canadians want strong, forceful legislation which appeals to positive rather than negative qualities. I think the Government has achieved this with Bill C-62, but the Opposition's response is just to keep talking about it and eventually forget about it. I think I know the reason for that. I think they are afraid that this legislation will be successful and, obviously, this is a risk which they would rather not take.

I will use a few minutes to explain why the Government's positive yet firm approach to employment equity is, in my

opinion, the best way to proceed. I ask you to think about people who are handicapped, many of whom, up until a few years ago, faced a life of isolation and institutionalization. Many of these individuals are now out in the community ready and willing to work. However, they are faced with a 50 per cent unemployment rate. I think that is most unfortunate because these people can and want to work. They do not want to sit at home collecting unemployment insurance cheques or disability pensions. Many of them have valuable skills. Many of them could fit in well as professional individuals. Others have top rate clerical or semi-professional skills. These individuals wake up every morning into a world of "can't do". Those "can'ts" are inspired by social barriers and implied restrictions.

Physically handicapped individuals have a tough time going door-to-door. Many times they cannot physically get through the employer's door. This is one area in this particularly difficult problem where I think we have made progress. It has been encouraging for me to note in recent years that changes in building codes require all public buildings to provide access ramps and other facilities for the handicapped. Even if that individual can get through the door, Mr. Speaker, he must still overcome the invisible barriers of prejudice and fear. This is another unfortunate aspect of this problem. However, many times when I have spoken with employers who have hired physically handicapped people I have noticed, almost without exception, that their efforts have been rewarded. However, Mr. Speaker, that is not enough. Where prejudice and fear remain there will continue to be a tremendous waste of potential.

I believe that Bill C-62 will help to change this situation. No longer will employers be able to hide from the problem by denying its existence. They will now have to implement equity and demonstrate its implementation by reporting on the results. Now they will have to explain what they are doing about hiring disabled individuals as well as women, native people and members of visible minorities. However, I think it is important that the Government not lean over employers' shoulders and say that they must hire target groups whether or not they are qualified. There are no quotas here. Too often when quotas have been implemented they have represented a ceiling for the employment of minority groups. Rather, the data which employers must provide in their annual equity reports will provide a bench mark, a public comparison of employment equity performance. Consumers and Government agencies, for example, will know if a business is pulling its weight or is just sloughing off its responsibilities.

As Bill C-62 is aimed at larger businesses, often with a high public profile, a poor equity report is, at the very least, embarrassing. More important, the Human Rights Commission is now going to be able to look for evidence of discrimination and will be able to use its power to initiate investigations. No longer will reliance be placed solely on idividuals or groups to file complaints.

Why should only larger businesses with 100 or more employees be involved? Why rely on the Human Rights Commission to assess the report data and decide on enforcement under its human rights mandate? The answer is simple. Canadians hate bureaucracy, Mr. Speaker. I know that some of my friends in the Liberal and New Democratic Parties love bureaucracies, but I think most Canadians hate them. I hear some of my friends insisting that they probably invented bureaucracy. I am not going to quarrel with their interpretation of history.

In any case, Mr. Speaker, while adhering to the reporting requirement will cost larger firms less than $2 per employee, the administrative burden on smaller enterprises could be unreasonable and unworkable. Unlike my hon. friends beside me, we certainly do not want an army of equity police descending on Canada's employers. Nor do we want to spend more of our tax dollars on bureaucrats' salaries, when the money could be better used to create real jobs. Therefore, the message to the employers of this country is simple. Either clean up your act or we will be prepared to act further. Clean up your act and do it now.

• (1240)

The Minister of Employment and Immigration (Miss MacDonald) has already indicated to the House that she will see to it that the Human Rights Commission will be provided with the additional resources to ensure that employment equity gets proper attention. Fortunately, the commission is already well equipped with administrative and staff resources to handle equity cases. It is a practical and efficient way to run the Government and meet the needs to target group members.

Let me conclude by making some basic observations. Our Government in the first in Canada's history to go beyond rhetoric and false promises. It goes beyong the bull-headed claims and stonewalling of the NDP and Liberals. It is the first Government to actually implement employment equity legislation.

It took courage to bring this Bill before Parliament. Many vested interests would prefer not to see it happen. My colleagues in the Liberal and New Democratic Parties are part of those interests who do not want to see it happen. However, for the disabled individuals, women, native people and members of visible minority groups, this Bill offers hope and promise. That promise is extended to all Canadians who will be able to learn what these individuals can do.

I think Bill C-62 is a courageous and exciting piece of legislation. It is an historic place of legislation and it is time that it became the law of the land.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, the Hon. Member for Niagara Falls (Mr. Nicholson) stated that the approach of the Conservatives to matters like enforcement was to trust the business community to look after itself and respect the ideals set out by Parliament in legislation such as Bill C-62. I find that a particularly interesting comment coming from a Member from Niagara Falls. It should give the constituents of Niagara Falls cause for some concern not only about their present Member but about previous Members who

obviously took that attitude about the industrial community which we now know has been responsible for the pollution of the Niagara River system and indeed of the Great Lakes for many years. What happened as a result of the trust that was placed in the business community with respect to their regard for the environment? At that time it was argued that those who wanted to enforce environmental regulations on those industries were people who had a passion for bureaucracy and did not take a proper attitude toward the business community which should have been trusted to do what was right. That kind of trusting attitude has been responsible for many of the problems that we now find with respect to the environment and many other issues.

People do not talk about enforcement because of a passion for bureaucracy. It is a realistic assessment of how businesses tend to operate in their own short-term self-interest. Very rarely do business do anything other than act in those interests.

Therefore, those of us who complain about the lack of enforcement mechanisms in this Bill are not arguing in favour of bureaucracy but that some kind of enforcement mechanism is necessary in order to achieve the goals that have been set out in this Bill. These mechanisms must be efficient and need not be bureaucratic in the pejorative sense of the word.

With respect to this debate, there is nothing like a closure debate to bring out the incredible hypocrisy and double standard which so often plagues the image of Parliament. The Liberals, now in opposition, complain about the horrible and undemocratic use of closure. They say that the Government does not want to hear debate. On the other hand, the Government is repeating what the Liberals used to say, that people who are against closure are against the Bill. The Member for Niagara Falls said that the Liberals and the NDP do not want advancement for women, native people and others affected by this Bill. It is the same routine over again except that the players have changed.

Mr. Edwards: You have stayed where you are.

Mr. Blaikie: Yes, indeed. The Hon. Member says that we have not changed. That is true. I would not want to change from maintaining a critical attitude toward this kind of charade that happens every time there is a closure motion.

Eventually we must stop this charade and come to an agreement in the House about how to manage the time of the House and its legislative calendar. Anything would be an improvement to this charade that takes place every time there is a a closure motion before the House. Surely it does not increase the respect for the House of Commons held by those who pay attention to what goes on here. Therefore, I suggest that not only in this instance but in other areas of concern to the House, there should be careful study of how we manage our time.

One of the more pressing problems is how to manage our committee time. In that context, let me comment on the need for some time management in the functioning of legislative committees. I was a member of the committee which recommended the establishment of the legislative committee. As a member of that committee, I am concerned about the proliferation of legislative committees—

Mr. Mazankowski: You are responsible for it.

Mr. Blaikie: The Minister of Transport (Mr. Mazankowski) says that I am responsible—

Mr. Mazankowski: Partly responsible.

Mr. Blaikie: It was an all-Party committee. I believe that some recommendations have not been implemented as we wanted. I am trying to clear that up. The Minister should listen, if he wants to see it work.

For instance, legislative committees have been established when we do not yet have the smaller standing committees that were recommended by the committee. The workload in proportion to the number of members involved in the committees is larger than the reform committee envisaged. Furthermore, there are many more legislative committees than we envisaged sitting at the same time. Perhaps we should have been more explicit in our report. We thought that common sense would dictate that there would be a limit on the amount of committees sitting at one time rather than having an endless number of legislative committees sitting at the same time. I believe this causes an unnecessary strain on the good concept of a legislative committee.

I realize that we are debating a closure motion, but behind every debate on closure is the larger question of the management of the time of the House of Commons. I believe we must develop a different attitude toward how we manage the time of the House and committees. We must find a solution to the strain being put on Members, individually and collectively as caucuses. We must also find a solution to the strain on reform as a result of the proliferation of legislation committees. In that respect, I hope the Government will allow a debate on its response to the committee's recommendations to take place in the House so that Members can be heard before an agreement on the next stage of reform takes place. I think it is very important that the House have an opportunity to debate those recommendations. I regret we have not yet seen that. I tried to ask the Government House Leader a question about it the other day, but I was ruled out of order.

• (1250)

In any event, Mr. Speaker, if we do not get that debate soon, I say to you, and through you to other Members, that I will move concurrence in the committee's report and then we will have debate if that is what it takes to get an opportunity for Members to comment on the final recommendations of the Reform Committee and the Government's response to the recommedations. That is what I will do if that is what it takes and I say quite openly that I used this opportunity to make a few points that I think needed to be made about the present state of affairs with respect to parliamentary reform and about the question of the management of our time in general.

[*Translation*]

Mrs. Monique Landry (Parliamentary Secretary to Secretary of State): Mr. Speaker, the time has come to end the debate on second reading of Bill C-62, the legislation on employment equity, otherwise the public might start thinking that South Africa's philosophy has rubbed off on this Parliament.

In fact, Mr. Speaker, discriminatory measures, although usually not intentional, are preventing many members of target groups from enjoying the same advantages as other citizens with respect to recruitment, promotion and remuneration.

We must act to change this situation. We must take action to guarantee their rights: the rights of women, native peoples, the handicapped and members of minority groups. We must take action to ensure that women have equal access to jobs on the labour market.

We must take action for the benefit of native peoples, so that our position internationally with respect to various aboriginal peoples is not used against us and we are not made out to be hypocritical in the extreme.

We must act to help the handicapped, since during the International Year of the Handicapped, we recognized that they have the same rights and privileges as other citizens, and it is therefore essential to take appropriate action to guarantee those rights.

We must act to help members of visible minorities and ensure their full participation in the economic, social and cultural life of this country.

Mr. Speaker, it would therefore be in order to question the motives of some individuals and groups in criticizing this legislation. Some people claim that their hesitation in embracing the intent of this legislation is due to a lack of information, but this is hardly a convincing argument because of the abundant literature available on the subject.

I would like to add that that literature must be read with the requisite objectivity, because there will always be those whose minds are so narrow they will object to fundamental principles such as those that guide this Government.

Individuals or groups who object on economic grounds should be reminded that they are taking a very short view of the situation. In fact, Mr. Speaker, the amount to be spent on setting up equity measures is only a drop in the bucket, if we consider the amounts we would have to invest in the future to remedy a situation caused by our neglect. How many billions of dollars will have to be spent on assistance for women, native peoples, the handicapped and members of visible minorities if we do not give them the opportunity to become active participants in this country's economy?

Mr. Speaker, I am thinking of those who are using dilatory tactics to reduce the impact of this legislation or to get rid of it altogether. They will have to take the responsibility for their actions. It is intolerable that in a society that calls itself civilized, we should doom a very large part of the population to being second-class citizens or ignore their rights altogether.

And there are those who will claim that we are doing this for purely political purposes. That is not so. We could indeed have delayed our response to the Abella Report recommendations, saving it as icing for a cake for the end of our mandate. Quite the opposite, we wasted no time reacting to the proposals in that report, we introduced a legislative measure, Bill C-62.

As you can see, Mr. Speaker, their objections do not hold. What is needed now is that we get out of our lethargy, get rid of our prejudices and act. I referred earlier to South Africa. I will now have a few word on the historical situation of our southern neighbours. After the war in the middle of the 19th century, many generations had to come and go before they could take corrective measures against discrimination. Fortunately, this country did not have to go through that kind of war.

However, because of our peaceful nature and situation, we came to think this was paradise. Regretful as it may be, paradise this is not. We have been practicing various forms of discrimination, more often than not in an unconcious, unintentional way. Some will say they have nothing to do with it, not being at the root of these problems, and not supporting them in any way. But this is a social problem, Mr. Speaker, and we are all involved. Whether by our awareness or through our decisions, we can and must act.

We can act, Mr. Speaker, and we, as a Government, have decided to introduce a bill that will be the starting point of a major movement at the national level to fill gaps that have been plaguing this country for too long, and which we can no longer tolerate.

As I mentioned in my opening remarks, Mr. Speaker, I feel the time has come to put an end to these discussions, otherwise we will be showing contempt for Canada's people and institutions.

[*English*]

Mr. John Nunziata (York South-Weston): Mr. Speaker, as you know, the rules of the House preclude me from calling any Member in this House a hypocrite, but the rules do not preclude me from calling this Government a hypocritical Government. There is no question, and there is ample evidence for any Canadian to conclude, that this Government is hypocritical. The Conservative Government has mastered the art of hypocrisy.

We are debating a motion by the Government to limit debate with respect to Bill C-62 dealing with employment equity. When that Party was on this side of the House, time and time again it argued against closure. The Conservatives said it was undemocratic and that the Opposition should be given as much opportunity as possible within reason to debate a piece of legislation. They said it was wrong to cut debate and

have the guillotine fall. The Minister of Employment and Immigration (Miss MacDonald) when she was in Opposition spoke out very vigorously on that subject matter. Now the same Minister today has moved the motion to cut off debate to stifle any further debate on Bill C-62.

There comes a time when Parliament must have the authority to limit debate, because a Government has the mandate of the people. In order for the House to continue to operate efficiently, there comes a time when enough is enough and matters should proceed to the next logical step.

Concerning this legislation, which is one of the most important pieces of legislation that we have discussed this far, we note that debate has been limited to five days. One can hardly argue that the Opposition is obstructing the passage of this legislation. After five days of debate, the Government decides that it has had enough. That would lead one to question why. Why is the Government invoking closure in respect of this extremely important piece of legislation?

• (1300)

I will try to answer that question in the few precious moments I have to speak today. It appears obvious to me—and I think it is obvious to Canadians—that the Government is embarrassed by Bill C-62. It is embarrassed because it realizes that the Bill is seriously flawed. The Government is embarrassed because, even though the Bill is seriously flawed, there are a lot of Conservatives who disagree fundamentally with Bill C-62.

I am sure you are aware, Mr. Speaker, that in 1982, at a policy convention of the Conservative Party of Canada, 75 per cent of the delegates felt that women were not entitled to special employment programs. That is where the Conservative Party is at when it comes to employment equity or employment fairness. That is where the Conservative Government is at when it comes to justice in the workplace. That is one of the reasons it is cutting off debate. The Conservatives are embarrassed about this piece of legislation. They know that the longer the debate lasts, the more embarrassed they will become.

The Government and the Prime Minister (Mr. Mulroney) are now considering prorouging the House in December. They are considering adjourning the House for two months. Is that responsible action? Is that evidence of hypocrisy? I would submit that it is. Today they are telling us that there is other business which has to be attended to, important business facing the nation, and therefore we have to get this piece of legislation through the House of Commons. That is what they are telling us, yet they are considering adjourning the House for two months in order to give Conservative Members a holiday.

Some Hon. Members: Oh, oh!

Mr. Nunziata: The Government is without direction. It is without vision. It is adrift. It knows not where it is going. It is bankrupt and has nothing further to do, so it is planning on adjourning the House for two months. Yet, it does not have the time to give this particular piece of legislation adequate consideration.

Canadians wonder about where the Government is at in respect of hypocrisy, sincerity and integrity. The last year has provided us with an abundance of evidence in respect of the integrity and credibility of the Government. During the last election campaign in the summer of 1984, the Conservatives conned the women of Canada, aboriginal groups and the disabled. They promised the people of Canada, including the visible minorities, that they would bring in effective legislation.

I note that my time is up. It is unfortunate, but it is the result of the motion which the Minister presented today. Had I had the opportunity, I would have continued to speak about the pitfalls and inadequacies of this particular piece of legislation. I cannot because you are about to cut me off, Mr. Speaker. That is closure.

[*Translation*]

Mr. Deputy Speaker: It being 1.04 p.m., the two hours provided for the consideration of the motion now before the House under the provisions of Standing Order 84 have expired. Accordingly, under the terms of this Standing Order, it is my duty to interrupt the proceedings and put every question necessary to dispose of the motion.

[*English*]

Accordingly, the question is the following one. Miss MacDonald, seconded by Mr. Hnatyshyn, moves that, in relation to Bill C-62, an Act respecting employment equity, one sitting day shall be allotted to the consideration of the second reading stage of the said Bill; and that 15 minutes before the expiry of the time provided for the consideration of Government business on the above-mentioned sitting day, any proceedings then before the House shall be interrupted, if necessary, for the purpose of this Order and, in turn, every question necessary to dispose of the said stage of the said Bill shall be put forthwith and successively, without further debate or amendment. It is the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

The House divided on the motion (Miss MacDonald), which was agreed to on the following division:

(Division No. 128)

YEAS

Members

Andre	Greenaway	McDermid
Beatty	Gurbin	McDougall (St. Paul's)
Bertrand	Hawkes	McKinnon
Bissonnette	Hnatyshyn	McKnight
Blenkarn	Hockin	McLean
Bourgault	Holtmann	McMillan
Bradley	Hudon	Minaker
Brightwell	Johnson (Bonavista-Trinity-Conception)	Mitges
Browes	Joncas	Nicholson (Niagara Falls)
Caldwell	Kempling	Nielsen
Champagne (Saint-Hyacinthe-Bagot)	Kilgour	Oberle
Clark (Brandon-Souris)	Ladouceur	Paproski
Coates	Landry	Peterson
Cochrane	La Salle	Price
Collins	Leblanc	Redway
Comeau	Lesick	Schellenberg (Nanaimo-Alberni)
Cook	Lewis	Scowen
Cooper	MacDonald (Kingston and the Islands)	Speyer
Crofton	MacDougall (Timiskaming)	Stackhouse
Crouse	Mailly	Towers
Daubney	Marin	Turner (Ottawa-Carleton)
Desjardins	Mayer	Vankoughnet
Dick	Mazankowski	Vézina
Edwards	McCain	Vincent
Ellis	McCuish	Wenman
Fraleigh		Winegard
Fretz		Wise—80.
Gormley		

NAYS

Members

Althouse	Gray (Windsor West)	Nunziata
Blaikie	Guilbault (Saint-Jacques)	Nystrom
Caccia	Hopkins	Orlikow
Copps	Isabelle	Parry
Dingwall	Jewett	Penner
Epp (Thunder Bay-Nipigon)	Keeper	Pépin
Finestone	Langdon	Prud'homme
Frith	Marchi	Riis
Fulton	McDonald (Broadview-Greenwood)	Robichaud
Gagliano		Rossi
Gauthier		Waddell
		Young—32.

Mr. Speaker: I declare the motion carried. It being past 1 p.m., I do now leave the chair until 2 p.m.

At 1.28 p.m. the House took recess.

AFTER RECESS

The House resumed at 2.00 p.m.

STATEMENTS PURSUANT TO S.O. 22

[*Translation*]

TOURISM

PROBLEM CREATED BY OVER TAXATION

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, the Federal-Provincial Conference on Tourism will open tomorrow in Vancouver. A month ago, representatives of the tourist industry met to convey their concerns to the federal and provincial ministers. They raised on several occasions the issue of overtaxation. They insisted that government-levied taxes made the Canadian industry less and less competitive.

Mr. Robert DeGrâce, President of the Canadian Restaurant and Foodservices Association, stated, and I quote:

[*English*]

At this conference, I have heard that cost is not a significant competitive factor. I want to tell you that it is, Mr. Minister. When are we going to look at the tax structures in Canada and their impact on the price of tourism services.

[*Translation*]

This testimony clearly demonstrates that the Conservative Government and the Minister of State for Tourism (Mr. Murta) are not paying attention to the serious problem the overtaxation is creating for our industry.

In Canada, for instance, gas costs 30 per cent more than in the United States and the Canadian Government is collecting on a bottle of alcohol three times as much taxes as its American counterpart.

That is the reason why the deficit of the tourist industry has increased by 5.1 per cent over the first six months of this year compared with last year. The industry feels that the Government did not get the message and I hope that the—

Mr. Speaker: I must regretfully advise the Hon. Member that the time allotted to him has expired.

* * *

[*English*]

PROVINCIAL AFFAIRS

BRITISH COLUMBIA—ALLEGATIONS OF MISCONDUCT MADE BY FORMER OMBUDSMAN

Mr. Jim Fulton (Skeena): Mr. Speaker, I wish to put on notice the Solicitor General (Mr. Beatty), the Minister of Justice (Mr. Crosbie), and the Commissioner of the RCMP concerning the urgent necessity of a federal investigation into this weekend's allegations by the former Ombudsman of British Columbia. Dr. Karl Friedmann has publicly revealed that a B.C. cabinet Minister authorized Government employees in British Columbia to break and enter the warehouse of a company in B.C. and remove 16 tons of files. Dr. Friedmann states that he spent nine months fighting the chief law enforcement agency of the Province, the Ministry of the Attorney General, in his efforts to have criminal charges proceeded with. Dr. Friedmann was not successful.

Since this matter strikes to the very heart of the criminal justice system in Canada, I believe the Solicitor General, the Minister of Justice, and the Commissioner of the RCMP have a moral and legal responsibility to uphold the laws of Canada to investigate, charge, and arrest all of those involved, including the Cabinet Minister who authorized these criminal activities.

S.O. 22

I am confident that all Members of the House wish to see this matter brought before the courts. I challenge anyone who thinks otherwise to state that outside the Chamber today. The Criminal Code applies to all Canadians—including Cabinet Ministers.

* * *

ENVIRONMENTAL AFFAIRS

SOUTH MORESBY—CONFRONTATION BETWEEN LOGGERS AND HAIDA INDIANS

Mr. Ted Schellenberg (Nanaimo-Alberni): Mr. Speaker, thousands of miles to the west a major confrontation has emerged between the loggers and native Indians of South Moresby, particularly on Lyell Island. This region contains several areas of high ecological and anthropological importance. As well, the forest industry there provides jobs, local services, and a way of life to many citizens of my home province. It is my view, and the view of many of my constituents, that the best land use is an intelligent, multi-use approach which will meet the needs of many, as opposed to a single use concept which will favour the few.

The economy of our province needs every job we can hang on to, and jobs are definitely at stake in the South Moresby issue. Everyone involved agrees on one thing—there is no opposition to the creation of some sort of wilderness area or park over the vast majority of these islands; but the same people who would object strongly to the flooding of a portion of B.C. farmland see no problem in removing a portion of the allowable cut which provides hundres of jobs.

The Hon. Member for Davenport (Mr. Caccia) has advocated civil disobedience on this issue. The provincial Leader of the New Democratic Party has said that he is ashamed to be a British Columbian. I am proud to be a British Columbian. Those who live and work in the shadow of the tall timber do not view trees as two-by-fours with twigs. They respect the ecological balance of the forest. They have a right to share in that resource with all British Columbians.

* * *

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

RECENT CONCLUSION OF AGREEMENT WITH QUEBEC

Mr. Fernand Ladouceur (Labelle): Mr. Speaker, today I would be pleased if all the Members of this House could demonstrate as I do how proud they are of belonging to a Government which once again has shown Canadians that it is willing to make this country rich in similarities and differences into a prosperous nation.

On November 8 last, our Government and the Quebec Government reached a historic agreement providing for the formal recognition of Quebec and its right to exercise its powers at the international level.

In September 1984, Canadians elected a Government which was to assure at the level of federal-provincial relations, a return to the full mutual respect of rights and aspirations. The theme of national reconciliation meant that our Government was ready to re-establish contact, to renew relations which had eroded with the passage of time and a Government clinging to power.

Mr. Speaker, this agreement is to some extent a peace treaty bringing to an end close to twenty years of flag swapping on the international scene and this thanks to the efforts made by this Government.

This agreement will hear witness in the coming years to an enlightened vision and a better understanding of the legitimate aspirations that make up the Canadian mosaic.

* * *

[*English*]

SEARCH AND RESCUE

EAST COAST—CALL FOR STATIONING OF HELICOPTERS

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, the issue I raise today is not a partisan issue. It is one that I know every Member will support. The issue concerns saving the lives of those Canadians who make their living from the sea.

The Royal Commission on the *Ocean Ranger* disaster was emphatic on the need for modern helicopters using the latest technology for search and rescue duties on the East Coast. In 1984 the Government decided that occasionally moving one helicopter from Gander to St. John's, Newfoundland, fulfilled its obligation to improve search and rescue techniques. That was not what the Royal Commission recommended. Far from it. The commission emphasized the need for full-time helicopter facilities to be established in St. John's, and that the search and rescue helicopters be the most modern available. It also strongly suggested that they be placed not only in St. John's but also in Halifax and near the Labrador sea when offshore drilling activity is taking place.

Even more disturbing to Members on both sides of this House is the Government's lack of public commitment to replace the Labrador/Voyageur helicopters, now in place for nearly 30 years, with more up-to-date equipment. Helicopters which are faster, have greater range, and a capability of flying in the different types of weather which bring about marine emergencies are available. Canadians who put their lives at risk in order to harness the resources of the sea deserve nothing less than the maximum protection available. Minutes means lives when there is an emergency at sea. The Governments of—

Mr. Speaker: The Hon. Member's time has expired.

NUCLEAR ARMAMENTS

MEETING BETWEEN UNITED STATES PRESIDENT AND SOVIET UNION GENERAL SECRETARY

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, tomorrow the leaders of the two most powerful nations on earth meet in Geneva. I am sure I speak for all of us in this House, indeed for all Canadians, in wishing them well. There has been no meeting at the summit for six years. These have been six years of increasing danger, tension, and rising public fears. We can only welcome without reservation this vitally important summit and urge a continuation of such meetings on a regular basis.

Both President Reagan and Mr. Gorbachev have said that there is an urgent need both to prevent an arms race in space and end the arms race on earth. These must be Geneva's paramount goals. We have learned from a CBC poll that one-third of Canadians fear a nuclear war in the coming decade. Half of all Canadians recognize the nuclear arms race as the greatest threat to world peace and Canada's security.

Most Canadians have high hopes that this summit will improve superpower relations. These views are neither naive nor moralistic. They are opinions based on our history of active internationalism, problem solving, and opposition to nuclear proliferation. The Government of Canada should feel secure in the guarantee of public support for initiatives this country might take in easing tensions and ending the arms race. We do have a role in the sombre affairs of Geneva. It is our fate and our future that are at stake. Let us sincerely hope that the leaders will leave Geneva having taken a giant step back from the nuclear abyss.

Mr. Speaker: I have to advise the Hon. Member that her time has expired.

* * *

THE ECONOMY

IMPROVED ECONOMIC STATISTICS

Mr. Don Ravis (Saskatoon East): Mr. Speaker, it appears that both the public and private sector agree that the economic indicators continue to move in a very positive direction. I refer to two sets of statistics released last week, one from StasCan and one from the independently funded Conference Board of Canada.

• (1410)

The Conference Board's September survey shows that consumer confidence in Canada is up 20 per cent since March of this year. Significantly, one of the factors contributing to the rise in consumer confidence is the increase in the number of Canadians who expect jobs to increase in the next six months. Canadians will not go out and spend large sums of money on so-called luxury items if they are afraid of losing their jobs or that inflation will eat up their income. Confidence in the economy means that Canadians have confidence in the economic policies of the Government.

The StatsCan figures also prove that our Government's economic policies are working. Retail business in September was up 11 per cent over the same period in 1984. Inflation rates remain in the four per cent range, and unemployment continues to drop. Housing starts for October were up 49 per cent over October, 1984, while bankruptcies dropped 12 per cent. In my province of Saskatchewan 27 per cent more oil and gas wells were drilled in the past 10 months of this year than in the same period in 1984. Business investment intentions are 12 per cent higher than last year.

I could quote many more figures to prove what Canadians all know. The Government's economic policies are working. That is good news for all of us.

* * *

HISTORIC EVENTS

COMMEMORATION OF LATVIAN INDEPENDENCE DAY

Mr. Andrew Witer (Parkdale-High Park): Mr. Speaker, on November 18, 1918, Latvia became an independent democratic nation. Latvia lost that treasured status in 1940 when the Soviet Union occupied this small Baltic country. Freedom has always been an important aspect of Latvian life. In the 1890s the first Latvians to arrive in Canada were refugees from Czarist Russia. In 1945 Latvians were fleeing the ravages of two occupiers, the Nazis and the Soviets. Both waves of immigrants from Latvia contributed to the growth and development of our country and both shared the common aspiration of living in a free country.

At times, Mr. Speaker, we take for granted the very special freedoms we enjoy as Canadians. It is through the historical experience of many nationalities which came to Canadian shores in search of safe haven that we can be reminded of our good fortune as Canadians.

November 18 is a special day of commemoration for Latvians in Canada. Let us join with them in marking this day as one of special significance for all who value freedom and the pursuit of liberty.

* * *

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

DECISION ON THIRD SASKATCHEWAN TELEVISION NETWORK

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the people of Saskatchewan have again been relegated to third class citizenship. They were the last to get CTV, the last to get cable services, and there is still no cable service, in rural Saskatchewan. Now their hope to have a third TV service, like the rest of Canada, is in jeopardy.

S.O. 22

Aside from the dangerous precedent set by the Government catering to powerful Tory lobbyists and interfering in a CRTC licensing decision, there may be a serious breach of rights involved. Surely the Charter of Rights did not envisage this kind of political dictatorship, this kind of state intervention, this potential control of the mind. The Cabinet took a decision involving the rights of the people of Saskatchewan, involving the right of all of us to full freedom of speech and access to information.

The actions taken by Cabinet fly in the face of everything the Government said in its attempt to get Bill C-20 passed. The promise then, of course, was that there would be no interference in individual grants of licences when Cabinet addressed broad communications policy. Surely, Mr. Speaker, the Government will now clearly see the implications of what has been done here and will rescind the order to the CRTC. *Je l'espère au moins.*

* * *

LOUIS RIEL

CONTRIBUTION TO ACCEPTANCE OF MANITOBA AS A PROVINCE

Mr. Felix Holtmann (Selkirk-Interlake): Mr. Speaker, 100 years ago last Saturday, November 16, Louis Riel was hanged at Regina after being convicted of high treason. Since then the merits of that hanging have been debated in the hallowed halls of universities, churches, and cultural centres across Canada. Over the past 100 years Riel has been retried thousands of times and has been pardoned as many times as he has been hanged. Many of my constituents in Selkirk-Interlake can trace their ancestry back to the Manitoba Metis settlements of the 1860s and 1870s.

Louis Riel had seen the need to form a provisional Government at Red River, and on February 10, 1870 was legally elected President of a council later called the Legislative Assembly of Assiniboia. Many of the inhabitants of the Red River area had envisaged a new province of Assiniboia entering into Confederation with Canada. Being closer to the action than was Sir John A. Macdonald, the Prime Minister at the time, Louis Riel and the Metis could see the reality of a nation stretching from sea to sea, while Macdonald could still only dream about it.

Riel's actions at Assiniboia in 1870 forced Canada to accept the Province of Manitoba into Confederation, probably much sooner than the Macdonald Government had wished. If we cannot call him a Father of Confederation then we should at least call him a great motivator for Manitoba to join Confederation. One hundred years ago he suffered—

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

ORAL QUESTION PERIOD

[*English*]

NATIONAL PARKS

SOUTH MORESBY—PROPOSED ESTABLISHMENT OF NATIONAL PARK

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I wanted to direct a question to the Minister of the Environment and, in his absence, to the Minister of Indian Affairs and Northern Development. However, under the circumstances, I will direct my question to the Prime Minister.

On South Moresby Island in the Queen Charlottes we have a priceless natural treasure which is being affected by indiscriminate logging. The Minister of the Environment has given an undertaking that his Government will move with the Province of British Columbia toward establishing a national park on South Moresby Island. Has his Government been in touch with the Government of British Columbia? Was it informed of the provincial Government's decision to allow the continuance of logging on Lyell Island? What position will the Prime Minister take in order to protect a priceless heritage?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, might I ask the Leader of the Opposition to repeat his question?

Mr. Speaker: A supplementary question.

Mr. Gauthier: It is not a supplementary. It is a repeat.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I want to direct a question to the Minister of the Environment concerning the decision of the provincial Government of British Columbia to allow the continuance of logging on Lyell Island, affecting the priceless heritage of primeval forest on South Moresby. Was the Minister of the Environment informed by the provincial Government of that decision? Has he been in touch with that Government What position does he intend to take on behalf of the people of Canada?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I apologize to the Leader of the Opposition and the House for being late.

I cannot recall having been advised in advance by the Government of British Columbia of its decision to allow logging on Lyell Island. I learned about it almost at the same time as everyone else.

In response to the other part of his question, I have said in the House, and outside the House, that the Government of Canada would be very predisposed toward pursuing with the Government of British Columbia every possible route—purchasing some of the timber rights of Western Forest Products Limited, for example—for the purpose of expediting the establishment of a national park in South Moresby and of bringing the unfortunate discord between the Haida Indians and that company to an end. However, the prior decision would have to

be made by the Government of British Columbia because the land in question is British Columbia Crown land.

REQUEST THAT GOVERNMENT PROTEST PROVINCE'S ACTION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, while recognizing the interests of the province over that land and the forest management licences that are attached to that land, would the Minister not reflect what I believe is the opinion of a vast majority of people in this country, that while indiscriminate logging proceeds on South Moresby we are losing a priceless treasure in a primeval forest that can never be replaced, and on behalf of this Parliament protest to the Government of British Columbia about this unilateral action?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I do not think the position of the Government of Canada on the subject is at all unclear. We have said that we favour the establishment of a national park in South Moresby. There is some question as to whether the entire island area should be included in such a park or whether some part of the island area should be so designated. In any event, let it be clear that we are in favour of the establishment of a national park.

We have tried to use every possible moral suasion on the Government of British Columbia for that purpose. However, the decision rests first and foremost with the Government of British Columbia. I do not believe the Right Hon. gentleman or anyone else in the House would wish us to act unilaterally. Nor could we.

INTERESTS OF HAIDA INDIANS

Right Hon. John N. Turner (Vancouver Quadra): The Minister is not talking as tough as he did when he was out in Banff. Nor is he talking as tough as he did when he visited the islands.

● (1420)

I want to put a further question to the Minister. He recognizes that the Queen Charlottes are the ancestral home of the Haida people. He knows that the Haida people are now outraged at the fact that these lands are being despoiled by indiscriminate logging.

While I recognize, Mr. Speaker, that there can be an accommodation made with the logging industry, will the Minister consult with his colleague, the Minister of Indian Affairs and Northern Development, and assure the House that the interests of the Haida people are being actively considered and, so far as this jurisdiction is concerned, will be paramount in those negotiations?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I am not as interested in toughness as I am in effectiveness.

Some Hon. Members: Hear, hear!

Mr. McMillan: I operate on the assumption that all Parties concerned share an element of good will. There does seem to be a broadly based consensus that there should be some sort of park, whether national or provincial. That is my over-all objective and I am just as committed to it now as I was in Banff and when I visited South Moresby some weeks ago. In connection with that goal, Mr. Speaker, I did meet with Miles Richardson and his band council representing the Haida people, and gave to him and to his people, on behalf of my Department and the Government of Canada, a firm commitment to take their interests fully into account.

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CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

DECISION ON THIRD SASKATCHEWAN TELEVISION NETWORK

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, for the first time in Canadian history the Cabinet has set a very dangerous precedent in overturning a well researched and carefully considered decision by the CRTC on the establishment of a third television channel for Saskatchewan.

My question is for the Prime Minister. Will the Prime Minister advise the television, broadcasting, and radio people if he plans that Cabinet handle all their demands for licence renewal when they know now that they no longer have to accept a decision by an independent CRTC?

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, concerning the decision to ask the CRTC to reconsider a number of contents, I would point out to the Hon. Member that it was done at the unanimous request of all Saskatchewan residents, and particularly of all Members of Parliament from that province. We thought that, given the request and certain inaccuracies in CRTC market surveys and a number of other considerations, it would be wiser to . . . I would remind the Hon. Member that the main purpose is to seek additional information, not to reconsider the ruling. Under the circumstances, I think that province-wide representations did warrant our request for additional information.

[*English*]

INFORMATION AVAILABLE TO CABINET

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I find it regrettable that the Prime Minister cannot answer for his own cabinet decisions.

An Hon. Member: He is still in Florida.

Mrs. Finestone: As the Acting Minister of Communications stated not very long ago, Cabinet is only going to set major policy directives and is not going to interfere in individual licensing, and I refresh his memory in that regard, I find it

rather curious that members of the Cabinet are in a position to do—

An Hon. Member: Question.

An Hon. Member: That is not a supplementary question.

Mr. Speaker: Order, please.

Mrs. Finestone: My question to the Acting Minister then is this. What new information did the Cabinet receive that was not available to the CRTC, that independent licensing body, that made it change its mind?

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, I apologize to the Hon. Member, but she misunderstood me. I said we had asked the CRTC to look into some of the provisions of the license they issued. That being so, I repeat that seeking more information on the issuance of a license does not constitute a challenge on the issuance per se nor a request for a ruling review. That is all.

As Minister and Member of Parliament I have to make the necessary inquiries, and I fail to see in that a breach of the law on the independence of public boards.

* * *

[*English*]

ABORIGINAL RIGHTS

QUEEN CHARLOTTE ISLANDS TITLE CLAIM

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Prime Minister and, I believe, only he can answer it. As the Prime Minister is fully aware, the Government of Canada has accepted for legal negotiation the claim for aboriginal title to the Queen Charlotte Islands by the Haida people. I am sure he is aware that in recent days an extremely grave situation is evolving there. In the interest of bringing peace to a confrontation which presently has no solution, will the Prime Minister make use of his good offices today to open negotiations with the Haida people on their claim?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I think there is a possibility, at least, of interpreting the question to mean that there have not been negotiations between the Government of Canada and the Haida people. That is distinctly not the case. I myself met with the Haida Indians for almost half a day. I tourned the South Moresby area for a full day, with some Haida people present. My colleague, the Minister of Indian Affairs, has been out to the Queen Charlotte Islands for the same purpose. We will continue to work with Miles Richardson and his people in a spirit of openness and commitment to resolve the problem.

GOVERNMENT POSITION

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is directed to the Prime Minister. It is really crucial. The Government of Canada has accepted the legal documents of the Council of the Haida Nation for negotiation. They are with the Government, and the Government has the power to open negotiations with the Haida people. A grave situation is occurring on Lyell Island. It is a confrontation which is very dangerous. I plead with the Prime Minister to offer, today in the House, a signal to British Columbia that he is prepared to open those negotiations. It would be simply the to open those negotiations. The Haida people plead for that. All the people of the country plead with the Prime Minister to start that today.

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, when I met with the Haida people I put to them the possibility that the Ellesmere Island formula be followed in connection with South Moresby—the establishment of a national park reserve which might involved setting aside, for the moment, some of the outstanding questions that the Haida people have raised with the Government of Canada, as a means of getting on with the establishment of a national park in South Moresby. All the while the federal Government would pursue the commitment to honour the interests of the Haida people, with every possible consideration being given to acting in favour of them.

NEGOTIATION OF LEGAL TITLE

Mr. Jim Fulton (Skeena): Mr. Speaker, I go to the Prime Minister again. This is a very serious situation. The Premier of British Columbia is saying that there are no aboriginal rights in British Columbia. It is in the Constitution. The Premier of British Columbia signed that document. There is an absolute stalemate between the Supreme Court of B.C. and the Lyell Island issue. I plead with the Prime Minister. Will he rise in the Chamber today, as I think he must as the Prime Minister, and offer to open negotiations on the legal aboriginal title of the Haida people the Queen Charlotte Islands?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker—

Ms. Copps: Oh, come on.

Mr. Waddell: All you care about is Quebec, Brian.

Mr. Speaker: Order, please.

Mr. Waddell: It is only Quebec.

Mr. Speaker: Order, please. I think Hon. Members know that some language should not be used in this Chamber.

Mr. Waddell: What?

Mr. McMillan: Mr. Speaker, I am sure you noticed, as have other Members of the House, that the third question was exactly the same as the second, and that the second was

exactly the same as the first. I have said that the Government of Canada has been negotiating with the Haida people. I, myself, have met with them. My colleague, the Minister of Indian Affairs, has met with them, and we intend to meet with them again. Those negotiations have been opened and they are flowing well. I have not received any indication from the Haida people that they are disgruntled about the performance of the Ministers of the Crown in that respect.

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NUCLEAR ARMAMENTS

U.S.-U.S.S.R. TALKS—ARMS CONTROL ISSUE

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, my question is directed to the Prime Minister. As a result of a poll commissioned by his own Government, which identified arms control as the absolute priority on the minds of Canadians, has the Prime Minister informed President Reagan and General Secretary Gorbachev that arms control at the Geneva talks must take precedence on the agenda over any discussion about bilateral or regional conflicts or, indeed, any other issue? If he has not made this clear, why hasn't he?

• (1430)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have made precisely that point clear to President Reagan and in correspondence with General Secretary Gorbachev.

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SPACE WEAPONRY

UNITED STATES STRATEGIC DEFENCE INITIATIVE—NORAD AGREEMENT

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, my supplementary question is also directed to the Prime Minister. This past September the Prime Minister gave Canadians assurances that Canada would not become involved on a direct Government to government basis with the Strategic Defence Initiative. Will the Prime Minister now assure Canadians that a renewed NORAD agreement will not be used to enter into a hidden Canadian-American effort of co-operation in the Strategic Defence Initiative?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): As the defence critic for the Official Opposition, the Hon. Member should know better than to ask that question. He knows as well as I that the two questions are quite distinct. The press release of the Prime Minister with respect to SDI still stands intact as being the policy of the Government. With respect to the NORAD agreement, the Hon. Member knows that that matter is currently being considered in committee. Hopefully, it will come back to Parliament with the proper conclusions.

GOVERNMENT APPOINTMENTS

CANADA-UNITED STATES NEGOTIATIONS—RETENTION OF COMPANY DIRECTORSHIPS BY CANADIAN NEGOTIATOR

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Prime Minister. The Prime Minister recently appointed Simon Reisman to be Canada's chief neogtiator in our free trade negotiations with the United States. He is well aware that Mr. Reisman is a director of two companies which have a direct stake in the negotiations. Will the Prime Minister confirm that Mr. Reisman was retained, knowing that he wished to retain his ongoing relationship with the Western group and the Bombardier group?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, Mr. Reisman was retained on a temporary part-time basis as we got into it. He is going to be conducting the necessary work of putting together his team, and if the signal comes from the other side in regard to negotiations which will require a full-time commitment, then obviously he will do what he has always done, conduct himself in the appropriate manner.

CONFLICT OF INTEREST GUIDELINES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, the Prime Minister is well aware that Category "B" of his own conflict of interest guidelines states that part-time office holders, which presumably Mr. Reisman will be, are allowed to hold directorships but must take care to avoid being placed, or the appearance of being placed under an obligation to any person or organization which might profit from special consideration—

Mr. Speaker: Order, please.

Mr. Riis: Mr. Speaker, my question is simply this. Knowing what the guidelines under Category "B" state, did the Prime Minister not consciously break his own guidelines by appointing Mr. Reisman?

Right Hon. Brian Mulroney (Prime Minister): No, not at all, Mr. Speaker, I think it would be generally acknowledged that Mr. Reisman has always represented this country with honour and will continue to do so.

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ENVIRONMENTAL AFFAIRS

ST. CLAIR RIVER—CONTROL OF INDUSTRIAL POLLUTION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of the Environment. It has to do with the St. Clair River which, the Minister knows, is an international body of water and we are responsible for its purity under the 1978 Great Lakes Water Quality Agreement. Because of our commitment under that Agreement, can the Minister tell us what kind of controls he intends to promote jointly with the Province of Ontario in order to control the

industrial pollution which takes place daily, so as to protect the quality of the water of the St. Clair River in the future in the interests of the health of millions of Canadians and Americans?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, as the Hon. Member will appreciate, because of the fact we have an urgent and immediate problem, I am placing priority on the identification of the substances found to contain some highly toxic chemicals. My Department is working hand-in-glove with the Department of the Environment of Ontario and with Dow Chemicals, in particular, to clean up the so-called tarry blob, to have it analysed, and to see if we can identify where the substance came from. That will be our priority.

If, as a result of that particular inquiry, we determine that the offending substances are continuing to be leaked into the St. Clair River, say, from disposal sites or caverns, then we will be putting our heads together to see how best to deal with the problem both domestically and internationally.

PROVINCIAL ENVIRONMENTAL SECURITY FUND

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I want to ask the Minister, as a supplementary question, whether in view of the fact that the Ontario Government has established an environmental security fund of some $10 million per year he is prepared to commit himself today to matching or giving a similar amount of money in order to clean up the dangerous waste sites on the Canadian side of the river which have so far been left untouched?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I assume from the way the question was expressed that the Hon. Member was contemplating the possibility of a federal-provincial super fund, like that which exists in the United States, for Ontario alone. If such is the case, and it seems to be because the Hon. Member talked about matching federal-provincial funding, I would, first, have to have a specific proposal from the Government of Ontario. I have yet to receive a proposal.

ORIGIN OF DIOXIN

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the same Minister. Ten days ago the Minister stated that he expected the interim report on the St. Clair River dioxin discovery to be in his hands today. Could the Minister tell the House if that report supports his own fears that high dioxin concentrations have resulted from leakage from past disposal sites in the area?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, in response to the first part of the Hon. Member's question, the answer is, yes, I have received the report. In fact I received it only moments before Question Period, thus my reason for being late.

With respect to the second part of the Hon. Member's question, I have just received the report and I have not yet had a chance to do more than peruse it. However, I am told by my scientists that it is an interim report only. There is nothing more anathema to science than incompleteness. I think that until we receive the full report in a few weeks we will not know the answer to the Hon. Member's question.

I can say, however, that there is genuine concern that the substances may be continuing to be leaked into the river from old disposal sites. Whether that is in fact the case or whether the substances have been discharged directly by the industries in question, we do not know and will not know for some days yet.

PROPOSED DRILLING PROGRAM

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, given that some of the scientists within the Department itself have suggested that extensive drilling is required to answer this question conclusively, would the Minister be prepared to authorize at this stage, before the cold weather, this kind of extensive drilling program to see that we get answers to this problem as quickly as possible? The drilling is in addition to the river test presently taking place.

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, not being a scientist I cannot respond in the House to the question of whether or not the best approach to be taken is one of drilling. I can simply say that we have mobilized the best team of scientists in the country and in the United States for this general purpose. I defer to the technicians, the scientists and the experts, as to how best to deal with the problem. If they determine that drilling is advisable, then I will certainly put some pressure on them to follow that route.

* * *

[*Translation*]

IMMIGRATION

ALLEGED ABUSE BY IMMIGRANT ENTREPRENEURS—REQUEST FOR ADOPTION OF CERTAIN MEASURES

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is for the Minister of State for Immigration. According to a *Globe and Mail* survey, the Department of Employment and Immigration does absolutely no follow-up on the investment projects of immigrant entrepreneurs. During the discussions on entrepreneurs in Parliamentary Committee, we have never been able to find out which follow-up procedures the Department applies. We now know the reason why: there are none. My question is this:

Is the Minister willing to take action immediately to prevent abuses by immigrant entrepreneurs?

[*English*]

Hon. Walter McLean (Minister of State (Immigration) and Minister Responsible for the Status of Women): Mr. Speaker,

I want to thank the Hon. Member for her question which gives me the opportunity to clarify what I believe is an important story but one which is misleading to the point of suggesting that somehow Canada is opening rather than tightening and arranging an appropriate security mechanism. We are concerned about the possibility of abuse at the same time as we are anxious to have entrepreneurial investment. Therefore we have taken a number of steps in order to ensure the appropriate security measures are in place.

• (1440)

[*Translation*]

REQUEST THAT ALLEGED ABUSES BE STOPPED

Mrs. Lucie Pépin (Outremont): Mr. Speaker, the Minister announced two weeks ago with a lot of hoopla that the Government was planning on doubling the quotas for this category of immigrants. Can the Minister guarantee today with as much hoopla that the number of abuses will not double also and that present abuses will stop immediately?

[*English*]

Hon. Walter McLean (Minister of State (Immigration) and Minister Responsible for the Status of Women): Mr. Speaker, I can assure the Hon. Member that we have not only undertaken a vigorous program around the world designed to indicate to those who are interested in investing in Canada that we wish to deal with them expeditiously; we have also set in motion a program whereby, rather than having to complete their involvement within five and a half months, it is now spread over two years, thus giving us a time frame in order to see that the appropriate checks are made. This will be shared not only by the federal but as well by the provincial authorities whose concurrence we must have.

* * *

INTERNATIONAL JOINT COMMISSION

FILLING OF VACANCIES

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is for the Right Hon. Prime Minister. The Prime Minister will be aware that there has been a lot of concern about the continuing vacancies on the International Joint Commission. Does the Prime Minister anticipate filling those vacancies on the International Joint Commission in the very near future, and can he assure the House that when he does get around to filling those positions he will not fill one of them with Sterling Lyon, the former Leader of the Opposition and Premier of Manitoba?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we will be filling those positions very shortly and I certainly think it would be the opinion of all reasonable minded people in this House that, if we could attract people of the competence of Mr. Lyon to that kind of position, the Government would be well served.

Mr. Blaikie: Mr. Speaker, in keeping with the Prime Minister's commitment to the reviewing of appointments, I wonder if he could tell the House why he thinks it would be good to appoint someone who has a reputation for regarding all environmentalists as subversive—

Mr. Speaker: Order. I think this is hypothetical.

Mr. Blaikie: Mr. Speaker, would the Prime Minister tell us why in his view he might see it as wise to appoint someone—

Mr. Speaker: Order, please. The very verbs are hypothetical. The Hon. Member for York East.

* * *

CANADIAN ARMED FORCES

USE OF M16 RIFLE

Mr. Alan Redway (York East): Mr. Speaker, my question is for the Minister of National Defence. According to a recent news report, the M16 rifle that was ordered by the former Liberal Government for delivery to Canadian Forces in 1987 is now being phased out by the American Army because they are having difficulty hitting targets with that particular rifle. I wonder if the Minister can advise the House if the—

Some Hon. Members: Oh, oh!

Ms. Copps: You're giving us good targets.

Mr. Redway: I wonder if the Minister could advise the House if the former Liberal Government made a mistake in ordering the M16, or is it that the Americans are just lousy shots?

Some Hon. Members: Oh, oh!

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, it pains me to have to defend the previous administration. However, in fact this model of the M16 rifle which we are now having manufactured in Kitchener is being and will be used by the United States Army until 1992. The United States Army is ordering another 500,000 of them and the U.S. Marines are ordering 230,000 of them. The armies of France, Great Britain, Italy, Australia, and New Zealand are also using this rifle. However, in answer to the Hon. Member's final question, yes, Canadian soldiers are better shots.

Some Hon. Members: Hear, hear!

[*Translation*]

THE ECONOMY

SITUATION IN MONTREAL EAST—GOVERNMENT'S ATTITUDE

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is for the Prime Minister. I would like to draw his attention to the tragic fact that job losses in Montreal are continuing to occur while the Government is doing very little in practice to stop this.

I would like to ask the Prime Minister why his Government missed a golden opportunity to stop the haemorrhage of job losses in Montreal East by not urging the Hyundai Company to locate its automobile plant in Eastern Montreal?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, over 90,000 new jobs have been created in Quebec since the election of this Government. I would have thought that, as a Quebecer, the Hon. Member would congratulate the Government for having contributed to the establishment of such an important industry as the car industry in Quebec.

SIZE OF FEDERAL GOVERNMENT'S PARTICIPATION

Mr. Jacques Guilbault (Saint-Jacques): Indeed, Mr. Speaker, I would like to speak about this participation by the Government of Canada. I wonder why it is that the announcement was made at a time when it seems that no Cabinet decision has yet been made as to the participation of the Canadian Government, as well as the nature and the extent of this participation.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that my friend is sorely mistaken. Last August 29, the Minister of Regional Economic Expansion announced from Seoul in South Korea the intention of the industry to locate this plant in Canada and also said:

[*English*]

At the request of Hyundai, they are now focusing on several specific locations in Quebec.

[*Translation*]

This is what the Minister stated last August. The deal had therefore already been made.

Last November 8, I said during a press conference that, if aspects of various joint economic matters could help to create jobs, we would attempt to . . . I know that the Hon. Member for Hamilton East in Ontario does not like to hear good news for Canadian men and women.

However, the agreement announced last August is now becoming a reality which will benefit, in my opinion, the people of Quebec and Canada. These are good news and important news which have absolutely nothing to do with the holding of a provincial election. In any case, it was announced beforehand—

[*English*]

REGIONAL INDUSTRIAL EXPANSION

CAPE BRETON—POTATO CHIP COMPANY PROPOSAL

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. A Cape Breton owned potato chip company which would have created 50 jobs in Cape Breton is going to locate elsewhere because the Department of Regional Industrial Expansion not only failed to provide a timely decision but would not even reveal when a decision would be made. How can the Government seriously suggest that Cape Breton will be made the best place in Canada in which to invest when there is so little co-operation given by the Government to that end?

[*Translation*]

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, I think the Hon. Member is way off.

I must state that the matter was submitted to me. At least a month has already passed since I gave an answer and made an offer to that applicant, and I am still waiting to know whether or not he will accept it.

[*English*]

ADVISORY COMMITTEE RECOMMENDATION

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, there is nothing like shutting the door when the cows have already escaped. Let us try the question again. It has been six months since the Government wiped out 600 jobs in Cape Breton, so that the 150 jobs that have been announced are not really much of a record—

Mr. Speaker: Order. Is there a supplementary question to the earlier question about the plan, please?

Mr. McCurdy: Yes, Mr. Speaker. Could the Prime Minister at least tell the House when the Government will respond to the Cape Breton Advisory Committee which recommended that it will be necessary to have direct Government job creation in areas such as municipal and industrial infrastructure in order to create jobs?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Minister and the Government, and in particular the Minister, have given a great deal of attention to this most important question of job creation on Cape Breton Island. I want to assure my hon. friend that we view this as a most serious obligation. We will fulfill our obligations to ensure that fairness and equality of opportunity and new opportunities come to the people of Cape Breton.

• (1450)

Some Hon. Members: Hear, hear!

YOUNG OFFENDERS ACT

DISCUSSION OF AMENDMENTS

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, my question is for the Solicitor General. Many sections of the Young Offenders Act have left Canadians with a frustrated feeling with the justice system as it relates to their communities. Can the Minister indicate what specific changes are contemplated to the Young Offenders Act which are under discussion and will give Canadians a more positive feeling concerning the justice system and the laws of the country?

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, we are presently looking at the whole range of issues relating to the Young Offenders Act. There are a series of consultations which we are undertaking with provincial Governments, representatives of the judiciary, Crown attorneys, lawyers, child welfare officials, and others. I might add that one of these consultations will be held in Vancouver this week. As a result of these regional representations I will be meeting with the provincial Attorneys General and Solicitors General and will subsequently come back to Parliament with possible changes to the legislation. It is my hope that Parliament can make changes to the legislation which will ensure that the philosophy incorporated in the legislation is made to work, and work well, for Canadians.

Mr. Riis: Crown counsel!

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF RIGHT HON. ROLAND MICHENER

Mr. Speaker: I would like to interrupt the proceedings to signal the presence in our gallery today of one of Parliament's favourite people, the Right Hon. Roland Michener.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

AUTOMOTIVE INDUSTRY

REQUEST FOR DETAILS CONCERNING HYUNDAI PROJECT

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): I have a question for the Right Hon. Prime Minister. It follows from the answer received by my colleague the Hon. Member for Saint-Jacques concerning the Hyundai matter.

Mr. Speaker, if only the Hon. Prime Minister will listen . . . Can the Prime Minister tell us first how it happened that there was no Minister representing the Canadian Government at the press conference, and, second, how much the Federal Government will be investing in the building of that plant?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Canadian Government announced on August 29, 1985, which is several months ago, that the company involved had decided, further to recommendations and pressure from the Canadian Government, to locate in Canada.

Further, it was announced on that day that a major firm had been retained to choose a site for the new company, and that certain sites in Quebec were being especially considered, including the site that was ultimately chosen.

I therefore feel it is a fortunate event for all Canadians and all Quebecers that the company in question decided to locate in the Eastern Townships, in Quebec.

Mr. Malépart: Mr. Speaker, if I understood the answer correctly, it was the Hyundai Corporation that decided to locate in Quebec. It was the Hyundai Corporation that decided to locate in Bromont. You are therefore in agreement with me.

The Quebec Premier, Mr. Pierre-Marc Johnson, can claim no political merit whatsoever for that, nor Conservative Members.

Mr. Speaker: Order, please!

* * *

[*English*]

MULTICULTURALISM

WHITE PAPER INQUIRY

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, my question is directed to the Minister of State for Multiculturalism. The Minister is undoubtedly aware that his predecessor invited comment from ethnocultural organizations on a draft multiculturalism Bill and led them to expect a White Paper on multiculturalism. Will the Minister confirm this afternoon that the multiculturalism sector was in fact working on a White Paper on multiculturalism? Will he also confirm that he has ended that effort?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker, no, I cannot confirm either of those allegations. However, I can tell the Hon. Member that we have waited patiently for the major breakthrough which this Government has attained, that is, the creation of a Standing Committee on Multiculturalism.

Some Hon. Members: Hear, hear!

Mr. Jelinek: I look forward to visiting the committee in the next week or so at which time we will be able to discuss at length the details of an Act and a paper.

REQUEST FOR CONSULTATIONS

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, can the Minister, who has just given a useful answer, also assure

the House and the ethnocultural organizations of the country that before a Department of Multiculturalism is created there will be further consultation with these groups?

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

* * *

GOVERNMENT ADVERTISING

ANTI-SMOKING ADVERTISING CONTRACT

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is directed to the Prime Minister. It concerns the very questionable awarding of an advertising contract to a firm with a clear conflict of interest. How can the Prime Minister defend the awarding of an $800,000 anti-smoking advertising campaign contract to a Winnipeg firm whose parent company is handling at the same time a $7 million contract from Imperial Tobacco? Knowing the conflict of interest exists, will he now issue instructions to revoke the contract?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, the Hon. Member will appreciate the fact that the Minister responsible for this area is not in the House today. He will be back tomorrow. I will be glad to take notice of the question and make sure that the Minister responds to the Hon. Member with respect to the matter he raises.

PLACEMENT OF CONTRACT

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, would the fact that the Winnipeg firm which was awarded the contract played a key role in the Tory election campaign of last summer, in terms of its advertising contract, have had anything to do with the awarding of the contract to a company in the home Province of Manitoba and the Minister of National Health and Welfare?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I can hardly believe the question is serious.

* * *

SCIENCE AND TECHNOLOGY

PROPOSED ESTABLISHMENT OF SPACE AGENCY

Mr. Don Ravis (Saskatoon East): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. Last week the Minister spoke to a group in Calgary and mentioned that it was his intention to bring to the attention of his colleagues the idea of an expanded full-scale space agency. I am interested in the implications of this agency for our universities and research and development in the private sector. In particular, will this agency concern itself with surveillance of Canada's North?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, Canada has a proud history of achievement in the area of our space accomplishments. At the present time we are preparing for Cabinet a long-range strategic space plan to cover our ongoing space program for the next decade. As part of that plan we are considering a number of options for managing our role in space, and a number of options to use our competence better in this area with respect to all questions of the sort raised by the Hon. Member.

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CANADA POST CORPORATION

PARCEL POST DELIVERY

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is for the Minister responsible for the Post Office. The Marchment Report will be delivered today. Among its recommendations is a recommendation to limit the investment which the Post Office makes in parcel post delivery. In light of the fact that parcel delivery is one of the ways in which the Post Office can raise its revenues to provide adequate mail service to Canadians, will the Minister take this opportunity to dissociate himself from this specific recommendation?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): As my colleague said, Mr. Speaker, the Marchment report will be tabled this afternoon. We will have an opportunity to examine the recommendations, Cabinet will make the appropriate decisions, and they will be announced in due time.

[*English*]

GOVERNMENT POSITION

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, is the Minister aware that if he pursues the recommendation to limit the investment of Canada Post in parcel delivery he will be serving the intersets of the couriers by keeping competition away from courier service and he will be making it much more difficult for Canada Post to deliver mail because it will not have the revenues to do the job which needs to be done?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): I repeat, Mr. Speaker, these are recommendations made by an independent study group. We will have an opportunity to examine the recommendations and, whatever decisions may eventually be taken by Cabinet, they will be made public.

FEDERAL-PROVINCIAL RELATIONS

PARTICIPATION OF FRANCOPHONES HORS QUÉBEC AT FRANCOPHONIE SUMMIT

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is for the Prime Minister. Considering that agreement has been reached between Canada and Quebec concerning the February 1986 Francophone summit and that the Prime Minister has given the assurance that Acadia will also take part in the discussions, can he assure the House that all Francophones outside Quebec, including 500,000 Franco-Ontarians, will also be invited to attend discussions?

Right Hon. Brian Mulroney (Prime Minister): During the negotiations, Mr. Speaker, we did insist that French-speaking Canadians be adequately represented at any conference. More particularly, attendance by the New Brunswick Acadian Society was considered because the Province of New Brunswick is officially bilingual and it is a major reason for being asked to participate on an official basis. As far as I know we had not received recommendations or response from the New Brunswick Government, but I would indeed be quite pleased were the delegation to include Franco-Ontarians.

I would think that the decision was first made because New Brunswick is officially bilingual, which unfortunately is still not the case in Ontario. Still I intend to look favourably upon the proposition of my colleague.

Mr. Speaker: The Hon. Member for Ottawa-Vanier on a short supplementary.

FRANCO-ONTARIANS—FIRST-CLASS CITIZENSHIP STATUS—PRIME MINISTER'S POSITION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Since the Prime Minister has special consideration for official bilingualism as it has been proclaimed by New Brunswick and Quebec, is he prepared to initiate negotiations with the Government of Ontario to do justice to Franco-Ontarians and thus grant them full-fledged citizen status in the province and the country?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my friend knows full well how I feel about this. I find it altogether abnormal that 500,000 Franco-Ontarians should be denied the same rights and privileges as other Ontario residents.

* * *

[*English*]

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Kamloops-Shuswap (Mr. Riis) on Friday, November 8, 1985, meets the requirements of the Standing Orders as to form.

• (1500)

ROUTINE PROCEEDINGS

[*Translation*]

CANADA POST

TABLING OF COMMITTEE REPORT ON CORPORATION'S MANDATE AND PRODUCTIVITY

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, pursuant to the provisions of Standing Order 47(2), I have the honour to table, in both official languages, the committee report on Corporation's mandate and productivity.

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UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION

GOVERNMENT POLICY

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, the purpose of my speech today is to address Canada's policy on UNESCO.

First of all, however, let me express the shock and sadness with which Canadians heard last November 13 about the natural disaster in Colombia that resulted in the loss of so many lives.

The Secretary of State for External Affairs (Mr. Clark) has already addressed, on behalf of all Canadians, a message of sympathy to his Colombian counterpart, but I am sure that all Members of this House will want to join me in expressing once more our profound sympathy to the families of thousands of Colombians who died or have been reported missing as a result of this terrible disaster. I also wish to extend our condolences to the 50,000 Canadians of Colombian origin who may have lost relatives or friends as a result of this catastrophe.

Mr. Speaker, last Friday I announced that an initial contribution of $60,000 had been made by the Canadian Government to the UN Organization for emergency assistance and a donation of $100,000 to the League of Red Cross Associations and to the Pan American Health Organization. That same evening, a Canadian Forces Hercules aircraft left Ottawa carrying blankets, drinking water containers and emergency medical supplies requested by the Colombian authorities. We have also been able to send technicians with seismological equipment, who will back up experts on the spot responsible for monitoring developments in the volcano's seismic activity. Our embassy in Bogota is offering additional assistance and has also made its vehicles available to emergency relief teams.

Mr. Speaker, this afternoon I met His Excellency Mr. Orlando Abello, the Colombian Ambassador to Canada, who advised me of his Government's assessment of the situation in

this particular area of his country. After consulting with His Excellency, I would now like to announce the following additional Canadian contributions:

A contribution of $50,000 to World Vision;

A contribution of $60,000 to UNICEF emergency programs;

A contribution of $30,000 to the Canadian Catholic Organization for Development and Peace;

Funding up to a maximum of $100,000 for the Canadian Embassy in Colombia, to be spent on local emergency assistance projects.

I have also instructed my officials to report to me as soon as possible on potential opportunities for assistance.

In concluding this disgression, Mr. Speaker, I would like to reiterate our feelings of deepest sympathy for the people of Colombia during this time of grief following the worst volcanic eruption in 100 years.

Mr. Speaker, forty years ago, Canada was one of the co-founders of UNESCO. Why? Because for all Canadians, then as now, the objectives of UNESCO were and are of vital importance. UNESCO was created for the purpose of enhancing peace and security through exchanges among nations in the areas of education, science and culture. Peace in this world and the well-being of mankind were the goals that motivated the creation of the United Nations Organization and which are proclaimed in its Charter.

Mr. Speaker, the purpose of my speech today is to reiterate on behalf of the Government of Canada our faith in UNESCO and our desire, following its Twenty-Third General Conference, to remain a member. UNESCO is playing a unique and invaluable role.

It would perhaps be useful to recall its basic mandate. In education, UNESCO combats illiteracy, trains teachers and teaching staff and also builds schools. It dedicates much of its efforts to promoting equal access to education for girls and women, the handicapped and the elderly, and to improving education in rural areas, an important and vital task that is also in line with the priorities of this Government.

In the area of science, UNESCO encourages scientific and technical development in all parts of the world. As a promoter of science, it supports thousands of projects in the world by helping others do the job instead of doing it itself.

UNESCO is also active in the fundamental area of culture, an area of great significance for the Canadian Government. The affirmation of cultural identity is a duty within the international community. We must learn to share our cultural resources. The steps taken by UNESCO to preserve historical sites in Venice, Athens and Carthage have been taken on behalf of the whole of mankind.

Finally, UNESCO has also been able to adapt to new realities. Mankind has entered the era of global communications. This is something which UNESCO, like Canada, was quick to recognize. I hope that all Canadian men and women are duly proud of the pioneer work carried out in this area by a Canadian, Mr. Marshall McLuhan. In 1983, together with Teleglobe Canada, the Canadian Commission for UNESCO created a prize bearing the name of this great thinker which is the highest distinction awarded in the area of communications.

As all can see from its many activites, UNESCO today is a modern and complex international organization.

Over the past 40 years, Mr. Speaker, the number of member states in the organization has increased from 28 to 160. A majority of the member states are developing countries. Many of them do not have the resources to establish permanent contact with an international network to exchange information and ideas on education, science and culture. According to our friends from developing countries, UNESCO greatly helps them preserve their cultural identity and opens for them large avenues of information. UNESCO was therefore right to direct a major part of its programs to Third World activities. In this regard, our support of UNESCO is an extension of our foreign aid program which is very much appreciated by the friends of Canada in the developing world.

Six weeks ago, UNESCO paid tribute to the Canadian Organization for Development through Education, an NGO which provides the farthest corners of the world with pencils, papers and books. I am pleased to report that this non-governmental organization has been supported by CIDA for a great many years. I am happy that UNESCO is there to recognize and encourage the work of organizations such as this.

• (1510)

In fact, Mr. Speaker, I can assure you that I have come back from Sofia determined to increase co-operation between the Canadian International Development Agency and UNESCO, for instance in the case of small projects which cost nearly nothing and which can have a great developmental value by promoting education, science and culture.

I emphasized earlier the benefits which accrue to developing countries thanks to their association with UNESCO; however, this does not mean that I underestimate the benefits received by industrialized nations through their involvement with this unique testing ground for new ideas. UNESCO is important not only because it allows a freer flow of information between nations, but also because it contributes directly to the development of knowledge in a world where we increasingly depend on each other economically, culturally, socially and politically. UNESCO has a stabilizing influence on the world because of the exchanges it allows. For instance, its publications make it the most important publisher in the world, and these publications reflect the values, aims and traditions of all societies. Such an activity is certainly irreplaceable.

Mr. Speaker, as we are all aware, UNESCO has had very serious problems in the last few years.

Canada has long maintained that 1985 would be a decisive year for UNESCO and that the 23rd General Conference in Sofia would be the most critical during this period. That conference has now ended, and I want to tell the House today that the Government of Canada is happy with its results. UNESCO comes out with a stronger commitment than ever to reform, and with the image of an organization that will live up to its responsibilities.

Having had the privilege of heading the Canadian delegation in Sofia, I was able to appraise myself of the good will and moderation shown by member states in the proceedings of that conference. Canada's desire for reform was broadly shared. Member states want UNESCO to work efficiently.

Why are we satisfied with the results? Because our reasonable expectations from that conference have been met, in every area where we had been asking improvements for the past year and a half.

What was the ill affecting the Organization to the point of jeopardizing its very survival?

The diagnosis made by Canada and many member states from all continents was the following:

UNESCO had to define more strictly its goals and priorities;

It had an urgent need to concentrate its activities and give up less essential programs;

It also had to review its financial, administrative and other practices; and

It had to tone down its political debates.

Mr. Speaker, last spring, the executive council—within which Canada exercises its influence—laid the groundwork for a condensed and improved UNESCO program that met with the concerns I just referred to. That program, which resulted from very difficult compromises negotiated over the last year, was adapted to UNESCO's budget, a budget reduced following the United States' withdrawal in 1984. As Members in this House very well know, it is not always easy to operate within a budget that is reduced by 25 per cent. This, however, is what UNESCO has done.

That new departure may contribute in a very major way to the revitalization and refocussing of the essential programs for which the Organization was established. A more modest UNESCO must now double its efforts in order to win the confidence of sceptics over the next two years and beyond. To that end, vigilance will remain the order of the day.

To consolidate what has been gained, all members and especially the major contributing states will have to keep pressure on the Organization. In the long run, it is in the interests of the UN system as a whole to continue the reform experiment at UNESCO. Whether the necessary reforms are implemented will depend on whether we are prepared to persevere in our commitment to work from inside the Organization.

Mr. Speaker, Canadians are interested in UNESCO. This interest is a sign of the tremendous goodwill organizations such as UNESCO enjoy among the general public. I am relying on the many non-governmental organizations and provincial and federal departments representing the various components of UNESCO's action in Canada to continue to support this work. I would especially ask the Canadian Commission for UNESCO to advise and assist the Government in this difficult task. I will do so because there may well be no other country in the world that is so conscious, at all levels of its society, of its international connections.

I said earlier that Canadians had a special relationship with UNESCO. I may add that UNESCO has a special relationship with Canada, as was shown by the many expressions of esteem I received in Sofia on behalf of our country.

Finally, I would like to recall at this point the Commonwealth's support for UNESCO, its goals and its dynamics of change. In Nassau, leaders of the Commonwealth countries emphasized the importance of renewal of international institutions in general. Following the same line of thought, the commissioners of a number of Commonwealth countries posted in London, including our own High Commissioner, wrote to Sir Geoffrey Howe, the Foreign Office Secretary, on Friday, November 15. They again mentioned the importance attached by the Commonwealth to Great Britain's participation in this very important international organization. They took this step because the Commonwealth countries realized that a great many of our educational, scientific and cultural institutions are historically rooted in Great Britain. UNESCO needs the wisdom of our British friends, as it does that of all nations.

Mr. Speaker, the results of the General Conference are clear, and we have considered them in the light of our position on the proposed reforms. The Government of Canada is very pleased with the progress already made by UNESCO in this respect. I can state quite positively that we shall continue to work within the Organization towards implementing the requisite reforms. We will not abandon ship. As the Prime Minister said not long ago: "We will not withdraw from UNESCO . . . We have asked for internal reform, and we believe that a start has been made. We want to achieve reform but from the inside."

In short, Mr. Speaker, by remaining within UNESCO, Canada intends to realize the vision of the Organization that its founders had when it was created. Mr. Speaker, if UNESCO did not exist, we would have to invent it.

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, on behalf of the Official Opposition and of our leader, the Right Hon. Member for Vancouver Quadra (Mr. Turner), I wish to express the shock and deep sorrow we all felt when we first heard about this great tragedy in Columbia. Along with the Government we extend our sincere sympathy to His Excellency Orlando Abello, the Columbian ambassador to Canada, and we ask him to convey our feelings to his Government and the people of Columbia.

Within a few days, Mr. Speaker, almost two weeks in fact—November 7 as I recall—the Minister who has just spoken was telling us about another great tragedy which had occurred and the measures her Government would be taking to help the victims of that tragedy.

Then I pointed out to her that in a world ... and what strikes me today in the two statements which I will attempt to link together is that when the two major world powers are about to meet in Geneva—I did say the two major world powers, for I never claimed that one was less powerful than the other—to seek ways to put an end to the mad arms race and, in fact, to unbelievable military expenditures while we know they are ready to attack one another at a moment's notice, as I said last November 7, we have yet to find mechanisms to bring quick relief to and defend people who suffer or become victims of disasters such as the one which has just happened in Columbia.

I made an offer to the Minister—and I still offer my humble assistance in such cases—either through parliamentary committee consideration or through non-government organizations with a view to finding ways of responding in an orderly manner to help people cope with major disasters, a world organization ready to intervene so as to demonstrate that we are determined to take action when tragedy strikes just as we are when it comes to military issues.

I would be remiss if I did not echo the Minister's remarks and extend sincere congratulations to our non-government organizations which are doing so much good, yet receive so little publicity. I am wondering whether such ministerial statements as we hear now and again might not be the ideal forum to come up with constructive propositions. In addition to these sums of money which I find quite small under the circumstances, I wonder if the time has not come for the Minister to consider the possibility of offering a so-called matching grant on top of the normal contribution of the federal government, the Government of Canada announcing its willingness to contribute one dollar for each dollar collected by non-governmental organizations whenever great disasters such as this occur. This would be a fine way for the Canadian Government and people to demonstrate their solidarity with the rest of mankind.

I hope that the Minister will contact her colleague, the Minister of Employment and Immigration (Miss MacDonald), so that following this and similar disasters ... she indicated in her statement that some 50,000 Canadian men and women of Colombian descent are directly stricken. I wonder if we should not consider immediately the possibility of having young children, even though they have not been abandoned by their Columbian parents, to start new lives here, in Canada. I wonder if the Minister should not contact the Minister of Employment and Immigration to make it possible for these 50,000 Canadian men and women born in Columbia to sponsor a relative, a friend, or anybody else and help them to come to Canada. We should demonstrate our willingness and open-mindedness through our immigration policies, and abandon certain requirements whenever such great disasters occur for the sake of demonstrating our solidarity with the rest of the world. I am sure that if the Minister conveyed this wish to her colleague the Minister of Employment and Immigration, she would give a lot of attention to representations made not only by myself on behalf of my party, but by herself.

• (1520)

We have also heard upon this occasion an important announcement concerning Canada's intention to remain a member of UNESCO. It would clearly have been a disaster if Canada had announced today its intention to leave UNESCO.

I have read the statement very carefully, and it would be useful for the Canadian people to know—I always like the educational side of politics—about the background of statements made in this House. I must say that I received my copy in very good time. Someone else could have replied to it, but I have been asked to do so on behalf of my party. I have to say that this is a very cohesive and well written six-page statement, which must have required the participation of the entire Department, because many people are involved in preparing this type of statement. It is certainly not a waste of time to repeat to those who will be listening to us on television or on radio or who will read reports of our proceedings in the press how important we have always believed UNESCO to be.

In the field of education, how extraordinary is the fight against illiteracy. How exalting it is to train educational staff and to build schools. Is this a thankless task? Is this insignificant? We do not think so.

Making enormous efforts to promote equal access to education for girls and women seems natural in Canada and the Western World, but it is one of the major tasks of UNESCO, and this must be repeated and re-emphasized.

As concerns the handicapped and the aged, I shall always remember what I was told in my youth. My father, whom I often quote when speaking about such matters, told me that you can tell how civilized a society is by its attachment to its senior citizens and its handicapped.

I think that UNESCO is doing a marvelous job. In the field of science, as the Minister said so well, UNESCO promotes the development of science and technology.

UNESCO operates in the basic area of culture. As the Minister has told us, we are entering the era of global communications. Mr. Speaker, I shall not be long, but I must say that this Party, the Official Opposition, has always been and still is committed to supporting UNESCO, and I know there have been all kinds of debates within UNESCO, but as a political party we are sticking to that commitment.

The Minister today announced that Canada will finally remain a member and, I must thank her for that, because for a long while there were all kinds of rumours coming from all quarters. I did a little reading, in the little time at our disposal because I received the statement this morning. We have to work very hard and very fast. Somebody called from Montreal saying: "There is a statement by your friend that very distinguished Minister". So we had to get posted and I

had read of course that there had been all kinds of discording notes concerning our support for UNESCO. I was concerned. But, finally, the Minister put an end to all those endless discussions. There were discussions in Paris, within the executive council, where doubts were expressed, doubts that may have stemmed from the fact that the United States were preparing to leave, as they in fact did. At that point, there is always a tendency to follow the same path, the same direction.

So the Minister said that we were staying. What must be emphasized, Mr. Speaker, is that for all those things I referred to, we have a budget this year, and Canadians must know that in the $8 million provided for—an increase of less than 1 per cent from last year's contribution—Canadians must know all the good that can be done with only $8 million. At the very same time that in Geneva certain people will again be shouting at each other, shaking world conscience, as to whether we should slow down or not that crazy arms race that is costing hundreds of billions of dollars, a major friendly country, a powerful friend, the United States, is reviewing its membership, and not only has it reviewed it, but has withdrawn from UNESCO although its contribution is hardly 8 times that of Canada in approximate terms. When we know how much good UNESCO can do, it is obvious, Mr. Speaker.

The Minister said in her statement that an organization whose member countries have increased in number from 28 to 160 in a few years, representing various visions of the world, very poor people, people who have been exploited, who have suffered from illiteracy, starvation and all the miseries caused by illness, the homeless . . . And all those people meet within UNESCO. However, one of the most powerful friends of Canada, our southern neighbour, decides to withdraw because it does not always get the upper hand in discussions. Indeed, it would like to make a scanty contribution when one considers all the good that can be done by UNESCO, and because it cannot convince its colleagues from 160 countries to come to its own conclusions, it withdraws.

I should like to ask the Minister if during the Sofia Conference where several Members of this House were present—I should add that we were invited but we were unable to accept—I wonder if Canada, this close friend of the United States . . . I have to ask, as there is no reference thereto in the statement made by six countries . . . called upon the USA to return to UNESCO. I think that it is very important, because this new Government is proud of the fact that it maintains direct communications; a mere phone call. Call me Brian. Yes John. Yes, Ronny. Call me! I am listening. Did Canada play the role of a good friend and intermediary, the role of a country that understands tragedies and enjoys the respect of developed and underdeveloped countries.

And I wish the Minister or the Secretary of State or the Prime Minister would come back to us in two months and make the following important announcement: We have convinced the United States, in the interests of world peace and international co-operation, to renew its membership. That would be a brilliant coup for Canada. I would be the first to rise in the House and congratulate either the Prime Minister or the Minister for External Relations or the Secretary of State for External Affairs and say: Thanks to our discreet efforts, we have been able to persuade the United States to renew its membership. And thanks to our own membership, our ambassador did the same for the Commonwealth . . . She said so in her statement on page 6.

I wonder whether the same representations, coming from a close friend of the United States, were made to that country.

Mr. Speaker, in concluding, may I say that at a time when the two superpowers are expected to meet tomorrow, today, I could not do otherwise but pray, because I am one of those people who believe that in these circumstances, one must meditate—meditation is prayer, after all—and wonder what the world would be like if tomorrow, those two superpowers who are meeting at last . . . just imagine, the world is terribly excited because the two superpowers are going to meet tomorrow. To me, it is the most natural thing in the world for the two leaders of the two most powerful nations on earth to meet. To me that is normal. The International Parliamentary Union, of which I was the president for Canada, expressed the hope many years ago that they would meet, without pre-conditions. And I hope the press will not ask them right after the meeting, as if they had to reach some kind of decision: What did you decide? To me, the fact that the two superpowers are meeting tomorrow is already a step in the right direction, even if they do not solve any problems. Seeing each other, looking at the intentions of the other side and going back home to think it over and coming back would already be tremendous progress.

Speaking of tremendous progress, that would certainly be the case if tomorrow, the two superpowers and especially the United States would realize that the best thing they could do for world peace would perhaps be to come back to UNESCO. And to pay their dues, after all, $64 to $70 million in US funds is not that much for the United States, if you consider the tremendous contribution it can make by being a member of this great institution.

So I thank the Minister for allaying the fears we might have had as a result of various statements which have been made. We know where we stand, Canada supports UNESCO.

In conclusion, Mr. Speaker, I want to join with all those who—and this is something we do not do often enough—wish to congratulate non-government organizations which do so much good, as I said, with little fanfare.

• (1530)

[*English*]

I cannot do other than conclude by saying that I am surprised the Right Hon. Prime Minister of Canada (Mr. Mulroney), the Hon. Secretary of State for External Affairs (Mr. Clark) and the competent Minister of International Relations (Mrs. Vézina) are not employing their time and their energies trying to convince the Americans, especially having such a close relationship with the United States of America, to return to the UNESCO fold. Look at all the good that UNESCO can do toward more understanding and sharing for such a small amount of money.

I hope the Government will tell us in a few months that we have convinced our great friend, the Prime Minister of Great Britain, not to withdraw from UNESCO and that we have succeeded through our efforts and close companionship with the President of the United States to convince that country to return to UNESCO.

We talk about the big problems of the world today. Let us concentrate a little more effort toward a better understanding of the immense problems of the Third World, with la famine, no schools, no teaching and no respect for women or the handicapped—nothing at all for them—for this is part of the silent work of the United Nations. I am very pleased to hear at long last that Canada is a supporter of UNESCO. I hope that the Minister will have good news for us in the months and years to come concerning our participation in UNESCO. I am a little worried because she said very clearly in her statement that we will have equal participation in foreign aid. Let me quote what she said:

[*Translation*]

In this regard our support of UNESCO is an extension of our foreign aid program—

If we slash $185 million off our CIDA foreign aid program in 1985-86 and $50 million more in 1986-87, if we decrease our over-all financial commitment to CIDA and claim that it is an extension of our participation in UNESCO, I suspect we may contribute less. I am sure the Minister will enlighten us on these issues in the coming months and I thank her for her statement today.

[*English*]

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, on behalf of the New Democratic Party, I am pleased to respond to the Minister's statements on Colombia and UNESCO. Perhaps in relation to this horrifying disaster in Colombia, no one is pleased to respond. We are all shocked by the consequences and the continuing problems associated with the volcano.

All of us admire the tremendous fortitude of the Colombian people in the face of this disaster and hope very much that our expression of concern will go to the Government from this corner of the House and to the people of Colombia.

Several years ago I served for almost two years on the committee of the House of Commons that was studying Canada's relations with Latin America. In the course of that study I had the opportunity to visit several countries in South America and became aware of the enormous courage of the Colombian people throughout their history. Not only did Colombia maintain a democratic form of Government at times when many, if not most, of its neighbours were succumbing to military and neo-fascist regimes, but Colombia took a lead in seeking democracy, stability and peace in Latin America. It continues to take that lead today through its work in Contadora.

• (1540)

At a time of enormous national suffering in Colombia, I am, as we all are, pleased that the Government of Canada responded immediately and is continuing to respond with financial and other assistance. As the Minister has noted today, there will be further assistance through non-governmental organizations. It seems to be a very tiny response given the enormity of the problem. I hope the Government will be able to increase its contributions, not only in immediate emergency aid and particularly financial aid which are required by the people of Colombia, but also in further reconstruction efforts.

There have been many tragedies over the past year. There has been the famine in Ethiopia and the response of the Government, which was a good and strong one. However, we were told and still are told time and time again that it is long-term aid or long-term reconstruction that is needed in the case of Ethiopia and indeed in the case of many countries in Africa which have suffered enormous famine. Similarly, in the case of Mexico and now Colombia, we want to help in the reconstruction works. That is what Canadians want to help Colombians achieve. I feel confident that the Minister will want to see us do that.

Also I hope the Government will seriously address the need for reform of our international financial institutions and our international financial arrangements which place such a heavy burden on Colombia, on other Latin American countries and on many other countries in the world that are trying to deal with debt crises. The continuing debt crisis and the inadequacy of the response to the crisis by international financial institutions, while not as vivid or as horrifying as earthquakes and volcanoes, nevertheless, it seems to me, will inevitably bring comparable suffering, poverty and tragedy to the peoples of Latin America and of other countries who are suffering so deeply from the crushing burden of debt.

On UNESCO, I was pleased, as all of us in my Party were pleased, to note the Minister's warm commitment to the survival and work of UNESCO. Indeed, she made a commitment on her own behalf and on behalf of the whole Government. The Hon. Member for Saint-Denis (Mr. Prud'homme) mentioned some rumours which had been floating around that Canada might not in fact give its full support to UNESCO. Indeed, I first heard rumours under the previous Government that we might not continue our moral and financial support to this incredibly valuable organization and, therefore, I was glad to see that there was no foundation under the present Government to those rumours. As the Minister has said—and I thought it was a point well taken—if no UNESCO existed, one would have to be invented.

Also I would like to know whether the Minister has had any success in persuading the United States to return to the organization. It made a substantial contribution to the organization. In withdrawing from it, it not only undermined UNESCO and everything UNESCO stands for but, in a sense, it undermined the United Nations itself. In this connection I should like to urge that Canada, now that it has firmly recommitted itself to UNESCO, equally firmly recommit itself to the United Nations charter and move to strengthen the United Nations itself as an integral and essential institution for maintaining world peace. Very urgent measures are needed

and must be taken, for example, to curb the growing militarism and the growing anarchy which we see throughout the world. There are many steps that Canada could take within the United Nations to help curb such militarism and anarchy. The United Nations Security Council and the Secretary General could be and should be given—and Canada should press that they be given it—more authority to help maintain world peace. We should urge that the United Nations play a more central role than it does on North-South issues. There are a number of reforms which we could be initiating that could restore the United Nations as the prime promoter of human rights and, in the reform of international law, provide greater access through the United Nations for individuals suffering injustice. Just as UNESCO would have to be invented were it not there, so is that as true or perhaps even more true for the United Nations.

I hope the Minister would take occasion to reaffirm our commitment to the United Nations Charter and specifically give us some of the ideas which are undoubtedly circulating in her Department, the Department of External Affairs, on the ways in which Canada, having now made this clear and firm commitment to UNESCO, will make an equally firm and clear commitment to the strengthening and reform of the United Nations itself.

* * *

PETITION

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. John Nunziata (York South-Weston): Mr. Speaker, I would like to take this opportunity to present a petition to the House, calling upon the Government to reinstate full indexation of the universal family allowance and to rescind the unfair tax increases in the last Budget.

* * *

POINT OF ORDER

WITHDRAWAL OF REMARK MADE DURING QUESTION PERIOD

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I rise on a point of order regarding some remarks which I made during Question Period as a heckle at the point where my friend and colleague, the Hon. Member for Skeena (Mr. Fulton) was trying to put a question to the Prime Minister (Mr. Mulroney) on the situation with the Haida people in the South Moresby part of the Queen Charlotte Islands in British Columbia. I said that the Prime Minister was only concerned about Quebec and later on that it was only Quebec, or words to that effect. I would like to withdraw the remark. It is very un-Canadian to do that. The situation is that we have a recession in British Columbia and a real problem with the Haidas and the natives. That is what was behind it, and I would like to withdraw it.

Some Hon. Members: Hear, hear!

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Deputy Speaker: Is it agreed?

[*English*]

Mr. Nunziata: Mr. Speaker, I would like to take this opportunity to ask the Government House Leader to indicate to the House when we might expect answers to questions which I placed on the Order Paper some seven months ago, respecting the involvement of the former Solicitor General in the Hatfield marijuana case in New Brunswick. We have waited over seven months for answers to those questions. Perhaps he could rise in his place today and tell us when we might receive those answers.

• (1550)

Mr. Hnatyshyn: Mr. Speaker, I cannot give a specific date, I must admit to the Hon. Member, but I do recall a previous response from the Solicitor General (Mr. Beatty) himself, that there would be quite an exhaustive reply because of the nature of the Hon. Member's question which, I am sure he understands, is fairly long and covers not only one Department but a number of Departments. The nature of the question is such that it requires an exhaustive answer. I believe they are working hard at getting a response, quite seriously, for the Hon. Member but it has taken more time because of the length and complexity of the questions raised. However, I am assured that the matter is receiving earnest attention and I hope it will be answered soon. It may even be answered tomorrow but I would not want to commit myself to that.

[*Translation*]

Mr. Deputy Speaker: Order, please. I wish to inform the House that, because of the ministerial statement, consideration of Government Orders today will be extended by 45 minutes.

Therefore Private Members' Hour will begin at 5.45 p.m.

GOVERNMENT ORDERS

[*English*]

PETROLEUM AND GAS REVENUE TAX ACT INCOME TAX ACT

MEASURE TO AMEND

Hon. Barbara McDougall (Minister of State (Finance)) moved that Bill C-82, An Act to amend the Petroleum and Gas Revenue Tax Act and the Income Tax Act, be read the second time and referred to a legislative committee.

She said: Mr. Speaker, this is the second occasion on which I have come before the House to introduce changes to the

Petroleum and Gas Revenue Tax Act. I can assure you, Mr. Speaker, that I am looking forward to this assignment with greater hope and enthusiasm than on the previous occasion.

[*Translation*]

Last year I was responsible for shepherding the PGRT legislation left in limbo by the previous Government. It was an embarrassment for two reasons, the first being that the legislation had been left on the back burner for too long. Some changes had been announced about 24 months earlier.

More significant still, however, it gave rise to confusion because it contained nothing more than a mish-mash of inadequate temporary solutions, whereas a major reform was needed.

[*English*]

The reason for my greater enthusiasm today is that only seven months after the signing of the Western Accord, the Government has now done the major surgery which will restore Canada's oil industry to good health.

On March 28, 1985, my colleague, the Minister of Energy, Mines and Resources (Miss Carney), announced the Western Accord. This historic event marked the end of a decade of dispute between the federal Government and western provincial Governments concerning energy. It signalled the beginning of a new co-operative atmosphere between the federal and the provincial Governments. The amendments included in this Bill are a direct result of that Accord.

I will not take the valuable time of this House to repeat the adverse effects of the National Energy Program, in general, and the PGRT, in particular. I will, however, point out some of the most glaring negative aspects of this national embarrassment. The PGRT was first announced in October of 1980, just over five years ago. I quote from the National Energy Program document:

> Initially the PGRT tax will be set at the rate of 8 per cent of net operative revenues . . . deductions such as those for exploration and development expenditures, capital cost allowances and interest will not be allowed. As oil and gas prices rise faster . . . the rate of the tax will be reviewed.

This tax was an unprecedented attack on a single industry and single region of Canada. The prosperity of western Canada and its oil industry was simply too enticing for the previous administration and it set about a revenue grab of major proportions. The PGRT collected over $1 billion from the oil industry in 1981 with no deductions for reinvested amounts.

Is it any wonder, I ask Hon. Members of this House, that the oil industry went into a disastrous tail-spin? Is it any wonder that thousands of westerners in the oil industry lost their jobs and their homes? Is it any wonder that businesses servicing the oil industry began to fail? Eastern Canadians as well were not immune. All too often we forget the economic ties we have throughout this country. The PGRT not only hurt western Canada, it hurt the suppliers of steel and other products in Ontario and Quebec. it also hindered young engineers who graduated from our universities from working in the meaningful jobs in their chosen careers.

That was not enough for the previous Government in its crusade to squeeze all of the money out of western Canada. Not content with the damage done by an 8 per cent tax, barely one year later the PGRT rate was doubled to 16 per cent and yet another tax, the incremental oil revenue tax, was introduced as part of the PGRT Act. It is no credit to the former Government that this newest tax lasted only a few months before being indefinitely suspended. It was obvious to all that the industry was in failing health and a number of other steps were taken in a belated effort to repair the damage which the Government itself had caused.

In 1982, a temporary 1 per cent rate reduction for conventional oil was introduced, along with a new small producer credit. An increased resource allowance was introduced for synthetic oil production. In 1983, capital expenditures on enhanced oil recovery projects were allowed as deductions. These changes were an admission of the fundamentally unsound nature of a revenue tax in a capital intensive industry. However, these were band-aid solutions. They were unable to solve the problem which continued to get worse.

It was against this background that the Progressive Conservative Party promised a new and a fair energy deal for all Canadians. In 1984 we promised to remove the petroleum and Gas Revenue Tax. We also promised to dismantle the Byzantine system of oil-pricing controls. We promised to remove the discriminatory system of petroleum incentive payments. One year later we have accomplished all of those things.

I want the House to know that I recently held a pre-Budget consultation with members of the oil and gas industry. I want to share with all Hon. Members today the mood of optimism, the new sense of opportunity and the climate of confidence which now exists in the oil and gas sector. I was told that government policies, including the Western Accord, have brought significant changes to the economic arena. The Canadian petroleum and natural gas industry has emerged from a mantle of politically imposed nationalistic policies to a new era of economic opportunity.

The last six or seven months have seen great changes in the industry. The Western Accord, coupled with non-punitive tax measures, and the deregulation of gas prices have enabled the oil and gas industry to rev up its own engine and contribute in a meaningful way to the economic renewal of Canada. It is with pride and enthusiasm that I present today a Bill which will carry out the promises of the Western Accord to phase out the PGRT by December 1, 1988, and to repeal the incremental oil revenue tax.

I would now like to point out briefly the specifics of the legislation before the House. Clause 6 provides for the following statutory rates to be applied to conventional oil and gas production from the current level of 16 per cent: in 1986, 13.33 per cent; in 1987, 10.67 per cent; in 1988, 8 per cent; and in 1989, nil. Synthetic oil production will be subject to lower rates as follows: in 1986, 12 per cent; in 1987, 8 per cent; in 1988, 4 per cent; and in 1989, nil.

• (1600)

The regulations to the PGRT will continue to provide a resource allowance of 25 per cent for conventional oil and 50 per cent for synthetic oil. These resource allowances reduce the statutory rates to result in effective rates over the next three years of 10 per cent, 8 per cent and 6 per cent for conventional oil and of 6 per cent, 4 per cent and 2 per cent for synthetic oil.

The new legislation provided does more than reduce the tax rate over the next three years. To stimulate new activity immediately, Clause 4 allows a full tax exemption available for new wells drilled after March 31, 1985. In addition, enhanced oil recovery projects are provided with options that will result in a more favourable treatment during the remaining years of the PGRT. Enhanced oil recovery projects can opt to exempt their incremental production after March 31, 1985, and major new energy projects can also apply for an exemption from the PGRT.

Another important feature of this Bill is the introduction of a PGRT offset in Clause 7. A new mechanism will allow for 30 per cent of the value of new unused exploration and development deductions to be applied against the PGRT in order to assist companies that are unable to realize income tax savings from new exploration and development expenditures under the Income Tax Act. This measures will be of particular benefit to a number of smaller Canadian companies and that is why we are proud to be presenting this Bill. The taxpayer can eliminate PGRT otherwise payable if he has sufficient unused income tax deductions and the consequential changes to the Income Tax Act that are required to implement this offset are included in the Bill before the House.

A final new measure introduced is a $10,000 annual deduction for individuals starting with the 1986 tax year. This measure will remove the burden of filing returns from several thousand Canadians who have some amounts of royalty income from producing oil and gas wells. All of these measures have combined to produce a remarkable recovery in the oil industry and the economics of exploring for and developing new oil and gas supplies have improved significantly. The provincial Governments in a new spirit of co-operation with us have complemented these changes with policy initiatives of their own and the economic recovery has begun and is well under way. It is creating jobs not only in Alberta, Saskatchewan and British Columbia but in all the provinces of the country including my own Province of Ontario.

The Bill before us truly marks the beginning of a new era, an era of restored economic vitality for the oil and gas industry, for the thousands and thousands of Canadians whose livelihoods depend directly and indirectly on the oil and gas industry and for western Canada. I commend this Bill to Hon. Members and I know they will embrace it with enthusiasm.

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I am pleased to speak on this Bill, but unlike the Minister of State for Finance (Mrs. McDougall), I do not exactly embrace it with enthusiasm although I appreciate her optimism. During the election campaign, we as a Party indicated that we would review the Petroleum and Gas Revenue Tax and certainly it was our intention to do so. The Minister spoke of a revenue grab from industry. That is just not the case. What is evident at the present time is that there is a money grab from the consumer as a result of this Bill and as a result of the policies of the Government.

The Government is giving the energy sector to the large oil companies, not the Canadian oil companies but the foreign oil companies. The Government has made sure that the oil companies are flush and will be successful but the consumer and Canadian companies will suffer.

I would like to move away from the issue of the PGRT for a moment and mention one of the things that the PGRT did. With its revenues, we were at least able to have a Petroleum Incentives Program. This is a program which the Government has completely abandoned. As a result, exploration on the frontier lands including the offshore has plummeted and the economic future of the oil and gas sector in Atlantic Canada in particular is very bleak indeed. At this time last year, 10 rigs were drilling in Nova Scotia. There is presently one rig drilling there. I am afraid this is the trend that is being set in Atlantic Canada. Of course this is not the viewpoint the Minister of State for Finance or the Minister of Energy (Miss Carney) have been putting forth. They are saying that exploration will surge and that there will be a very promising economic picture in Atlantic Canada. However, that is not the case and that is certainly not what we are seeing at the present time.

As I mentioned earlier, Canadian companies are in a position very different from that of multinational companies. The tax credit that has been granted for exploration on the offshore will not be satisfactory for Canadian companies. That is, it will not be satisfactory if there is any exploration activity at all. Shortly after the offshore package was announced by the Government, Mobil Oil, which made the application to the National Energy Board for the bringing of the Venture Gas ashore from the coast of Nova Scotia, withdrew its rig from that very field leaving only one rig, that of Shell Canada, drilling off the coast of that province. It is a very, very serious situation. The spin-off effects that the offshore has created in Nova Scotia are completely dissipating. We are left with empty office buildings and with people who had jobs at this time last year and do not have them now. These people have very bleak futures in the oil and gas sector.

What exactly will this new tax credit do for Canadian companies? It is a 25 per cent tax grab and all companies are being treated equally as they were under the regulations first stipulated under the Western Accord. However, what does that do for Canadian companies? It does not allow Canadian companies to take advantage of this particular tax credit because it is not a tax credit to the extent that the benefit is passed along regardless of whether the company pays taxes or not. No, it can only be deducted from income tax payable. As a result, companies which have had difficulties but have taken the initiative to explore and have taken a chance on the country, Canadian companies that are making an investment in Canada and as a result are not in a tax-paying position,

cannot take advantage of this tax break to the extent that will be necessary. They will be allowed a mere 10 per cent of the benefits as compared to the 80 per cent that they were allowed prior to this measure which in addition to their normal income tax write-offs would require them to pay at best 10 cents on the dollar. These companies that have bought equipment for the offshore and are involved in the offshore have now had the rug pulled out from underneath their feet.

• (1610)

It is a devastating blow to Canadian companies in the oil and gas sector. In fact, the Independent Petroleum Association of Canada met with the Minister of Energy, Mines and Resources to talk about the problems some Canadian companies are having in the transition from the Petroleum Incentive Program to tax credits. Some firms are worried that they will not be able to meet drilling commitments before the grants expire and, therefore, could lose their entire investment to date. Husky-Bow Valley, which has just announced a major oil find off the coast of Newfoundland, says that its financial support system may have been pulled out from under it. This is after three long years of effort on the company's part.

Mr. Robert Blair, the Chairman of Husky Oil, says that the end of the Petroleum Incentive Program throws a wrench into Husky's efforts and that it wants to get help through this transition period. The company needs to be able to utilize the investment which it has made. It has explored heavily and invested a great deal in expensive equipment. It would be economically devastating to have this equipment lying idle if the offshore activity stops after the expiration of the Petroleum Incentive Program.

The new tax system means that instead of receiving $40 million in petroleum incentive grants for every $50 million it spends in the offshore it will now receive $4.5 million. Mr. Blair says that the new tax incentive system leaves companies which have already invested in exploration and otherwise at a disadvantage while advantages occur to those companies which have not been doing so. However, he says that enough goodwill exists in Ottawa that a solution will be found. That is whistling past the graveyard, if there was ever an example of that. The Minister of Energy, Mines and Resources has stated that there will not be any change to the program at all. Yet, Mr. Blair and his company and other Canadian companies are being dragged along over needles. What can they do but go along and hope that the Government will do something on their behalf? Only the Government can change this very Draconian measure for Canadian companies. There is no need for Canadian companies to be at a disadvantage in the country. This is Canada and these are Canadian companies. They have invested heavily and with the best of intentions. Yet, they are now being put at very severe risk. A great many of them will be placed in economic jeopardy and will not be able to survive. Why not give these companies the advantage? Why not allow them to take this tax credit and utilize this 25 per cent even though they do not pay taxes? Why not allow them to use it as a credit *per se* which would give them a 25 per cent advantage regardless of their income tax positions? Why not allow these companies to pass it along to their shareholders if they cannot utilize it themselves? There are various ways in which Canadian companies could be helped by the Government if the Government wished to do so.

The Offshore Trade Association of Nova Scotia said that an acceptable level of exploration could not be sustained under this new energy policy. What is really happening is that there are far too many rigs bidding farewell to Nova Scotia. Some nine years ago there was a great deal of activity. Last year there was also a great deal of activity. However, this year there is but one drilling rig drilling off the coast of the province. Even the ex-Premier of Alberta, Mr. Lougheed, told the energy investment conference in Calgary that Newfoundland may need special help to bring the Hibernia oilfield into production. The industry also says that special deals may be necessary to bring western heavy oil projects and Nova Scotian natural gas into production; but the Minister says she has no more money on the shelf. She says: "Ottawa gave at the office." She says that she gave the industry a multibillion dollar break on taxes so she does not have to do anything more to help the smaller Canadian companies or boost the economies of Nova Scotia and Newfoundland by showing some flexibility. This is counter-productive to an area of the country which sorely needs economic activity.

It is not only Atlantic Canada which will suffer. We can now see that the Minister and the Government are retrenching and withdrawing from promises which they made with respect to the heavy oil sector and the tarsands. I would like to quote one example in particular with respect to heavy oils concerning the Husky upgrade which was promised by the former Liberal Government. It was substantiated by the Government in power which recently decided it did not want to go forward with it. The Government decided it wanted nothing to do with equity. It thought it had enough green stamps in western Canada that it could cut back on this project, which is what it did. It was a purely political move. The Government thought it would not be noticed. It thought it could withdraw from this oasis of plenty which it has given the oil industry and that it could withdraw the commitment once again. It made a promise to a Canadian company which it had been relying upon for over a year since the Government took office. Yet, it says it is investigating. It is taking a long time to investigate this matter—and no answer has come up yet. Meanwhile, this company is hanging by its fingers waiting for an answer. The Government has put Husky Oil in a very difficult position as a result of this change of mind. The Minister of Energy, Mines and Resources says that by removing taxes such as the Petroleum and Gas Revenu Tax there is incentive enough to invest. However, it is certainly not incentive enough to invest in the frontier lands. Nor is it incentive enough to invest in the offshore. She said that this move will be good for the country. I will deal with other points such as Canadianization and security of supply later.

I wish to touch upon what this move will do for the group which will benefit the most. I speak of the multinational oil companies which are investing in Canada. These companies

should see their profits rise by 160 per cent by the end of the decade. Denis Moté, an analyst for Maison Placements Canada Inc., predicted that producing oil and gas companies in Canada will have profits of $8.1 billion in 1989 compared with $3.1 billion in 1984. During the same period of time revenues should jump 37 per cent to $36.6 billion and cashflow should soar by 70 per cent to $14.5 billion. The largest single factor in the profit picture is the elimination of the Petroleum and Gas Revenue Tax which will increase profits by 75 per cent without any other factor whatsoever.

What has the Minister done for consumers? This is where I return to the money grab from the consumers. In the recently announced consumer gas rate agreement there was nothing for the consumers. Certainly the producers absorbed a 12 per cent increase which the distributors were granted. However, when one considers the fact that natural gas prices in the United States are expected to decline by 10 per cent in the next year, then this is of no benefit to the consumers of Canada compared with what they should receive. In fact, the consumers of the country had been paying a fair price for natural gas under the former Liberal Government; but as the price went down world-wide the Government decided that it would not pass along the benefit.

● (1620)

Then there is the question of revenue for the provinces concerned. Will there be compensation for the money lost as a result of this Government's new energy policies? Will there be compensation for the lack of economic activity? The Prime Minister (Mr. Mulroney) stated last December that the Government was going to do away with the back-in provision. This, of course, was done. However, the Government is very slow to say how it will compensate Nova Scotia and Newfoundland for their resulting losses. We still have no knowledge of what amendments the Government will put forward concerning the Canada-Nova Scotia agreement or when they will be made known. As far as anyone knows there has been no dialogue on this matter. The Nova Scotia Minister of Energy is a man dangling from a 12-story window with little choice but to go along with whatever the Government offers. Purely and simply, the federal Government has hung the Province of Nova Scotia out to dry. That province has been left in a very precarious position and the federal Government is doing nothing to alleviate that situation.

So far as Newfoundland is concerned, there is a very good deposit of oil in Hibernia. As well, the recent discovery by Husky-Bow Valley increases the encouraging feelings we all have as to the future of Hibernia. However, the reduction in the world price of oil has left us somewhat concerned over what Newfoundland will receive from all this. The province has lost the back-in provision but has been told it will receive the royalties. Does that mean Newfoundland will have to wait until the world price of oil goes up before the companies actually start production? If so, what is in it for Newfoundland? Is the federal Government going to assure that province that regardless of the low price of oil it will receive some benefit from these changes? Of course, the economic stimulus resulting from the development of Hibernia will be very important. However, will the oil companies say they are going to leave the oil where it is until the world price goes up? In that case, would the federal Government sit back and allow this to happen as it did with Nova Scotia? If so, production in Hibernia will certainly not start by the target date of 1992. It will be many years after that before we see any oil production in Hibernia unless this Government is prepared to take positive steps and become a factor in encouraging production as soon as possible. It is hoped, of course, that that will happen hand in hand with meaningful changes to offshore drilling practices to ensure the safety of those working on the rigs. The Minister has said that most of the royal commission recommendations were put in place, but we know that the most glaring deficiencies have not been corrected and that the men working on the rigs are still subject to very grave and unnecessary personal risk.

Where does all this leave us with respect to this Government's policies? What is the Government doing? I agree that we certainly have to stimulate oil and gas production and I am very pleased that western Canada is now selling increased amounts of oil. We hope their gas sales will increase as well. However, where does that leave Canada? Where is this Government's commitment to security of supply? By the turn of the century most of the oil and gas production will be controlled by OPEC or communist countries. We will then be in the position we were in in 1970 of being dependent upon the OPEC countries once again. What are we going to do to counteract that? What are we going to do to safeguard our security of supply? This is very important and we have to consider it. If we do not develop the offshore and frontier oil and gas reserves, if we do not make sure that the tar sands and the heavy oil reserves are brought forward when we need them, then we will be in a very difficult position. Our readily accessible oil and gas will be sold to the U.S. and our reserves will have been seriously diminished.

The Conservatives say that their energy policy is based on five goals. The first goal is that of a stable policy framework in which energy resources can support growth for the benefit of all Canadians.

Mr. McDermid: Done.

Mr. MacLellan: It has not been done in Atlantic Canada or the North. Another goal was self-sufficiency and energy security.

Mr. McDermid: Done.

Mr. MacLellan: That certainly has not been done. The readily available and low-cost reserves are being developed, but nothing is being done for the long term. That commitment to self-sufficiency and energy security has been completely abandoned by this Government. Another goal was that of enhanced Canadian participation. The Government is completely doing away with Canadian participation in the offshore. Yes, the Government says there has to be 50 per cent Canadian participation at the production stage, but what

about the time it is taking to get to that stage? This whole sphere of activity is going to be closed to Canadian companies.

The fourth goal was that of fair treatment for consumers and producers. Certainly there has been good treatment for producers so long as they are not Canadian. There has not been fair treatment of Canadian consumers. There is no benefit for oil and natural gas consumers in this country. Consumers were told that deregulation would mean a reduction in the price of oil at the pump, but the price went up. The Government is supposed to be looking into ways of investigating and dealing with these price increases, but once again we have heard nothing as to what progress is being made. This whole thing is getting out of hand. It is ironic, to say the least, that the multinational oil companies will always increase their prices within one day of each other and in the same amount. The consumer is being ignored. Security of supply is being ignored. Canadian oil and gas will be sold in the U.S. at a lower price than it is sold to Canadians. It is only a matter of time before that is going to become evident. It is fine to sell oil and gas in the United States. The producers must have a market for their products. There is no question about that. You cannot lock in an important resource such as that. Natural gas, for instance, means $4 billion to this country annually. We are not in a position to be able to lock in that kind of resource. We need to sell it, but we need to look after the long-term security of this country as well. That is a tremendously important feature.

● (1630)

I hope that the Government will remember its promises, Mr. Speaker. A few short months ago when we were debating the Canadian Oil Substitution Program and the Canadian Home Insulation Program, the Parliamentary Secretary told us in the House that it was not necessary to give people financial incentives to reduce the amount of energy consumption in their homes but that it would be done on a voluntary basis. We were told that there would be a program put forward by the Government which would promote conservation. It was proven in that debate that of all the energy money spent in the country the best value per dollar is in conservation. There is nothing even close to the value we get for conservation in the energy field. Yet, there has been no program put in place by the Government to deal with conservation. There has been nothing to substitute for that. All the Government wanted to do was to institute a money grab at the expense of the Canadian consumer and taxpayer. Any promise or commitment by the Government was thrown to the wind after the Government got its way with the Canadian consumer.

I think the Canadian consumer is becoming very jaundiced in its opinion of the Government as is indicated by all we are seeing in the press and all we are hearing from our constituents. The reason, of course, is that the Government is not taking the interest of the consumer first and foremost as it is necessary for any Government to do. By not taking the needs of the consumer first and foremost, and by not considering the consumer at all, the Government is on a catastrophic course and the people of the country are going to suffer greatly.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I am pleased to stand on behalf of the New Democratic Party and debate this Bill today. I have heard the speech of the Minister of State for Finance (Mrs. McDougall) and of my colleague, the Member for Cape Breton-The Sydneys (Mr. MacLellan), the Liberal energy critic. I will try to deal with some different matters, although there will be some overlap.

This is an important debate although one would not know that from looking around. That fact could easily be lost in the statistics, facts and terms that will be used. Generally critics are saying that the Government has not really done very much in most areas, but they have applauded the Government for what it has done in the energy sector. I acknowledge that. I think the critics are dead wrong. In my remarks I will try to explain why I think they are wrong. I think we have an energy crisis in the making. It is just a question of time.

This Bill specifically deals with the abandonment over the next five years of the Petroleum and Gas Revenue Tax. The PGRT, as it is known, was Ottawa's most effective instrument for taxing petroleum companies which have been masters of tax loopholes. This tax worked. It raised a lot of money for the federal Government. It was not liked by the oil industry. Handing over the proceeds of the Petroleum and Gas Revenue Tax to the oil companies, more than $2.4 billion a year, is supposed to encourage investment by the industry. This is the argument of the Government. It says it is giving all this money back to the industry to spur investment and create jobs. I believe that it is unlikely to do this because the real barrier to investment is the falling price of international oil and the glut of petroleum on the world market.

I think the real impact of this Bill, of the Government's energy policy, and of the Western Accord will be increased taxes for consumers, as my friend the Liberal energy critic, has just said. I think it will also mean cut-backs in social services in other areas because the Government is going to be starved for the money it has given to the big oil companies. I think it will also mean an end to the efforts to Canadianize one of the most important industries in Canada which has always been dominated by foreign-owned and foreign-controlled companies. One of the reasons for the National Energy Program and the motive for Canadianization was that between 1975 and 1979 foreign-owned oil companies were responsible for an outflow of $3.7 billion to their American parents. That is going to continue and it is going to increase in spades.

There is a double standard here, Mr. Speaker, with regard to the money that has been given to the oil companies. The double standard is that the federal Government's deficit is no problem when it comes to handing out money to the oil companies, but it is a problem when it comes to social programs for ordinary Canadians. At the same time as the Government gives, by its own figures, something like $5.5 billion in foregone tax revenues under the PGRT, it will have to recoup those revenues somewhere. Guess who pays. Ordinary Canadians pay. We saw evidence of that already when the Government tried to cut back on the indexation of the seniors' pensions. Only a mounted lobby by the seniors stopped

that from happening. We see evidence of that now in the Government's efforts to deindex family allowances. So you have a system where—

[*Translation*]

Mr. Speaker, the ordinary Canadian is the one who has to pay for this energy policy of the Progressive Conservative Government.

And the major oil companies will receive $5.5 billion by 1990.

[*English*]

It is a double standard, Mr. Speaker.

I would like to give some of these figures. In the first six months of 1984 the profits went up 40 per cent over those in the same period in 1983. Those are the figures of the Petroleum Monitoring Association. There was a 22.7 per cent increase in energy industry profits in the last 12 months over the previous 12-month period. That was reported in *The Globe and Mail* of May 16, 1985. Of those companies which made profits, the four largest oil companies in Canada, Imperial, Shell, Gulf, and Texaco, increased their profits for the first quarter in 1985 by 24.8 per cent. That was before the Western Accord and before this Bill. The oil industry was already recovering before it received this immense giveaway. Now, with the removal of the Petroleum and Gas Revenue Tax, large profits will accrue to the oil industry with a loss of revenue to the federal Government. It is estimated that with the stepping down of the PGRT under the Western Accord, $5.26 billion will be lost to the federal treasury by the end of 1989. Peters and Company, a Calgary energy analyst house, has projected that in 1986, the loss to the federal treasury will be $430 million; $680 million in 1987; $1.36 billion in 1988; $2.79 billion in 1989 for a total of $5.26 billion by 1990. Therefore, a rich industry is receiving more money. In addition, the price of oil was deregulated in April and went to world oil prices. As a result, the various companies made money. The price of oil found before 1979 was $29.75 a barrel. The price rose to the international level which was $37 a barrel at that time. Although new oil decreased in price, the increase in price for old oil was a windfall to those producers. Who got the windfall?

• (1640)

Mr. Fraleigh: Who discovered it?

Mr. Waddell: I will come to that in a minute. Some 60 per cent to 70 per cent of the production by each of the major integrated oil companies was in old oil.

Imperial Oil and Texaco, both foreign owned, are this nation's largest oil producers. According to *The Financial Post* these companies will receive at least $50 million of additional revenue each year as a result of decontrol. The phase-out of the PGRT will result in a saving to these two companies of approximately $30 million in 1986, up to $150 million in 1989 when the tax is completely eliminated. The Minister of State for Finance did not say today that the two big winners, in addition to receiving the windfall as a result of going to world oil prices, will now receive a tax break with the elimination of the PGRT. That is not to say that these companies do not pay taxes. They are supposed to pay taxes but those companies are experts at working their books in terms of paying taxes.

John Ferguson of Southam News states:

> How can any government justify increasing sales and income taxes, higher gasoline prices and cuts in the indexing of family allowances—all in the name of spending restraint—while pumping billions out the back door to clever corporations with smart accountants?

I challenge the Government to deny those facts. According to the Government's figures, it will lose $5.5 billion by 1990 as a result of this change within the legislation we are debating today. According to Peters and Company Calgary, this figure is $5.26 billion.

The Minister of Energy, Mines and Resources (Miss Carney) stated in the House of Commons that in the first year, the figure would be approximately $800 million. Furthermore, the western provinces agreed in the Western Accord not to take more royalties. In return for this system of vast giveaways to the oil industry, the Government gets a promise to create more jobs. There is no doubt that some jobs will be created.

This capital intensive industry has indicated that 300,000 jobs will be created. That figure is from the brief of the Canadian Petroleum Association and is used as part of the propaganda we see on television daily in the form of a progress report from the Canadian Petroleum Association. They have progressed by managing to reverse the entire energy policy of Canada and revert to an old system which existed before the first oil crisis in 1973.

My hon. friend, the energy critic from the Liberal Party, dealt with the effects on the East Coast as a result of this policy. While we will see some increased exploration and production in the offshore because the PIP grants are being phased out, we will see a system in which the multinational oil companies will dominate frontier exploration at the expense of the small Canadian companies which had a chance under the old National Energy Program. They will no longer be layers in these fields.

I recently read an article about Joe Mercier, who runs a small oil company in Alberta. It said:

> Energy Minister Carney didn't know what she was doing, giving away the store. The oil industry did a great job with several years of full-page newspaper ads, containing all the catch phrases that Carney used—engine of growth, market-oriented prices and end discriminatory taxes.

This was stated by an oil man. He said:

> Small and medium-size Canadian companies do the lion's share of drilling in Western Canada, thanks in part to federal government exploration grants to be phased out under the new energy deal.

He gave an example:

> —in 1984, smallish Universal, had revenues of $25 million and spent $15 million drilling 103 wells.
>
> By contrast, TexacoCanada Inc.—200 times larger than Universal—spent only ten times as much on exploration, drilling 53 wells in 1984 at a cost of $161 million.
>
> Texaco Canada also handed out $156 million in cash dividends to shareholders—92 per cent of which went to its U.S. parent, Texaco Inc. of New York.

And another $500 million flowed to its parent to "buy" a Canadian subsidiary Texaco Inc. already owned.

The Government has given the biggest windfall to Texaco, which is perhaps the worst spender in the oil patch. Imperial, while a better spender, will also receive a windfall.

The consumers are the ones who will suffer. They are beginning to realize this because I am beginning to receive letters concerning the increase in gasoline prices. I recently visited Saint-Jean, Quebec.

[*Translation*]

I was in Saint-Jean the other day, Mr. Speaker, and it was 60 cents a litre, while a litre of gas now costs 57 cents in Vancouver, British Columbia.

[*English*]

What we are seeing is increased prices for consumers.

I suggest that a matter which has gone unnoticed in the press and in the House of Commons throughout this debate concerns the fact that the basic issue in an energy program for Canada is the split of the energy pie between the federal Government, the provincial Government and the industry. A basic reason why the National Energy Program was developed in 1980 was that the federal Government was receiving virtually no money from the oil patch while giving more money in tax advantages and tax breaks.

I have written to the new Deputy Minister of Energy, Mines and Resources to obtain a breakdown of the energy revenue between the federal Government, provincial Government and the industry under the Western Accord. I am told that these records are no longer kept and that the figures are speculative. While I criticised Marc Lalonde in this House many times, he always provided the figures. We are unable to obtain those figures from the present Government. That is a serious problem. As I suspect, the Government will be very short of revenues. I see the chairman of the Finance Committee in the House. I hope he will speak in this debate. If you give away $5.6 billion how do you recoup? What an immense gamble it is that the industry will create jobs and pay a lot more taxes without any control over it. We are dealing largely with a foreign industry that could send that money out of the country in dividends. How can you give a guarantee at a time when oil prices are falling? It is an immense gamble. It will not work and we will suffer.

● (1650)

I want to say a few words why I think there is a future energy crisis in the making. Canada is blessed with all the energy sources known to humankind. Canada is actually energy self-sufficient right now even in crude oil. We export one-third of our production of crude oil and one-quarter of our natural gas. We are back into the old system before the 1970 oil crisis of exporting to beat hell, if I might put it that way. It will cost us in the future.

When you look at the Western Accord you will see that it deregulates the price of oil. It gives massive windfalls and tax breaks to the oil companies and it substantially weakens the control of exports of oil and gas. I draw Hon. Members' attention to an article in the Ottawa *Citizen* for Saturday, November 2, 1985 written by Les Whittington. It is a very perceptive article. Mr. Whittington quotes the opening words of the National Energy Program:

This is a set of national decisions by the Government of Canada.

The National Energy Program did not work as Mr. Whittington says. He said the program was hurt by the downturn in oil company activity in the western provinces, the fierce defence of provincial resource rights mounted by Alberta, criticism from the United States and the well-heeled oil lobby, and the scandalous air of wasteful spending associated with the NEP's generous exploration grants. As well there was the price miscalculation that oil would go up to $80 a barrel, which never happened and which really ended the National Energy Program. Notice the opening words of the National Energy Program: "This is a set of national decisions by the Government of Canada".

We now have an energy policy that is made by the oil industry, largely in New York of in the provinces. That is the difference between the National Energy Program and the program we have now.

The National Energy Program did make Petro-Canada into one of the largest gasoline retailers and refiners in the country. It expanded Canadian ownership of the industry from 28 per cent to 47 per cent. It turned up the reserves in Hibernia and Venture. It had those positive aspects but it had negative aspects as well. What we have done, to quote Mr. Whittington, is:

—passed the economic levers over to the companies with no way to guarantee results other than vague threats of renewed high taxes.

That is the gamble of which I was speaking and that is what we have done. In Mr. Whittington's words we have returned to a situation in many ways closer to what existed prior to the energy crisis that erupted in 1973.

Let me talk a little bit about that crisis, Mr. Speaker. There are many issues in energy, nuclear, hydro, conservation, alternate fuels, to name only a few. In my view the key energy issue, and it has always been key, is the level of our oil reserves and consequently the pace of our oil exports. Gas and oil are non-renewable resources. We are rapidly depleting the light sweet crude oil in Canada's western sedimentary basin despite a more than 1,000 per cent increase in wellhead prices from $3 to $38 a barrel.

Our accessible conventional crude oil reserves have gone steadily downhill since 1969 and they are still going down. This year we are exporting, as I said, about 30 per cent to 33 per cent of our domestic oil production. The world is now burning its oil at a rate of 900 billion gallons a year. One-fourth of the recoverable oil that existed when the first well was drilled just over a century ago has been burned. Exploration has already found about two-thirds of the oil it is likely ever to discover. At the present rate of consumption, there is roughly a 60 year supply remaining of world oil. The United States, which consumes one-fourth of the world's oil produc-

tion and which has only one-tenth of its oil reserves will look increasingly for its oil supplies, my friend was saying, to the Persian Gulf where what is left of the world's oil will be increasingly concentrated. You know the security problems there, Mr. Speaker. As we in Canada deplete our conventional oil resources, we will have to go further into the tar sands, the heavy oil, the Beaufort Sea and Hibernia. That oil will be more expensive to produce and it will cost consumers more money. Ordinary Canadian consumers will once again pay dearly. Geoffrey Edge, the retiring Chairman of the National Energy Board has forecast:

An increase in oil prices in real terms in the 1990s.

The National Energy Board has forecast that Canada will rely on the tar sands and the frontiers for more than two-thirds of its oil by the end of the century. Yet the oil companies still follow a consistent pattern. They want to export to get more cash. That is why they want to get rid of the Petroleum Gas Revenue Tax. They want more cash to pay for further exploration. Once they find the oil, they push and lobby to export it. There is big money to be made largely by foreign companies and they make a big buck, about $4 billion a year in natural gas alone. Canada is now the second most important oil supplier to the United States.

Tommy Douglas, when he was the NDP energy critic, once said that while a person can be forgiven one mistake, it takes a fool to make the same mistake twice. That applies to a country too, but that is what Canada is doing.

The Western Accord, as it is embodies in this Bill before Parliament, is a repeat of the mistakes of the 1960s and early 1970s. Quick exploitation of non-renewable resources, supported by tax breaks and other incentives, exported at fire sale prices to make a quick buck for largely foreign corporations is what Conservative energy policy is. That is going to cause us trouble in the future.

I have already talked about the winners and the losers in terms of deregulation. I have talked about the Petroleum Gas Revenue Tax and why it was disliked by the oil industry because it was so effective in capturing revenue from that industry.

I have already said how much money the federal Government would lose. John Helliwell, a UBC economist, concluded that following deregulation, the rate of return in the oil industry would be well above, and I say this to the Parliamentary Secretary, average even without the deregulation and the end of the Petroleum Gas Revenue Tax.

This is an industry whose profits are already up. We are already paying more money at the gas pump. We are paying 2 cents a litre more as a result of the Western Accord. Another 1 cent a litre is going on effective January, 1986. We are paying on the pretext of paying for the indexation of Old Age Security.

What we should have instead of paying 1 cent a litre at the gas pump is a windfall profits tax on the oil industry. We should have tailored the PGRT, and I say this to the Member for Calgary, so that smaller Canadian companies could get exemptions and tax breaks making the big majors pay the taxes. Instead we are going with a policy that is in the opposite direction. I want to see jobs in the oil patch too but I want to see it done through small Canadian companies which, to my mind, are the best investors.

The Minister said in this House that the Western Accord will be the engine of economic growth and there will be up to 300,000 jobs. From where does that figure come? The phrase the engine of economic growth comes from the Canadian Petroleum Association, the lobby group for big oil. It comes from a brief to the Senate committee submitted by the Association in April, 1984. I wanted to quote the President of the Canadian Petroleum Association, but I do not seem to be able to find it. Basically, he was surprised at how much money the industry was able to get from the Government. As a matter of fact, he was shocked that it got everything it pretty well wanted.

• (1700)

Where is the evidence of job creation? I filed an application under the Freedom of Information Act and tried to find out whether the Department had studies. One would think that if $5.6 billion was to be given to the oil industry by 1990, there would be some studies on how many jobs would be created. One would think that they would not take the word of the Canadian Petroleum Association. It would be like Little Red Riding Hood taking the word of the wolf that she would be safe—"You are fine, little Red Riding Hood", says the wolf at the door. One would think that the Department would have some studies, but I found out that there were no such studies. In fact, the Department indicated that it had a compilation of other people's studies but noted that the prediction of the number of jobs to be created were based on "outdated and possibly unrealistic assumptions".

What kind of policy is it other than just a giveaway? Indeed, we have returned to the bad old days which saw us so unprepared for the last energy crisis. That is simply not good enough for the 1990s. This is why I think we will face another energy crisis, and that is why this policy has the seeds of the making of a crisis.

Disregarding present market price fluctuations, I believe we are seeing the underlying patterns like those which led to the 1973-74 crisis, the first OPEC crisis, and the 1979-80 prices. That is why we had a recession in Canada. The increase in prices was the source of much of our trouble and the great suffering of our people in the recession of 1981-82. In my view we do not have to vacillate between panic and complacency. We do not have to be manipulated by the big oil industry. We can do better. We must have security of supply. We must end our need to import oil in the future. We cannot continue to export a third of our production of sweet crude oil.

In the view of the New Democratic Party, the vehicle for doing this is significant Canadian ownership—public, private and co-operative. We can use our abundance of energy resources—and as I started my speech by saying, we have every one known to mankind—to give us economic growth and

to make us the richest country in the world. It will add to national unity by opening up the North, the frontiers, the East Coast and the tar sands. We should not export it for a quick buck. We should not return to the pre-1970 policy which failed in the past and did not pass the muster when it came to an energy crisis.

That is what the Bill is about. This is one of the most important debates we will have this year in Parliament, and it was a privilege to be able to speak in it.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for York East (Mr. Redway)—Children—Proposals to establish National Centre for Missing Children; the Hon. Member for Comox-Powell River (Mr. Skelly)—Fisheries (a) Standing Committee Hearings (b) Effect of licensing factory freezer trawler; the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano)—Textiles (a) Inquiry about $30 million given to Dominion Textile (b) Inquiry respecting use of funds paid to Dominion Textile.

GOVERNMENT ORDERS

[*English*]

PETROLEUM AND GAS REVENUE TAX ACT INCOME TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mrs. McDougall that Bill C-82, an Act to amend the Petroleum and Gas Revenue Tax Act and the Income Tax Act, be read the second time and referred to a legislative committee.

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I wish to participate in the debate on Bill C-82. Today, we are putting an end to one of the most unpopular taxes in the history of our country. The Bill incorporates the legislation to remove the petroleum and gas revenue tax or the PGRT, as it has come to be known.

I was very interested in the comments of my two colleagues with whom I work fairly closely, the energy critics for the Liberal Party and for the New Democratic Party. I will come to their particular arguments a little later in my discourse. There are a few points I should like to make before I deal with what they had to say. Suffice it to say, if I can just make a passing comment before I make my prepared remarks—

Mr. Keeper: Be nice.

Mr. McDermid: I will be nice. I found both speeches to be very interesting but very contradictory. They contradicted themselves many, many times during their addresses. I will try to cover that a little later in my remarks.

During the last general election, the Progressive Conservative Party made a commitment to the people of Canada to rid ourselves of the highly controversial and divisive National Energy Program introduced by the previous Government, a program which robbed Canadians of opportunities and very seriously impaired the economic and energy potential of Canada. My Party has always supported the goals of the National Energy Program. I think everyone in the country supports those goals of opportunity, fairness and energy security. However, we adamantly opposed the measures of the National Energy Program by which these goals were sought and the manner in which it discriminated against the regions of the country.

Canadians were presented with a choice on energy policy a year ago last summer. They voted for a new approach. I campaigned on it in my riding of Brampton-Georgetown. I know my colleagues from Ontario, Quebec and right across the country campaigned on a change to the National Energy Program. Canadians responded in spades; they voted for an end to the National Energy Program.

During our first year in office, we worked hard to fulfil our promise to change Canada's energy policy. The Bill before the House today represents but one element of a new energy policy for Canada. These new energy initiatives have become a reality through the Western and Atlantic Accords and then, more recently, through the frontier energy policy statement and the agreement on natural gas prices and markets. These energy initiatives have truly marked the end of the National Energy Program and ensured a replacement by a fair, non-discriminatory and constructive energy policy.

In establishing a new energy policy for Canada, it was most critical to get the Canadian petroleum industry back on its feet again. We wanted to return the industry to the days before the National Energy Program, to the days when the Canadian petroleum industry was a major source for investment in job creation, to the days when this industry was clearly the engine of economic growth for Canada. To assure that we could achieve our goals of national reconciliation and economic renewal, we consulted all Canadians, including members of the oil and gas industry. The message from the petroleum industry rang loud and clear. I might point out to the Hon. Member in the New Democratic Party that large and small firms, Canadian companies, and foreign-owned multinationals all sent the same message. They wanted a system of less Government

intervention by way of lower taxes and lower Government grants. That is what they asked for.

With the Western Accord and the subsequent energy announcements, we have introduced an approach which relies less on Government hand-outs and intervention and more on the opportunities provided in the market-place. This approach also reflects our commitment to implement an oil and gas taxation system which recognizes bottom-line profits. "Profits" is not a dirty word to this Party. It should not be a dirty word in this country. Profits rely less on Government hand-outs and intervention. More opportunities are provided in the market-place, and we recognize bottom-line profits as the basis for assessing taxes. The failure to recognize profits was clearly one of the major shortcomings of the PGRT tax.

• (1710)

I would like to give a brief history of this tax if I might, just to put the Bill in its proper perspective. The PGRT was introduced in the National Energy Program effective January 1, 1981, at an 8 per cent level. After only one year, the rate was doubled to 16 per cent, although many taxpayers were given a resource allowance of 25 per cent so that they paid an effective tax rate of 12 per cent on their net operating revenues. This represented a 50 per cent increase in one year. I suppose it is fair to say that the PGRT became the single most unpopular tax of all of those taxes introduced as part of the previous Government's National Energy Program revenue-sharing scheme. That occurred for a number of reasons. First it was a tax on net revenues and not on profits. As such, it became a very blunt instrument for grabbing revenues for the federal Treasury. No recognition was given, for example, to the high capital costs associated with bringing on new oil and gas supplies. If anyone has taken the time to visit, as I have, some of the new exploration which is going on, not only in this country but in other countries as well, one would soon begin to realize the tremendous high capital costs which are associated with bringing on new oil and gas supplies. Second, the producing provinces as owners of the resources always objected to the federal Government imposing a discriminatory tax only on their industry and their resource. No special taxes were imposed on hydro, nickel or iron. They were just imposed on the resource of oil.

Third, to add insult to injury, the same income was taxed twice, once by the PGRT and then again by corporate income tax. Unexpected hardships resulted for many companies due to the double taxation of resource income. Most importantly, however, the PGRT reduced the incentive to reinvest because it was not profit sensitive. This insensitivity to profits led to a very poor investment climate and an unwillingness to invest in what otherwise might be attractive opportunities. The PGRT was a major factor which led to the downturn of the oil and gas investment activity after 1980. The Canadian reinvestment ratio in the petroleum industry fell from 147 per cent in 1980 to 83 per cent in 1983. That is a decline of nearly 45 per cent.

Western Canadian drilling activity in 1982 was 30 per cent below its 1980 level. Who can forget night after night seeing pictures on the national news of those Canadian oil rigs leaving this country for the United States where there was a better opportunity. They were not the big oil companies, the multinationals. They were the little guys out west who provided the rigs and did the exploration and drilling. They were the little guys who provided the supplies. They were the small business people of the west who were absolutely destroyed by the National Energy Program. The National Energy Program sent them out of this country and now we are trying to get them back. We are now saying to them they are welcome. We are saying: "You have the expertise in the oil industry. You are welcome to come back to this country. We want you back here and not in the United States. This is where you belong".

What else was going on, Mr. Speaker? Western Canadian drilling activity was down 30 per cent. Canadian exploration expenditures in 1982 were only 60 per cent of what they were in 1980. Of course, this downturn had a tremendous ripple effect throughout the country in lost job opportunities. In Ontario, the province I come from, there were tremendous job opportunities lost in the manufacturing industry in Ontario. These figures are well documented, I might add.

In 1982, the former Government, God bless it, finally recognized that there has been damage done. It actually admitted it, albeit, timidly. But rather than concede to the error of its ways and get rid of the tax, it made a few ad hoc changes. It reduced, for one year, the effective rate of PGRT from 12 per cent to 11 per cent, a dramatic change of 1 per cent. It introduced a new quarter a million dollar tax credit for incorporated working interests and it reduced the PGRT rate on existing tar sands plants to 8 per cent for two years. The response from industry and the western producing provinces to these measures was predictable. None of these measures did much to change the basic nature of the PGRT. It was still a blunt, onerous tax which was not profit based.

Following the 1982 announcements, it took the former Government another year before one small step was taken to make the PGRT even partly sensitive to profitability. The Budgets of the former Government were a real delight, by the way, Mr. Speaker. You were not in the House between 1980 and 1984, but I can tell you that we always looked forward to the Liberal Budgets. They were comic relief in what is a very serious place otherwise.

The April 19, 1983 Budget proposed some capital expenses for enhanced oil recovery projects be deductible in the calculation of PGRT. I believe my colleagues in the House today are willing to admit that production of oil by enhanced techniques is expensive. It was clear that under the combined burden of the 12 per cent PGRT and high provincial royalties—my NDP friend alluded to the fact that the provinces should put on higher royalties which I found very interesting, at least that is how I interpreted his speech—these projects would not have taken place. The result would have been even higher rates of unemployment in an industry which was ready to get back to work.

This fundamental change in the character of the PGRT, along with more profit sensitive provincial royalties, was

viewed positively by the industry and some new, so-called "mini mega" projects were started. The tragedy, however, was that it took so long to recognize the damage that a net revenue tax could do to a capital intensive industry such as the Canadian petroleum industry. We lost many jobs and many opportunities for new jobs in the interim period.

It was also of major concern to industry that no changes had been implemented by the previous Government to the PGRT Act or regulations to even include these ad hoc changes. The Government did not even make the changes in legislative form. The industry had to work with the uncertainty off draft legislation and regulations. Nothing was permanent. In fact, this Government enacted this backlog of legislative changes to the PGRT Act and regulations shortly after we began our term in office.

Unlike the previous Government, we do not intend to keep the industry in suspense. We announced our intent to phase out the PGRT in the Western Accord. We are now following up on these commitments with the appropriate legislative changes as outlined in the Bill before the House today. To this end, the current Bill will implement a number of changes which were announced in the Western Accord and will have an important and positive impact on the industry. These changes include: The phase-out of the PGRT for existing conventional production and for synthetic oil production such that by 1989 this tax will be totally eliminated; the immediate exemption from PGRT of new production of oil, natural gas and natural gas liquids and major new energy projects. New production includes production from wells drilled or deepened after March 31, 1985, an incremental production from new water flood and tertiary oil recovery projects.

During the PGRT phase-out period, new exploration and development expenses not immediately usable for federal corporate income tax purposes will be allowed to reduce PGRT otherwise payable. The implementation of the PGRT offset provision requires certain consequential amendments to the Income Tax Act. This provision is of particular benefit to many smaller companies which are not currently paying corporate income tax. The first $10,000 of an individual's production royalty income will not be subject to PGRT. These amendments are designed to eliminate the PGRT by 1989 for the industry in general and immediately for new production. During its phase-out period, a greater degree of profit sensitivity will be introduced into the tax than has previously existed.

● (1720)

Another major amendment contained in the Bill before us deals with the Incremental Oil Revenue Tax which is levied under the PGRT Act. Around here we call it IORT. We have these crazy names and short forms for everything. As you may recall, Mr. Speaker, the Incremental Oil Revenue Tax was introduced in the 1981 Canada-Alberta energy agreement as a form of windfall profit tax. The tax was so onerous and poorly constructed, however, that it was suspended on June 1, 1982, only five months after it became effective, for all but one company operating in Canada. Another discriminatory element was therefore introduced into the already very discriminatory National Energy Program regime. As previously announced in the Western Accord and in the May 23, 1985, Budget, in order to rectify this inequity and remove an unnecessary hindrance to investment, this Bill proposes to repeal the IORT for all production after December 31, 1984.

Canadians have been very supportive of the thrust of the energy policy changes introduced by the Government. The reaction to our initiatives has been very positive. I would like to set the minds of opposition Members at ease after all the doom and gloom we have heard from them today. We heard how terribly things were going in the oil patch and with oil exploration. I am pleased to announce that today, oil exploration in western Canada is greater than at any time in our history. Since the Western Accord, exploration activity in Alberta has increased by 30 per cent compared to the same period a year ago. Over-all gas investment intentions are up by $2 billion, an increase of more than 25 per cent over last year in just one year. Deregulated oil and gas markets are creating opportunities for both producers and consumers.

The Government has put a system into place which will provide jobs and investment opportunities for all Canadians. It is a non-discriminatory system which rewards success and initiative and is attractive to international investors. The commitment to changing Canada's energy policy as promised in the election campaign of 1984 has been fulfilled by the Government. The energy tax and pricing systems have been overhauled and the investment climate has improved significantly. The oil and gas industry is again becoming a leading sector in creating jobs and investment opportunities throughout the country.

Members of the NDP want Canadian explorers to find oil and gas and then to leave it in the ground. I would like to know what would encourage explorers to explore for more oil and gas if what they find just sits there and they cannot gain from their finds. To me that does not make sense, but that is the NDP policy.

Our friends in the Liberal Party are concerned. They are saying that Canadian companies cannot compete, Canadian companies cannot explore, Canadian companies cannot, cannot. We have faith in Canadian companies. We believe in their expertise. They will participate and they will enjoy the benefits of what we have done to the National Energy Program. Canadian companies will fare as well as or maybe better than they have in the past under this regime.

I hear Members of the NDP saying that our energy industry is mostly foreign controlled and that that is terrible. It is 53 per cent foreign controlled and 47 per cent Canadian controlled. That is not an industry that is largely controlled by foreigners or by those terrible people that do not come from within our own borders.

Mr. Waddell: Misleading figures.

Mr. McDermid: It is completely inaccurate to make those wild statements. He should not do that. He also said that we

will be selling our energy off the borders for less than we will to Canadian consumers.

Mr. Waddell: I didn't say that.

Mr. McDermid: No, I am talking about my friend from the Liberal Party. That statement is just not accurate. We are now talking about market-sensitive pricing. We will be paying market price for our resource. I think it is only right that we should be paying market price for our resource.

Our friend from the Liberal Party has said that we will not have any exploration. It is interesting to note that at the conference on energy that took place in Calgary last week, one of the experts said that if the PIP program had not been in place, we would have had much smarter exploration offshore and Hibernia might be on stream now.

Mr. MacLellan: Oh, come on.

Mr. McDermid: He did. He said we would have had much smarter exploration. The Hon. Member knows as does my friend, the hon. critic from the NDP, that a lot of that exploration money was wasted. They know that and they have complained about it.

Mr. Waddell: I said that.

Mr. McDermid: That is right. I agree with you. There has not been smart exploration. Now we will have smart exploration.

I see that my time is up. In conclusion, may I say that Bill C-82 is an important step in the implementation of the changes announced by the Government, changes designed to establish a solid framework for jobs and investment in Canada. We have faith in the Canadian people and in the energy industry. We believe they are going to make this thing work.

Mr. MacLellan: Mr. Speaker, I have a short question regarding all the money that the Government has given to the oil companies and taken away from the taxpayers, supposedly, as my colleague from Vancouver-Kingsway (Mr. Waddell) has said, to create jobs as set out in the Canadian Petroleum Association study of April, 1980. Could the Hon. Parliamentary Secretary tell us just how many jobs have been created or how many jobs are being created?

Mr. McDermid: Mr. Speaker, I can tell the Hon. Member that since the Progressive Conservative Party was elected on September 4, 1984, there have been 330,000 new jobs created in Canada. That is performance. A lot of those jobs were created in the energy industry. A lot of those small business people are back to work supplying—

Mr. MacLellan: How many?

Mr. McDermid: I just spoke about the exploration that is going on in the West.

Mr. MacLellan: How many?

Mr. McDermid: I gave him the figures. Obviously he did not write them down so I will give them to him again if he would like. Activity is starting again. Jobs are starting and the rigs are starting to work. Exploration is up by 30 per cent. The small supplier businesses in the West are back to work. They are happy there. The Liberal energy critic should go out West to see what is going on out there. Maybe then he could rise in the House to speak a little more authoritatively on energy.

Mr. Waddell: Mr. Speaker, I have a couple of comments to make and a question to ask. I will not say that I appreciated the Hon. Member's speech. It was a real debate. He was making his points and I disagreed with some of them. However, I did agree with some of the points he made as well.

I did not say that the provinces should put on higher royalties. I may have confused the issue when I said that the Western Accord contained a clause indicating that the provinces should not put on higher royalties to take away any benefits that were being passed on to the oil companies and I made the point that that was an additional windfall for the oil companies. I would say that that is part of the Conservative strategy of job creation.

In terms of exports, I am not saying that there should be no exports, I am just saying that we should be careful. When we are exporting one-third of our crude oil production while there was an oil crisis only seven years ago, we have to be very careful.

Finally, regarding the figures about Canadian control, I mentioned that the industry was indeed 47 per cent Canadian controlled. However, those figures are a bit misleading because they include the downstream, the gas stations and so on. We have to think of the upstream consisting of the companies that produce the oil and control the exploration, the real key. In my view that is less than 47 per cent Canadian-owned. I put it to the Hon. Member that if the Government plans to give up $5.6 billion by 1990 where will it receive that sort of revenue? Will it not in fact lead to placing more taxes on consumers at the pumps or lead to a cut-back in social programs?

• (1730)

Mr. McDermid: Mr. Speaker, I suppose there are all types of taxes being placed on petroleum products these days. I noticed that the Liberal Government of Ontario in its last Budget placed a sizeable tax on gasoline. That is where much of the price increase has taken place lately. It is interesting to note that the Liberal critic talked about gas stations setting higher prices. On my trip from the airport to Brampton, which is a distance of about 10 to 15 kilometres, it was interesting to see about five different prices at the same company's gas stations along the way. Thus, the market is working, as is the competitive spirit. I invite everyone to come to Brampton because all summer long we were paying between 40 cents and 42 cents a litre for unleaded gasoline. We were actually doing better than Calgarians as far as gas was concerned.

I can tell the Hon. Member for one thing that we are not paying out as many PIP grants, which is where some of the

money is coming from. We are cutting back in Government expenditures and, thus, we do not need as much revenue. There is increased activity going on in the country today. With the statistics which are coming out today, as the Prime Minister (Mr. Mulroney) said, Pierre Trudeau would have killed for the same type of statistics. Our economy is going extremely well now, thank you very much. Deficits are falling and incomes are increasing. People are getting back to work. Industries are being expanded and people are paying taxes because they are now making a little profit. I know that is a foreign concept to members of the NDP, but profit is not a dirty word with the Conservatives.

Mr. Nunziata: Mr. Speaker, we in the Liberal Party do not quibble with the word "profit". We think it is important. We also believe it is important to have one's priorities straight in that a Government and a country is measured, to a large extent, by the way in which it treats the disadvantaged of society and by the way it sets it priorities vis-à-vis those disadvantaged. The Conservative Government is handing over $5.6 billion to the oil industry. We have received estimates that oil profits will rise by 160 per cent as a result of the ditching of the National Energy Program. We know what impact these measures will have on oil companies and their shareholders. We know that those shareholders will become rich—very rich. However, what will happen to the Canadians who are not fortunate enough to own shares in those oil companies? What will happen to the millions of Canadians who are at or near the poverty line?

We know what the Conservative Government thinks about senior citizens. We know what the Government thinks about families. They do not take priority because as far as the Government is concerned those who own shares in oil companies are far more important than the disadvantaged in our society. That is the way the Government thinks. It gives $5.6 billion away to the oil companies thereby increasing their profits by 160 per cent. It does that on the one hand while on the other it attacks the senior citizens of Canada by trying to deindex their pensions. It attacks families in Canada by trying to deindex family allowances. Where is the fairness? Where is the justice? There is not any because the Government does not believe in fairness.

Mr. McDermid: Where is the question?

Mr. Nunziata: The Government does not believe in justice. It believes in its rich and affluent friends on Bay Street.

Some Hon. Members: Oh, oh!

Mr. McDermid: Like John Turner and Jean Chrétien.

Mr. Nunziata: I would like to ask a question of the Parliamentary Secretary who appears to be wallowing in a quagmire of hypocrisy. In all his rhetoric can he tell the people of Canada what is fair about attacking families and senior citizens on the one hand and giving oil companies and shareholders in those companies billions of dollars in profits on the other? Can the Hon. Member justify that to his constituents in Brampton? Can he justify it to all the Canadians who will suffer as a result of this regressive measure taken by an uncaring and uncompassionate Conservative Government?

Some Hon. Members: Hear, hear!

Mr. McDermid: Mr. Speaker, that was fabulous. That was the greatest show I have even seen. The Hon. Member is now sitting down and giggling. We know that he was not serious at all. I would like to given him a couple of examples of a caring Government. Some two weeks ago we turned the sod in Brampton for a shelter which is to be built for battered women. It is being financed by the Canada Mortgage and Housing Corporation. It is something which we have needed in our community for quite some time. I could not talk the previous Government into supporting it but this Government did, I can tell the Hon. Member that.

Some Hon. Members: Hear, hear!

Mr. McDermid: A couple of weeks ago my Government announced some co-op housing which is sadly needed in the small town of Georgetown. This project is supported by CMHC. So all the baloney that the Hon. Member tries to sell to the Canadian people about this not being a caring Government is so much hogwash. I know what I would like to say it is—el toro pooh-pooh.

Mr. Nunziata: El Tory pooh-pooh.

Mr. McDermid: The Hon. Member gives much misleading information. He know full well that moneys are going to create jobs in order to get industry going again. That is very important to a country which was in the depths of depression during the last Liberal regime. That is the reason the Canadian people kicked them out. The Hon. Member talks about uncaring! That was a Government which did not care about a thing except itself. It only cared about its bailiwick. It said "Lets keep this part of Canada fighting with this part of Canada and then we can maintain power." Well, it did not work and it will never work again. My Party is the only Party which has unified the country over the last 20 years. We are doing a damn good job of it.

Some Hon. Members: Hear, hear!

Mr. Waddell: Mr. Speaker, I rise on a point of order. I wonder if the Chair would remind the Hon. Member that Spanish is not an official language of the House.

Mr. Deputy Speaker: Resuming debate. The Hon. Member for York South-Weston (Mr. Nunziata).

Mr. John Nunziata (York South-Weston): Mr. Speaker, I find it unbelievable listening to the Hon. Member for Brampton—Georgetown (Mr. McDermid) speak about fairness and compassion. It is amusing to hear him talk about what happened a year ago at the polls. Perhaps the Hon. Member and Conservative Members opposite should be reminded of the last Gallup poll and the results of a few other polls which have

been released. Those polls show that the confidence which Canadians have in the Conservative Government is dwindling—dwindling at a rapid pace. In fact, the Conservatives are in a free fall with respect to national support. Hon. Members opposite recognize that, which is why we have so many glum and long faces staring at us from across the way. They recognize that the people of Canada are beginning to see through the veneer. They are beginning to realize that they were handed a con job by the Conservative Government.

• (1740)

The reason I am standing here this afternoon is to speak on Bill C-82, not to overly criticize the Conservative Government. I am quite confident, as are other members of my caucus, that the people of Canada will judge this Government by its actions and vote accordingly in the next election. In the few minutes I have I would like to speak a bit about the history of the National Energy Program. As Hon. Members are aware, the NEP, produced by a Liberal Government, had three basic goals.

Mr. Malone: None of which it met.

Mr. Nunziata: The first goal was to boost domestic control of a foreign dominated industry. I challenge the Parliamentary Secretary to criticize that goal. It was because of the NEP that Canadian ownership of the oil and gas industry climbed to 47 per cent—

Mr. Malone: False!

Mr. Nunziata: —this year from 29 per cent in 1980. What is wrong with Canadians controlling their own destiny? It is not out of nationalistic or patriotic sentiments that I talk about foreign control. However, if we look at the practical impact of increased Canadian ownership of that industry, simple logic tells us that the profits will stay here in Canada and not be siphoned off to the U.S. or other foreign countries. When we talk about profit we say there is good profit and bad profit. Good profit is that which is reinvested in Canada for Canadians to create Canadian jobs. Profit which does us little if any good is profit which belongs to each and every Canadian as a result of the hard work and trials and tribulations of our labour force, particularly from natural resources, but which is then sent south of the border to the head office. We do not believe that is right. We believe that there is a need for that profit to remain in Canada. Therefore, I challenge Members opposite to prove me wrong when I say that the goal of the NEP of increasing Canadian control of that industry succeeded.

Another main goal of the NEP was to give Canadians a larger share of petroleum revenues. Back in 1980, when the program was introduced, oil company revenues were increasing at an extraordinary pace. Was it unreasonable to ask that those revenues be shared by each and every Canadian from one coast to the other? There is nothing unreasonable about that. Surely Canadians should share in that industry's profits. Canada wanted a larger share of the profits from the energy industry.

The third main goal of the NEP was to achieve oil self-sufficiency. I challenge Members opposite to quibble with that goal.

I note, Mr. Speaker, that you are indicating my time is up. I just want to reiterate how ill-conceived and unfair this measure is. Then again, is it any wonder when you are dealing with Conservatives who talk about fairness and justice and equity? They just do not care.

Mr. Deputy Speaker: It being 5.15 o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

ENVIRONMENTAL AFFAIRS

ABANDONMENT OF PRACTICE OF LEAVING CAR ENGINES RUNNING ON PARLIAMENT HILL

Hon. Chas. L. Caccia (Davenport) moved:

That this House urge all Members of Parliament and drivers of other vehicles on Parliament Hill to abandon the practice of leaving vehicle engines running within the precincts of Parliament Hill, and invite the Senate to adopt a similar motion to this effect, as such practice adds to environmental damage and, further, the Government should launch a public education campaign inviting all Canadians to do the same and to invite the provincial Governments to take the same steps; and

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

He said: Mr. Speaker, as you have just read it, the purpose of this motion is very simple and straightforward. It urges the abandonment of the practice of leaving motor vehicle engines running within the precincts of Parliament Hill and, by way of example, urges Canadians at large to do the same. I will explain why this is important by way of a brief talk on what happens when engines run, particularly at idle. They in fact emit substances which are not considered to be very healthy. They emit carbon monoxide, carbon dioxide, sulphur dioxide, nitrogen oxides, hydrocarbons, lead and soot. These substances contribute directly to damaging our health as well as to the formation of acid rain and smog.

As you know, the health hazards of lead are well documented, particularly regarding children. We do know that lead is one of the ingredients utilized in the cheaper grade of gasoline. When we speak of nitrogen oxides, we are speaking of a substance which damages our lungs, can cause throat and nose problems, and has been proven statistically to aggravate asthmatic conditions as well as increasing the number of admissions to hospitals in certain meteorological conditions in our cities. On a larger scale, looking at the phenomena of sulphur dioxide and nitrogen oxide emissions together, we know

through scientific research that they contribute to the formation of acid rain. In eastern Canada alone this has been measured to the extent of 9 per cent, this representing the contribution to acid rain formation by the emission of cars. The effects of acid rain are extremely well known to Canadians, Americans and Europeans. I will indicate the fact that forests are seriously damaged by the effects of acid rain, that buildings and structures are affected, that salmon spawning grounds are particularly affected in the springtime and that the combined effect of ozone on agriculture has already lead to considerable losses in production as measured in southwestern Ontario in particular. I should also mention that the impact of acid rain on sugar maple stands in Ontario and Quebec has been negative.

● (1750)

When we talk of acid rain we talk of a broad economic issue. We talk about damage done to a variety of natural resources. As well, we talk about the fact that our health is affected by this industrial phenomenon. When we consider the question of motivators we must include gasoline engines, diesel engines and the like.

The scale of the problem as covered by this particular motion applies only to the Hill because the Hill is a microcosm of the larger world beyond its gate. I am sure you have noticed that every day a considerable number of vehicles contribute to the problem of pollution on the Hill. I am told that up to 3,000 tour buses per year bring people to visit Parliament. There can be as many as 116 on a given day. Of course, the average is lower and the numbers vary through the year. Buses keep their engines idling while the passengers tour the Parliament Buildings.

There are several RCMP vehicles, marked and unmarked, as well as patrol cars which survey the premises from various vantage points. I have noticed, as you must have too, that when they are stationary they frequently leave their engines idling. There are some 40 Ministers' cars, probably the largest fleet in the history of Parliament. Depending on the weather, the car engines tend to be left running. The drivers sit in the cars when the weather is cold, or stand beside them, and leave the engines running while waiting for their next assignment.

The question, Mr. Speaker, is what are the solutions? We all realize that we have a cold climate and that we want to keep the cars warm. For that matter, we like to keep cars cool in the hot weather. However, let us deal with the cold weather because that is the most uncomfortable of the two. I would like to bring to your attention the fact that it is possible to buy fan heaters which run off the car's battery and provide adequate heat for people sitting in the car. These car heater units retail at approximately $70 apiece. It seems to me that every Canadian who is attracted by the idea of finding a solution to the problem of acid rain ought to think of the possibility of installing a car heater of this kind. This, of course, would apply mostly to the RCMP cars on the Hill and to the trucks that idle while delivering.

In the case of Ministerial drivers, I would suggest that provision could be made for them to wait in a room inside the buildings, thus eliminating the need for them to keep the engines running in order to be comfortable. With regard to the tour buses on the Hill, they ought to be asked by whoever is in charge of the parliamentary traffic division to turn their engines off in order to reduce discharges into the air which, as I mentioned earlier, are particularly strong in the summertime. There may be some discomfort for passengers who return to the bus and do not find the interior as cool as they would like, but it is a minor sacrifice considering the example that they would be setting to the nation by adhering to these rules.

It seems to me that MPs could also set an example on the Hill for Canadians to follow. Of course, in particular, cabinet Ministers may want to adopt the good practice of turning engines off when they are idling in the hope that this practice will be adopted and copied by others. In society we all take leadership for example, and there is definitely a lot of leadership that could be given by cabinet Ministers in this respect.

Outside the gates of Parliament Hill, Mr. Speaker, we would like to ask all Canadians to turn their engines off while waiting in their cars other than in normal driving patterns. This applies to all vehicles, but it seems to me that it would have a particular impact in bus terminals and at taxi stands.

If this motion were to be adopted, it would be necessary to have a public education program. That initiative would require provincial and municipal co-operation with the federal Government. I submit that the three levels of Government should promote the idea of shutting off engines through an advertising campaign which could be carried out in local newspapers, by way of radio and even television. Parallel to that, Mr. Speaker, there could be a campaign of stickers promoting the fact the driver of a vehicle is concerned about acid rain. The slogan could read: "I do not idle. I fight acid rain". In the towns, villages, and cities across Canada we could also seek the co-operation of driving schools which could promote this idea while instructing new drivers. There could be another form of public education with the help of service clubs which could be asked to reward environmentally conscious drivers through a variety of initiatives at certain times of the year. This would stress the fact that keeping emissions to a minimum while idling has long-term beneficial effects on human health.

● (1800)

The Department of the Environment, at the federal level, could launch an annual contest among schools across Canada in which the young people in the schools, our future drivers, could develop creative ideas on how to reduce the habit of idling a car while waiting. While this is not exclusively an urban problem, it is magnified by the larger number of vehicles in urban situations.

In summary, eliminating the habit of idling a car engine needlessly is one important way in which every Canadian car owner can contribute to the reduction of acid rain. Of course, there are other methods, including using unleaded gasoline, accelerating moderately, frequently checking tire pressure,

observing speed limits and tuning the engine regularly. Last, but not least, it is increasingly important to install a three way catalytic converter which has the effect of virtually eliminating the nitrogen oxide emissions of a car whether idling or running on the roads. This would considerably reduce the negative effects of pollution that results from the running of a combustion engine.

I am using the example of idling the engine of a car as a symbolic measure and I am using the territory covered by Parliament Hill as a symbolic area. If we were to combine all of these preventive measures, we would go a long way to reducing the extent of acid rain in our country. At the same time, we would make our cars run better. By reducing that pollution, we also reduce the emission of toxic substances into the air which eventually returns to the soil, our crops and forests by means of that acid rain which does so much damage.

By asking Canadians to participate in a campaign to eliminate the habit of idling engines when possible, we would be asking each Canadian who cares to become a real and active participant in the battle against acid rain. It is something, as small as it may seem and as small as it really is, that we can do about acid rain in our country. This is a specific example that I would like to put forward tonight to the House for the consideration of Hon. Members.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I am pleased to say a few words to the motion presented by the Hon. Member for Davenport (Mr. Caccia). It is a good motion for a number of reasons. First, it illustrates how all of us can participate in ways that are helpful to the environment. It is not only a question of large policy changes with respect to Government or questions of industrial environmental policy, it is also a question of how we behave as individuals in everyday situations and habits.

It is worthy to remember that we all have a role to play in confronting air pollution and other environmental questions. It can take the form of ensuring that we dispose of empty cans rather than throwing them on the side of the road or not idling our engines unnecessarily. It is certainly true that this occurs on Parliament Hill, particularly with the tour buses and Ministers' cars. I do not have a car so I have not given much thought to this in terms of my own habits. However, I congratulate the Hon. Member for bringing this issue to the floor of the House of Commons.

I must caution him that the real reductions in air pollution will take place when we have the kind of pollution abatement programs that so many of us in the House have asked for from the last Government and the present Government. Those are the programs that will make the real difference in terms of over-all reduction of emissions.

We should be careful not to get involved in blaming the victims of this problem and transferring the responsibility for the quality of our environment to individuals while forgetting that the most serious environmental pollution comes from the action of industry in our environment and economy. It is important to focus our attention in that area rather than concentrate on how individuals contribute to environmental pollution. I am not saying that individual participation is not important but we should not shift our attention from what can be done by Government policy about the various sources of pollution.

I remind Hon. Members that we have not seen any concrete manifestation of the hopes that were aroused when the Government announced that it was prepared to contribute $150 million with the provinces toward the acid rain problem. I understand that an announcement is forthcoming and I hope it will be beneficial, but we have yet to see something concrete take place at that level.

There has been opportunity to take steps in this context during a recent debate on the question of leaded and unleaded gasoline. I support the views of the Minister of the Environment (Mr. McMillan) about the need for Canadians to use more unleaded gas but I regret that he has not taken the opportunities to use legislation before the House to do something about the tax framework applied to leaded and unleaded gasoline. I do not believe there would be any political repercussions—unless it affects the oil companies—to provide an equal price for leaded and unleaded gasoline. I would prefer to see a disincentive for using leaded gasoline by making it more expensive, but why could they not be the same price to at least provide incentive for people to use unleaded gasoline?

Mr. Gurbin: What about the farmers?

Mr. Blaikie: Special provisions could be made for farmers. That is not an insurmountable problem, but one which we could surely solve. I would say to the Government that it is one thing to lecture Canadians about what they are doing to their catalytic converters et cetera but there is a policy option choice waiting for the Government. The choice is, if not equalize the price of leaded and unleaded gas, perhaps even make leaded gas more expensive, and to have a compensatory policy to offset the effects of that general tax policy on people who are perceived to be captive users of leaded gas, in this case the agricultural community. This could be done and it would be a forward step. I recommend it to the Government as I know other people have. I do not pretend to be saying anything original here, but I am just using the opportunity of this debate to urge upon the Government that it do that and that it move with all speed, so to speak, to show that it is sincere when it comes to the question of leaded and unleaded gas.

• (1810)

I have a great deal of genuine respect for the new Minister of the Environment. I think the kinds of things he has been saying about leaded and unleaded gas have been very good. I hope the Government will be able to follow through on what the Minister has been saying by doing something at the policy level with respect to leaded gas.

I think that is about all I have to say, Mr. Speaker, on the matter. I hope the motion passes. It would be kind of neat for us to try and do within our own precinct what we want people to do everywhere else. It would be an opportunity to show a

certain kind of leadership, and for that reason I hope the motion passes.

Mr. Gerald Comeau (South West Nova): Mr. Speaker, I welcome the opportunity to speak on the motion by the Hon. Member for Davenport (Mr. Caccia) and to make a few comments contrary to those made by the previous Member. The actions taken by the Government to control vehicle emissions are only part of the picture. They are only one element of a larger program to combat air pollution on all fronts. Measures already taken by this Government will reduce harmful emissions of nitrogen oxide. They will also greatly curtail the amounts of hydrocarbons, carbon monoxide and lead. The new standards will have the effect of reducing automotive pollution by over 45 per cent by the end of the century.

The Government is moving against air pollution to protect the health of Canadians, to improve air quality, particularly in our urban areas, to reduce crop losses caused by automotive pollutants and to control the greatest environmental problems that Canada has ever faced, namely, acid rain.

Acid rain is caused by two common by-products of our modern industrial lifestyle, sulphur oxide and nitrogen oxides. As a result of acid rain, or more correctly acid precipitation, the rains and snows that once were clean and pristine have now become dangerously acidic and destructive due to human activity.

The main sources of sulphur oxide emissions in North America are coal fired power generating stations and non-ferrous ore smelters. The main sources of nitrogen oxide emissions are vehicles. The Government's initiative to clean up acid rain will vastly reduce sulphur emissions as well. In fact, the Canadian acid rain control program announced on March 6 is the most ambitious environmental program that has ever been launched in this country.

Consider, Mr. Speaker, the accomplishments of this program. Canada is the only country to have based an acid rain control policy on achieving a quantifiable environmental objective, the target loading level of 20 kilograms per hectare per year of wet sulphate fallout, the level which our lakes and rivers can tolerate without damage occurring.

Canada's commitment to reduce sulphur dioxide emissions in eastern Canada by 50 per cent by the year 1994 is the largest percentage cut-back promised by any national acid rain program. The Government has put in place a pragmatic program to see that this commitment will be fulfilled. Our new motor vehicle emissions are as tough as those of any other nation in the world and, indeed, are tougher than most.

The program of the Minister of the Environment (Mr. McMillan) includes the largest and most comprehensive scientific research and monitoring effort ever undertaken by Canada in the environmental field. Current expenditures equal $30 million, and over $18 million of this sum will come from the federal Government.

In a way which typifies the working of the new Government, Canada's acid rain program is an example of co-operation. It involves the seven eastern provincial Governments in the signing of agreements with the federal Government and the active support of the three western provinces. As well, the program reflects the interests of the private sector and of citizens of all ages and walks of life.

Each of these provincial Governments has now identified the SO_2 emissions to be cut to safeguard the Canadian environment from acid rain and each has committed itself to make these cuts. The process of developing regulatory orders is now under way.

The Province of Quebec provides a good example of how the acid rain agreement will work in a practical way. Quebec announced its emission control plans on February 8, 1985, in amendments to its Environmental Quality Act. Quebec's sulphur emissions will be cut back by 45 per cent over-all. In some cases, actions must be initiated immediately to respond to the regulations. The implementation of these regulations means that Quebec will have done its share in helping Canada to meet its 1994 reduction target. The other eastern provincial Governments are expected to announce their own emission control regulations during 1985.

These measures to reduce acid rain will not be without cost. The price of designing and installing acid rain control measures is over $1.5 billion, of which $750 million will be spent in the nickel and copper smelting industry.

Industry has the primary responsibility for carrying these costs. The federal and provincial Governments have agreed to provide financial assistance in cases where a company cannot afford to implement the necessary pollution control measures as quickly as required to meet society's best interests.

The Government, Mr. Speaker, has been able to sit down with the provinces, discuss the acid rain problem in a frank and realistic manner, a portion of the cut-backs that are necessary to meet the 1994 targets and hammer out a way to meet the substantial costs involved.

We are supporting technology development for the cleaner and more efficient use of coal for power generation. The objective of this program is to make the continued use of coal, particularly Canadian coal, economically attractive for power generation by both industry and utilities within the established emission levels. More than $70 million has been budgeted for this purpose over the next four years. Together with the western coal producing provinces and Ontario, we are investigating the prospects for using low sulphur western coal in Ontario.

We are also pledged to a continuing scientific investigation and monitoring of acid rain. Annual expenditures in this field will be in excess of $18 million, and will involve Government scientists and engineers from eight different departments and agencies. The private sector and our universities will be asked to join in this work.

The Hon. Member's motion states that:

> —the Government should launch a public education campaign inviting all Canadians to do the same and to invite the provincial Governments to take the same steps.

In other words, the motion is calling upon the Government to get involved and to educate the Canadian public about better driving habits. I am pleased to inform this House that Environment Canada is already active in the area of vehicle emissions and good driving practices, including excessive idling of cars. I would like to call your attention, Mr. Speaker, to just two of the Department's fact sheets, one entitled *Air Pollution and Your Car* and the other *Winter Driving*. Both are excellent brochures. Both warn against excessive idling. Last April's issue of *Environment Update* was devoted exclusively to the automobile and the responsibilities of the user in helping to protect the environment. As well, there are a number of publications put out by the Department of Transport and the Department of Energy, Mines and Resources encouraging good driving habits. Of particular note is Transport Canada's 1986 Fuel Consumption Guide which rates new cars' performance and includes reference to low polluting cars.

● (1820)

I hope I have shown that the Government's program to fight acid rain by reducing emissions from various sources, including cars, is a sign of its commitment to environmental quality in general. The Government has been given the wherewithal to carry out its resolve to clean up our environment through the assurance of a stable Budget and sound government finances for at least the next five years.

The Hon. Member's motion is completely in line with the policies and practices of the Government. It brings home to all of us, in a very concrete way, the aims and goals toward which we are working and sets an example for the way in which individual actions of ordinary Canadians can be brought to bear to reduce air pollution. I support the motion and recommend that it be adopted.

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I do not know whether we are on the verge of doing something here which will dramatically affect our life-styles as Members of Parliament. I guess that remains to be seen. We become a part of a very select group of people in the House of Commons after six o'clock in the evening. I guess we will not all have to walk home.

We have before us a very interesting and worth-while proposal by the Hon. Member for Davenport (Mr. Caccia). Other Hon. Members have supported his motion quite freely. He is asking us, as Members of Government and specifically as Members of Parliament, to set an example which will show Canadians at large that we are serious about the kinds of things we discuss, not only tonight but whenever we talk about environmental issues. Basically he asks us to practise what we preach in this specific area which is under our domain.

A couple of points might be made. I am not sure whether the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) raised some concern as to the balance between private Canadian citizens and Canadian industries on the relative contribution which each might make to air pollution. I do not know whether it is an either-or situation. I do not know whether he meant to imply that. However, I do not think the motion indicates that it will solve all our problems.

Depending upon what area of the country one looks at, a very significant proportion of the problem is caused by automobile emissions. Probably Los Angeles might be the best example in the world, but we certainly have our own examples in Canada. In some of the downtown core areas of our cities this motion could make a dramatic difference. I think Ottawa itself would be well served if the motion was concurred in.

The motion before the House is very similar to a suggestion brought before us not long ago. I do not have the exact date, but it was presented by the Chairman of the Special Subcommittee on Acid Rain, the Hon. Member for Parry Sound-Muskoka (Mr. Darling). Under the provisions of Standing Order 21 he asked the House for unanimous approval to ensure that the buses about which the Hon. Member for Davenport spoke, would no longer idle the way they do.

This raises a very specific point which the Chair might like to consider. There may in fact be instances where there is reason for it not being an absolute rule, where common sense might prevail. For example, it might involve a refrigeration unit containing Hershey bars, or some other very perishable product which requires refrigeration to avoid spoilage or destruction of edible foodstuffs. It may not be the only example. There could be other very specific instances. I am sure Hon. Members have confidence in the discretion of the Chair to ensure that whatever the House decides in its wisdom to pass will be executed with some common sense and in a reasonable way.

What stands out in my mind—and perhaps it stands out in the minds of other Hon. Members or perhaps the scribes who are listening—is that this has been going on for a long time. It is not a new problem which we discuss in the House tonight, it has been going on for years and there can be no question in anyone's mind about that. If we take a look at the figures and the information now available to us we will see that air pollution is an ongoing and very serious problem which we in Canada have been trying to come to grips with for many years.

The Hon. Member for Winnipeg-Birds Hill asked where was the action about which we had talked. When the Conservative Government came into power on September 4, 1984, we promised an action plan within six months. The last Minister of the Environment delivered that action plan on time, and in a way which provided effective control in one specific area of air pollution. Included in that control program were significant changes, as indicated by the previous speaker, to acceptable levels of auto emissions. We have expectations that we will see the final touches to that program, the action plan which was presented in full along with the federal commitment, in the very near future. It will be a relief for all of us. Then we will be left to deal with the major problems of trans-boundary pollution.

We know that automobile emissions account for 21 per cent of all man-made Canadian nitrogen oxide emissions. Other transportation vehicles, including heavy-duty trucks, machines and off-highway transport, produce 41 per cent of NO_x emis-

sions, so that vehicular transport accounts for 62 per cent of NO_x emissions in Canada. If we balance that with the industry component, we find that it does not account for all the remaining, but certainly vehicles account for the majority of emissions, and individual Canadians drive those vehicles.

Nitrogen emissions are a dangerous environmental pollutant. I should like to touch upon several matters, but first I would like to review the environmental problems associated with NO_x. Some of this terminology may confuse some people from time to time, myself included, but NO_x includes a whole range of oxides of nitrogen. They are grouped or clumped together in this so-called NO_x. All of them have their own level of danger. Some are more dangerous in certain situations than others. There are direct and indirect effects. The direct effects are on human health, on the environment itself and on material goods. We heard a little from the Hon. Member for Davenport about the effects on human health. Primarily we should consider the effect on the respiratory tract itself.

Also we have seen the effects which nitrogen oxide can have on plants, particularly commercially grown crops. However, there is good evidence to show, especially as a component of acid rain, that not only commercial plants are affected. In some areas of the country—the area in which I live, for instance—acid rain and its effect on small lakes is not really a problem because of a limestone base. Therefore, people in those areas do not have the same sensitivity to the issue as those in other parts of Ontario, or indeed Canada.

When acidic precipitation becomes heavy enough, it affects the leaves on trees, and on other plants growing around homes for example. In fact, leaves experience significant detrimental impact from highly acidic rain.

The indirect effects relate to the reaction of nitrogen oxides with other elements of air pollution. We are all familiar with smog. We usually think of it in terms of very large cities, but smog is formed when nitrogen oxides and hydrocarbons combine. They, together with other products of combustion, react with sunlight. A major component of smog is ozone.

If it is difficult for myself or other people to communicate some of this information, it is because we do not exactly know what we are talking about. That is not to say that we do not have good reason to respond or to take action, but the scientific evidence is certainly incomplete. It is not developed to a point where we can precisely indicate the reaction of specific by-products or a combination thereof. We know the end effect of many of these things. We know, for instance, the very serious effect which ozone can have on our agricultural products in Ontario. There are $2 billion worth of agricultural product affected each year and the losses to agriculture in Ontario are as high as $20 million a year just from ozone alone. We know that 7 per cent of people when exposed to ozone have very serious respiratory problems. So there is a health impact as well as a direct impact on other living material such as plants. We know of some specific problems but are unfortunately not in a position to be completely clear on all of these interactions.

• (1830)

Ozone levels in many Canadian cities have exceeded the national ambient air quality objectives which we believe are acceptable. A specific example which impressed me is that Vancouverites are frequently exposed to elevated ozone levels once or twice a week during the summer months. In eastern Canada, particularly in southwestern Ontario, high ozone levels are related to the trans-boundary movement of air pollution. We know as well, and we have heard information on it today, that the NO emissions themselves must be reduced in order to address the acid rain problem in Canada. NO emissions are responsible for about 35 per cent of the acidity of precipitation. In winter months, they can be responsible for up to 50 per cent of the acidity of precipitation. Nitrates deposited during the winter months accumulate in the snow pack and when the snow melts accumulated acid from the nitrates then runs off into the so-called spring shock. This gets into our lakes, streams and watersheds and in those higher concentrations picks up some of the heavy metals which themselves contribute to some of the secondary effects of acid rain and the resultant effects on our forests.

Evidence is mounting which suggests that the combined effects of acid rain, ozone and climatic stress such as drought can combine in ways which are highly damaging, particularly to forests. Dramatic evidence of these effects has already emerged, particularly in Europe. Germany, in particular, has responded very dramatically. It has had almost a complete turn-around in its whole environmental program and concepts within the last two or three years. Its current policy now calls for substantial reductions in both sulphur dioxide and nitrogen oxide emissions.

NO_x emissions in Canada have been increasing steadily. In fact, it is predicted that if they are not controlled by the end of the century they will rise to a level 20 per cent higher than they are now. In view of the fact that these emissions have been increasing at such rates that they damage the environment and contribute to acid rain, controls on NO_x emissions in Canada are urgently needed.

The Conservative Government has recognized this need and after years and years of inaction a package of measures was introduced last March which we feel can be effective in reducing these emissions to an acceptable level in order to prevent further damage from the acid precipitation.

I could talk about some of the things we have accomplished in gazetting the standards we hope we can achieve and plan on achieving. The second part of the gazetting which would impose those standards is currently being considered now and we hope to introduce it very shortly.

I would like to conclude by making a few points which I believe are important. The question of lead in our gasoline has already been alluded to. This is a part of the total emissions from cars here on the Hill and everywhere right across Canada. We know of the effects of this on human health. What I want to do is specifically mention something which I do not believe has been mentioned before, that is, in September of 1984 the previous Minister of the Environment in this

Government asked the Royal Society of Canada to provide independent advice on the present and future risks resulting from the presence of lead in the environment.

The Royal Society Commission on Lead in the environment released its report on October 29, 1985, less than a month ago. The recommendations in the report support the planned reduction of lead in leaded gasoline and the stricter exhaust emission controls for new vehicles which will take effect in 1987. The report also states that the Minister may want to reduce levels of lead in gasoline even further. The Minister has declared his intention to meet with members of the petroleum industry to discuss a timetable for the phase-out of lead in gasoline.

What we have before us, Mr. Speaker, is a very common sense and reasonable motion. We, as a Government, are determined to protect the health of Canadians and our environment as far as possible. We want to encourage all actions toward this end. I believe, Mr. Speaker, if you were to ask for concurrence in this motion you would find the House to be in agreement.

I would like to congratulate the Hon. Member for Davenport for his foresight and his ongoing efforts on behalf of the environment and I would like to assure him that the Government plans to follow along with things which have been initiated in the past and also to proceed in the future to make sure that we have the kind of environment which will serve us all well.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Deputy Speaker: Is there unanimous consent of the House to proceed to the Adjournment Proceedings?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: The Hour provided for the consideration of Private Members' Business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

Adjournment Debate

CHILDREN—PROPOSAL TO ESTABLISH NATIONAL CENTRE FOR MISSING CHILDREN

Mr. Alan Redway (York East): As you are aware, Mr. Speaker, we have a very major problem in this country, that of missing children. Some of the children run away from home, some of them are abducted by their parents and some of them are abducted by strangers. Over the last 10 years in Metropolitan Toronto, apart from those children who were abducted by their parents, some 64,000 cases of missing children were reported. On almost any day in Metropolitan Toronto between 35 and 75 children are reported missing. Of course, this is a problem not only in Metropolitan Toronto, it exists right across the country. There are thousands and thousands of cases of missing children reported each year.

What are we currently doing about this situation? Some of the police departments are very co-operative assisting the parents in trying to track down missing children. Some police departments are not quite as co-operative. Police departments are linked by a computer system, and the Canadian Police Information Centre tries to keep track of all police information, including missing children. Unfortunately there is no common data base between police departments with respect to matters relating to missing children. As a result, it is impossible for the police to access this information accurately and properly to every police department in the country when they need it. We have and continue to have the problem of a lack of information relating to missing children.

• (1840)

In the United States they have tried to meet this problem by establishing the National Centre for Missing and Exploited Children. On October 10, you will remember, Mr. Speaker, that I asked a question of the Solicitor General of Canada (Mr. Beatty) relating to the American Centre, and whether he would consider establishing a similar centre in Canada. Subsequently I wrote to him on the same subject.

In his reply on November 1, he indicated that he currently has the Royal Canadian Mounted Police doing extensive work on the question of establishing a central registry for missing children, a registry that would provide, in his words: first, enhancement of police investigations concerning missing children; second, a mechanism through which the public would seek information on missing children; and third, a mechanism which would facilitate the correlation of information with a view to periodically publishing national bulleting on missing children and other forms of public information. This is something that is certainly long overdue.

I have received a letter from a Mr. Gary Rosenfeldt, Director of the Victims of Violence, an organization centred in Edmonton. He mentioned one case involving a missing child in which he has been involved. He tried to communicate with the police department in one particular city on this subject, asking for a picture of the missing child that has actually been published in the press. He did not receive any response whatsoever to his letter. He called long distance asking for a picture of the missing child and was promised a picture, but it never

came. Eventually, he received a picture from private sources. The Victims of Violence organization publish flyers and leaflets on which pictures of missing children are printed, and using volunteers they have been posted in some 8,000 post offices across the country. That is the sort of thing that is very helpful, but certainly the police should be much more active and helpful in this area.

In his letter of November 1 the Solicitor General went on to say that the registry he has in mind on which the RCMP is working would not be the equivalent of the National Centre for Missing and Exploited Children in the United States. That American centre was established in 1984 and was funded with something like $4 million. It is an organization that is centred within the United States Department of Justice. It administers this system which helps to co-ordinate a volunteer network looking for missing children, a free telephone system to carry the information and a whole network that provides information relating to missing children so that the public, parents and anyone interested can receive this information. This organization has been in existence for a very short period of time but hopefully it will have the effect that all of us wish to see, of helping to locate missing children, whether they are missing as a result of running away or of abduction.

In his letter the Solicitor General went on to say that he has also instructed officials in his own Department to carry on discussions with the Department of Justice and the Department of National Health and Welfare with a view to examining further initiatives that might be taken by the federal Government, either alone or in conjunction with the provinces and the private sector, to alleviate the human tragedy associated with the phenomenon of missing children. That is certainly something in which we are all interested. Hopefully the efforts of the Solicitor General of Canada will bear some results.

I am optimistic that we will see some legislation to assist, and that we will definitely see a registry of missing children. I hope there will be other measures as well to help solve this very, very perplexing and troublesome problem. I am looking forward to hearing the Parliamentary Secretary tonight tell us of his suggestions and hopefully the suggestions of the Solicitor General of Canada regarding what immediate action will be taken by the Government in this direction to help solve the tragic problem of missing children in Canada.

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I would like to expand on the reply given October 10, 1985 by the Minister of Justice (Mr. Crosbie) to the Hon. Member for York East (Mr. Redway) regarding the establishment of a national centre to assist in locating missing children. The Hon. Minister of Justice informed the House that the RCMP is presently exploring the feasibility of establishing a national registry to assist in the search for missing children. In addition, I would like to elaborate briefly on the efforts of our U.S. neighbours, and also to describe an important piece of legislation presently under consideration by this Government that will assist in locating children abducted by parents.

The National Centre for Missing and Exploited Children in Washington, D.C. is located within the federal Justice Department and largely co-ordinates efforts of local law-enforcement agencies and volunteer groups to assist in locating missing children. It has in place a toll-free number for the public to use in order to report children who have gone missing and the sightings of any missing children. It is also involved in promoting public education and public awareness programs about the problem of missing children.

For example, it promotes the training of law-enforcement officers and members of the legal profession in a way that would inform them about the realities of missing children. Its staff does not actually search for missing children. However, it has access to the National Crime Information Computer system and other networks to facilitate its work. The success of the centre's co-ordination efforts therefore relies heavily on existing law-enforcement facilities and adequate laws throughout the United States. Without the capacity to obtain reports on missing children and to be able to call on law-enforcement and social agency personnel to carry out the search, a co-ordinating service such as this would not be able to achieve the desired results. This should make it clear to the Hon. Member that, while a central co-ordinating centre has an important role to play, it plays only a small part in the over-all network that must also be in place.

I would now like to say a few words about our own federal efforts to introduce a similar co-ordinating mechanism at the federal level designed to assist in the tracing of missing children in Canada. The Minister of Justice has sponsored a Bill that is presently under consideration by the Government which, if passed, will allow courts to authorize the release of information to trace missing persons. It would apply to cases in which children are missing due to parental abductions, and also to cases in which children are missing due to the violation of a custody order, a right-of-access order or a custody agreement. It is expected that these provisions will increase the enforceability of parental abduction offences recently introduced into the Criminal Code, as well as secure greater respect for custody and access rights.

[*Translation*]

TEXTILES (A) INQUIRY ABOUT $30 MILLION GIVEN TO DOMINION TEXTILE (B) INQUIRY RESPECTING USE OF FUNDS PAID TO DOMINION TEXTILE

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, regarding the question I put to the Minister of State for Small Businesses (Mr. Bissonnette) on October 30 of this year concerning the textile industry and more specifically: " . . . the shutdown of two modern plants in Saint-Jean and Valleyfield, the members of a committee to maintain employment urged the Government to inquire into the use and management of public funds given to Dominion Textile by the Canadian Industrial Renewal Board." And my question was: "Was there an inquiry? If so, what has been learned about the $30 million given to Dominion Textiles?"

Mr. Speaker, to give some background information and provide some insight into the importance of this issue, I would like to start by talking about the social and economic impact of Dominion Textile's decision to close its two plants. With an unemployment rate near 12 per cent in both communities, the social and economic repercussions of the shutdown of these plants could prove to be disastrous for Saint-Jean and Valleyfield.

The two support committees estimate that in addition to the 850 employees, union and management, who will be laid off, there are some 1,200 people, dependent children and spouses, who will also be directly affected. The total wage bill at stake in the case of a shutdown would be around $20 million. Add to this the subsequent loss of at least 200 jobs indirectly related to the industry.

The impact would be even more severe in the Valleyfield area, according to Denis Lecompte, Vice-President of the Chamber of Commerce, since the average age of employees at the Valleyfield plant is 42.8, which is higher than in Saint-Jean, where the average age is 33.5, which means Valleyfield workers would have more trouble finding new employment. This particular impact, this economic fact was described in a document prepared by the committee for maintaining jobs in Valleyfield and Saint-Jean-sur-le-Richelieu.

Mr. Speaker, I also want to quote from an article that appeared in May 1984. The Right Hon. Prime Minister (Mr. Mulroney), at the time Leader of the Progressive Conservative Party and of the Official Opposition, said as reported in the Sherbrooke newspaper *La Tribune:*

> A Conservative Government would not get rid of the import quotas imposed by Canada in the footwear and textile sectors.
>
> "The quota policy will remain as is", declared Mr. Mulroney, who said he was not in favour of free trade in these particular sectors.
>
> He added that he would not "give in" to pressure from Common Market countries and the United States to reduce quotas on footwear or textile products imported into Canada.
>
> "And I will certainly say so to President Reagan when I meet him in Washington next month. I will make sure our interests are protected at all times. Friendship does not come free. Neighbours like us are worth a lot", maintained the Conservative Leader.

Mr. Speaker, the situation has taken a turn for the worst. Over 800 jobs will disappear. The average age of workers is 42.8 in Valleyfield and 33.5 in Saint-Jean-sur-le-Richelieu. They can therefore expect to have some retraining problems.

The current buzz words are free trade, but the fact is that Canadian taxpayers have put up $30 million to enable Dominion Textile to equip its two plants with the most modern facilities in Canada, yet they will be the first to close down.

Now then, as I said in my supplementary question to the Minister of State for Small Businesses (Mr. Bissonnette) on October 30, 1985: What happens to the $30 million—and these funds belong to Canadian taxpayers—paid to Dominion Textile which has now announced the shutdowns? What happens to that money, Mr. Speaker?

• (1850)

[*English*]

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I would like to reply to the question put by the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano) who was concerned about $30 million supposedly paid to Dominion Textile which recently announced the closing of its Saint-Jean and Valleyfield plants.

An important element of the textile and clothing policy announced in June 1981 was the establishment of the Canadian Industrial Renewal Board. The purpose of this board is to provide firms in these sectors with financial assistance to enable them to restructure and modernize their facilities.

In February, 1983 the CIRB approved an offer of a contribution to Dominion Textile based on the intention of the company to invest $150 million. To date, eligible capital expenditures by the company have totalled $79,101,011, for which the company has received a contribution of $15,820,202, corresponding to 20 per cent of approved expenditures. The company has until June 30, 1986 to complete its project. It is not expected that the company will be able to finalize its restructuring plan as forecasted.

With respect to the assistance provided to the two plants for which closures are scheduled for June 1986, totals of $2,337,048 and $286,905 were disbursed for the Saint-Jean and Valleyfield plants respectively. There is nothing in the agreement with the company which prevents the movement of assisted assets from one location to another, as long as they continue to be utilized by the company to improve its competitiveness, the prime objective of the CIRB program.

As part of the process of restructuring its activities, the firm has chosen to rationalize its operations further by closing the Saint-Jean and Valleyfield plants. We understand most of the equipment, which is fairly modern, will be transferred to other plants owned by the company. CIRB will not finance the moving of the equipment. From a total of 740 jobs which will be affected in Saint-Jean and Valleyfield the company expects to provide some 350 to 400 extra jobs in Drummondville and Magog. It is hoped that these measures taken by Dominion Textile will result in a return to profitability and the safeguard of the 7,000 jobs which remain in the company.

Although the company has confirmed that its decision to close the two plants is final I can assure the Hon. Member that the Government is continuing to explore, with the company and persons concerned, all the options available for keeping these plants in operation or for attracting additional investment in order to maintain an equivalent number of jobs. Various factors contributed to these two plant closures including increased imports.

The Government is currently reviewing the situation of the textile and clothing industry with a view to developing a revised textile and clothing policy. The policy review is aimed at developing measures to provide longer term certainty for these industries and their employees. It will also include an assessment of the multi-fibre arrangement which provides a

framework for regulating international trade in textile and clothing products.

FISHERIES—STANDING COMMITTEE HEARINGS. (B) EFFECT OF LICENSING FACTORY FREEZER TRAWLER

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I would like to elaborate on a question I asked of the Acting Minister of Fisheries (Mr. Nielsen) concerning the licensing of factory freezer trawlers in Atlantic Canada.

At the time the committee was travelling in Atlantic Canada there was only one application under active consideration. That was for National Sea Products Limited to operate a factory freezer trawler off the East Coast of Canada. In our opinion, the information gathered in that committee was gathered behind closed doors without public input and public scrutiny of the process. Of the approximate 106 witnesses who appeared before the committee, the vast majority were absolutely opposed to the granting of a factory freezer licence and saw very serious impacts for Atlantic Canada if it were granted.

The committee travelled through Atlantic Canada between October 23 and November 6 and there were requests to raise the matter. By and large the committee denied those requests and would not permit a detailed hearing of the factory freezer trawler issue. Instead, the committee passed a unanimous motion to hold a one-day hearing in Ottawa on November 21. An advertisement was placed in the newspapers of Atlantic Canada asking for the submission of briefs from groups affected and interested in this particular question. The opposition was so virtually unanimous and so deeply rooted in Atlantic Canada that certainly this should have been done. Unfortunately, the Conservative members of the committee decided today that they would not permit the groups affected and the people of Atlantic Canada to comment on the impact of this licensing. I am not speaking of just one licence but three. We feel it is an incredible breach of confidence in the committee and a breach of the parliamentary process when a committee can unanimously turn around and cut off all input which would occur in a public forum.

We in the Opposition see this as the hand of the Acting Minister of Fisheries, a man whom I would suggest has been given the task of dismantling many of the aspects of Government. We wonder whether or not one of his tasks is the dismantling of the Atlantic fishery through the method by which the Government has chosen to license the factory freezer trawlers. We see the hand of the Acting Minister through the Parliamentary Secretary who gave the direction or the marching orders to Conservative members of the committee to vote against allowing the people and groups they represent from Altantic Canada from appearing before the committee and laying out the problems they have or, in some cases, the support they have for the factory freezer trawler issue. By and large the vast majority of Atlantic Canadians involved in the fishing industry are absolutely opposed to this move.

I would like to mention a couple of small items in addition to the very negative impact on the rural fishing communities and the inshore fisheries of the Provinces of Newfoundland and Nova Scotia. I am referring to the situation in St. Pierre and Miquelon where the French are attempting to use factory freezer trawlers in the area around St. Pierre and Miquelon. Canada has recently submitted that case to arbitration. I think the Canadians have made fools of themselves in the international theatre by grating not only one licence but three for factory freezer trawlers, considering the timing of the granting of these licences prior to an arbitration case. I think they have cut their own throats on this particular matter, an act of colossal stupidity.

• (1900)

As well, we are talking about free trade with the United States. It has been said in the U.S. that if we want greater access to that market we should be prepared to allow the Americans to fish our surplus stock with factory freezer trawlers. They would not have to worry about jobs in Canada. They will deliver our fish in their vessels into their ports for their market.

Again, the Acting Minister of Fisheries, with undignified haste, is attempting to muzzle the committee and by doing so demonstrates contempt for parliamentary reform. It demonstrates contempt for the committee system. This Government obviously has no intention of abiding by a policy of open Government. The decisions will be taken by someone who is literally the hit man for this Government behind closed doors.

We suspect that the reason for this muzzling is to allow the dirty work to be done by the Acting Minister. Should the Prime Minister (Mr. Mulroney) ever get around to appointing a new Minister of Fisheries and Oceans, one who is concerned about the industry on both coasts, he will supposedly be able to approach the job with clean hands. However, that is not going to happen. If we cannot deal with this matter in committee, we intend to raise the issue time after time after time in this House. This issue must be dealt with properly in a public forum before a decision is made which will literally take apart many of our small communities in Atlantic Canada.

Mr. Paul Dick (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, it is a pity that the Hon. Member again demonstrates his lack of understanding of the Parliamentary process. He has raised matters tonight which took place in the last day or two and are extraneous to the question he asked on November 8. The misinformation and unreliable statements he has added today signifies and typified the reasons he is held in contempt by so many of his colleagues in this House, and he is most contemptible most of the time. The Secretary of State for External Affairs (Mr. Clark) adequately summed it up on page 8478 of *Hansard* when he said, referring to the Hon. Member for Comox-Powell River (Mr. Skelly):

> Mr. Speaker, as has become his unhappy habit, the Hon. Member is speaking nonsense.

That is the same Member who spoke nonsense just a moment ago.

I should inform him, in case he does not realize it, that there have been numerous consultations on the subject of the request by National Sea concerning obtaining a permit for a factory freezer trawler. The decision was taken and announced on November 8, 1985.

Adjournment Debate

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted.

[*Translation*]

Therefore this House stands adjourned until tomorrow at 11 o'clock a.m., pursuant to Standing Order 3(1).

The House adjourned at 7.04 p.m.

HOUSE OF COMMONS

Tuesday, November 19, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*Translation*]

PETROLEUM AND GAS REVENUE TAX ACT INCOME TAX ACT

MEASURE TO AMEND

The House resumed from Monday, November 18, consideration of the motion of Mrs. McDougall that Bill C-82, an Act to amend the Petroleum and Gas Revenue Tax Act and the Income Tax Act, be read the second time and referred to a legislative committee.

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I rise to express my support for the motion so admirably presented by my colleague, the Hon. Barbara McDougall, Minister of State (Finance), and I share the enthusiasm with which she tabled this Bill.

It is high time the House legislated measures to counter the unfair and paralyzing effects of this regressive petroleum and gas revenue tax which has created considerable, and I may say regrettable, economic problems for Western Canada.

If we could turn back the clock, we would be delighted to do so, but we cannot. We do not have that power. We cannot compensate people for lost income nor for the psychological disruption produced in Western Canada. Nor can we resurrect lost business opportunities, but we can, however, create a climate conducive to economic recovery and investment growth.

Mr. Speaker, the purpose of the Bill before the House today is to put the oil and gas industry back on the road to recovery, and to do so, it will make four major changes in the petroleum revenue taxation system.

These changes signify a clear recognition of the failure of this regressive tax introduced by the previous Government. The changes will eliminate the disastrous effects of attempts by the unfortunate previous Government to increase its revenue, in a highly questionable manner, by penalizing an industry and a region in this country that until then had been strong and dynamic.

The proposed changes are as follows:

—Gradually phase out the regressive tax on petroleum revenue by 1989;

—Provide welcome tax deductions for unused exploration and development expenditures;

—Exempt new oil and gas production and new oil and gas installations from the PGRT;

—Reduce cumbersome administrative procedures and accounting costs for thousands of Canadians who receive income from oil and gas wells, by allowing a basic deduction of $10,000;

Finally, eliminate the incremental oil revenue tax, as a stimulus for the successful entrepreneur.

Its confidence restored by the promise made by the Progressive Conservative Party to establish a more equitable tax system, in 1984 the petroleum and gas industry started on its difficult but nonetheless encouraging road to recovery.

Clear signs of this recovery have become increasingly frequent since the former National Energy Program was replaced by the Western Accord on March 28, 1985.

This growing activity is reflected in statistics on the number of active drilling platforms and the increasing number of oil and gas wells that will soon be in production.

During the first quarters of 1985, the utilization rate of petroleum and gas drilling platforms was 64 per cent, which is higher than it was during all four quarters of the last three years.

It is expected that a total of over 11,000 wells will be drilled in 1985, which means an increase of about 26 per cent over the record number reached in 1980, before the industry felt the negative impact of the National Energy Program which subsequently was to have such disastrous effects.

It is indeed a spectacular increase—almost double the number of wells drilled in 1982 at the peak of the disastrous energy program launched by the previous Government.

Unfortunately such statistics may well make some people yawn openly, but they do reflect encouraging employment prospects. These new figures are encouraging as well because industry is banking on the adoption of amendments proposed in this Bill and on incentive measures related to provincial royalties.

Since the memorable Western Accord was signed, many companies have said they intend to boost their investments.

Among others, Imperial Oil has announced investments of about $1 billion in 1985, not bad by Canadian standards.

Shell Oil recently unveiled capital investment projects of some $500 million for 1985, not to mention the $200 million earmarked for expanding its oil sands processing plant near Peace River, a project which entails over 900 person-years in direct employment and 1,800 person-years in related works. Mr. Speaker, that is the outcome of an election promise which has been honoured after we took office and which was our campaign rallying cry: jobs, jobs, jobs.

Canterra's capital investment budget for western Canada has gone up 34 per cent in 1985.

Nova Corporation will spend some $500 million to expand its natural gas pipeline network.

BP Canada will invest $450 million to beef up its Wolf Lake crude oil development project.

• (1110)

These are all private sector initiatives.

We could go on and on listing the many concrete projects which have been hatched as a result of the renewed confidence of Canadians in their oil and gas industry.

Mr. Speaker, it has become obvious that the oil and gas sector has at last regained confidence and that such brightening prospects have prompted other provincial Governments and private interests to make further investments.

Average Canadians can also be optimistic and confident, and higher consumer spending reflects their buoyant mood.

In the first half of 1985 Alberta consumers spent 10 per cent more than they did during the same period last year.

In British Columbia—a dynamic province which was hard hit by the latest recession—retail sales did rise by 7 per cent in the first seven months of this year as compared with the same period in 1984.

In Saskatchewan, where some of my cousins live, employment growth in the first half of 1985 was much stronger than the national average.

The amendments contained in this Bill will be the starting point of Western Canada's economic revival so that our energy industry as a whole will benefit. The economic fallout will also be felt in a number of other regions and sectors.

As my colleague said yesterday, Mr. Speaker, and as other Members on this side pointed out, this Bill will mark the end of an era of unfair and discriminatory taxes.

I therefore suggest that we give it quick passage to provide a healthy economic climate in the oil and gas industry and at least attempt to help those who have been hit so hard directly and indirectly by the taxes on oil revenues.

Mr. Speaker, I would like to add a very personal note to this nearly official speech and say that the constituency of LaSalle benefits directly from the increased growth of the Western Canada oil industry. Indeed, yesterday, in preparing my intervention for today, I made a survey of some of the industries in my constituency. I can tell you that no fewer than 12 industries will benefit directly from increased orders as the result of the economic recovery in Western Canada.

I believe that it is somewhat inaccurate to say that recovery in Western Canada is concentrated only in that region. In my opinion, our country is truly integrated and it was a real discovery for me to find—and maybe I learned this rather late—that Canada is truly integrated and that the East-West market still exists.

I therefore urge this assembly to give passage to this Bill which will do something to compensate for the misfortunes which have hit one region in our country and affected all Canada.

• (1115)

Mr. Waddell: Mr. Speaker, I have listened to the Hon. Member for LaSalle (Mr. Lanthier) and I would like to ask him a question. The Hon. Member spoke about new activities by the big oil companies. He spoke about the oil and gas sector. If all this activity is taking place, why do we still have to provide an additional amount of $5.6 billion to the oil industry by agreeing to this Bill?

Mr. Lanthier: Mr. Speaker, the Hon. Member seems to be confusing cause and effect. What I have given is a list of the effects of the general resurgence of confidence amongst Canadians since our financial statement of November 1984 and the realistic Budget brought down last May. What we have here are projects not financed by the state, projects which do not exist for nothing, projects which are based, first of all, on our general financial situation and on the fact that our Government has put some order in our financial affairs, and second, on the energy program put forward by our Government. What we are doing today with this Bill is to put in practice the principles which were stated a long time ago. The investments now being announced have not been made yet. These are projected investments to which we have opened the door.

Obviously, if we do not give passage to this Bill, which will put into practice the principles already expounded, the door could close back just as quickly. Indeed, we saw this with the oil and gas policy implemented by the previous Government, supposedly to canadianize the industry. What was canadianized was the closing of doors! This was not very progressive. What we want is to canadianize development, and the Hon. Member should not confuse cause and effect. What I have described are the direct results of our new policy, and if we made the mistake of withdrawing this Bill now, the doors would close much more quickly than they opened.

To use the language of construction, Mr. Speaker, when you throw a bomb on a building, you cannot throw another bomb beside it to rebuild it. Reconstruction takes much longer. It took some time to rebuild confidence in our Canadian economy. We should not now close the doors once more on a Parliamentary whim. I believe that the doors are open and that we must tell the oil and gas industry that it has the support not only of this Government, but of all Canada.

The Acting Speaker (Mr. Paproski): The Hon. Member for Vancouver-Kingsway (Mr. Waddell) for a supplementary.

[*English*]

Mr. Waddell: I listened to the Hon. Member as well as to the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. McDermid) who spoke yesterday about the record drilling and so on.

I came across a news clipping in my files. It is a Canadian Press story from Calgary. The headline is: "Oil and gas drilling nears record". It states:

More oil and gas drilling took place in Canada last year than since the record year of 1980, according to figures compiled by the Daily Oil Bulletin.

The publication, whose statistics are considered authoritative by the industry, said its records show 9,031 wells were drilled in Western Canada and on the East Coast and Arctic frontiers in 1984.

• (1120)

The Member talks about the record drilling last year. Why does the Government get so sucked in by the oil industry to give it, up to 1990, $5.6 billion? This is what this Bill does, and it phases out the petroleum gas revenue tax. The industry had just adjusted to the National Energy Program and was back drilling.

Mrs. Sparrow: That is nonsense.

Mr. Waddell: Once you have a tax system in place, why give in to the demands of the industry? I remind the Hon. Member that he is not talking about western Canada, there are three western Canadas. There is Manitoba, Saskatchewan and Alberta, and within Saskatchewan and Alberta there is the oil industry and there are the other people, and then there is British Columbia. You are talking about a very small sector that has a lot of economic power and a lot of clout. I just draw that to the Member's attention.

I want to ask two short questions. Does the Minister not acknowledge that the National Energy Program, which he said did nothing, in fact, brought Canadianization from 28 per cent to 47 per cent and made Petro-Canada the largest refiner and retailer in the country?

Some Hon. Members: Boo!

Mr. Waddell: I notice Hon. Members are booing that. The Member says *oui*. He boos it too. Petro-Canada is our company. It is unlike Texaco which is based in New York. If Members want to boo that, fine. Canadians will hold them to it.

I did not agree with everything in the National Energy Program, but in Quebec it kept the price of gasoline at $28 a barrel when the world price was $37 a barrel. In other words, for three years people in the Member's constituency were getting lower gasoline prices. Why is the ranting against the National Energy Program?

[*Translation*]

My other question is also for the Hon. Member for LaSalle (Mr. Lanthier). What is now the price of regular yellow gasoline in his own constituency?

Mr. Lanthier: Mr. Speaker, I ask the Opposition Members to come back to our Canadian reality. This is 1985. The old 1984 statistics indulged in by the previous Governments which established all kinds of state ownerships and nationalizations are something that belongs to the past. That was rejected by the people of Canada, who support private enterprise. I would therefore ask him to please do two things: first, get rid of that old regressive mentality of state ownership and nationalization, and fall into step with the Canada of 1985. His statistics are not up to date, in the first place. And, second, Mr. Speaker, what we have been doing since last November is building up a climate of confidence.

When I am confronted with statistics that prevailed in 1984, well, it should not be forgotten that 1984 was the year we came to power, the year the people of Canada were not merely expecting, but were in the process of making sure there would be changes. And God knows how clear the message has been. Our response was to foster private enterprise in the first place. And to suggest that only a small area was involved in oil and gas development, is totally false. He should have listened to my speech in which I explained that, within the constituency of LaSalle alone, at least twelve industries are directly involved.

Well, Mr. Speaker, I would ask the Opposition members, those socialist bed-fellows from both Opposition parties, to update their statistics, to bring them up to 1985, and to stop singing their old socialist tunes or munching rundown statistics.

Mr. Kindy: Thank you for recognizing me, Mr. Speaker, because I would not have missed this opportunity to comment on the speech made by the Hon. Member for LaSalle (Mr. Lanthier). I would also like to point out that the Hon. Member for Vancouver-Kingsway (Mr. Waddell) has never understood anything about the oil industry. He is always disparaging the companies. He depreciates them when they make money that provides people with jobs. In my view, he represents a party that would nationalize the whole oil industry. That might make him happy, but then we would not be paying 50c. a litre for gas, but probably $2 because we would be totally inefficient.

• (1125)

[*English*]

The Acting Speaker (Mr. Paproski): I am sorry to interrupt but the time has expired for questions and comments. Resuming debate, the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall).

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I want to join in this debate with regard to Bill C-82. Much has been said in this Chamber today and on previous occasions. In fact, when one considers this piece of legislation, we have to go back a period of time when many Members were concerned, as I was, with regard to the world situation of oil and gas and the pricing of that commodity. If we go back to the OPEC crisis of 1974 and to the situation with Iran and Iraq in 1978 and 1979, there was a clear obligation on the part of the Government of the day to come up with a policy to encompass the goals now contained in the National Energy Program. I think many Members on all sides of the House were perhaps in agreement with those goals but differed, and differed greatly, with the way in which the goals were to be achieved.

Looking back to 1979 and at the Government of the day, we had distinguished Ministers of Fitness and Amateur Sport and other individuals who served in different capacities in the House. An attempt was made by the Government of the day to conclude a pricing agreement with the western producing provinces. Unfortunately, Mr. Speaker, that agreement was never consummated. There was a lot of talk and suggestions but there was never any clear written arrangement between the national Government, the Government of Canada, and the western producing provinces concerning the price of oil and gas.

We all know what took place in the election and the defeat of the Government. Certain individuals were no longer occupying senior positions in Government, they were elevated, if you will, downward. The National Energy Program was then brought in—

Mr. Siddon: It was imposed.

Mr. Dingwall: When you try to separate the rhetoric from what actually did take place, you know that there was an obligation on the part of the Government of Canada to proceed with a national oil and gas policy. Unfortunately, government Members today who were in opposition at that time when I was on the Government side of the House debated vigorously, and rightly so, with the way in which the methods of the National Energy Program were to be implemented. Never in the Chamber did they take the opportunity to debate or to question the goals and the objectives of the National Energy Program.

Some Hon. Members: Oh, oh!

Mr. Siddon: I did.

Mr. Mayer: What a windbag.

Mr. Dingwall: Never, Mr. Speaker. The Conservatives sat like pussycats with regard to the National Energy Program.

Mr. Siddon: Nonsense.

Some Hon. Members: Never.

Mr. Dingwall: The Minister opposite perhaps was one of the demonstrable pussycats that one would see in the House of Commons. He sat on his hands time and time again—

Mr. Siddon: Rubbish.

Mr. Dingwall: —when it came to the over-call goals and objectives of the National Energy Program.

Let us look at the context in 1980 regarding the National Energy Program. The Government of the day had to react, based upon its election promises, to the world situation which existed at that time. There was a need for Canada to have a national oil and gas policy. I recall with great clarity the huge revenues which were going to the multinational, foreign-controlled oil and gas companies. We know about the deficit of the various provinces and indeed of the national Government at that time. There was an obligation on the part of the national Government to come in with a set of policies. I had no difficulty with Hon. Members opposite, as they were then, debating the various measures and how those objectives were to be achieved. I want to make the point that they never disagreed with the goals and objectives of the National Energy Program. It was the view of the Government of the day, in 1980, that with the various megaprojects which could initiated across the country, that particular sector of our economy, which was growing at that time because of world conditions, would be an engine for economic growth in Canada, whether it be in western Canada or in other parts of the country.

• (1130)

Recently John Ferguson indicated in an article that just about everyone who knew anything about energy then had a chart on the wall with a line which looked like a hockey stick, showing prices heading toward $50, $60 and even $80 per barrel. That is what predicated the various taxes on that particular sector of the economy, to which the Minister has made reference. It was the view of the Government of the day, which was not shared by the then Conservative Opposition, that revenues from that particular sector would be taken and distributed throughout Canada for a variety of measures, whether they concerned social issues, promoting or trying to enhance the sagging fishing industry in Atlantic Canada, assisting a conservation program in the Province of Quebec or attempting to assist the Province of Prince Edward Island. By any stretch of the imagination, it has the highest energy costs of any province. That was the purpose. Unfortunately, we know what happened in the international community. World oil prices did not rise to what was anticipated.

Also I recall with great clarity that the Premier of Alberta objected pretty strongly to the ways in which the National Energy Program was to be implemented. However, that was in

1980, and 11 months later he agreed to what was best as the national energy update and some of the provisions contained in it.

Had prices continued to spiral upward, there would have been enough money to keep everyone happy, including the provinces, the industry and the federal Government. The fact of the matter is that because of international conditions, the world price for oil and gas had a devastating effect upon an energy program. I do not think anyone can dispute that; no one can dispute that.

Let us look at the PGRT and the money transferred by it to the national Government. Perhaps the Minister could indicate at some point in time just how much money will be transferred away from the federal Treasury. What will that add to the already high deficit in Canada? Will it be $1 billion, $2 billion or $3 billion? Some people have indicated that by 1990-91 the transfer away from the federal Treasury will total in excess of $5.5 billion. Will it be $5.5 billion? That is money which could be used by the national Government to create jobs in the Province of British Columbia or perhaps in Atlantic Canada. It could be used to provide a homemaker's pension, which has been advocated by the Government as one of its priorities. It could also be used to provide much needed housing across the country. Perhaps that money—and rightly so—could be spent on our farmers. Because of the devastating economic situation in which they find themselves, they could certainly use significant, additional financial input from the Government of Canada. What about the provision of daycare facilities in a national daycare program? We have heard very little from the Government about that. I would think with an exodus in excess of $5.5 billion away from the federal Treasury, that the issues of housing, daycare, job creation and regional development which have not been a priority of the Government will drop even lower on the list of priorities as a result of moving away from the PGRT.

One argument indicates that the elimination of the PGRT will create all sorts of new jobs and wealth and prop up the oil and gas sector. That argument can be stated. Whether or not it can be proved is another matter. I do not see any strong evidence which would convince me—and I stand to be corrected if other Hon. Members have evidence and information—that it will in any way significantly add to the revenues of the Government of Canada, revenues it would normally have under the PGRT, or create the thousands upon thousands of new jobs to which the Prime Minister (Mr. Mulroney) alluded on numerous occasions.

This particular policy is typical of the Conservative Government. It is typical of its ideology. In fact, many people are confused by the different signals which are coming from the Government. With regard to its energy policies in total, of which the PGRT erlimination is one example, perhaps consideration has to be given to its elimination. However, the Government has eliminated a number of things in the energy sector which will be devastating to other regions. I do not want to suggest to Hon. Members that the West should be against the East or Quebec should be against Ontario. However, what I am suggesting is that the leasts prosperous area of the country, using any yardstick in any Department of the Government, is Atlantic Canada. Unfortunately, the energy policies of the Government will add greatly to the economic chaos in that particular region. We have already seen the effect of the elimination of the Petroleum Incentives Program, PIP. We now have fewer rigs drilling in the offshore than we had a year ago. That is not political rhetoric, that is a fact.

Mrs. Sparrow: It is called geology.

Mr. Dingwall: I hear an Hon Member saying that that is geology, that it has to be that way.

Mrs. Sparrow: No.

Mr. Dingwall: There is a role and obligation on the part of the national Government to explore in the frontier regions of the country for quantities of oil and gas and perhaps coal or other resources. To take that away, to eliminate that in its entirety, as I said earlier, will add tremendously to the economic hardships in the offshore. Hon. Members opposite do not like to hear that. They do not like to hear bad news. I do not like to tell them bad news.

• (1140)

Mr. Scowen: Let's face it: You love it!

Mr. Dingwall: The fact is that people who were meaningfully employed offshore in Newfoundland and Nova Scotia are no longer employed. The number of drilling rigs has been substantially reduced. However, what is our policy? It is a policy of smoke and mirrors. The Government has not taken its responsibilities seriously. It has not differentiated between Canadian-owned and foreign-owned companies. It treats everyone equally: small, big; domestic, foreign. I do not agree with that. I think Canadians ought to be given preference in drilling for oil and gas, whether it be in Alberta, British Columbia or off the coast of Nova Scotia or Newfoundland.

What about the 25 per cent Crown share? This was something talked about by the Minister when she was in Opposition. The Premier of Newfoundland and the Premier of Nova Scotia did not raise a great furor over that issue; they agreed with the Government of Canada's back-in provisions. Now the Government intends to eliminate the Crown share in those two provinces, but how are they going to be compensated? Is there any agreement in place? Not at all. The promise is: tomorrow. We cannot put bread on your table but wait until tomorrow and we will see what we might be able to do. Tomorrow. That is not good enough from a national Government elected to protect and enhance the interest of all Canadians, not just a select few involved with the multinational oil companies.

The Government has changed to an auction system which, among other things, defers exploration of less attractive areas. It tends to exclude companies with small financial and technical resources and generally gives Governments little direct control.

Mrs. Sparrow: What about joint ventures?

Mr. Dingwall: This provision gives preference to the big multinational oil companies. Of course, this is the philosophy that the Conservative Party has been advocating since it came to power. The philosophy is to help those who already have everything and somehow they will create enough wealth to trickle down to the less fortunate regions of this country. I have to say, and I say it sincerely, that I disagree with that type of policy. I do not think it is in the best interests of Canada. It is wrong. The national Government has to be an active player in enhancing the economic livelihood and viability of the various communities across the country. To cut the PIP grants and replace them with what is at best a meagre incentive program to explore the offshore is to be totally insensitive to the concerns of my region. We are Canadians too. We have the same rights as anyone else to expect some sensitivity and financial assistance from the national Government. We do not like this caution system which has now been put in place because we believe it to be preferential treatment of the multinationals. The elimination of the 25 per cent Crown share will be devastating to these two Atlantic provinces.

In closing, I want to say that the goals and objectives of the NEP, which I think were agreed to and fully applauded by all Members of Parliament, were indeed goals that Canadians should continue to strive for. Yes, there has to be a toning up of the various tax measures, and a toning down of some. However, I think the NEP was a good program, but it did not work as well as it could have because of international market conditions.

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

Mr. Siddon: Mr. Speaker, I would like to make a brief comment in rebuttal to the very interesting perspective which the Hon. Member has placed on the NEP. If one were sitting in Atlantic Canada listening to the Hon. Member, one would have to conclude that all those years of Liberal Government gratuities given to the part of Canada he represents, indeed to all of Canada, should have produced a great increase in employment and a strong surge in our economy. Indeed, if the Liberal approach of liberally taking money from private sector pockets and redistributing it to other parts of the country had worked, we would not have seen unemployment rise from one million people in 1980 to 1.5 million by the time that Government left office in 1984.

We agree that benefits were delivered to provinces and regions such as Cape Breton which the Hon. Member represents. However, if we were to plot on a graph the data regarding the transfer of funds to the Atlantic provinces under Liberal programs and the impact on unemployment and the health of the economy, the level of disposable income and the new economic initiatives by private interests in that region, we would find the results were inversely proportional to the assistance given. That is, the more money we pumped in by way of Liberal Government hand-outs, the more unemployment increased. As the Government in Ottawa mounted a major war with the Atlantic provinces, particularly Newfoundland, unemployment continued to rise.

The Hon. Member asked us to show what improvements in the economy this Government has brought about in the 14 months it has been in office. Over the last 14 months, more than 300,000 jobs were created, bringing unemployment down to 1.1 million from 1.5 million under the Trudeau regime. That is the evidence that the private sector incentive driven approach is far superior to the Liberal approach of taking money from one region of Canada and handing it out holus-bolus in the form of grants to another region.

This Government does indeed take a new approach. It places the incentives in the hands of those who can take greatest advantage of them. That is the purpose of the $250 million of drilling incentives to be made available annually. This will ensure the pace of offshore drilling in his region, and ensure that the benefits are returned to the people of those regions through the private companies and individuals who will make such investments.

In conclusion, let me say that the Hon. Member tended to mislead this House when he implied that Members sitting on the Government side today did not resist vehemently the Draconian and confiscatory nature of the NEP. If he consults *Hansard* and the record of the debates on Bill C-48, the Canada Lands Act, if he would consult in particular the record of committee hearings in response to the budgetary measures flowing from the NEP, he would find indeed that members of this Government resisted most vocally not only the goals and objectives of the NEP, but the very divisive and impudent way in which it was foisted upon this country by the Government of which he was a part. I would ask the Hon. Member to clarify for the record that indeed it was the outspoken objection on the part of members of this Party that led to an unprecedented overthrow of a Government and its replacement with one which is devoted to creating a stronger economy and thousands and thousands of new jobs.

• (1150)

Mr. Dingwall: Mr. Speaker, I am not going to try to respond to all of the comments made and the innuendo which was tied into them. However, I think it has to be clearly stated that unfortunately, and I say this with great sincerity or, as the Prime Minister would say, with great civility, this Minister has not got one iota or one clue about regional development in Canada. He is so ignorant with regard to the issue of regional development that it is sickenening. It is sickening to have a Minister of the Crown rise in his place to suggest that we in Atlantic Canada can run the economy solely and completely through the private sector. The Premier of Nova Scotia himself has said recently in *La Presse* that the Atlantic region has been ignored by the Conservative Government and it is now time for the Prime Minister to shift focus away from the private sector.

This Minister has demonstrated beyond comprehension his total inability to understand regional development. I am sure there is no one with any degree of intelligence or intellectual

ability who would say that the development of regional development policies in Canada or anywhere else in the world is easy. It is not easy.

Yes, the Minister made reference to the fact that there have not been thousands of new jobs created in Atlantic Canada. Let him remember that regional disparities existed some time ago prior to the national policy of the Liberal Party which tried to alleviate some of those disparities. That policy brought untold benefits to those in Atlantic Canada. We do not have the migration out of the province that we once saw under former Governments. We have an educational system which is being torn asunder by this national Government, an educational system which is very important to Atlantic Canadians. We have a health care system in that particular region.

This particular Minister does not understand one iota about regional development policies. I would like him to take the opportunity to rise in his place to dissociate himself from his previous comments. He knows that regional development in Canada is tough business and requires an active, progressive national Government leading the way. It does not require a national Government which abandons the regions as this Government has done, whether it has done so through the Minister's own Department, through the Department of Regional Industrial Expansion, through the Department of Finance or through any other Department. The Minister ought to be ashamed of himself.

Mr. Kilgour: Mr. Speaker, I would like to ask one question of the Hon. Member. I have never in the six years I have been here seen such a performance in this House of Commons. The Hon. Member has been here for the last five years and he knows that we fought the National Energy Program.

Last week I saw a woman in Edmonton, who may even live in your riding, Mr. Speaker, who was obliged to move out of her house and into her garage with her family because of what the economy and in large part what the National Energy Program had done to her family. Does the Hon. Member seriously believe that Hon. Members on this side of the House had anything but contempt for the National Energy Program? I put it to him that he obviously does have that belief.

Does the Hon. Member know, for example, that oil companies halved their exploration budgets because of the National Energy Program? Does he know that the National Energy Program threw thousands and thousands of people out of work in Alberta, Saskatchewan and British Columbia? Does he know that in Edmonton there are about 69,000 people who are unemployed including my neighbour? Does he realize that these people are unemployed in large measure because of the National Energy Program and the recession which the National Energy Program worsened for Alberta, British Columbia and Saskatchewan?

Mr. Dingwall: Mr. Speaker, unlike the Minister who had spoken previously, I will respond to the Hon. Member's question.

Mr. Siddon: With civility.

Mr. Dingwall: No one, and particularly no one in this Party, would take great delight in seeing any Canadian unemployed. That is point number one. Point number two is that I have said in the Chamber during the National Energy Program debates that I know that Hon. Members opposite, during that period of time, objected vigorously to the way in which the National Energy Program was implemented. There is no question about that.

Is the Hon. Member now saying that the goals of the National Energy Program were not good goals? Is he going to contradict himself? Is he going to contradict his Party by saying that the goals of the National Energy Program were no good and that Canadianization is no longer an important feature of our energy policy? The Hon. Member and all Hon. Members opposite cannot have it both ways. They cannot talk out of both sides of their mouths.

Mr. Mayer: And nobody has tried.

Mr. Dingwall: Why don't you stand up and be counted?

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, Tory Members are talking about civility. that is one of the favourite words of their leader. I have never seen a leader fall so quickly from public esteem as the Prime Minister of Canada (Mr. Mulroney) has done. Perhaps that is why he hides from the House. Every time he shows up, the Conservative Party drops a point in the Gallup polls. One reason for that, of course, is the kind of Bill that is before us today.

It is almost Christmas and we see a Bill before the House that indicates that the Government is going to play Santa Claus to the big oil companies to the tune of $5.6 billion. That should make members of the Conservative Party from Cape Breton and elsewhere ashamed.

[*Translation*]

Mr. Speaker, this is $5.6 billion given away to the large foreign oil corporations in this country, by the Canadian Government. A handout! They are playing Santa Claus to the rich in this country.

[*English*]

We have heard comments made in the House about the National Energy Program and how it just destroyed western Canada. I speak as a western Canadian and I think that some of those sweeping comments are over-generalized. The Hon. Member for Edmonton-Strathcona (Mr. Kilgour) said that in large measure, people are unemployed because of the NEP. I do not agree with everything about the NEP, but let us keep things in perspective.

The National Energy Program was brought in at a time when world oil prices were falling and interest rates around the world were skyrocketing. Oil-producing provinces, states and countries, regardless of where they were, were thrown into a massive recession or depression. I think we should keep this kind of debate in perspective. It is not quite as simple as black and white.

Farm prices are also falling. I would ask Conservative Members across the way, if they are so sanctimonious about what the NEP did, to tell us where the assistance is for the farmers of Canada. The Minister responsible for the Wheat Board (Mr. Mayer) is not responsible for the entire drought package of the federal Government. However, the Government is complaining about the deficit while giving $5.6 billion to the oil companies between now and 1990. What about giving some assistance to drought affected farmers in southern Saskatchewan?

Back on August 6, the Hon. Member for Assiniboia (Mr. Gustafson) was appointed by the Prime Minister, as his Parliamentary Secretary, to come up with recommendations. That Hon. Member did his job. He made a recommendation to the Prime Minister several weeks ago, and yet there has been no assistance whatsoever given to the farmers in the south. I was in Bengough just about a week ago. In fact, it was a week ago this afternoon. Farmers down there are getting damn mad and their Member of Parliament is getting damn nervous. He is getting very nervous because his report and his recommendations are being ignored by Cabinet and by his own Prime Minister. I say to Members of the House that farm prices have also fallen. However, where is assistance from the federal Government?

• (1200)

I think the Bill before the House today is a classic example of the type of discrimination we are seeing in the country by a Government which is biased toward the wealthy and the big companies *vis-à-vis* poor and ordinary Canadians. There is provision for some $5.6 billion in the Bill, which is a gift to the large oil companies of the country—$5.6 billion. I remind Members of the House that the oil companies in the country are extremely wealthy. I will give just a couple of examples of what I mean.

In 1984, just last year, Gulf Oil made a profit of some $308 million. Imperial Oil, which operates in our country, made a profit of some $533 million. Shell Oil made a profit of $158 million, while Texaco made a profit of $423 million. Despite these immense and massive profits, the Government of Canada has its hand in the cookie jar and is handing out $5.6 billion of your money, Mr. Speaker, and of mine and the money of our families, our friends and our constituents to these big oil companies. That is not fair. That is not fair from a Government which preaches that the deficit is too high.

The Government says the deficit is so high that we had better cut back with respect to the kids of Canada by partially deindexing family allowances. Sitting close to me is an Hon. Member and a friend from Calgary who is practically sobbing in his seat. He is a Conservative Member of Parliament who does not agree with his own Government. I know he is itching to get up and say so. The Government cuts back with respect to the kids of the country on the one hand and on the other it shovels tons of money to the big foreign oil companies. I think this is sheer unfairness.

Mr. Kindy: I rise on a point of order, Mr. Speaker. I disagree with what my dear friend says.

The Acting Speaker (Mr. Paproski): I regret but that is not a point of order. The Hon. Member for Yorkton-Melville (Mr. Nystrom) still has the floor.

Mr. Mayer: That is unfortunate.

Mr. Nystrom: Thank you, Mr. Speaker. I am sure my hon. friend from Calgary will be on his feet soon during the time allotted for questions and comments to make some comments. I am sure he will reveal that he is a red Tory and that he is progressive. He will reveal that he is concerned about the kids of the country and the fact that their family allowances are being cut back while at the same time billions of dollars are being shovelled out of the money bins to the big oil companies. That is grossly unfair.

Mr. Siddon: Don't be ridiculous.

Mr. Nystrom: I am not being ridiculous, Mr. Speaker. I ask the Hon. Member to look at the figures. The Bill before the House would give over $5 billion to the oil companies between now and 1990 — over $5 billion.

Mr. Siddon: It does not give them anything.

Mr. Nystrom: At the same time the Government is saying that the deficit is too high. The Government cuts back on family allowances—

Mr. Siddon: What makes you think it is yours?

Mr. Nystrom: Mr. Speaker, the Hon. Member says from his seat—he is actually interjecting from his seat—what makes me think that it is ours. The oil of this country is ours.

Mr. Siddon: The money.

Mr. Nystrom: That is ours. It is our money and our resources as Canadians. I would not give these companies a hand-out; I would take more for the people of Canada.

Mr. Siddon: It belongs to the provinces.

Mr. Nystrom: Mr. Speaker, that is the difference between the New Democratic Party and the Conservative Party, which is one reason we can see Conservative after Conservative in trouble in the West today. Poor Grant Devine in Saskatchewan is shaking in his boots. The Minister of Labour (Mr. McKnight) who ran his campaign at one time is shaking in his boots. In fact, I can hear them rattling from here.

Mr. Siddon: He is laughing.

Mr. Nystrom: The reason for that is that the Prime Minsiter of Canada, through his unfair policies, is turning off western Canadians and turning them in droves toward the New Democratic Party. If Hon. Members opposite do not believe me then they can check the most recent Gallup poll.

Some Hon. Members: Oh, oh!

Mr. Nystrom: I hope that the Prime Minister of Canada will continue on the same line he is taking month after month because we will soon have NDP Government in Manitoba re-elected with a massive majority. We will see re-elected NDP Governments in Saskatchewan and in British Columbia; and even that bastion, Alberta, will be in a bit of trouble because of the policies of the Prime Minister of Canada.

It is a very simple question of fairness with which we are dealing.

Mr. Siddon: You lack credibility.

Mr. Nystrom: The Minister across the way says that we lack credibility. What he is doing is making a comment to the people of Canada. Results of a Gallup poll were published just the other day which pointed out that the overwhelming majority of Canadians have no confidence in the federal Government. Only 20-odd per cent of Canadians think the Government is doing a good job while over 40 per cent say it is not doing a good job.

Mr. Kilgour: Look at the way the question was worded.

Mr. Nystrom: I have never seen a Government lose credibility so quickly in such a short time as did the Government which is in office today. I think it is probably setting a record in that respect. The Prime Minister knows that, which is why he very seldom shows up in the House of Commons.

Some Hon. Members: Oh, oh!

Mr. McDermid: His attendance is as good as your Leader's.

Mr. Nystrom: The Bill before us is a very unfair Bill. Ordinary Canadians should rise up, telephone their Conservative Members of Parliament and ask them why they can give $5.6 billion to the oil companies when there are loggers in northern British Columbia who are unemployed. The people of Canada should be saying to Conservative Members of Parliament: "Why can you give $5.6 billion of our money—our grandmother's and our cousin's money—to the oil companies and yet cut back with respect to the kids of Canada, many of whom are not receiving proper nourishment?"

Mr. McDermid: That is a red herring.

Mr. Nystrom: This is not a red herring. A conservative Member across the way says that it is a red herring—it is a blue herring. It shows exactly where the Conservative Party stands. It has tons of money for the wealthy and very little for the ordinary citizens of Canada.

Mr. Mayer: If you have nothing to say then why don't you sit down? You are an embarrassment to us all.

Mr. Nystrom: I say to my friends in the Conservative Party that they are being very unfair. I have friends in the Conservative Party, including the man who is sitting in the Chair. There are a great many people in the Conservative Party who are very ashamed of the Government.

Mr. Kilgour: Name one.

Mr. Nystrom: There was a Conservative convention in Toronto last weekend at which a guy named Larry Grossman was elected as Leader of the Party. Hon. Members will have noticed that not one person at the Conservative convention in Toronto once mentioned the name of the Prime Minister of Canada from the podium. That is because that man and his Government are dragging down the Conservative Government's credibility.

Mr. McDermid: I rise on a point of order, Mr. Speaker. I know that the Hon. Member opposite would not want to mislead the House deliberately. I was at the convention to which he referred. I can inform him that the Prime Minister's name was mentioned many times from the podium and that cheers went up every time.

The Acting Speaker (Mr. Paproski): I would like to remind the Hon. Parliamentary Secretary that he is getting awfully close to the point where he may have to retract one of his statements one of these days. I will leave it at that. The Hon. Member for Yorkton-Melville has the floor.

Mr. McDermid: Why would I have to retract it?

Mr. Siddon: He just stated the truth.

Mr. Nystrom: Mr. Speaker, I certainly hope that they did mention his name from the podium because every time his name is mentioned the results of the Gallup poll go up for us.

The Bill before us will give $5.6 billion to the oil companies. The deficit is too high. Thus, if $5.6 billion is given to the oil companies, where will the money come from? It will have to be collected from ordinary Canadians—the poverty—stricken farmers in Saskatchewan, the unemployed forestry workers in northern British Columbia, and the poor people from coast to coast. The Government will raise the money by raising the excise tax on gasoline. You will notice, Mr. Speaker, that the tax on gasoline has recently risen. The Government will also raise the money by increasing the federal sales tax, which hits people unfairly because, rich, poor or middle class, the same hidden federal sales tax is paid regardless of income. The Government takes money out of the pockets of ordinary Canadians by increasing income taxes. If the Government is to give companies such as the oil companies which are very wealthy over $5 billion then that money must be raised from the ordinary citizens of the country. That is why the Bill which is before the House is so unfair and why it should be defeated at the second reading stage.

• (1210)

We have heard comments today about PetroCan and stateism, socialism and so on. I would like to ask those Conservative who make these comments what their reaction is to their own Government expanding PetroCan through the Gulf takeover? It seems to me those Hon. Members are speaking out of both sides of their mouths. On the one hand they are saying it is very bad to have this kind of expansion which was started

years ago and, on the other hand, there was a major takeover only a few months ago under the same Conservative Government which sits across the way. Perhaps this is what "Progressive Conservative" means, trying to be all things to all people, although I thought that is what the Liberal Party stands for.

I would like to hear comments about that from Hon. Members of the Conservative Party when they rise to criticize PetroCan. I remember very well the PetroCan debate prior to the 1979 election campaign. I remember that the short-term Conservative Prime Minister was going to get rid of PetroCan. One of the reasons he was trounced in the 1980 federal election campaign was that he wanted to get rid of the people's oil company, but the people of this country wanted to keep that oil company. And he was trounced so badly on that issue that within two or three months of the federal election campaign in 1980, he changed his mind and the Conservative Party said: "Yes, we'll keep PetroCan". Now, thank goodness, the Government is expanding PetroCan. There might be some very reactionary dinosaurs in the Conservative Party who would disagree with that, but their Leader and the Cabinet are expanding PetroCan.

An Hon. Member: Yes.

Mr. Nystrom: The Hon. Member from Ontario says: "Yes", and he has a frown in his voice and a snarl on his face. I don't think he is too happy with that because he is one of the Hon. Members who said to the people of Canada: "Elect us in the Conservative Party and we'll get rid of PetroCan". Perhaps one reason those Hon. Members are losing so much support from the population, according to the polls, is that they said one thing before the election and they are now doing something else after being elected.

PetroCan is very important. It is important that Petro-Canada stay, be expanded and become the largest oil company operating in this country from coast to coast, and that is what the people want.

Mr. Kilgour: Or the only one?

Mr. Nystrom: I never said "the only one". I am a very strong supporter of co-oped oil in the city of Regina and the co-operative movement. I would like to see that expanded. I support the small operators as well.

Mr. McDermid: Where should they get their supplies from?

Mr. Nystrom: One of the small operators was quoted in the newspaper very recently as saying that the policy of the Government was too generous. I have here an article from the Toronto *Star* dated April 2, 1985. The Hon. Member for Calgary East (Mr. Kindy) would be interested in this article. Perhaps it is about a buddy, I don't know. The article begins, and I quote:

> Calgary oilman Joe Mercier couldn't be happier with Canada's new energy deal. But, as a Canadian citizen, he believes Ottawa is giving away too much to his industry.

That is what an oilman from Calgary believes. Perhaps he is a liberal oilman. I do not know the fellow at all. I assume he must be a Tory. Almost every oilman in the City of Calgary is a Tory.

Mrs. Sparrow: No, no.

Mr. Nystrom: Perhaps he is not. I assume he is not NDP.

Mr. Mayer: That's your trouble. You assume too much.

Mr. Nystrom: The article continues, and I quote:

> "I'm no hypocrite; this deal makes us richer, "Mercier, President of Universal Explorations ('83) Ltd., told the *Star* yesterday.
>
> "Our bank just informed us that our security (the value of oil and gas in the ground) is up by $8 million as a result of the Western Accord, and our line of credit has been increased by that much.
>
> "But from the point of view of a Canadian, I'm really concerned we're giving away more than we have to."

That is a Calgary oilman speaking about the Western Accord signed by the Minister of Energy, Mines and Resources (Miss Carney) and western governmental officials a few months ago. If an oilman says it is a good deal for him as an oilman but, as a Canadian, it is a bad deal because it gives away the store, then I tend to believe that man. I am sure the Hon. Member for Calgary East will have an interesting comment to make on these statements by Mr. Mercier.

As a westerner, I would like to say that I think Mr. Mercier's point is well taken. We have Conservatives opposite saying that these moves are good for western Canada, but I ask, who are they good for in western Canada? I think they are good for a very small interest group in the West, the oilmen and a few people who work around the oil industry. I represent a riding of 70,000 people. I do not have oil wells. I do not have an oil patch in my riding. But I have thousands of farmers who must pay a higher price for gasoline because of the Conservative Government. There are thousands of farmers in my riding who must pay a greater amount of their revenue just to keep their farms going because the Conservative Party is giving billions of dollars to the oil industry. There are also thousands of consumers, including older women who are widowed and have retired to the towns and villages across my riding, who have to pay more for heating their homes because the Conservative Party is raising revenue for oil companies by raising the excise tax. There are thousands of workers in my riding, which is a rural riding, who must travel mile after mile to get to work, who now have to pay more to put gasoline in their cars and pick-up trucks because the Conservative Party is being Santa Claus to the big oil companies outside of this country.

As a westerner I can assure Hon. Members that the majority of westerners do not agree with this Bill. The majority of westerners are interested in jobs. Westerners are trying to produce food, but this Bill increases their costs. This Bill makes it more difficult for them to produce on a day-by-day basis.

I do not want to listen to these red herrings that this is a great Bill for western Canada. Mr. Mercier is right. It is a great Bill for oilmen and wealthy oil producers, but it is not a great Bill for western farmers. It is not a great Bill for the

farmer in Bengough who is suffering from a drought and it is not a great Bill for the kids of this country who, as a result of this Bill, are getting their family allowance cut back by a callous government.

This Bill is unfair. It is unjust. It is not proper. It tells us exactly where the Conservative Party of Canada stands. We have $5.6 billion for the oil companies, a huge deficit and cut-backs for kids and that Party tried to cut back on pensions for senior citizens, the pioneers of this country. We face tax increases. The old fellow in my riding who has to drive his car from his farm into town to buy his groceries has to pay more for gas because the Government has raised the excise tax on gasoline. Those people will not forget. Those people are receiving a very good education about what the Conservative Party stands for. it is no different in 1985 than it was under R. B. Bennett in 1935 during the Great Depression.

Mr. Siddon: Look at the employment figures.

Mr. Nystrom: That is one reason we are seeing such a massive turnabout in public opinion. We have never seen a Government which was elected with such a massive majority fall as fast as this Government. I would love to see some by-elections right now so we can find out whether the people of Canada support this Bill.

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Paproski): Order. I believe the period for questions and comments is now in order.

Mr. Oberle: Mr. Speaker, every once in a while we are forced to sit here and listen to this socialist diatribe. The problem with the socialists and their friends in the Liberal Party is that there are too many adults and not enough children who believe in Santa Claus. They believe in the equal distribution of misery, and since they do not have anything, they believe they should have the right to share everything with everybody.

I would like to invite the Hon. Member to visit Fort St. John, British Columbia. There are two main economies in that area, the first is agriculture. It is one of the most productive wheat producing areas in Canada. The second major economy is oil and gas. I understand quite well what the Hon. Member is saying in terms of the crisis and problems experienced by the agri-food sector over the last three years. However, he suggests that somehow the Government can make the weather and can regulate the atmospheric pressures to suit farmers. We have been able to create a climate within which the oil and gas sector can achieve, as an instrument of national purpose, the goals that we have all set for ourselves: energy self-sufficiency, and the greatest component of Canadian—not necessarily government—ownership of the oil and gas sector.

● (1220)

If the Hon. Member were to come to Fort St. John he would find that literally half the city was boarded up after the implementation of the national energy policy. I was up there and spoke to the Chamber of Commerce the other day. In his introduction, the President said that the Liberals in Ottawa in Question Period are like a bunch of retired prostitutes campaigning against prostitution.

When the Liberals brought in this national energy monster, with the consent and acquiescence of the NDP, we told them that it was a monumental fraud, that it was an outright confiscation of private assets, that it would destroy the energy sector and deprive us of any opportunity to use the strength we have in energy, oil and minerals as an instrument for growth and economic renewal. It deprived us of that. We were net exporters of oil when these socialist schemers, reformers and engineers came along to build their new society. We benefited from the oil crisis at that point. We are now in a situation of having some catching up to do and the Hon. Member will have to let us do it in our own way, a proven way, a way that will produce new wealth, which we can then use to restore and strengthen the social infrastructure and benefit structure which we have put in place in our country.

The Acting Speaker (Mr. Paproski): Would the Hon. Member for Yorkton-Melville (Mr. Nystrom) like to wait until the Hon. Member for York East (Mr. Redway) has asked his question or made his comment in order that he can answer both at the same time?

Mr. Redway: Mr. Speaker, I was interested in the two main themes of the speech of the Hon. Member for Yorkton-Melville (Mr. Nystrom). The first theme had to do with the question of fairness and the second had to do with the impact that this Bill will have on the ordinary or average Canadian.

With respect to the matter of fairness, I know that the Hon. Member is aware of the impact which the national energy policy and the two taxes that are dealt with in this Bill as a part of it have had on the average Canadian. I know, as well, that, because of his sense of fairness, he feels that the impact of these taxes in the national energy field are just as unfair as I feel they are with respect to the following matters: First, the Petroleum and Gas Revenue Tax had the effect of taxing revenues rather than profits; second, it had the effect of being discriminatory in that there were no similar taxes placed on any other natural resources or any other forms of energy. Third, it was unfair in that it had the impact of effecting double taxation, through the PGRT and through corporate income tax. I know that the Hon. Member is quite aware of this tax and feels that it is unfair.

I also know that the Hon. Member similarly feels that the other aspects of this tax, the incremental oil revenue tax, was unfair in that it only taxes one oil company, namely, Suncor. I know that the Hon. Member realizes that all the taxes which we are doing away with today were unfair. I would like him to confirm that he disagrees with this unfair quality and that he is supportive of this Bill today in that respect.

He talked about the impact which this Bill will have on average Canadians. He knows that the national energy policy and these taxes had a devasting effect on ordinary Canadians in that they put so many people out of work and created so

many bankruptcies in the country that, in effect, they made everyone poorer. The recent report relating to poverty in the country clearly demonstrates that fact and the impact that all of these things had on the ordinary and average Canadian.

Since the present Government has done away with the national energy policy and these taxes, which policy is implemented by this Bill, we have had stimulation and growth in the oil and gas industry. We now have something like ten thousand more people directly employed in that area than we had before. Similarly, there has been a spinoff effect for all other parts of the country. The Hon. Member referred to the lumber industry. Obviously, those who work in that industry are gaining a benefit through the spinoff effect. He referred to the farmers who are gaining a benefit due to the spinoff effect as well. He referred, also, to the senior citizens who are gaining a benefit because their pensions will be more secure when more Canadians are working and the economy is growing. I know that the Hon. Member feels that this is a fair Bill and that it will benefit average and ordinary Canadians. I would like him to confirm that for us.

Mr. Nystrom: Mr. Speaker, the Member for Prince George-Peace River (Mr. Oberle) made comments about how things are going in the oil industry and said that there was a proven way, which is through the big multinationals based in the United States. After all, the oil patch is 60 per cent American owned. Mr. Speaker, I disagree. I think that what he calls the proven way was a big failure in the country in the pre-1975 and pre-1970 era. That has not been the proven way to produce jobs and good results for Canadian consumers. The proven way is to Canadianize the oil industry by ensuring that it is in the hands of the ordinary people of Canada. That is the way that we want to go and I am sure it is the way that most of the people in the country want to go.

With regard to fairness, the Member for York East (Mr. Redway) mentioned the PGRT. I think the PGRT was the most effective way to tax oil companies in the country because that tax was applied on general revenues at the well head. It was effective. The other way of doing it provides the oil companies with all kinds of loopholes. The oil companies have been masters of loopholes in the country. We had an effective tax, and the result of abolishing it will be to give the oil companies an extra $5.6 billion.

Is it fair to give $5.6 billion to the oil companies when the Government is asking the mothers of the country to cut back on expenses for their children through the deindexation of family allowances? Is it fair to give $5.6 billion to the oil companies when taxes are increased on ordinary Canadians through the income tax system? Is it fair, Mr. Speaker, to give the oil companies $5.6 billion while increasing the federal sales tax in Canada? Is it fair, Mr. Speaker, to give $5.6 billion to the oil companies and give nothing at all to the farmers in my province who are suffering from a drought? Mr. Speaker, farmers are hard-working Canadians. The oil patch is 60 per cent American and is already much too wealthy because it makes millions and millions of dollars in profits off the backs of ordinary Canadians.

The Acting Speaker (Mr. Paproski): The period for questions and comments is terminated. Is the House ready for the question?

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, it is with a considerable degree of relief that I can stand and support Bill C-82, an Act to amend the Petroleum and Gas Revenue Tax Act and the Income Tax Act. One of the most important items announced in the Western Accord last March was the elimination of the federal oil and gas taxes or charges, including the petroleum and gas revenue tax, the petroleum compensation charge and the Canadian ownership special charge together with the incremental oil revenue tax. Following the announcement by the Minister of Finance (Mr. Wilson) in his May Budget, the legislation now before us will formally mark the elimination of both the PGRT and the IORT. No westerner who experienced the devastating effect of the National Energy Program, the most punitive measure of which was this PGRT that was imposed on January 1, 1981 for oil and natural gas production revenues and royalties, can underestimate the value of the steps now being taken in this respect.

• (1230)

Since the Western Accord was announced last March, and on a comparison of 1983 with 1985, drilling is up by 60 per cent, exploration and capital expenditures are up by 50 per cent and direct employment has created an additional 25,000 jobs.

The spinoffs in Alberta alone are significant. Employment in other industries has increased significantly. Retail sales have improved and real estate sales are up, with vacancy rates showing the first decline in some five years.

The current rate of PGRT is 16 per cent, with an effective rate of 12 per cent on conventional oil and gas and 8 per cent on synthetic oil, after the resource allowance, where applicable.

Under the terms of the Western Accord and this legislation, the PGRT will be totally eliminated by January 1, 1989. In addition, the PGRT will not apply to approved major new energy projects or to any new production of conventional oil, natural gas or natural gas liquids brought on stream after April 1, 1985. Under the schedule for phasing out, the rate of PGRT will be cut in half and will be totally eliminated by 1989.

The Government of Canada has agreed to reduce further the burden of PGRT on individuals by making the first $10,000 of income exempt from the tax. This will mean that an estimated two-thirds of those individuals who are currently paying PGRT will no longer be required to do so. The PGRT was perhaps the most bitterly criticized aspect of the National Energy Program. Being levied on revenues rather than profits or even cash flow, this tax was closely related to a federal royalty.

The tax also has been plagued by technical and administrative difficulties. The preceding Government subjected the

Petroleum and Gas Revenue Tax Act to numerous amendments, many of which were not legislated until a considerable time after coming into effect. This left the industry in limbo. Our Government has stated that the PGRT would be removed and this commitment is being fulfilled.

No PGRT will be levied with respect to new production of oil, natural gas or gas liquids after March 31, 1985. New production has been defined to include production from new wells spudded after March 31, 1985, plus incremental production as a result of enhanced recovery schemes, including waterflood schemes commencing operation after March 31, 1985. New production will include production from new development wells on proven acreage but not production from currently shut-in wells that came on stream after March 31, 1985.

The federal and provincial Governments have agreed that the phase-out of the PGRT is necessary to stimulate reinvestment in Canadian exploration for the development and release of new oil and gas reserves. New exploration and development activity will potentially be rewarded by allowing non-taxable corporations to apply a portion of their newly incurred income tax write-offs, otherwise available as a credit, against their PGRT liability.

The Western Accord has provided the industry with strong incentives to explore and produce, which contrasts strongly with the policies in effect between 1973 and 1984. In general, those policies restricted Canadian resource development through various combinations of low oil prices, high taxes and restricted markets. There was a decline in Canadian spending in 1981 and 1982, in response to the National Energy Program, shut-in gas markets and other factors.

It became more apparent in 1984 that the Canadian energy policy had to be completely overhauled and petroleum industry expenditures came back strongly, in anticipation of this revised policy. It is anticipated that capital and development expenditures during 1985 will be some 20 per cent higher than last year and some 30 per cent higher than in 1983. Drilling activity in this country set an all time record last year, a record which this year's drilling has already surpassed. That 1984 record was based on anticipation that the Conservative Government would come through with its promises, as we have.

Now, with a realistic energy policy, with exploration at high levels and with a number of new oil sands projects under development, the outlook for the next few years is extremely good. While global expenditures are down drastically, expenditures are setting new records in Canada. Global drilling has undergone a decline, especially in the United States, while in Canada drilling is at record levels. Globally, there are surpluses of crude oil and many Third World producers are permitting their production capacity to decline. However, in Canada the industry is spending record amounts on projects and geological prospects which will increase crude oil production capacity over the next many years.

Although Canada has abundant resources, national and provincial energy policies effectively put a damper on their development from the 1970 to 1981-82 era. The policies during that era included excessive taxation, controlled prices and a great deal of political uncertainty. As a result, crude oil development, particularly during that period, was extremely constrained. However, the situation is greatly different today.

Because of our completely overhauled energy policy, our favourable resource base and our proximity to the United States oil and gas markets, the Canadian sector of the petroleum industry is likely to see continuing high levels of activity throughout the remainder of this decade. The Western Accord swept away artificial elements of Government-controlled and administered economics of the industry's production sector. It ushered in an era which will see further dramatic changes in the way the Canadian upstream sector operates and in the style in which it is managed.

Our Government recognized that the oil and gas industry could provide important national economic opportunities. Our energy resources can be produced and sold at internationally competitive prices. Canada's energy policy during the last decade prevented it from fully capitalizing on the development of its hydrocarbon resources. Governments at both the provincial and federal levels agreed that the federal Government should treat the petroleum industry like other industries, by taxing profits rather than revenues, and everyone applauds the demise of that most discriminatory petroleum and gas revenue tax over the next four years.

The special significance of the elimination of this tax is that it has already greatly improved the economics of oil and gas production. Since it is being eliminated over the next few years, the industry will experience annual improvements to cash flow as the tax burden is eased. With the acceptance of the principles of market pricing and the taxation of profits, the federal-provincial revenue sharing dispute has been settled. Disagreements based upon those particular issues were a major irritant and a source of uncertainty for the industry, and led to a full decade of political acrimony, during which time many opportunities were lost. At least this is all behind us now, Mr. Speaker.

• (1240)

Through the energy accords, this legislation, coupled with the frontier package and gas deregulation initiatives, the Canadian petroleum industry is likely to experience sustained high levels of activity, continuing good earnings and diversification into non-conventional resources. Unless there is a precipitous drop in oil prices, the future of this industry in this country is bright.

Our Government has recognized the dramatic shift in the public's perception of the Government and its policies. We have proclaimed our faith in the strengths and the virtues of the private sector. The current atmosphere is certainly more conducive to some form of rapport than it was even a year ago. We believe in a tripartite consultative process between Government, business and labour so that when public policy is formulated, the affected Parties have had an opportunity to express their views. We have lent an ear to what the business community has to say, and should the labour movement seek

the same access, I am confident it would meet the same reception. In my view, labour's participation is vital to any meaningful dialogue regarding public policy formulation.

Government ought to and is providing the framework within which the private sector is encouraged to get things done. Implicit in our oil policy is an attitude of trust and confidence in the private sector. We want to facilitate the private sector rather than regulate it. It is up to the private sector, as I said, to get on with the job.

Export of goods and services rose from 16 per cent to 18 per cent of the Gross National Product in the 1950s, to 20 per cent by the late 1960s, and now stands at 26 per cent. In effect, Mr. Speaker, Canada is more heavily dependent on world trade than any other industrialized nation. Yet, with a productivity performance up until now among the worst, we face increasing competition, not only from other industrialized nations but also from developing countries seeking to exploit their resources.

While faced with high-tech and resource competition abroad, Canada at home will have a rapidly aging population over the next 20 years and changing demand patterns that will cause major industrial restructuring and significant shifts in skill requirements in the labour force.

We face the necessity of decision times being reduced, and this means decentralization of decision responsibility to a much greater extent. It means less involvement of Governments in this process, and a greater reliance on the resource allocation properties of markets. A reduction in system rigidities caused by Government regulation and intervention is also a necessity.

Government programs, once in place, tend to be perpetuated and, I believe, a regular cost benefit review is required to ensure that resources available to Governments are being used most effectively.

Canada's budgetary deficits are a cause for overriding public concern, and the actions taken by our Government in restoring buoyancy to the energy industry are a palliative to that concern.

The need for an industrial strategy in Canada is not so much a call for a greater degree of Government involvement in the affairs of specific industries, but rather for a co-ordinated approach to an economic policy involving trade, taxation, competition, labour, research and development, industrial and stabilization policies. We have the policies in place to encourage the development of one of the world's most envied resource endowments.

Canada's geological potential is enormous. The western sedimentary basis, the source of most of Canada's conventional oil, has been drilled only one-tenth as much as similar regions in the United States. Our established resources are dwarfed by the potential of the oil sands, heavy oil and the frontiers.

Foreign investors have recognized the positive changes in Canada. In August, the Salomon Brothers of New York published a report that amounts to a ringing endorsement of Canada's new energy industry. The authors of that report said:

> As a result of the overwhelmingly favourable policy changes that have occurred in Canada over the past year, the Canadian energy industry today has the opportunity to meet the challenges of domestic and world markets unfettered by onerous government regulation.

In an interview on Canadian radio, they said that Canada's geology offers great promise for future development and that investment prospects in Canada's oil industry are greater than in the United States, the United Kingdom, Norway and other areas around the world. By our energy policies, we now have access to energy markets. We have the technology to develop conventional and non-conventional sources. Above all, we have a revitalized oil and gas industry operating with confidence in a radically transformed policy environment.

In closing I want to point out that it has been one full year since this country voted overwhelmingly for a change. During the summer, 1984, the Progressive Conservative Party promised economic renewal and promised to create jobs.

Canada's resource sector has long been the bedrock of regional economic strength. In an effort to rebuild that vital sector and create hundreds of thousands of new jobs, the Progressive Conservative Government has been quick to take action. We have had the Atlantic Accord and the Western Accord, and two weeks ago the Minister of Energy, Mines and Resources (Miss Carney) put forth the new terms for the Canada Petroleum Resources Act and the new policy for gas deregulation in Canada. All such steps are welcomed by Canadians from coast to coast. We are now clearly pursuing a path which will lead Canada to greater prosperity. Working together, we can build on the greatness of Canada for today and for the future.

Some Hon. Members: Hear, hear!

Mr. Waddell: Mr. Speaker, I have a comment and a short question. I appreciate the speech made by the Chairman of the Standing Committee on Natural Resources and Public Works, the Hon. Member for Calgary South (Mrs. Sparrow). I understand her position in putting forth some of the views that reflect the interests of certain people in her area.

I would like to point out that there is a certain myth inherent in her speech, the myth of competition in the industry. We are dealing with big cartels, like OPEC. We are dealing with some of the largest companies in the world, such as Exxon which owns Imperial Oil, and Texaco. Their interests are not necessarily the interests of Canada. They have their own interests, but they are not necessarily the same as our interests or the interests of ordinary Canadians. We are dealing an important resource, a vital industry and a depleting resource, namely, oil and gas-energy.

The Canadian Government was faced with an oil crisis in 1979. There were tremendous implications for inflation, economic growth and unemployment. The federal Government saw excessive surpluses in Alberta with the Alberta Heritage Trust Fund. It saw there was not enough money in taxes going to the federal share. It was losing money in revenue sharing. It saw gas prices and oil prices rising. Of course, that was the mistake of the national energy policy; the prices went down.

However, at that time it thought that the prices would continue to rise. It was faced with a taxation system which was not very good. Oil companies are notorious for using loopholes, tax write-offs and so on. Therefore, in a national energy policy, the Government increased the taxes on the industry, and that is why we have the PGRT.

● (1250)

The industry squealed about that because it was an effective tax. It was almost too effective, and that is why I had criticisms of it. I criticized that tax as hurting smaller Canadian companies and I wanted modifications of the tax. I criticized the National Energy Program for shifting all the exploration away from Calgary and Edmonton or away from the western sedimentary basin into the frontier. That was the basis of my criticisms, and I think they were valid criticisms. I ask Hon. Members—and I am sure the Hon. Member for Calgary South has read it—to read what I think is the best book on this subject. It is entitled *The Politics of Energy: The Development and Implementation of the NEP.* It is not my book; it was written by G. Bruce Doern and Glen Toner. It summarizes the situation. If Hon. Members read it, they will stop speaking in myths.

According to the polls, the Canadian public liked the thrust, not of that particular National Energy Program, but of some sort of national energy program. It was popular, and it is being continued by the Government in many ways.

How does the Hon. Member feel about her Government expanding Petro-Canada into the retail field and so on with the purchase of Gulf? Surely that is contrary to some of the things she said in her speech. Again it is an attempt to have a national energy program in the sense of expanding Petro-Canada across the country. Did she agree with the Government's expansion of Petro-Canada in this way?

Mrs. Sparrow: Mr. Speaker, I would be glad to take a few hours and discuss Petro-Canada and the take-over with the Hon. Member for Vancouver-Kingsway (Mr. Waddell), but I do not think that it is directly relevant to the Bill we are discussing today.

He mentioned competition, and I strongly believe in competition. I believe in supply and demand as well. We in the Conservative Government, by removing unfair taxation of revenues and treating the oil industry like any other industry, have opened it up to more competition. Canada certainly welcomes foreign investment. Canada is looking for increased economic activity and increased productivity.

The Hon. Member also mentioned Canadian ownership. Certainly my Government believes in Canadian ownership. It has risen by 5 per cent during the past year. We are working toward that.

I spoke a great deal about Alberta and western Canada in my speech, but perhaps I could diversify a little and refer to Fort McMurray. Fort McMurray is perhaps the centre of the Syncrude oil sands area. It has a population of about 35,000 people. Between 7,000 and 8,000 of those people come from Newfoundland. I call this wonderful. We are obviously expanding our resource activity in Alberta, but we are also providing jobs for people in other parts of the country. When we start back in the hole, making holes out West, we buy our steel, perhaps from Hamilton. We buy all our whoopees—pick-ups for those people who do not know what a whoopee is—from either Windsor or Oshawa. We buy a lot of our compressors out of Quebec and, yes, we even purchase some of our valves from New Brunswick.

I had the opportunity of visiting Fort McMurray and Cold Lake last spring with a few of my colleagues. I would suggest that some of the other people in the House should expose themselves to what are the oil and gas industry spinoffs. What helps one region can certainly help another. In conclusion, I want to say that it is not just—

Mr. Waddell: What about Petro-Canada?

Mrs. Sparrow: I will discuss Petro-Canada with the Hon. Member, but it would take two or three hours and it is not relevant to this particular Bill.

Mr. Mayer: Mr. Speaker, I should like to make a brief comment, if I may. For those of us who are in the House and spend some time here, I should like to congratulate the Hon. Member for Calgary South (Mrs. Sparrow), who just made her speech, and the Hon. Member for Vancouver-Kingsway (Mr. Waddell), who just asked a question. We do ourselves some service when we have civility and serious debate in the House. It is really unfortunate that people like the Hon. Member for Yorkton-Melville (Mr. Nystrom) and the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) could not be in the House a little more regularly. We should act as though we are people trying to do the best we can on behalf of the people who sent us here. It is unfortunate for people who choose to watch this kind of debate to see the harangues which occur all too often. When we have a useful discussion, Hon. Members rise, talk about the issue and put some points on the record. They should be commended for the way in which they conducted themselves.

Some Hon. Members: Hear, hear!

Mr. Kindy: Mr. Speaker, I should like to make a comment. I appreciated the speech of the Hon. Member for Calgary South (Mrs. Sparrow). I think she indicated the reality of the situation. The reality is that when the national energy policy was brought in, the prices of oil and gas were rising, contrary to what the Hon. Member for Yorkton-Melville (Mr. Nystrom) said. Once the national energy policy was established, things deteriorated. There was unjust treatment of the oil industry. Whether they are small or large firms, they are working for Canadians. Whether they are foreign-owned or Canadian-owned, they produce goods and services in Canada.

Our Government has given us the opportunity to re-establish confidence in the oil and gas sector, and I am very proud to be part of the Government.

Mr. McDermid: Mr. Speaker, my question is directed to the Hon. Member for Calgary South (Mrs. Sparrow). As I understand it, she has been involved in the energy industry. There is a perception across Canada, among those people who do not know the industry, that five or six large companies do all the work. We hear about exploration. I think many people picture Imperial Oil picking up its rigs, heading out and doing exploration work; that just the big companies are involved.

Could she enlighten the people who are watching the debate today, as well as those who will read *Hansard*, about the myriad of people involved? Who does the exploration, the supplying and that type of thing of this kind of work?

Mrs. Sparrow: Mr. Speaker, I thank my hon. colleague for his question. He is quite right that there is a myth out there that perhaps five or six multinational companies do most of the exploration, development and production.

With regard to conventional oil, most exploration and production is done by small independents. In the frontier areas or on the Canada Lands, most of it is done by major companies; there is no doubt about that. However, we have joint ventures. Oftentimes two or three smaller independent companies will work together in a consortium, put up so much of the working principal and take back some of the funds on a percentage basis. A number of small independents are involved. If I were to quote the figure, I am sure it would be close to 400.

The small independents are really the big workers in western Canada; there is no doubt about that. I am speaking about Saskatchewan, Alberta and into B.C. where we have more gas plays. They lend themselves not only to exploration and production; they are also what I would call the hard community workers in terms of various community operations or even into oil and gas, like IPAC and CPA. These gentlemen participate in and help oil companies to work together. Independents are by far the biggest explorers in Alberta and Saskatchewan. However, when we get into the frontiers, it is definitely the larger companies, that are involved.

The Acting Speaker (Mr. Paproski): The period provided for questions and comments is now terminated. I see the Hon. Member for Thunder Bay-Nipigon (Mr. Epp) seeking the floor. Is he prepared to call it one o'clock?

Mr. Epp (Thunder Bay-Nipigon): Yes, Mr. Speaker, I would like to call it one o'clock and be held over until after three o'clock.

The Acting Speaker (Mr. Paproski): Yes, the Hon. Member will be recognized then.

It being one o'clock, I do now leave the chair until two o'clock later this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 22

[*English*]

ENVIRONMENTAL AFFAIRS

ST. CLAIR RIVER CHEMICAL SPILLS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the lesson we are learning from the St. Clair River is that whatever industry discharges into air, water, and soil eventually becomes a burden to the public purse. What Occidental Chemicals did in the Love Canal has become a threat to health in communities taking drinking water on either side of the Niagara River. Now we learn of Dow Chemical's nine spills into the St. Clair River at Sarnia between January and August, 1985. These consisted of 8.9 million litres of dirty acidic water; 4,400 litres of ethylene glycol; 2,500 kilograms of ethylene dichloride; small amounts of perchloro ethylene, a cancer-causing dry-cleaning substance; 800 litres of styrene and ethylbenzene; 13,368 litres of propylene oxide derivatives which cause cancers in animals; 41,000 litres of perchloro ethylene. Industry knows what it discharges daily into the environment. The public does not.

The St. Clair River is international water. So is the Niagara River. We have a responsibility to keep them clean because of the 1978 Great Lakes Water Quality Agreement. If industry does not know how to police itself, then Governments must impose stiff controls and penalties. The Canadian Environmental Law Association is right in demanding a judicial inquiry. At the same time the Government of Canada must impose along the St. Clair River stringent controls on daily industrial discharges to protect public health from now on.

If we do our part in implementing the Water Quality Agreement in the St. Clair River, then we will have a stronger voice—

Mr. Speaker: The Hon. Member's time has expired.

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WAR CRIMINALS

PARLIAMENTARY STUDY GROUP—MEDIA REPORTING

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, the concern many Canadians feel about the Royal Commission given Mr. Jules Deschênes to inquire into the presence in Canada of alleged Nazi war criminals has led to the establishment of a parliamentary study group on the Canadian Nazi war criminal inquiry. Media reporting of the activities of this group has, unfortunately, tended to increase rather than allay concern.

Almost two weeks after the members of this group heard a critical treatment of the U.S. Office of Special Investigations which has been pursuing deportation proceedings against alleged war criminals in the U.S., *The Globe and Mail* reported the meeting and described members of the group as opposed to the commission seeking evidence in the Soviet Union. *The*

Globe and Mail has not yet reported that I, as one member, believe Canadian courts could make proper use of Nazi records and other legitimate evidence to be found in the Soviet Union. Nor has it reported on the presentation that the group heard the next day, November 6, from Professor Irwin Cotler, speaking on behalf of the Canadian Jewish Congress.

Many members of this parliamentary study group are determined to maintain the balance required of Members of Parliament. They wish to inform themselves in anticipation of the Government's receiving the report of the commission. They are also concerned about achieving better understanding among the ethnocultural communities of Canada and think that their activities may contribute to that end.

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CANADA POST CORPORATION

MARCHMENT COMMITTEE RECOMMENDATIONS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I wish to applaud and endorse the basic thrust and direction of the Marchment committee's report on the mandate and productivity of the Canada Post Corporation. Over the past year I have received many complaints from residents of Don Valley East, most of whom are upset about the quality of service. It simply takes too long for a letter to be delivered. Seniors are hard pressed when pension cheques arrive late. Small-business owners are pressed to the wall when delays occur in receiving orders and payments. Most of the people I spoke to were against the decision to increase postal rates a few months ago. They wanted the service to improve first.

Now, at last, we have a set of strong recommendations and sensible objectives. The new standards of delivery for first and second class mail will be welcomed. A letter must be delivered in two days.

There is also a huge public relations job to be done. Most people speak well of individual postal employees they meet. However, they are fed up with the threats of strikes and the below par service. It was encouraging to see that the committee recommends a contingency delivery system in case of a national emergency. The recommendation to reduce absenteeism to normal industrial levels is a must.

While privatization was rejected at this time, I was pleased to see it will be considered in 1990 if service and financial self-sufficiency goals are not met. Most Canadians will welcome the committee's tough—

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

S.O. 22

WAR CRIMINALS

COMMISSION'S DECISION TO SECURE EVIDENCE IN SOVIET UNION

Mr. Alex Kindy (Calgary East): Mr. Speaker, Justice Jules Deschenes has delivered his decision with regard to the taking of Soviet evidence. This decision falls far short of the expectations of many Canadians.

Presently the Soviet Union is engaged in a war in Afghanistan, a war the Soviet Union began as an invader in 1980. Since that time about 5,000 Soviet soldiers have been killed and an unknown larger number wounded. The Afghans have had their homeland ravaged and five million refugees have fled their homes. They have been uprooted by an invader that has the audacity to claim it was invited. These tactics are not unlike the tactics of Nazi Germany and the Soviet Union during the Second World War. There is no regard for the inviolability of borders, there is no regard for the population, and there is no regard for their own military forces.

It is ironic that the Deschenes Commission feels evidence can be gathered in the Soviet Union, a country with a record on human rights violations that is second to none. It is not inconceivable that five million innocent victims of the war in Afghanistan may some day be accused of war crimes and one can be sure that the Soviet Union will be more than willing to supply evidence against them.

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[*Translation*]

TAXATION

VALUE ADDED TAX—CONSEQUENCES FOR SMALL BUSINESS

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, the Conservative Government is considering the possibility of introducing a value-added tax system to replace the federal sales tax. Such a decision would be disastrous for small businesses. The administrative costs would be very heavy, for exemptions would very likely create confusion. A value-added tax system would require 1.4 million new tax licenses and an extension of the bureaucracy.

One of the hundreds of promises which the Conservative Party had made before the September 4, 1984, election was to ease quickly and significantly the burden resulting from overwhelming regulations and red tape.

In Sherbrooke, on July 26, 1984, the Prime Minister stated: "Private sector is the engine of economic growth, and small and medium size businesses are its key elements". Now that he is in power, the same leader is entertaining the notion of setting up a tax system which would betray the promises he had made before the election.

S.O. 22

[*English*]

AGRICULTURE

LIVESTOCK BLOOD-TYPING LABORATORY

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, last Thursday Agriculture Canada officials overruled the recommendations of the Department's study by announcing the privatization of the only cattle and horse blood-typing laboratory in Canada. This action shocked livestock breeders and could cost the industry millions of dollars.

Using the same principles of blood-typing used in human paternity suits, this lab solves disputes involving embryo transfers in cattle and resolves questions of parentage in expensive thoroughbred horses. Clearly, large amounts of money are at stake.

In view of this, and in view of the obvious need for the strict integrity, confidentiality, and continuity well provided by the federal lab, it seems absurd that this important service will be privatized on April 1. What makes it seem even more absurd is that the program did not cost the Government a cent. It was run on a break even basis.

Quite understandably, the breeders are worried and upset. They are concerned about the prospects of higher testing prices as a result of a private monopoly taking over, but they are also concerned about a sudden decline in international confidence in the records of Canadian breeders. On behalf of the cattle and horse breeders of Canada and on behalf of the livestock industry in general, I call for this decision to be rescinded immediately.

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WAR CRIMINALS

COMMISSION'S DECISION TO SECURE EVIDENCE IN SOVIET UNION

Mr. William G. Lesick (Edmonton East): Mr. Speaker, yesterday the Deschenes Commission decided that it would send representatives to the Soviet Union and Poland to obtain evidence on possible war criminals in Canada. In Edmonton, 80,000 Canadians of Ukrainian origin, as well as Canadians of Lithuanian, Latvian, Estonian and other origins are deeply concerned over this decision. This decision leaves me asking a number of questions about the safeguards and conditions requested by the Commission to protect our own citizens. Our primary concern should be to protect Canadians from potential falsified evidence used against them by the Soviet Union.

● (1410)

Can we trust Soviet authorities to respect the independence of our own inquiry? Will they not interfere with our Canadian legal traditions while the Commission is conducting examinations in the Soviet Union? If the Commission is to seek Soviet evidence then it must agree, first, to guarantee in writing that all documents are absolutely genuine; second, evidence heard by witnesses will be obtained according to Canadian law free from Soviet interference; and, third, interpreters must be Canadian.

We should always be mindful that the Soviet Union has rewritten its own history to fit its own views and philosophy. The Commission should not use any information that cannot be verified through sources and evidence obtained in the democratic and free world. To do otherwise could condemn innocent Canadians.

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ENVIRONMENTAL AFFAIRS

ST. CLAIR RIVER—TESTING OF WATER SAMPLES

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, I am pleased to inform all Members and the Canadian public that the Ministry of the Environment tests of treated water samples at four St. Clair area water treatment plants have shown no detectable dioxins in any form. We are assured that the St. Clair River area drinking water poses no threat to our health.

I would like to applaud the Minister of the Environment (Mr. McMillan) for responding in a most responsible and effective manner. Mobilizing an urgent scientific investigation into the sources of chemicals and directing water samples to be taken every two hours are proof positive that the Government is committed to acting in a professional and positive manner on environmental concerns. The St. Clair River issue has been plagued by many who inaccurately reported the events. Such irresponsible actions have, unfortunately, caused undue stress for many and a possible blight on our community. This should never have happened. The Minister recognized this. He exercised great care to ensure that the reports were completely and professionally reported. The St. Clair River situation is being addressed by four Government agencies spending a total of $8 million over the next two years. Those who have spoken on this issue should make sure that they are bound by the standard practice of data quality assurance. Failure to do so indicates an unseemly haste to condemn an entire area by innuendo, a practice which serves no one.

* * *

[*Translation*]

WOMEN

EQUALITY OR INDEPENDENCE

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I want to inform one of my colleagues, who was amazed and felt betrayed by the absence of any Canadian symbol and by the presence of an alleged separatist poster at the Quebec Trade Mission in New York. I had a chance to go to New York last week for the Conference of Women Leaders in North America.

I was therefore able to have a look at what the Hon. Member referred to two weeks ago. Contrary to what he

suggested, there is no separatist poster in the office of the Mission head, but rather a poster with the slogan "Equality or Independence".

For the benefit of those men and women who are not aware of the meaning, I want to emphasize that this is the title of an important report published by the Quebec Council on the Status of Women. That report dealt with the Quebec Government's action strategies for implementing non-sexist policies, policies that would better respect the rights of women. This is indeed one of the most significant reports on feminist policy in Canada.

That therefore is in no way a separatist poster, unless feminists are to be branded as such. Further, I would invite him to come and see that poster in my own office here in Ottawa. My honourable colleague had no reason to feel humiliated by the Quebec Government. The next time he sees what to him looks like a separatist poster in French, I will be pleased to translate it for his benefit.

* * *

[*English*]

WAR CRIMINALS

COMMISSION'S DECISION TO SECURE EVIDENCE IN SOVIET UNION

Mr. Andrew Witer (Parkdale-High Park): Mr. Speaker, although Justice Jules Deschénes' decision on the taking of Soviet evidence has outlined several safeguards, it has ignored safeguards which must be in place before any agreement is reached.

Justice Deschénes makes no mention of the right of the accused to be represented by counsel and to receive notice. There is no mention that examination of evidence will be taken on neutral territory where forensic examination and verification of the authenticity of the documents will be guaranteed. There is no mention that witnesses should and would be free to travel to Canada to give their testimony, and that they and their families would be free from retribution after testifying.

Before any travel is undertaken all the conditions must be agreed to in writing, and all the conditions must be maintained. The slightest deviation from the conditions set out should immediately nullify the agreement. There can be no allowance for the taking of evidence by anyone other than Canadian authorities. Justice Deschénes' conclusion that, barring unforeseen circumstances, the evidence be elicited by deputy commissioners leaves the door wide open for Soviet authorities to impede the justice procedure.

The rights of Canadians must be protected, and every guarantee protecting those rights must be in writing. It is not enough to say that the Commission will insist that they be accepted and observed. All the conditions must be accepted in writing and observed, or they will not be worth the paper they are written on.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF NEWFOUNDLAND MINISTER OF THE ENVIRONMENT

Mr. Speaker: May I advise Hon. Members of the presence in our gallery today of the Hon. John Butt, Minister of the Environment for Newfoundland and Labrador.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*Translation*]

AUTOMOTIVE INDUSTRY

FEDERAL GOVERNMENT'S CONTRIBUTION TO HYUNDAI PROJECT—CONDITIONS IMPOSED

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to direct my question to the Prime Minister who has just entered the House.

Yesterday I asked him whether he could indicate to the House the nature and extent of the federal Government's participation in the Hyundai project, but he declined to answer.

Now that he realizes the growing interest in this matter, and given the fact that his planning and priorities committee met this morning, or so I have been told, is he now in a position to tell the House the nature and extent of the federal Government contribution, and what conditions Hyundai will have to meet to obtain Government assistance?

Right Hon. Brian Mulroney (Prime Minister): The answer will be given at the proper time, Mr. Speaker, but I can say that, as far as I know, considerations at the provincial and federal levels have been deemed to be objective and quite reasonable under the circumstances.

Last August 27 the federal Government announced that Hyundai had decided to come to Canada, and a research program was begun to find a location satisfactory to the company, and this has been done. There was such a program and I should think that the results are promising for Quebec and Canada as a whole.

Oral Questions

INQUIRY WHEN GOVERNMENT WILL GIVE DETAILS ON HYUNDAI PROJECT

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, the Prime Minister keeps repeating that he or his Government reached an agreement with Hyundai nearly three months ago, last August 29, yet it would seem that the federal Government has been unable to make a decision on the nature of its own participation in this project. Just how much longer will Canadians have to wait to know where the matter stands? The agreement was concluded over two and a half months ago.

[*English*]

An Hon. Member: There was no question.

Mr. Speaker: Questions? The Right Hon. Leader of the Opposition.

[*Translation*]

REQUEST FOR DETAILS CONCERNING HYUNDAI PROJECT PERTAINING TO CANADIAN CONTENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Right Hon. Prime Minister.

Car manufacturers in Canada have always been obliged to provide guarantees they would use made in Canada parts in their assembly plants, before they would be allowed to sell their cars in Canada.

Apparently, the Canadian Government neglected to insist on this kind of guarantee in the case of Hyundai, thus depriving Quebecers of 16,000 jobs—

An Hon. Member: 1,600 jobs.

Mr. Turner (Vancouver Quadra): —I meant 1,600 jobs.

My question is as follows: Why did the federal Government neglect to negotiate a guarantee with Hyundai that the Canadian content rule would be followed as it always has been in Quebec?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, first of all, the Leader of the Opposition may not have all the facts. Last February, Hyundai announced it would be investing $25 million in Ontario to set up an automobile parts plant. This proves that the company is prepared to manufacture parts in Canada, and I can inform the House that the President of the Automobile Parts Association, Mr. Lavelle, was both very interested and very satisfied at the time.

REQUEST FOR CLARIFICATION CONCERNING 1,600 JOBS THAT COULD BE SACRIFICED IN HYUNDAI PROJECT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a supplementary. Unfortunately, there is no agreement between the Government of Canada or the Government of Quebec and Hyundai to ensure that the Canadian content rule is followed in manufacturing parts for Canadian automobiles. There is no guarantee, and the Government has therefore sacrificed 1,600 more jobs in this matter.

Would the Minister care to comment?

• (1420)

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, I see the Leader of the Opposition does not have his facts straight and is relying on rumours.

The fact that Hyundai has already started investing $25 million means that the company and the Canadian Government are already communicating and negotiating satisfactorily.

Mr. Speaker, in any case, Hyundai and the Canadian Government have not yet concluded an agreement. We are still at the negotiating stage.

SAFEGUARDING OF JOBS IN QUEBEC—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the agreement was even announced by the Government of Quebec as a *fait accompli*.

My question is still directed to the Minister. If we let Canadians buy more cars containing parts manufactured in Southern Korea instead of here in Canada, this is going to cost us jobs at General Motors in Ste-Thérèse and elsewhere.

Could the Minister inform the House how he intends to safeguard jobs in Quebec, considering the agreement with Hyundai?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I know that the Liberals, especially the Quebec Liberals and in fact all Quebec Liberals remain silent when 2,000 new jobs are about to be given to this province.

I know you are upset and I know they are upset. I know they are upset, because for the first time in 20 years, a major part of the automobile industry is going to be shared fairly across the country, including Quebec.

We are concluding agreements pursuant to our joint agreements with the Government of Quebec, and in view of the absence of the Minister of Regional Industrial Expansion, details will be announced when and as appropriate. I can tell you one thing: Quebecers and Canadians will be very pleased with Hyundai's coming to Canada.

INQUIRY WHY CERTAIN GUARANTEES HAVE NOT BEEN OBTAINED

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is for the Prime Minister. It does not concern the jobs

which have been created, but the 1,600 jobs which are indirectly involved and which will not be created without a guarantee from the company to the Government.

Can the Prime Minister explain why the Government did not obtain a guarantee from the Hyundai Company to create indirect employment in the manufacture of automotive parts since this was done in the case of other investments made by automobile companies in Canada? Why has no guarantee been given, according to the administrators of the company itself?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member will see that the conditions for job creation in the case of Hyundai will be at least as interesting as they have been for all other automobile companies in Canada.

Quebec and Canada will benefit from this new high technology industry which will locate in this country.

INQUIRY WHY GOVERNMENT HAS NOT DEMANDED PRECISE GUARANTEES

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my supplementary is as follows. No Canadian consumer would purchase a Pony, a GM car, a Renault or any other kind of automobile without a specific guarantee that this car would receive maintenance services for one, two or four years.

Why did the Government not obtain a similar guarantee from Hyundai in return for its investment of $200 million in this company? Why is there no guarantee?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that is so negative. All the usual conventional guarantees will be announced in due time, as they should be.

I would have thought that the NDP Members who rise in this House to speak about job creation problems in Montreal East would be unanimous today in congratulating us on this magnificent achievement of job creation in Quebec. Stop complaining!

* * *

[*English*]

TRADE

ROLE OF CANADIAN NEGOTIATOR

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Prime Minister. Yesterday the Prime Minister said that the employment of the chief negotiator for trade would be on a part-time, temporary basis. I believe those were the words he used in the House. An incredible amount of work must be done in preparation since there has, as yet, been no consultation with the provinces or the private industrial groups. Surely it is necessary to have someone without corporate attachments doing this job on a full-time basis.

In the role that Mr. Reisman will play on a temporary basis, will he be involved in discussions on trade negotiations with the cabinet committee? Will he be involved in laying out the strategy and developing plans with the individual sectors? If so, does the Prime Minister believe that it is proper under the circumstances, when Mr. Reisman still has his private business attachments?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, may I say that I saw the quite unseemly and pejorative allusions made by the Hon. Member about Simon Reisman and I think he should take them back, because Simon Reisman's record of accomplishment in this country in the service of Canada is second to none.

Some Hon. Members: Hear, hear!

Mr. Mulroney: As I indicated yesterday, when we receive the signal—as I hope we shall—that would transform this into the kind of employment that my hon. friend refers to, obviously all the appropriate steps will be taken and there will be no difficulty at all. I know that my hon. friend would agree that that is the honourable course.

Mr. Axworthy: I suggest to the Prime Minister that he go back and read the articles. I was questioning his bad judgment, not Mr. Reisman's character.

REQUEST FOR COMMITTEE REFERRAL OF APPOINTMENT

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, the Prime Minister will recall his September statement about the reference of Order in Council appointments to a committee of Parliament. Will the Prime Minister make a commitment now that Mr. Reisman's appointment will be submitted to a committee of Members of Parliament so that we can properly question him about his terms of employment, his views on trade, and his business attachments?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will be delighted to do that if the Hon. Member will promise that when Mr. Reisman comes he will not hightail it out of town and hide again.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Axworthy: At least I wasn't in Florida, Mulroney.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order.

[*Translation*]

AUTOMOTIVE INDUSTRY

REQUEST FOR DETAILS CONCERNING HYUNDAI PROJECT

Hon. Edward Broadbent (Oshawa): My question is for the Minister of State (Small Businesses). The Minister has indicated that the Government is negotiating with the Hyundai firm, but the Government has already made a decision concerning the financial assistance. My question is simple: Why guarantees to the firm first and negotiations later?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have already answered that question and said that the whole thing was being done under objective criteria and following the proper procedure, and that a statement would be made in due course.

[*English*]

REQUEST FOR CLARIFICATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, will the Prime Minister clarify for the House if he is saying that the Government of Canada has put up hundreds of millions of dollars in taxpayers' money—from Quebecers as well as other parts of Canada—and has already guaranteed that to Hyundai so that they know they will get their money, but has not obtained a commitment from Hyundai to install a parts production facility? What kind of nonsense is that?

Right Hon. Brian Mulroney (Prime Minister): First, Mr. Speaker, both aspects of the premise to the question are false. There is no question of hundreds of millions of dollars being put up. I believe that the amounts being discussed are very reasonable in the circumstances and are pursuant to objective standards. I can assure my hon. friend that all the appropriate and conventional guarantees in this area will have been secured before the matter is finally concluded.

Mr. Broadbent: We are seeing the kind of negotiation we can expect between the Government and the United States on much broader and more serious matters. We will not hold our breath.

Some Hon. Members: Oh, oh!

FEDERAL FUNDING

Hon. Edward Broadbent (Oshawa): Is the Prime Minister telling the House that he acknowledges that at least millions of dollars of taxpayer money have been offered to Hyundai but they have not committed themselves to producing parts which would provide additional thousands of jobs in the Province of Quebec? Is that what the Prime Minister is telling us?

• (1430)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, why is the Hon. Member so persistently silly?

Some Hon. Members: Oh, oh!

An Hon. Member: He works at it.

Mr. Mulroney: I know he works at it. Do not hold your breath.

Some Hon. Members: Oh, oh!

Mr. Mulroney: In point of fact—

[*Translation*]

An Hon. Member: What will be the Canadian content? Answer that question.

Mr. Mulroney: I can hear an Hon. Member from Quebec who is whining. You are unhappy, I know, because we are creating jobs in Quebec! You are unhappy because of that.

[*English*]

I thought that I had responded fully to my hon. friend.

On August 27 last the company announced its intention to come to Canada. In the same press statement there was an indication that an engineering firm had been retained to seek an appropriate location in the country. That was found.

Whatever assistance is provided by provincial and federal Governments is entirely conventional and appropriate. It is helpful to the attraction of this very important industry to a province which has suffered very high unemployment rates, and I know my hon. friend wants to be helpful in bringing those down. It was all done in the normal and helpful course of business, and I know that my hon. friend agrees with that. There have been no undertakings that in any way vitiate our commitment to those guarantees. This will all be made abundantly clear.

Mr. Broadbent: What guarantees?

[*Translation*]

INQUIRY IF CANADIAN CONTENT GUARANTEED IN HYUNDAI AGREEMENT

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Prime Minister.

Mr. Prime Minister, I am under the impression that once again Quebec is being taken for a ride. With respect to the Hyundai contract in Bromont, could you tell the House whether the company has guaranteed a Canadian content not only for the assembly line but also for the manufacturing of parts? Has the company guaranteed a given Canadian content and if so, what is the figure?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will not comment on my friend's remark but I can tell him that Quebecers from all over the province are tired of his vulgar remarks in the House.

A good 2,000 jobs have been created in the car industry in Quebec and the Member for Montreal-Sainte-Marie is unhappy. All Quebecers are most pleased with the agreements concluded between Quebec and the federal Government in compliance with the fair criteria used to settle all issues.

INQUIRY CONCERNING CANADIAN CONTENT IN AGREEMENT

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I have a supplementary. I should like to say to the Prime Minister that 52 per cent of Canadians disagree with his policy. I should like him in the first place to answer our questions. Quebecers want to know whether they were taken in. Has the company given some guarantees about the Canadian content in the manufacturing operations? And I would like to remind the Prime Minister that Bromont is not in the East End of Montreal. He was mixed up a while ago. Can he answer yes or no that the company has agreed to a Canadian content?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, actually, Quebecers on September 4, 1984, came to the conclusion that they had been taken in during the past 16 years and that it was time for a change. This is why they elected a new Government. We barely missed him the last time but it will be better next time. Carry on with your stupid remarks and the voters in Quebec will settle your case, and in a very short time.

* * *

[*English*]

AGRICULTURE

WESTERN DROUGHT—FEDERAL-PROVINCIAL DISCUSSIONS

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is for the Minister of Agriculture. It concerns the western drought agreement, or the lack of an agreement. The Minister told this House on October 25 that the provinces were not required to declare the drought zone a disaster area, that that was not necessary. Yesterday, however, the Minister indicated in the press that the federal decision is being delayed pending further discussions with the provinces.

Can the Minister tell the House specifically what are the provinces now being asked to do or to agree to before federal assistance can be announced? Specifically, what is being asked of them?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, my comments to the press yesterday were accurate. The Member should know that the Government is fully committed to providing some reasonable level of financial assistance to drought stricken western farmers. This Government is one that does not act unilaterally, and is one that believes in co-operation and consultation with the provinces, which is exactly what we are doing.

SIZE OF FEDERAL ASSISTANCE

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, can the Minister tell us specifically how many federal dollars he is prepared to put on the table? What is under discussion here in terms of dollars as the federal contribution?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the Hon. Member's interest with respect to the dollars, but the Member will know that this is not the time nor the place to make such an announcement.

Some Hon. Members: Oh, oh!

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CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

DECISION ON THIRD SASKATCHEWAN TELEVISION NETWORK

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is for the Acting Minister of Communications. Yesterday the Minister advised the House that the main purpose of the Cabinet's intervention into the CRTC licensing of the third TV channel in Saskatchewan was simply to seek information and not to question the CRTC ruling. Your cabinet order, Mr. Minister—

Some Hon. Members: Order.

Mrs. Finestone: —clearly refers the decision back to the CRTC for reconsideration and hearing, not for information. The Minister misled the House—

Some Hon. Members: Oh, oh!

Mrs. Finestone: —and I think was unaware of that.

Mr. Speaker: A question please.

Mrs. Finestone: Would the Minister care to admit that he misled the House, and would he care to withdraw his remarks?

[*Translation*]

Hon. Benoît Bouchard (Secretary of State and Acting Minister of Communications): Yesterday, Mr. Speaker, I tried to explain the process to the Hon. Member. I will try again today.

What we did was to ask the CRTC to reconsider some information concerning the Regina and Saskatoon markets as well as the situation in terms of revenue to make sure that surveys on contents were accurate and did not warrant a further ruling. Period! That is all we asked. We do not seek to change the ruling, we simply want additional information, and I suggest that it is exactly what the CRTC will provide.

[*English*]

GOVERNMENT POSITION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I would suggest that the Minister read the Privy Council order that came out of the office and then determine whether or not he has misled the House.

Some Hon. Members: Question.

An Hon. Member: Are you the Speaker?

An Hon. Member: Mind your own business.

Some Hon. Members: Keep quiet.

Mrs. Finestone: Excuse me.

Mr. Speaker: Order, order. A supplementary question. Just a question, please.

Mrs. Finestone: I would like to know whether the Minister now agrees that the Cabinet has set a dangerous precedent and that the Government is basically saying that the arms length independent CRTC regulatory body is not doing the job it is supposed to do. Is that what you are saying?

An Hon. Member: Order.

Hon. Benoît Bouchard (Secretary of State and Acting Minister of Communications): No, Mr. Speaker.

Some Hon. Members: Hear, hear!

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ADMINISTRATION OF JUSTICE

UNITED STATES FUGITIVES—LEGAL SUBMISSIONS

Mr. Alex Kindy (Calgary East): Mr. Speaker, my question is for the Minister of Justice. It concerns Charles Ng and Joseph Kindler. People in my riding are fed up about keeping these people in Canada.

We hear that the Minister of Justice has decided to give an extension of two weeks for the submission when he will hear arguments. Could the Minister tell us why he gave that extension?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, with respect to the case of Mr. Kindler, his counsel wished to have more time because he was recieving some evidence, I think it was from a psychiatrist. Therefore, I agreed to give another two weeks for him to make his submission.

The matter was dealt with justly. It will be seen to be dealt with justly. I am a just Minister of Justice, and that is why I gave the additional two weeks.

• (1440)

[*Translation*]

AUTOMOTIVE INDUSTRY

INQUIRY CONCERNING CANADIAN CONTENT UNDER AGREEMENT WITH HYUNDAI

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a question for the Right Hon. the Prime Minister.

As the Prime Minister would know, other car companies in Canada have to buy at least 50 per cent of their components in this country.

Here is my question: Mr. Speaker, what will be the Canadian content under the provisions of the agreement with Hyundai? Will the company have to buy at least 50 per cent of its components here in Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have already answered such questions on several occasions.

INQUIRY IF HYUNDAI WILL GUARANTEE 52 PER CENT CANADIAN CONTENT AS DID AMC IN BRAMPTON

Mr. Lorne Nystrom (Yorkton-Melville): In fact, Mr. Speaker, I think the answer is no. However, I have another question: Will Hyundai's Canadian content in Quebec be the same as that of AMC in Brampton, Ontario, which has to buy 52 per cent of its supplies here in Canada?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, Hyundai does not build cars in Canada, yet it already buys a lot of its parts in Canada. That is one proof. Besides, we have explained very—

Mr. Turner (Vancouver Quadra): Answer the question.

Mr. Bissonnette: Besides, if the Leader of the Opposition would listen, we have explained very clearly a few moments ago that last February the company had already announced a $25 million investment to make parts in Canada. Negotiations have been going on and you ought to be pleased about the number of jobs which will be created in Canada.

I can tell the Leader of the Opposition that I have seen Japanese and other foreign cars on Canadian roads for the past 15 years. What have you done during those 15 years?

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

ST. CLAIR RIVER POLLUTION—GREAT LAKES INSTITUTE INQUIRY

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of the Environment. The

Minister has repeatedly assured the House that he wants the best team of scientists available in the country to study the toxic chemical situation in the St. Clair River. Yet it now appears that the Great Lakes Institute in Windsor, which collected the samples in August, 1984, and is a key source of expert knowledge in this area, will be denied $100,000 to participate in the study. Could the Minister explain why?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I do not think any institute, even one as reputable as the one to which the Hon. Member referred in his question, has a monopoly on scientific truth. We have mobilized a high-powered team of scientists from across the country and the United States, involving many institutes, several universities, and different Departments of Government, both federal and provincial. If the Institute in question thinks that it can be more usefully involved in our activities, I would be glad to entertain a proposal from it directly.

INSTITUTE'S PROPOSAL

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I have a supplementary question. There is a proposal and, not only that, there is a willingness on the part of the Institute to participate in the study. I would rather hear the answer of the Minister of the Environment as to whether he can reassure us that the Institute was not denied $100,000 because of the desire of his Department to keep a lid on information.

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I find that question to be as offensive as it is unfair and inaccurate. The fact is that in a few moments time I will be releasing more scientific information on any environmental question of import to the Canadian people than has ever been released before by any Minister of the Crown.

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ABORIGINAL RIGHTS

HAIDA INDIANS' CLAIM TO QUEEN CHARLOTTE ISLANDS

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Prime Minister. Yesterday he ducked questions about the Haida Nation and what was happening in South Moresby. This is not an environmental issue. This is a constitutional issue which clearly falls under the purview of the Prime Minister. The fact is that the Haida claim is legally filed here in Ottawa with the Government of Canada. Will the Prime Minister do what he has done in other areas of Canada and open negotiations with the Council of the Haida Nation with regard to the South Moresby area? Right now they are being treated as criminals on land which they have occupied for more than 10,000 years.

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, frankly I am not sure why the Hon. Member continues to persist with this same line of questioning. I do not think it furthers the goals of either Parliament or the Haida people. It is exactly the same question which I was asked not once, not twice, but three times yesterday. My answer is the same. Those negotiations have been opened. We are proceeding with them. They are going well, and we have received no indication whatever from the Haida people that they are disgruntled with the way in which we are performing.

OPENING OF NEGOTIATIONS—GOVERNMENT POSITION

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is directed to the Prime Minister. I hope, before he goes to Geneva, that he will take some action on this matter. The Constitution recognizes the aboriginal rights of the Haida people. They need to be affirmed through a legal negotiation process which only the Prime Minister can undertake—

Mr. Speaker: Question, please.

Mr. Fulton: I ask my question on behalf of Canada's first citizens and the people of British Columbia. Will you get on your feet today and simply say that yes, you are prepared to open those negotiations, as you have in other areas of Canada? It is a crucial matter in British Columbia, and I plead with you again that you answer it in the affirmative—

Mr. Speaker: Order please. Questions and answers should be put through the Chair.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the question has been answered yesterday. My hon. friend does not have to issue any plea in this regard. He is aware of the commitment of the Government on behalf of the native peoples of Canada when we met with the provincial Premiers and tried urgently and desperately to seek a fair agreement on behalf of the native people of Canada. That we were unsuccessful at that time in no way diminishes our commitment toward equality, fairness, and justice for the native people. That has been the motivating force and will continue to be so in this case as well.

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ESTIMATES

FORECAST OF GOVERNMENT EXPENDITURES

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is directed to the President of the Treasury Board. He will know that Canadians continue to be disappointed at the rising cost of Government. While the increase in expenditures was comparatively modest in the recent Supplementary Estimates, when will the major impact of cost savings from the Nielsen task force be reflected in Supplementary Estimates? When will we see absolute decreases in Estimates as Canadians are demanding?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, there is no question that the Supplementary Estimates which I tabled last week indicated a very modest rise. As a matter of fact our programmed expenditures for the

first five months of the year are up by only 2.8 per cent, which is the lowest rate of increase in many years indeed. The Supplementary Estimates were well within the fiscal framework. We are tracking it and monitoring it on a very regular basis. We fully expect to be able to live within that fiscal framework for the rest of this year.

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FISHERIES

WORKSHOP ON NORTHERN FISHERIES

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, my question is directed to the Acting Minister of Fisheries. Could he explain to the House why he has deliberately refused to attend a Montebello workshop to develop a policy on northern fisheries and oceans, sponsored by his own Department, when his predecessor made a firm commitment to be there? Even more puzzling, why has he ordered his senior officials not to participate in that workshop, offending many northern native groups and industrial representatives?

Hon. Erik Nielsen (Deputy Prime Minister and Acting Minister of Fisheries): Mr. Speaker, the allegation contained in the last part of that question is utterly false, and in respect of the first part of the question, I was not invited.

Mr. Turner (Vancouver Quadra): We can understand why.

APPOINTMENT OF NEW MINISTER

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, the Prime Minister will know better, because he had a telephone call about this.

Mr. Nielsen: I didn't.

Mr. Penner: When will the Prime Minister appoint a full-time Fisheries Minister so that we do not have groups, like those at Montebello, being offended as they were yesterday and today, and so that our fishing industry is not ignored and confused as it has been for the last many months?

Right Hon. Brian Mulroney (Prime Minister): Tomorrow morning.

* * *

EMPLOYMENT

INCO WORKFORCE REDUCTION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Employment and Immigration. It concerns the fact that International Nickel Company of Canada has to reduce its workforce in the Sudbury basin by 1,200 workers. It has tried an early retirement plan, and only 375 workers took advantage of it. The company is now threatening 32-hour work-weeks, lay-offs, and plant shut-downs. What will the Minister do about this very sad and very serious situation?

• (1450)

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, it is my understanding that some 354 employees have agreed to early retirement. Another 217 have applied for special disability pensions. I also understand that the company is discussing with the union other measures which would ensure that no permanent long-term lay-offs take place.

CREATION OF JOBS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, the Minister's answer does not square with the facts. When can we expect some particular measures to create employment in the Sudbury Basin? We think this matter is very serious.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I agree with the Hon. Member. The matter is serious. That is why we are working under the Canadian Jobs Strategy to ensure jobs are created this winter as well as training for these people. As I mentioned to the Hon. Member earlier, we are also working with the province of Ontario to ensure special measures in this case. When that is finalized I have invited him to participate in that particular venture.

* * *

FINANCE

REQUEST FOR EXTENSION OF TAX YEAR

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, my question is directed to the Minister of Finance. Each year at this time mining and exploration companies have run into difficulties with flow-through shares are exploration work. Could the Minister tell this House if his Department will look into the possibility of extending the year end to January or February of the following year so the exploration work can be done in a more detailed manner?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I know the Hon. Member is expressing some very serious concern for the interests of the mining industry. I want to assure him that I have discussed this matter with members of the mining industry as well as with the Minister of State for Mines. It is under consideration and I very much appreciate his comments.

[*Translation*]

AUTOMOTIVE INDUSTRY

INQUIRY IF AGREEMENT EXISTS BETWEEN GOVERNMENT AND HYUNDAI

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Right Hon. Prime Minister.

I was at the press conference when it was announced that Hyundai would be coming to the Eastern Townships. We were told the Prime Minister had agreed to this major investment being announced, and I was given the assurance the federal Government had made a deal with Hyundai for construction of the plant in Bromont.

I would now like to know from the Prime Minister: Was there a deal when he talked about Florida with the Premier of Quebec? And is he now telling me that the deal is off and that the people of the Eastern Townships can no longer count on the federal Government going along with this venture?

Right Hon. Brian Mulroney (Prime Minister): Is the Hon. Member for Shefford against Hyundai coming to Quebec? Is that what he is trying to say? In that case, the question is—

Mr. Turner (Vancouver Quadra): He is asking you a question!

Mr. Mulroney: The Leader of the Opposition says he is asking a question. I answered the question and I say this is an entirely normal transaction. It is the kind of criteria that have been used to attract industry to various parts of the country.

The Government of Quebec and the Government of Canada have been working on this matter for some time.

I think that if we refer to these basic objective criteria, the Government has been successful in attracting this major industry to Quebec, on the basis, as I said before, of entirely conventional criteria.

So I would say that this is reason for the Hon. Member to rejoice, not to criticize.

ROLE PLAYED BY PRIME MINISTER

Hon. Jean Lapierre (Shefford): Mr. Speaker, what I am asking the Prime Minister is: Did he make a deal? What is the federal Government's contribution going to be? At the press conference, we were given to understand there would be 1,200 jobs plus 1,600 jobs indirectly, through sub-contractors.

Is the Prime Minister prepared to rise in the House and say: Yes, our signatures are on it, we have a deal; here is our contribution; here is the number of jobs guaranteed? That is what we want to know. We will certainly be rejoicing, but we want no surprises. We want to know whether the Prime Minister was playing politics or economics with respect to the assurances we were given.

Right Hon. Brian Mulroney (Prime Minister): I know that my hon. friend would like to sow the seeds of uncertainty in Quebec with respect to Hyundai. I think he has received all the normal and usual assurances that Hyundai is coming to Canada and Quebec, with all the advantages that entails.

I can give him further assurances. After the next federal election, I promise you will get a Hyundai dealership in the Eastern Townships, and then you can sell the cars!

* * *

[*English*]

HEALTH

REQUEST FOR BAN ON CIGARETTE ADVERTISING

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my question is directed to the Minister of Health and concerns a very broad policy issue surrounding cigarette advertising. Instead of relying on a counter advertising program to discourage people from smoking, which of course will only be a drop in the bucket compared to what the tobacco companies can put out, would the Minister not agree that it would be a far better policy to ban cigarette advertising altogether?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I agree with much of what the Hon. Member says, as well as in terms of the capacity, be it voluntary organizations or Government at both levels, to deal with it. There are other options to consider as well. I want to assure the Hon. Member that other policies on convincing Canadians that smoking is detrimental to their health will be forthcoming.

ANTI-SMOKING ADVERTISING CONTRACT

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, would the Minister now admit that there is some hypocrisy and conflict of interest in awarding the counter advertising program contract to McKim Advertising, a company which has a much larger contract to convince people to start smoking? We are giving them a few hundred thousand dollars to discourage people from smoking, when they make a lot more money encouraging people to smoke.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, both myself and others who have looked at it feel that the advertising campaign going forward is a good one. It is directed at youth. We have up to 30,000 smoke-related deaths in Canada in a given year and I think the Hon. Member should keep in mind that whatever measures we can use, and whatever number of young Canadians we can convince not to start smoking, that is a great advantage.

Ms. McDonald: It is not enough.

Mr. Epp (Provencher): My point is, yes, I would like to see even more money expended on that program. I do not see a

conflict because the contract was awarded on the basis of a recommendation by six civil servants.

* * *

AUTOMOTIVE INDUSTRY

LOCATION OF HYUNDAI PLANT IN QUEBEC—CANADIAN CONTENT INQUIRY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister and it relates to Hyundai and whether or not there is a deal. The Minister responsible for Small Business indicated that the deal had not yet been finalized. We are interested in the Canadian content involved. The vice-president of Hyundai said that last year they purchased $25 million worth of Canadian parts, which is about 2.5 per cent of the total deal. Is there a Canadian content guarantee? Do we have a contract? Did the Government of Quebec break out of the traces as the Minister of Public Works indicated? Do we have a deal or not, and what is the Canadian content? That is what we are asking for here.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have indicated that the transaction will be made public in the normal course of events. It follows conventional and objective criteria which will neither offend nor surprise Members of this House. It meets the objectives of successive Canadian Governments, including job creation.

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AGRICULTURE

WESTERN DROUGHT—SITUATION IN BRITISH COLUMBIA

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Minister of Agriculture who will know that British Columbia cattlemen in the drought zone have not yet received assistance and, as a consequence, are forced to reduce their herds. Is the reason for the lack of assistance the inability of the Government to enter successful negotiations with that Province? Is this also causing the hesitation in signing an agreement for all of western Canada?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the Hon. Member's question. The difficulty arises from the original assessment. Certain areas of B.C. were identified as being in the drought area but, unfortunately, others were not. I have had a number of representations made to me over the past number of weeks on this issue. I have asked our people in the field to try to secure funds which have already been committed. If there are some funds left over, and I hope there are, we can take a second look at some of the areas in his Province.

SURVEY OF AFFECTED AREAS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, when the Minister takes a second look does he take into consideration the geographical differences based on elevation as opposed simply to an aerial basis as applies to the Peace River country and the plains area? The problems in central British Columbia are often vertical in the sense that they are high up in the hills.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Hon. Member makes a very valid observation and recommendation. Had some of these matters been taken into consideration at the time of the original evaluation, then perhaps we would not find ourselves in these difficulties. However, the Hon. Member can rest assured that I am well aware of it and I will do my best in the final analysis, as I indicated earlier, to come up with a few extra dollars, dollars that have already been committed. If I do, I can assure him that they will be redirected in that area.

• (1500)

Mr. Speaker: One very short question. The Hon. Member for Laurier.

* * *

RESEARCH AND DEVELOPMENT

GOVERNMENT FUNDING

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Prime Minister. Last week Allan George, dean of the largest mathematics faculty in the country at the University of Waterloo, announced that he would be leaving Canada to go to the University of Tennessee. He said that he was leaving Canada because of the negative research climate in this country—

Mr. Speaker: Order, please. I asked the Hon. Member for a very short, immediate question.

Mr. Berger: Is this what the Prime Minister had in mind when he promised us jobs in the last election? Will the Prime Minister keep his promise to provide money for research in Canada and not the United States? Will he keep the jobs in Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, when we talked about creating jobs in the election campaign, that meant the 333,000 jobs the Government created in its first year.

Some Hon. Members: Hear, hear!

Mr. Mulroney: That compared with an average of about 70,000 jobs created by the previous Government will give the Hon. Member an idea of how far and quickly the country has come in terms of realizing its capacity. Part of that is stopping the brain drain to which my hon. friend referred, which

became a haemorrhage under the Liberal Government which drove them out of the country along with the job-creating equity capital. We are starting to bring it back so the country can realize some of its growth potential.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: Order, please. I have the honour to inform the House that the petition presented by the Hon. Member for York South-Weston (Mr. Nunziata) on Monday, November 18, 1985, meets the requirements of the Standing Orders as to form. The petitions presented by the Right Hon. Member for Yellowhead (Mr. Clark) and the Hon. Member for Swift Current-Maple Creek (Mr. Wilson), by filing with the Clerk of the House, also meet the requirements of the Standing Orders as to form.

[*Translation*]

Mrs. Mailly: Mr. Speaker, I rise on a point of order.

Mr. Speaker: The Hon. Member for Gatineau (Mrs. Mailly) on a point of order.

* * *

POINT OF ORDER

OFFICIAL REPORT—ALLEGATION CONCERNING A MEMBER

Mrs. Claudy Mailly (Gatineau): Contrary to what was reported in yesterday's *Hansard*, I have never refused to go to a meeting last week-end to deal with family allowances. The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) has made an allegation to that effect during a debate and I want to set the record straight.

Such dishonest and devious methods are an insult to the House of Commons, Mr. Speaker. I have never been—

Mr. Speaker: Order, please!

[*English*]

I think the Hon. Member has learned about the unhappy practice of claiming a point of order to make a statement.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MONITORING OF RADIATION TESTS AT NANOOSE BAY

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I have the honour to present a petition from a very large number of residents of British Columbia, and particularly residents of Vancouver Island, who have become very concerned over the years about the radiation monitoring tests of waters adjacent to the base at Nanoose Bay, British Columbia. They have become concerned that there has been no monitoring of the procedures used for these tests and that there has been no public inquiry to hear the concerns of the people about the tests, and they therefore humbly beg the House to ensure that a public inquiry is held before the agreement between Canada and the United States on testing is renegotiated.

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I have a petition from some people in Canada who are protesting the deindexation decision on family allowances. They point out that the accelerated cut-backs in child benefits, which will reach $600 million annually by 1990, on top of other increases to sales taxes, excise taxes and so on make it very difficult for middle and low-income families and they therefore request the Parliament of Canada to rescind the unfair tax measures.

MONITORING OF RADIATION TESTS AT NANOOSE BAY

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I have the honour to present two petitions. One is signed by Canadians from Winnipeg who are also concerned about the present agreement between Canada and the United States with respect to the Canadian Forces maritime experimental and test range in Nanoose Bay and who ask that a public inquiry he held before the present agreement is renegotiated.

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I also have the pleasure to present a petition on behalf of many of my own constituents and others from Winnipeg who are protesting the deindexation of the family allowance and who want Parliament to do something about the deindexation and have full indexing reinstated.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I also have two petitions. I have the honour to present first a petition from—

[*Translation*]

—the Federation of French Canadian Women of the Sudbury area, including the municipality of Chelmsford.

[*English*]

These persons who have signed the petition call upon the Government to withdraw the deindexing of the family allowances and they call upon the Government specifically to re-establish full indexation to family allowances.

Petitions

UNEMPLOYMENT INSURANCE—PENSION INCOME DEDUCTIONS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my second petition comes from members of the United Food and Commercial Workers Ontario Retail Council which covers the Province of Ontario. There are some 300 signatures to this petition and those who signed it protest the changes in the unemployment insurance program which would see pension income used as earned income for unemployment insurance purposes. They call upon the Government to return the unemployment insurance program to its original position whereby pension income was not considered earned income for unemployment insurance purposes.

MONITORING OF RADIATION TESTS AT NANOOSE BAY

Mr. Neil Young (Beaches): Mr. Speaker, I too have several petitions to present today. The first one is signed by a number of individuals from various communities across the country including my own constituency who state that the agreement between Canada and the U.S. that authorizes the use of Nanoose Bay in British Columbia as a maritime experimental test range is inadequate in several areas and does not safeguard Canada's sovereignty. They ask that a public inquiry be held prior to the present agreement's renegotiation in order to investigate those concerns and to recommend appropriate action.

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Neil Young (Beaches): Mr. Speaker, my second petition is from Canadians who live in Montreal and other Quebec centres who state that the deindexation of the universal family allowance is an unfair attack on women and families. They state further that this attack will not be offset by changes to the child tax credit and that other tax increases in the May Budget will place an unfair burden on low and middle-income earners.

[*Translation*]

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I wish to table two petitions. The first one is signed by a number of my constituents from Ottawa Centre and some other people of the Ottawa area who oppose the Government's decision to deindex family allowances and urge the House of Commons to reinstate full indexation of family allowances and rescind unfair tax increases.

PRESENCE OF NUCLEAR WEAPONS IN CANADIAN WATERS—CALL FOR PUBLIC INQUIRY

Mr. Mike Cassidy (Ottawa Centre): The other petition is from Canadians residing in the Province of Quebec who are concerned about the presence of Americans on the Maritime Experimental Range in Western Canada as well as the presence of nuclear weapons on board American ships, urging the House to hold a public inquiry before an agreement is negotiated with the Americans on the use of the Maritime Range.

[*English*]

IMPROVEMENT IN POSTAL SERVICE REQUESTED

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have the honour to present a petition which was circulated by the Letter Carriers' Union of Canada and it contains some 70,000 names. I would like to inform the House that these petitions are continuing to come in. What they call for is that the service of Canada Post be made a number one priority—

• (1510)

Some Hon. Members: Oh, oh!

Mr. Keeper: Hon. Members opposite may laugh but Canadians want better service.

These petitioners call for basic customary services, such as door-to-door delivery, six day delivery to rural areas, six day accessibility to wicket and postal services and prompt service at reasonable rates. They call upon the Government to cease and desist its plans to privatize Canada Post.

Some Hon. Members: Hear, hear!

MONITORING OF RADIATION TESTS AT NANOOSE BAY

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, it is my honour and responsibility to present a petition from citizens of Cowichan-Malahat-The Islands regarding the Canadian Forces Maritime Experimental and Test Range at Nanoose Bay, British Columbia. They are very concerned about the radiation monitoring situation and about the naval policy of the United States which neither confirms nor denies the presence of nuclear weapons. They are concerned about the economic impact of the testing agreement. Therefore, they call upon the House to hold a full public inquiry before the present agreement is negotiated.

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, it is an honour and my duty to present petitions from residents of northwestern Ontario, primarily from the City of Thunder Bay, who protest the deindexation of the universal family allowance program. They point out that this will not be offset by changes to the child tax credit and that even the poorest families will be worse off by 1990 and will fall further and further behind. They call upon the House of Commons to reinstate full indexation of the family allowance.

IMPACT ON FOREST INDUSTRY OF U.S. PROTECTIONIST MEASURES

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I have the honour and the privilege today to present a petition signed by residents of the communities of Hudson and Sioux Lookout

who call upon Parliament and the Government to intervene on their behalf by discouraging the United States Congress from passing into law unfair protectionist measures aimed at Canada's forest industry.

MONITORING OF RADIATION TESTS AT NANOOSE BAY

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I have the privilege to present a petition signed by numerous residents of the communities of Armdale, Halifax and Dartmouth, Nova Scotia, concerning the Nanoose Bay test range in British Columbia. They state their concerns and worries about the use of this range by the United States of America and petition Parliament to authorize a public inquiry into its use and misuse.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I have the honour to present a petition signed by 60 people from the northern Okanagan area of British Columbia regarding the procedures for and the results of the radiation monitoring tests of waters part of and adjacent to the Canadian Forces maritime experimental and test range at Nanoose Bay, British Columbia. They ask that these be made public. They are concerned about the presence of nuclear weapons on board U.S. vessels entering the said area. They suggest that the test range is unacceptable and are concerned about the economics of the test range on the local community. They are calling for a public inquiry.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the following questions will be answered today: 86 and 474.

[*Text*]

DEW LINE SITES

Question No. 86—**Mr. Nickerson:**

Is the Department of National Defence aware of the presence of polychlorinated biphenols at old DEW line sites in northern Canada and, if so (*a*) on what date does DND plan to remove these dangerous chemicals (*b*) what means of transportation would be used and what would be the method and location of ultimate disposal (*c*) what would be the estimated cost of satisfactorily removing and disposing of the PCBs?

Mr. Robert Wenman (Parliamentary Secretary to Minister of National Defence): 1. Yes. (*a*) The Department of Indian Affairs and Northern Development (DIAND) is responsible for the old DEW Line sites. DND agreed to provide assistance to DIAND in a clean-up project during the summer of 1985. DND personnel and aircraft were involved. Environment Canada provided on site advisors to ensure all contaminants were removed.

(*b*) Helicopters have been used to transport packaged equipment and contaminants to active DEW Line sites. Arrangements have been made with the United States Air Force to fly the materials, along with other U.S. materials from the DEW Line, to a proper disposal site in the United States.

(*c*) The cost for the clean-up is not available at this time.

PRESS PACKAGE

Question No. 474—**Mr. Allmand:**

Did the Minister of Employment and Immigration mail a press package (communiqué and clippings) dated August 29, 1985 and, if so (*a*) what was the postage cost, per package (*b*) how many were sent through the post?

Hon. Flora MacDonald (Minister of Employment and Immigration): Yes. (*a*) Postage cost per package averaged 921/2 cents. Total cost $2,944.33. (*b*) 3,180 press packages were mailed.

[*Translation*]

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

Mr. Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

PETROLEUM AND GAS REVENUE TAX ACT INCOME TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mrs. McDougall that Bill C-82, an Act to amend the Petroleum and Gas Revenue Tax Act and the Income Tax Act, be read the second time and referred to a legislative committee.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I appreciate this opportunity to join in the debate on Bill C-82 this afternoon because it provides us with an opportunity to appreciate important fiscal and economic matters which should be in the minds of the Canadian people. It provides us with an opportunity to appreciate the policy directions which the Government is taking. It gives us the opportunity to discover choices made by the Conservative Party, choices which will not redound, I suggest, to the prosperity of the country, choices which are very closely related to the fact that corporate enterprises in the country may do very well with the present Government. I suppose its leaders will be happy about that fact.

The ordinary people of Canada, the payers of taxes in the middle and lower ranges in particular, will suffer from the decisions which this Government has made. The result of the economic and social suffering they undergo will be to make Canada a poorer country than it might be. It will quite possibly have the effect of nipping in the bud this fragile recovery, some manifestations of which the Government is using so strongly to try to maintain its standing with the Canadian public.

We know that as far as the polls are concerned the Government is in some difficulty with the Canadian public and that its standing has fallen markedly. I suggest this afternoon, in the context of debating the Petroleum and Gas Revenue Tax, that that fall in public standing does not relate only to mistakes which Ministers made during September and October and evidences of Government bungling of matters as varied as the inspection of tuna in New Brunswick to the propping-up of a bank which should have been allowed to fall last March as a consequence of the mismanagement of that bank. I suggest that this fall in standing of the Government reflects choices which have been made, including the one that we are debating this afternoon, choices which will impoverish ordinary Canadians while enriching a small number of oil companies. These are companies which have done very well in the past and which will be pursuing the process of their own enrichment more and more strongly thanks to the decisions of the Government.

I was interested to note before we rose for lunch the comments of the Minister of State for the Canadian Wheat Board (Mr. Mayer) who commended friends and colleagues from my caucus for the fine tone the debate had taken between them. I hope this afternoon that in considering some of these questions we might maintain that particular level of debate, even if I do aim at the bone and marrow of Government policy in these matters in suggesting the nature and the consequences of decisions which the Government is taking.

If we are to appreciate the nature of Bill C-82, and if all Canadians who are watching us are to appreciate the nature of the Bill, it is necessary to look back over a dozen years or so of the petroleum industry in Canada and place this particular decision of the Government in context. It will be of no surprise to the Canadian people, nor to any of my colleagues here I would think, to suggest that what happened in the petroleum industry beginning about 1973 was one of the most incredible pieces of cartel action ever seen by the human population of this globe. The increase in petroleum prices which OPEC was able to carry through beginning in 1973-74 led to one of the most massive and certainly rapid transfers of wealth which we have ever seen. It had the effect of enriching producers of petroleum, initially perhaps the companies, but, in the Middle East in particular, also the owners of the resource, and a variety of countries and governments in the most remarkable way. Inevitably, given the global nature of the oil business, that impact was felt in Canada as well. Those who were experiencing this transfer, those who were paying the rise in costs of gasoline and other petroleum products, were faced with a situation in which wealth could end up in very few hands or could very easily leave the country. In fact, during the 1970s that clearly happened. If one examines the figures for the petroleum industry, one will discover that the total revenues to be shared in 1975 were $5 billion. Two years later it had hit $7.5 billion. By 1979, it had reached $10.9 billion. These very rapid increases in revenue to the oil companies were taken from the petroleum users.

• (1520)

The question is, what should the Government do in these circumstances, are the oil companies to be enriched and able to transfer great amounts of capital out of Canada, or are the people of Canada to be able to share in this enormous economic rent, as the economists would surely label it? Whether or not it was possible for the people of Canada to share in the consequence of cartel action was a very important question which faced the Canadian Government in the late 1970s and early 1980s because the profits of the leading oil companies in Canada rose so very sharply. For example, the profits of Imperial Oil rose from $290 million in 1974 to $471 million in 1979, and they went as high as $601 million in 1980. That was a reflection of the consequences of the process I am describing.

During the 1970s the industry succeeded in holding percentages ranging from 56 per cent down to 45 per cent in 1977-1978 and down still more to 42 per cent in 1979, but then they rebounded in 1980 to 56 per cent of the revenues. The province took practically all of the rest. The federal Government received very little of this. It received 6 per cent of the total, a mere $300 million, in 1975. The percentage dropped to 4 per cent in 1977 and in 1980 it actually fell as low as minus 10 per cent. The Government ended up a net loser in the petroleum revenue sharing in which the people of Canada surely had a right to share. The oil companies made enormous gains which were largely transferred out of the country. The evidence from 1974 to 1980 is that there was a net capital export of $4.1 billion by the oil industry. It is in the context, then, of the oil companies largely involved in transferring these monopoly gains, the economic rent, out of the country. So the establishment of the petroleum and gas revenue tax in 1981 was a sensible decision by the Government. Its repeal now under Bill C-82 is a stupid decision, fiscally and economically, as one can appreciate in perusing these statistics. As a consequence of the changes carried through by our last Government it became possible for Ottawa to join in the sharing of these revenues which had resulted from the OPEC cartel power. In fact, in 1981 the federal Government was able to achieve a 22 per cent share of those revenues. In 1982 that went up to 26 per cent although the percentage and the absolute totals fell off from $5.3 billion in 1982 to $4.6 billion in 1983 and only $3.8 billion estimated for 1984.

The significant thing of this process of achieving some gain for the Government of Canada, for the people of Canada, out of the consequences of cartel success, was that the people of Canada were able to see the Government taking in revenues and using them for the great variety of national purposes for which the Government of Canada exists. The oil companies did not suffer from all of this. One of the quite remarkable

things is that the revenues of the petroleum industry continue to rise. In 1980 the revenues were $11.3 billion to be shared between industry, the provinces and Ottawa. In 1981 they increased by almost one-half, to $15.8 billion. In 1982 they shot up to $20.4 billion and then levelled off a little.

With respect to these incredible revenues coming to the industry for potential sharing, the significant thing is that in spite of the petroleum and gas revenue tax, the gains which the industry had after the tax was applied, continued to increase in absolute figures. In 1980 the industry had taken in $6.3 billion. The following year, under the tax, it took in $6.7 billion. In the following year the total rose to $9.4 billion and then to $10.6 billion and $11.6 billion. In fact, the industry was moving towards keeping one-half of the revenues which were produced from petroleum and gas in this country. That is evidence of the extent to which the industry continued to flourish in spite of the tax. During the years 1981 to 1983—that three-year period—the oil companies transferred out of this country another $3.5 billion.

The decision of the Conservative Government to cancel the petroleum and gas revenue tax means that this revenue will no longer come to Government to cover the costs of Government, that great variety of things we need to do, such as keeping family allowances indexed, maintaining the old age pension at the proper level, and covering the cost of Government mistakes like the $1 billion it is going to cost to take care of the depositors of the Canadian Commercial Bank. Perhaps even more things, such as job-creation activities, could be paid for by a fair sharing of this revenue.

It is the decision of the Conservative Government to allow the oil companies to take the boodle again, to operate on the same patterns of the early 1970s and the 1960s. It has decided to allow these companies and their shareholders to enrich themselves outside of the country while individual Canadians pay two cents per litre more for gasoline in September and an additional one cent per litre in January, the increase in the sales tax which the Liberals put through in October of 1984 and another percentage point on the sales tax in 1986, and so it is nickel and diming the Canadian people to death. It is loading more and more of the burden of taxation on individual Canadians while it lets the oil companies get away with these enormous amounts in profits. The oil companies are able to enjoy again the unrestricted use of the profits which result from cartel activity. Here is a Government which is prepared to sock it to individual Canadians, to take money out of their pockets, and restrict the amount of business which can be done in any community because of the levels of taxation which it imposes, while letting the oil companies—which are undoubtedly good supporters of the Conservatives at election time—run off with billions and billions of dollars, sweep it out of the country, making precious little contribution—as others have noted before me—to the economy of this country.

Those are the kinds of decisions the Conservatives have made. Do they care about ordinary Canadians? Don't make me laugh. Are they concerned about the profits of their corporate friends? Obviously. That is the point of the petroleum and gas revenue tax changes which are before us this afternoon.

The Canadian people expected something different than that. The oil companies, I am sure did not. However, ordinary Canadians, the people who voted for the Conservatives on September of 1984, expected them to take a leading part in getting this country moving, not selling it out as the Government will do with this Bill. I speak in strongest opposition to this Bill.

• (1530)

The Acting Speaker (Mr. Paproski): Are there questions or comments?

Mr. Waddell: I want to comment, but if there is an opposition Member who wants to ask a question first, I would be prepared to wait.

Mr. Ravis: I will listen to you comment.

Mr. Waddell: Mr. Speaker, I think I am entitled to make this comment. The Member who spoke talked about the revenues and the difficulty of giving $5.6 billion to the oil companies, as this Bill does, in the period until 1990. We must talk about where the federal Government is going to get the revenue. I would like to put on the record two letters which I have with respect to revenue sharing between the federal and provincial Governments. I wrote to Paul Tellier, then the Deputy Minister of Energy, Mines and Resources, on June 27 of this year. My letter is very short. It reads:

Dear Mr. Tellier:

According to your Department's paper "Energy Policy Overview", it is estimated that the revenue sharing between the federal and provincial governments and industry for 1984 will be, in percentage terms, 17 per cent, 31 per cent and 52 per cent, respectively.

Would you please advise me by return of what the revenue sharing split is now as a result of the Western Accord, both in percentage terms, and in dollar terms.

Thank you for your assistance in this matter.

This is very important, Mr. Speaker, because this is how the pie will be sliced up and this will be the way in which the federal Government can finance a lot of its social programs and so on. I received a reply on September 19 of this year from Mr. de Montigny Marchand who is the new Deputy Minister. It reads:

Dear Mr. Waddell:

Thank you for your letter of June 27, 1985, in which you requested information on energy revenue shares. You referred to EMR estimates for 1984 that were produced late last year, and asked how these figures compare to the shares under the Western Accord.

The Petroleum Monitoring Agency has recently published its annual monitoring survey for 1984. I understand you have received a copy of the report. It shows the following actual breakdown of revenues for 1984:

	$ Billion	%
Federal	3.4	14.9
Provinces	7.3	31.5
Industry	12.4	53.6

The differences between these results and the earlier departmental estimates to which you referred are the normal result of receiving more accurate data on which to base the calculations.

Although it is still too soon to know with any degree of certainty what the total revenues available for "sharing" or the percentage splits will be for 1985, we expect that the results will be quite similar to those for 1984.

With respect to projections beyond 1985—

This is after the Western Accord and after this Bill.

—we have produced several different, internal forecasts of energy revenues. However, in the midst of so much uncertainty regarding international oil prices, levels of domestic oil and gas production, export volumes and natural gas prices, these projections are highly speculative in nature and, in fact, could be very misleading. Therefore, no single forecast has been adopted as the "official" departmental forecast, and I am of the opinion that it would be inappropriate to put any on the public record at this time.

Yours sincerely,
de Montigny Marchand

What he is telling me, and the point I raise, is that we are asked to approve $5.6 billion to be given to the oil companies without putting this tax on. We do not know what the federal Government's share will be. We do not know whether it will get less of a share or how much it will get. It is incredible that the Conservative Party, which was dedicated to freedom of information, will not release the information as to how much money the federal Government will get. Through this Bill we are, in fact, bankrupting the federal Treasury.

Mr. Ravis: Mr. Speaker, I would like to ask the Member for Thunder Bay-Nipigon (Mr. Epp) a question with regard to the bank bail-outs that we keep hearing about. I think the people of Canada are getting a little tired of hearing the NDP talk about this bail-out. I want to ask him a specific question. What would his Party have done with the municipalities, the credit unions, the pension funds and the individuals that were caught in that squeeze? I ask this question as a Member of the House from western Canada because that side of the issue must be touched upon. It is very easy to say that there is a billion dollar bail-out, but I do not hear too many people in the NDP from western Canada saying that we should let these little people fall by the wayside. What is the Member's response to that?

Mr. Epp (Thunder Bay-Nipigon): Mr. Speaker, I thank the Member for that question because it allows us to be quite clear about our position on this particular matter. I will say at the outset that the mistakes that were made last March are at the root of the difficulty. If there had been a thorough examination of the Canadian Commercial Bank, the kind of examination that could, I believe, have been undertaken over the weekend that the Government had, it would have been realized that the bank was beyond saving. Responsible Ministers of Finance who deserve the position that they have in the Canadian Government, recognizing that and appreciating that this amounted to 2.5 per cent of the assets of the Canadian banking system, which banking system has prided itself on its standard and probity in years past, would have said that the bank does not deserve to exist. They would have said that we should drive it into receivership. We should have had a royal commission, or whatever you would choose in the way of an investigation, to determine how, in the history of Canadian banking, something of that sort could have happened. That commission could have been empowered to consider hardship cases among the depositors who were involved in the bank and could have been asked to recommend to the Government action that might have been taken in case of a genuine hardship.

Remember, Mr. Speaker, that we are dealing with depositors who have more than $60,000 in the bank because those with up to $60,000 on deposit are covered by the Canada Deposit Insurance Corporation. If there were hardship cases among those who had more than $60,000 in the bank last March, let the Parliament of Canada consider what could be done. There is no question that we could have had a sound policy for dealing with the hardship cases and the Canadian people would not have had loaded upon them the consequence of mistakes made by Ministers of Finance and of stupid and naive decisions made last March which could lead those Ministers to resign their positions. The Canadian people would then not have to pay $1 billion for a bail-out in September resulting from the repeated assurances that the Canadian Commercial Bank was fine. Sometimes bad business is done, and when bad business is done Government does not prop it up and the people of Canada do not pay the shot.

Mr. Ravis: Mr. Speaker, I want to ask the Member specifically what his response would be. I received a song and dance about what his Party would have done, but what, specifically, would the answer have been to the municipalities which had a couple of million dollars each in that bank, to the credit unions, the pension funds and the individuals?

I would also like to ask a supplementary question, Mr. Speaker. What would have happened if we had not looked after these people? What stance would the New Democratic Party have taken then? I suggest that it would have been here to clobber us over our heads at every chance. You cannot win with those people. It is a no-win situation. You are damned if you do, and damned if you don't.

Mr. Epp (Thunder Bay-Nipigon): Mr. Speaker, I am not quite sure what I am being asked to add to my response. I have suggested that there could have been consideration of hardship cases among the depositors. Perhaps the $60,000 level is inadequate and the Canada Deposit Insurance Corporation should be reformed. I have already said that provision could have been made to deal with those cases. We could have had a royal commission to recommend to us what should be done.

The Acting Speaker (Mr. Paproski): I believe the period for questions and comments is now terminated. Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Mrs. McDougall, seconded by Mr. Hnatyshyn, moves that Bill C-82, an Act to amend the Petroleum and Gas Revenue Tax Act and the

Income Tax Act, be read the second time and referred to a legislative committee. Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Call in the Members.

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

(*Division No. 129*)

YEAS

Members

Andre	Dick	Landry
Attewell	Domm	La Salle
Bernier	Duguay	Leblanc
Bertrand	Edwards	Lesick
Binns	Elzinga	Lewis
Bissonnette	Epp (Provencher)	MacDonald (Kingston and the Islands)
Blackburn (Jonquière)	Fennell	MacDougall (Timiskaming)
Blais	Ferland	MacKay
Blenkarn	Fontaine	Malone
Bouchard	Fraleigh	Marin
Boyer	Fretz	Mayer
Bradley	Friesen	Mazankowski
Brightwell	Gass	McCain
Browes	Gervais	McCuish
Cadieux	Gormley	McDermid
Caldwell	Graham	McDougall (St. Paul's)
Cardiff	Greenaway	McInnes
Champagne (Saint-Hyacinthe-Bagot)	Grisé	McKenzie
Champagne (Champlain)	Guilbault (Drummond)	McKinnon
Charest	Gurbin	McKnight
Clark (Yellowhead)	Gustafson	Minaker
Clark (Brandon-Souris)	Halliday	Mitges
Clinch	Hardey	Moore
Cochrane	Harvey	Mulroney
Collins	Hawkes	Nicholson (Niagara Falls)
Cook	Hicks	Nielsen
Cooper	Hnatyshyn	Oberle
Côté (Lac-Saint-Jean)	Holtmann	Oostrom
Côté (Langelier)	Horner	Paproski
Crofton	Howie	Peterson
Crosbie (St. John's West)	James	Pietz
Crouse	Jardine	Porter
Daubney	Jelinek	Ravis
Desjardins	Joncas	Redway
	Jourdenais	Reimer
	Kelleher	Ricard
	Kempling	St. Germain
	Kilgour	Schellenberg (Nanaimo-Alberni)
	Kindy	Schellenberger (Wetaskiwin)
	Ladouceur	Scott (Victoria-Haliburton)
		Scott (Hamilton-Wentworth)
		Scowen
		Shields
		Sparrow
		Speyer
		Stewart
		Tardif (Charlesbourg)
		Toupin
		Towers
		Tremblay (Lotbinière)
		Turner (Ottawa-Carleton)
		Valcourt
		Vézina
		Warner
		Weiner
		Wenman
		Wilson (Swift Current-Maple Creek)
		Winegard
		Wise
		Witer—134.

NAYS

Members

Allmand	Gray (Windsor West)	Mitchell
Althouse	Guilbault (Saint-Jacques)	Murphy
Axworthy	Henderson	Nicholson (Trinity)
Berger	Hopkins	Nystrom
Blackburn (Brant)	Hovdebo	Orlikow
Blaikie	Jewett	Parry
Broadbent	Johnston (Saint-Henri-Westmount)	Penner
Cassidy	Keeper	Pépin
Copps	Lapierre	Prud'homme
de Jong	MacLellan	Riis
Epp (Thunder Bay-Nipigon)	Malépart	Robinson
Frith	Manly	Rodriguez
Fulton	McCurdy	Rossi
Gagliano	McDonald (Broadview-Greenwood)	Tardif (Richmond-Wolfe)
Gauthier		Waddell
		Young—45.

[*Translation*]

Mr. Speaker: I declare the motion carried.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Don Valley East (Mr. Attewell)—External Affairs—U.S.S.R.—Emigration of Jews; the Hon. Member for Broadview-Greenwood (Ms. McDonald)—Canadian Sovereignty—Flight over *Polar Sea* in Canadian waters. (*b*) Dropping of Canadian flag on United States vessel; and the Hon. Member for Lévis (Mr. Fontaine)—Small Business—Compatability of federal and provincial fiscal investment advantages.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada) moved that Bill C-49, an Act to amend the Criminal Code (prostitution), as reported (with an amendment) from a legislative committee be concurred in.

Motion agreed to.

Mr. Crosbie moved that the Bill be read the third time and passed.

Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I am pleased to have this opportunity to begin the final debate in this House on Bill C-49, an Act to amend the Criminal Code in relation to prostitution. I might say that this will be the first of three Bills which will reach the final stage of debate. In the ensuing days and weeks we will have a Bill before the House for final reading with respect to divorce, for amendment of the Judges Act, and very soon there will come into force and effect the new legislation which was passed in this House, Bill C-18, with respect to drunk driving.

As you know, Mr. Speaker, the legislative committee which reviewed Bill C-49 made just one amendment to the Bill as introduced by the Minister of Justice (Mr. Crosbie). That amendment, which clarified the meaning of the application of the Bill to customers of prostitutes, was welcomed by the Government as a successful attempt to clarify a meaning which was somewhat nebulous.

The committee had the benefit of the evidence of witnesses both for and against the Bill. Their testimony has, for the most part, reinforced my belief that Bill C-49 is not only needed urgently, but that it is the only possible way to deal effectively and efficiently with the problems related to street soliciting for the purpose of prostitution. None of the witnesses heard by the committee seriously question that Bill C-49 is the only legal, constitutional and practical way to return to the residents of our major urban centres the freedom to enjoy their homes and the streets of their communities without the interference of those who now use those streets to buy and sell sex.

May I add at this point, Mr. Speaker, that I was very impressed by the fact that over the past few years included in the people who appeared before our committee were the mayors of every major city from Vancouver to Niagara Falls to Halifax to Toronto. These are duly elected officials who represent their constituents and with one exception—that is the mayor of the City of Ottawa—everyone agreed that this is a good Bill. May I also point out that Mayor Drapeau came from Montreal to appear before our committee to support this Bill in circumstances where the City of Montreal has a by-law.

There are some who are opposed to this Bill. Their numbers do not include the mayors of the major municipalities of Canada which are afflicted with the blight of street prostitution. With the one exception I mentioned, that of the outgoing mayor of Ottawa, the elected representatives of the people at the level of government most directly affected by the problem endorsed the Government's response. Moreover, the Minister of Justice has the support of the chief law officers of the Crown in the provinces, the Attorneys General, in his effort to deal with the problem. It is worth noting that the newly elected Attorney General of Ontario, the Hon. Ian Scott, wrote to express his support for this legislative initiative. It is unfortunate that his colleagues in this House do not choose to follow his advice.

The opposition to this Bill focuses essentially on two criticisms; first, that the Bill does not deal with all of the problems associated with prostitution, including those relating to the exploitation of children and to the economic status of prostitutes. The second criticism is that the Bill creates a risk of abuse by the police. I would like once again to respond to these concerns. First, it is not, and it has never been, the objective of Bill C-49 to deal with all aspects of prostitution. What we are going to do is review the Badgley Report, and the report of the Fraser Committee, and in the new year there will be more legislation with respect to this particular topic. The purpose of this Bill is, plainly and simply, to deal with the very serious situation which exists in many cities in Canada, that of street solicitation.

Despite the evidence, a few persons continue to maintain that this is a minor problem. With respect, I cannot agree. Both in the view of the Fraser Committee and in the view of the citizens who are living with the problem on a day-to-day basis, it has been proven beyond any doubt that other legal and non-legal administrative means cannot deal effectively with the situation. That is not to say that social and economic approaches should not be undertaken to deal with the problems associated with prostitution but, first and foremost, we need a strong and forceful law to deal with the urgent problem of public prostitution which faces communities across Canada. Proposals for response to other problems associated with prostitution are under review. These other recommendations, as I said, will be coming forward in the new year.

• (1650)

With respect to the argument that Bill C-49 hypothetically could be abused by the police, there is always an element of risk when criminal law is used for the protection of the public interest. This is true for the enforcement of any sanction involving the Criminal Code.

Nothing in this Bill alters the fundamental rights of Canadians guaranteed by the Charter. Nothing in the Bill changes the basic substantive, procedural and evidentiary rights enjoyed by anyone suspected of an offence in the country. A lawful arrest requires reasonable and probable grounds to believe that an offence has been committed and the prosecution must prove every element of the offence beyond a reasonable doubt. The courts have made it clear that the control of soliciting for the purpose of prostitution is a function of the criminal law. The provinces and the municipalities do not have

the legislative authority to resolve the problem. That responsibility rests with Parliament and we have an obligation to the public to exercise our duty.

May I very briefly, Mr. Speaker, tell the House a little about the history of the Criminal Code as it affects prostitution and street soliciting. During the eighteenth and nineteenth centuries there evolved in England, for reasons I am not sure I can tell you about, a notion of what was called a "street walker". When our Criminal Code was codified in 1892 it contained certain offences known as vagrancy offences. No matter how the Criminal Code changed in terms of numbers, there was always the section with respect to vagrancy.

This law was in effect until 1972 and, although it was a very, very effective law, many of us felt that it was not a good law because it said that anyone who was known as a common prostitute and who loitered in a public place had to give the police a good account of herself or else she would be convicted of an offence. In many cases in those days prostitutes were picked up on the street, there were disputes as to the accounts they gave of themselves and it became, quite literally, a status offence. It was decided in 1972 that, as effective as this law was, it was not a good law. We changed the law in Parliament in that year and as a result of a judicial decision made in 1978 on what the word "soliciting" meant, it was decided that the conduct had to be "pressing and persistent". To this day, in spite of many, many cases that have gone to the Supreme Court of Canada, people still do not know precisely what the limit of "pressing and persistent" is.

As a result the Fraser report said that there is no doubt that there has to be a change in the law. It is not something that should be dealt with by way of municipal by-laws but is the responsibility of Parliament. There is no doubt, as evidenced by the surveys which were taken by the Fraser Commission, that 84 per cent of the people wanted something to happen in order that we could enforce a law with respect to prostitutes in the streets of our major cities because they are an absolute blight. Whether the political persuasion of people was NDP, such as that of the Mayor of Vancouver, or Conservative, or Liberal as it is in the City of Toronto, all of the duly elected mayors came before committees and said that we must do something.

I think, Mr. Speaker, that this law which we are about to implement is going to be an effective law. It is an important law. Let us not lose sight of the fact that it is not the be-all and end-all. It is not an express train to Utopia. It is meant to be an effective law to clean up the streets of our major cities so that people can enjoy freedom from interference.

I am very happy that after two weeks in committee and a debate on second reading we have reached the final stages without amendment. I hope that there is expenditious passage of this Bill. I hope that Members of the House agree with me in order that we can get it through as quickly as possible and ensure that it is in full force and effect very, very soon.

[*Translation*]

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I welcome this opportunity to take part in today's debate on third reading of Bill C-49, an Act to amend the Criminal Code (prostitution).

I think it is a pity the Bill is being pushed through so quickly. This is probably an indication of the Progressive Conservative Government's political will to adopt the prostitution Bill, despite the many protests it has raised in committee.

First of all, I would like to point out that Bill C-49 is in no way an intelligent response to the Fraser and Badgley reports. In fact, the members of the Special Committee on Pornography and Prostitution made it clear that a comprehensive strategy, covering both legal and social aspects, was necessary to find answers to the prostitution problem.

Bill C-49 amends only a very small part of the Criminal Code that deals with prostitution, thereby rejecting the comprehensive approach outright, and it should now be obvious to Canadians that the Minister of Justice (Mr. Crosbie) has been looking at prostitution through the wrong end of the lens.

I heard the Parliamentary Secretary to the Minister of Justice (Mr. Speyer) say earlier that all mayors of Canada's major cities came to testify before the Committee and supported Bill C-49, with the exception of one mayor, the Mayor of the City of Ottawa.

I want to say that I support the brief presented by the Mayor of the City of Ottawa to this Committee.

When I heard Mayor Drapeau tell us how terrible the problem was in Montreal and that the streets had to be swept clean once again, I reminded him that 30 years ago, when he first campaigned for mayor of the City of Montreal, he had swept the streets clean in exactly the same way. In fact, he did it so well that now they have to start all over again.

My point is that today, Bill C-49 does not deal at all with the real problem of prostitution.

Pressure groups have been very active in their protests against Bill C-49. In fact, there were a great many protests by these groups, reflecting a number of legitimate concerns.

The Canadian Federation of Rights and Freedoms wanted the Fraser recommendations to be implemented. According to the Federation, the current wording of Bill C-49 is too general where the authority granted police officers is concerned, and will prove ineffective in the long run, because its effect will only be to have prostitution go underground.

Mr. Speaker, the Canadian Federation of Rights and Freedoms firmly believes that decriminalizing prostitution is the one and only reasonable solution that should be put forward.

In its submission to the legislative committee a few weeks ago, the Criminal Justice Section of the Canadian Bar Asso-

ciation reminded us that criminal law should only be used under certain conditions.

One thing I want to emphasize is that criminal law should only be used when other means of social control are inadequate or inappropriate. Criminal law should only restrain rights and freedoms when required by the goals pursued. Male and female lawyers question the far-reaching implications of the proposed amendments. They said: "Any innocent person coming into contact with a male or female prostitute could face criminal action". Asking a prostitute what time it is can also become very dangerous in Canada.

Mr. Speaker, I believe the Criminal Justice Section of the Canadian Bar Association is worth being quoted:

[*English*]

It said that if there is going to be any amendment made to the Criminal Code in regard to prostitution it should not be a makeshift or temporary thing, but that any proposed amendment to the Criminal Code should be enacted as part of a broader legislative package dealing with other changes to prostitution under the Criminal Code including those changes recommended by the Fraser committee designed to move prostitution from the street into private settings. Amendments to be enacted should not be enacted as a separate section of the Criminal Code dealing with prostitution but, rather, they should constitute a specific and properly defined type of nuisance under the appropriate provision of the Criminal Code. Legislative changes concerning prostitution should contain a more realistic definition of an offence, addressed to the elements of nuisance and disturbance. The present wording of the legislation is much too broad and it is not directed to this aspect.

● (1700)

The proposed amendment is, in fact, to criminalize acts surrounding the provision of the services of the prostitutes and is, therefore, in direct contradiction to the recommendation of the Fraser Report.

[*Translation*]

Mr. Speaker, women's groups also were very much disappointed by Bill C-49. The National Association of Women and the Law is alarmed by the content and ramifications of the provisional measures to reduce the inconvenience for the public of prostitution on public thoroughfares. The ramifications of prohibiting any communication.

[*English*]

The Acting Speaker (Mr. Paproski): I am afraid that I must call it five o'clock. It being five o'clock, the House will now proceed to the consideration of Private Members' business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*Translation*]

FARM CREDIT CORPORATION

ROLE OF THE CORPORATION VIS-À-VIS OTHER LENDING INSTITUTIONS

Mr. Jean-Guy Guilbault (Drummond) moved:

That, in the opinion of this House, the government should consider the advisability of reviewing the role of the Farm Credit Corporation, in order to make clear to the farming community, its position vis-à-vis other lending institutions.

He said: Mr. Speaker, thank you for this opportunity to introduce my motion in the House. Last April 23 I asked that the role of Canada's Farm Credit Corporation be re-examined so as to shed light on its position concerning farmers and Canadian financial institutions. I think that, in the not too distant future, we will have to define more clearly what this Crown corporation can do to help the many Canadian farmers who are in dire financial straits. As spokesman for a riding where most residents earn their living on farms, I think it is imperative to take action.

Mr. Speaker, the first thing to do is to explain the situation the farming community was in when the Progressive Conservative Party took office, and the best way to do that is to ask Hon. Members a few questions.

Among other things, for instance, do you know that between 1961 and 1981 the price of land rose four times faster than the price of farm products? Do you think it is easy to turn a farm business into a paying proposition under such circumstances? Do you also know that, according to a 1984 Farm Credit Corporation survey, close to 20 per cent of Canadian farmers experience serious financial problems? Do you also know that farm investments controlled by Canadian farmers declined by $1.2 billion—that is 1 per cent between 1981 and 1984—whereas the consumer price index jumped from 100 in 1981 to 124 in 1984?

Perhaps Hon. Members are wondering why I should be so concerned over these figures? Maybe I should sit down and let my western Canada colleagues have the floor, because they have been pushing the panic button all these years? Well, no way! In my own riding, in my own area, farmers are faced with serious problems, and an organization such as the Farm Credit Corporation could provide them with a more structured and efficient assistance.

Mr. Speaker, I should like to ask a few more questions: Have you ever heard about the Movement for the Survival of Farmers? Have you ever heard about la *Cour des miracles*? I am not joking; this is serious indeed! Such a thing exists in my own riding. It is an organization of Quebec farmers faced with financial difficulties. Have you ever heard of Mr. Marcel Talbot? Well, in August 1984, during the election campaign,

this man and a number of others, including Jean-Claude Boucher, went on a hunger strike in Saint-Cyrille de Wendover, in the Drummond riding. This man and the other strikers who were involved in various farming ventures had a great many horror stories to tell about their financial predicaments.

Mr. Speaker, I have also a number of press clippings—you can see that I have several of them—which I have collected in my area and especially from Mr. Gérald Prince, a journalist with the *La Tribune* newspaper. I used these clippings as a basis for my remarks.

To understand the important role which the Farm Credit Corporation could play today, we should look at the important role it played in earlier times. For instance, when its ancestor the Canadian Farm Loan Board was established in 1927, it was for very specific reasons. Canadian farmers were facing a very difficult situation. They were compelled to take short term loans at very high interest rates. Do you think the situation today is quite different? In order to address this problem, the Government established the Canadian Farm Loan Board. For 32 years, farmers could rely on an institution which adequately met their needs.

During this period, agriculture also experienced unprecedented growth. During the 50's, the whole context of agricultural financing changed. The situation became very different. The Canadian Farm Loan Board was granting loans nearly exclusively to consolidate middle term debts into long term debts. There were no lenders to serve newcomers in agriculture and farmers wishing to expand or modernize their farm. Have things really changed? The Board was no longer playing the dynamic role for which it had been created. Its terms of reference had to be changed and this is what the Government of Mr. Diefenbaker did in 1959. Desperate ills demand desperate measures. A new Act was passed and the Farm Credit Corporation was created. To give it the tools it required to be effective, the Conservative Government of the time increased the maximum amount of loans. It allowed the FCC to grant loans to farmers with lower net assets if they were willing to have their management methods monitored.

In 1964, the Farm Credit Act was amended to allow the FCC to lend money to associations of farmers and promote the pooling of financial resources. In the same spirit, the Act was again amended in 1975 to make it easier for new farmers to get started. This amendment allowed them to continue to have outside income in addition to their farming income during the first five years of the term of the loan.

By creating the Farm Credit Corporation, the Government put in place all the elements required to achieve the growth we have seen in Canadian agriculture since the beginning of the 60's until approximately three years ago.

It is interesting to note that, very soon after its creation, the Farm Credit Corporation held a large share of the farm credit market. As soon as 1965, it held 69 per cent of the market. I would like to point out that its share has now gone down to less than 25 per cent.

The 70's were certainly prosperous times. The value of land increased constantly and interest rates remained relatively low. In absolute figures, people often borrowed large amounts instead of using their capital because it was more economical to do so.

The arrival of the banks on the farm credit market was beneficial. They were able to offer middle and short term loans. Many farmers, after acquiring healthy net assets, no longer needed the security offered by long term loans.

• (1710)

They therefore turned to the banks because, even though their long term interest rates were higher than those of the corporation, their short and middle term rates were very attractive. This led many farmers to do business with them. This proved to be by far the most advantageous method of financing until interest rates began to climb. From then on, many farmers started to feel the pinch and have a lot of difficulty balancing their budget.

Moreover, at the same time the sales of farm products began to slow down and the growth of the 70's was replaced by a slow compression of incomes. Exports went down significantly, the production capacity of producers began increasing and prices fell.

The Farm Credit Corporation no longer plays the role which farmers expect it to play. It has been overtaken by the changes which have occurred in the financial structure of Canadian farming.

It is not recently that the situation of farmers has begun to deteriorate. The Government should have taken action three years ago, but it did nothing.

In 1959, when the corporation was created, there was a major problem which it helped to solve. Sources of financing and funds available for farm credit were inadequate. Today, we know that there is no shortage of money for lending.

Farmers are now facing another problem. Their level of indebtedness is too high. In addition, their incomes are not high enough to enable them to repay their debts. The problem also is that capitalization costs are too high and young farmers have to mortgage all their assets.

Now, Mr. Speaker, what happens to a pork producer when the selling price falls? What will happen to an apple producer in my riding when he incurs a $100,000 loss as a result of an early spring frost in April as it happened in 1981? Yes, a compensation was paid but three years later. Fortunately for that apple producer, Mr. Omer Blanchard, he had over 30 years of experience. What would have happened if a young man had bought that business one, two or five years ago?

Do you know also that 60 per cent of farm bankruptcies in Quebec in 1983-84 occurred within 40 miles from Drummondville? And according to the newspaper *La terre de chez-nous* which reported those statistics, they were generally well-equipped farms with new crops and producers arriving late on that market. Now where are the lenders who could have helped those farmers during those gloomy days? Do you not think that should be the actual role to be played by the Farm Credit Corporation?

The Farm Credit Corporation should be in a position to face the true problems and find original and effective solutions. It should not go on granting loans along the same old lines. The assets of a farmer should be better managed to increase his net worth as quickly as possible. Thus, a farmer would be in a stronger position.

It is known that one of the major problems faced by farmers since the beginning of times is income fluctuation. Their incomes fluctuate with the weather, with production elsewhere in the world, and with the prices they get. In economic terms, that is reflected in cash flow problems. It is imperative that the Farm Credit Corporation develop ways of repayment that would allow farmers to compromise with those kinds of situations.

Formerly, the solution was to arrange a loan at the lowest possible rate, with the longest possible term, in order to stabilize the expenses. The corporation is offering a product based on that model, which has already proved to be efficient but is now obsolete, because the terms and conditions of the loans it is offering do not meet with the particular needs of farmers anymore. In order to become efficient, the corporation would have to be provided with the means to reduce its interest rates to make them compatible with actual farm income, the actual income derived by a farmer from his investment.

In a column written by Mr. André Goulet in the Drummondville newspaper *L'Express* of November 12, 1985—which is very recent, only last week—reference is made to the case of Mario Sarrazin, a 21-year-old from Wickham, a very beautiful community in my constituency. From a very early age, he has been helping his father on the family farm, a beautiful farm with a hundred or so heads of Holstein cattle. In Quebec, the dairy cows that belong to the Sarrazin families—and I say families because there is more than one on the same range in Wickham, and they are tremendously successful—the Sarrazin dairy cows have an excellent reputation, and the prizes they have won over the years point to that high quality. Also, young Mario often meets with foreign visitors, even from Europe, who come to benefit from his father's expertise.

So you may ask me what is so special about Mario Sarrazin? You may not think there is anything really special, except that he is taking over from his father. At least he would like to, after finishing high school. I believe he studied farming techniques at the CEGEP de Victoriaville, and went through farm administration and management training sessions. He has also been through a practical training period on another farm, in order to further his practical experience. He will also be attending this week, on November 22, 23, and 24, a provincial seminar on "The place of young people in farming".

So what did young Mario, age 21, have to say to the reporters? He referred, like any other farmer, to the high cost of investment, high risk income, loans and variable interest rates, the scarcity of farm labour, the high cost of quotas, which in many cases exceed the value of the farm itself. So this is what Mario had to say in connection with his own plans. Is that not what is on the mind of a very serious young businessman?

I would like to ask the Hon. Member for Richmond-Wolfe (Mr. Tardif) who in this House would dare to launch a business costing $500,000, $700,000 or even a million dollars if he risks losing everything after a few years because of a natural disaster or the fluctuation of the interest rates? Who in this House would be willing to say: "I can lend Mario the money he needs?'

What do these young people like Mario need? They need the lowest possible interest rates because they must invest very large amounts at first. They need help in managing the financial aspects of their business. If we could help them to get through the first five years without too many problems, I am convinced that the future would not be as bleak as it now seems for our young farmers.

There is work to do because the Farm Credit Corporation could be a lot more effective than it is now. However, it needs a lot of flexibility. Its programs are outdated and are no longer adequate to meet the needs of farmers.

Mr. Speaker, all realistic and intelligent solutions will receive my support. I believe that it is possible to make a positive contribution to change this situation without spending enormous amounts of money. However, we must act; otherwise, if it remains unchanged for years, what encouragement can I give the potato producers of my constituency? What can I tell the thousands of dairy producers who deliver their milk to Agropur? What can I tell the pork producers of my region, whose largest slaughterhouse is called Olympia and has annual sales of $300 million?

• (1720)

We have to take action so that the Farm Credit Corporation will stop having about $600 million to lend with no takers. This is ridiculous. We must not forget that only 5 per cent of Canadians produce the food needed to feed the remaining 95 per cent of the population. If we don't back them up, our supplies in food products will be at stake.

The Acting Speaker (Mr. Paproski): I am sorry to interrupt the Hon. Member for Drummond. The Hon. Member for Richmond-Wolfe.

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I am very pleased to have an opportunity to speak to this motion. First of all, I would like to congratulate the Hon. Member for Drummond (Mr. Guilbault) on his motion, and I realize how relevant his words are, since the Hon. Member's riding is next to mine, and I know that in both ridings, agriculture is one of the major industries, and that the situation of many Quebec farmers is simply appalling.

Mr. Speaker, I get the impression, after listening very carefully to the Hon. Member's speech, that he is acting on, and as a result of, pressure from and meetings with producers and farmers, and informing Hon. Members of the nature of the problems they are facing. Unfortunately, it seems to me the action he is taking is not quite strong enough and his objectives are scarcely defined and even rather obscure, if we consider how the Hon. Member is presenting the issue. For the sake of argument, I shall, if I may, read the motion before the House.

That, in the opinion of this House, the government should consider the advisability of reviewing the role of the Farm Credit Corporation, in order to make clear to the farming community, its position vis-à-vis other lending institutions.

You will agree that upon reading the motion, I had to wonder about the significance and the meaning of the motion, and also after listening to the Hon. Member for Drummond who, I admit, gave a pretty accurate and a pretty honest description of the kind of problems farmers are facing. Considering these extremely critical and extremely urgent concerns, I deplore the fact that we do not have a motion before the House today that defines objectives and suggests some concrete ways of dealing with the problems the Hon. Member's constituents and mine are facing, problems that exist in the vast majority of Quebec ridings and everywhere else in this country.

Mr. Speaker, the fact is that during the election campaign, formal and concrete commitments were made which recognized the need to redefine the mandate of the Farm Credit Corporation. Everyone agreed at the time that since the situation and changed, the Corporation as such no longer played the role it was supposed to play in meeting the farmers' needs. The Government knows the problems, it knows where the difficulties lie, and in fact it is aware of a number of solutions that could be suggested. Now, after a year and some months in power, they are presenting a motion that seems to be very obscure and fails to propose anything that is the least bit concrete or significant. The only attempt to deal with this problem since the new Government came to power consisted in reducing the interest rate by a few percentage points. I remember statements by people in the industry in which they said it was very restrictive, very selective, and that in the final instance, these were just a few trifles, and that Quebec farmers could do without these trifles. What they needed was concrete solutions to their problems.

I think that the motion as such is very relevant and deserves support for its objectives and its potential for bringing about, I hope, some improvement, however minor, in the present situation. However, I think that when the Farm Credit Corporation is being discussed we have in the first place to accept or acknowledge a number of premises which seem to me to be absolutely essential and basic, premises which should acknowledge that farming or the food producing sector is a basis priority in our society.

We must also admit that our society cannot get along without the farming community, a sector which must have the priority and face a series of problems and barriers against which we absolutely cannot do anything. I refer of course to the weather, the international markets, a set of barriers which our farmers must face but which remain beyond their control. Now as a result of that reality or that premise, I think that we should consider the future while keeping those absolutely essential facts in mind.

The present situation is simply disastrous. I remember that a few months before it was defeated, the former government had introduced in the House a Bill to improve considerably the lot of farmers, those especially who had obligations they simply could not meet. I have always been quite surprised to see this corporation which administers public funds for the purpose not of helping agriculture but seemingly of killing it. I could give a whole series of examples.

Fairly recently, I asked the Chairman of the Committee on Agriculture how much it cost annually the Department, the Corporation, to repossess farms. In other words, my question was this: When the Corporation repossesses a farm which it was financing, does it recover its costs? When it sells the farm at a later date, does it recover its investments? The Chairman did not hesitate: No, the Corporation loses tens of millions of dollars every year because when it repossesses a farm, such a farm is abandoned for a period of one, two, three, four years and, when it is finally resold, the sale price is considerably lower than the amount guaranteed. Under such circumstances . . . statistical data are there to prove it . . . the Corporation is worse than the banks. Why is not the Corporation doing what the banks are doing?

When the going gets tough, when a real problem occurs, a person goes to his or her banker, explains the situation and submits a proposal for settlement, a plan for the next few years. Often, not to say most of the time, the banker will make concession, increase grant delays to help the debtor reimburse his debt, and even reduce the principal owed to the financial institution. This will sometime give the person breathing space, as well as the desire to continue and save his business. So when a farmer is faced with similar difficulties, there is absolutely nothing he can hope for from the Corporation in terms of compromise, because all he hears is this: You owe us money, you pay; failing which, we will seize your property.

Currently, I am dealing with a number of cases one of which seems to me absolutely unbelievable. It involves a small farm that this gentleman is operating with his wife and children, the value of which clearly exceeds $100,000. That farmer has no other debt than his loan from the Farm Credit Corporation, which comes close to $50,000. That man had an accident while cutting his wood for the winter, so he was forced to let go his operations over a period of some months. He fell behind and failed to meet his instalment. He went to the Farm Credit Corporation, and all these people could find to say to that man was: "Sell part of your farm or part of your quota and you will have the money for your instalment".

● (1730)

How ridiculous, how grossly unacceptable can that be! There is no sympathy whatsoever for an undertaking which from the start is viable, which has no financial difficulty of any sort, where the operator has just suffered an accident, and which could perfectly well have regained its viability without any problem whatsoever. But nonetheless, that man was asked to forsake a part of his income, a part of his quota, or to sell a part of his land.

This is simply ridiculous. No banker would have dared propose such a thing that verges on indecency.

I am amazed, now that 15 months have already gone by, that this Government has not taken concrete steps to introduce a specific piece of legislation with really identifiable goals, that would give the Farm Credit Corporation a new mandate because the corporation could make a really worthwhile, relevant contribution to the maintenance and development of our agro-food industry.

I am also concerned, since no such legislation has been introduced to this day, about a few statements made by the Minister to the effect that free trade was the new challenge for Canada. What concerns me is that the dairy policy that was to be announced on August 1st is not yet known on this 19th day of November. I am concerned because a firm commitment was made to pay a substantial amount to hog producers. It has not been done yet. Besides, they gave up on that one a long time ago.

I am concerned because the Minister seems to consider the agricultural sector in the same way as all other economic sectors, like the small and medium-sized businesses, like the manufacturing of chairs and desks, or furniture, in fact like all other sectors of economic activity.

Once you have reached the stage where you consider the future in that light, there is reason for concern and it is even tragic for those who have huge financial obligations to meet within the next months or years.

I say to myself that in our statements and in our political customs, we agree to help private enterprise through grants. We agree to encourage a company to establish itself in a specific area by contributing up to 50 per cent, 60 per cent or 70 per cent, in some cases, of the business or entrepreneur's investment. And the amount that is provided or given to the company is a payment in cash made within the year following the setting up of the business or industry. The yield on that investment that is called grant is translated of course in job creation and spin-offs generated by those new jobs. To this I agree wholeheartedly. As a policy, it appears essential to me, a vital contribution to regional development.

However, from the moment we accept this approach towards supporting private industry, it seems to me that we should be even more generous, more interested by the agri-food industry since society needs and will always need farmers, and the consumer will always need a healthy, lively and very dynamic agricultural sector.

We accept to make enormous concessions to oil multinational companies apparently, and rightly, to generate employment. Yet we are very hesitant and really neglectful about giving farmers what they fully deserve, what they absolutely need.

In my opinion, as I said before, we should redefine in depth the role of the Farm Credit Corporation. We should give it a completely different direction where its fundamental purpose would be to support and to help directly and indirectly by the agri-food industry under all its forms. The present reality is however completely different.

That direction, that redefining of the corporation should be based first on a reduced interest rate, which should not exceed a real rate of 5 per cent, in my opinion. That is to say 5 per cent plus inflation, up a maximum of 8 per cent. For example, should the inflation rate be 2 per cent one year, the interest rate on loans would be 7 per cent.

In this way, it would not be very costly and furthermore, in my opinion, it would be less than what we are presently giving to the small and medium-sized businesses and to industry as a whole.

The advantage or the consequence of such a redefinition would be an agri-food industry in which people would invest. In agriculture investment also means new jobs, increased exports, better productivity and a whole range of positive improvements in the economy. It seems to me very important that we recognize the very particular nature of farming.

We are willing to help the business sector, but when it comes to the agri-food industry we are far less generous and more reluctant to provide the help which, obviously, is so badly needed.

I regret to say that farmers are presently in a situation where the future is more like the great unknown. It looks very worrisome. And you know, as well as I do, that people who are traumatized, who are worried, who do not know what future holds for them do not invest and are far less determined in the way they work and produce.

In conclusion, Mr. Speaker, personally, I want to support the motion so that it can go through, as I hope, as quickly as possible. I also wish that in the next few days, weeks and months, we will be able to improve it so that there will be practical solutions to the very real problems that were outlined by the Hon. Member for Drummond (Mr. Guilbault), and there will soon be applied remedial action to bring back confidence in that sector that society cannot do without.

At the present time, the Farm Credit Corporation is considered in Quebec somewhat as a Shylock. Nobody wants to have anything to do with it, except as a last resort.

Indeed, as confirmed by statistics, the Farm Credit Corporation is not very much present in Quebec, not to say totally absent. I think that if we redefined the role of the Corporation, it could become an instrument for development and promotion, for the greatest benefit of Quebec's as well as Canada's agriculture, and for the greatest benefit of society which obviously includes all electors and consumers.

● (1740)

[*English*]

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I would like to congratulate the Hon. Member for Drummond (Mr. Guilbault) for bringing this motion before the House. It is something that we can support. I suppose it is a motherhood-like motion in that it asks the Government to consider the advisability of reviewing the role of the Farm Credit Corporation in order to make clear to the farming community its possible position relative to other lending institutions.

Because the Farm Credit Corporation has not fulfilled its mandate for providing adequate financing to a very depressed farm industry in the last few years, there is no doubt that we need to look at the issue again. Consequently, I believe it is very important that this motion at least be passed so that it may give some direction to the Government.

In the process of discussing this motion, it would become us to bring forward some of the situations in agriculture that are causing the kinds of problems we are seeing. I suggest that the debt that farmers carry, something around $22 billion these days, is a symptom of the problem and not really the problem itself. If we had an agricultural structure with some stability and security, the farmers would not have that kind of debt. The amount of farm debt can be found in every statistic at which one can look regarding agriculture.

The Farm Credit Corporation issued a press release some time ago which suggested there should be a real concern in the agricultural industry in recognizing that the high-debt low-equity group of farmers comprise the most productive group of farmers in Canada and that one-third of the farmers who have the lowest equity are responsible for the largest share of farm sales. On the surface of it, that is not surprising because the statistic indicates that a large group of those farmers are probably the young farmers who are just getting started and consequently may be more aggressive about the way in which they farm. At the same time, we must recognize that many of those farmers are being forced to produce more than they really think they should from the same land and in that process are mining the soil rather than building it up.

The presentation to which I just referred also indicated that except for Quebec farmers, low-equity farmers borrow more than they invest in their capital purchases. In other words, statistically most farmers who are borrowing the most or have very little equity and high debts borrow money to operate. That is the thing about which we should be worrying.

The Canadian Federation of Agriculture made a presentation not too many weeks ago in which it made the same suggestion as the one contained in this motion. The Federation suggested that we need to review the role of the Farm Credit Corporation as a lending institution for farmers. It was indicated that the idea of the Farm Credit Corporation being a body of last resort is not what the Farm Credit Corporation was mandated to be and therefore we should be looking at what happened to it and what we can do to return the Farm Credit Corporation to a position in which it will be the source of funds that are needed for farming. Therefore, I agree with and support this motion and suggest that the Government get with it and move in that particular direction.

Doing something about the Farm Credit Corporation so that it can make more money available to finance the farming community will not solve the problem in agriculture. Debt is a symptom of the real problem and is not the problem itself.

We should realize that there must have been a time when the farming community was doing well. There have been a few years in the last 20 years when the farming community has done well. In 1973, for example, everyone thought the farming community was on its way up and that there was no way to stop it. The statistics for the years 1943 to 1953 show that farmers received an average of about 6.6 per cent of the national income. Those were the 10 years immediately after the war. At that time, there was a certain amount of stability and growth in the farming community. It is very interesting to note that during that time, most people in this country felt that there was a balanced economy because no group was doing particularly better than any other group. Farmers were doing pretty well, small businessmen were doing pretty well and even those earning rental income were doing pretty well. The corporations that had had some difficulties during the War were re-establishing themselves and were doing pretty well. The banks did not complain. They were not doing as well as they are doing now but they did not complain. The employees of all of these groups, unionized and non-unionized, felt that they were getting a fair share of the national income.

Let us look at what happened in the next 20 or 30 years. Between 1943 and 1952, the economy seemed to be very stable and the average portion of the national income earned by farmers was, as I mentioned, 6.6 per cent. Since that time, the portion of national income going to farmers has been declining. In 1983, the farmer's portion of the national income was .5 per cent. It went up in 1984, I understand, to 1 per cent. Perhaps the portion of everyone's income fell as dramatically as well, but obviously it did not because someone has to use up

that 100 per cent of income. By the way, that is a reduction for the farmers of 84.9 per cent. We wonder why they are in trouble and why they are borrowing money.

Let us look at the other side of this matter. Back in 1943, the banks collected 1.26 per cent of the national income in interest payments. By 1983-84, they were collecting 9.7 per cent of the national income. In other words, while the farmer's portion of the income went down by 85 per cent, the financial institutions' portion went up by 662 per cent. So their portion of the national income was increased by 660 per cent while the portion of farmers went down to 85 per cent. Surprisingly, when compared to financial institutions other groups which have been in trouble are not doing as well. I will deal with this now although it is not the topic today. It is rather worth-while to consider. For instance, in the period 1943-1953 small business took in 10.5 per cent of the national income. In 1983-84 small business was down to 4.3 per cent of the national income. In other words, small business has decreased its share of the national income by 59 per cent. This is not as large a reduction as that seen in the agricultural industry but it is a significant one.

• (1750)

One group which has stayed fairly level is that group which deals with compensation to employees. During and after the war years the salaries of people employed in union and non-union jobs was 66 per cent of the national income. Some 30 years later they now take in 73 per cent of the national income. They have increased their take by 10.9 per cent.

In terms of agriculture, we need not consider the displacement of the national banking operation in order to turn that debt over to the Farm Credit Corporation. We must not ignore the system in which we live because we have to work within that system. However, let us do something more concrete in terms of the agricultural industry. Let us not continue with reductions in this sector, although I do not know how it can be reduced much more when it is already down to 1 per cent of the national income. I do not know how one can go much lower and still survive, which is the problem with which we are faced. I am sure the Hon. Member for Drummond brought forward his motion on the basis which I am now pointing out. We must do something now about the agricultural industry. We must do something about that one-third of young farmers who have the lowest equity and the highest debt and who produce a good portion of our products. If we do not do something about this problem then these farmers will be lost to the agricultural industry. If this review of the Farm Credit Corporation will start us in the right direction toward some type of comprehensive solution to the farming problem along with stabilization, parity pricing and other issues, then we should carry it out. We should not leave the industry in the state it is in presently.

It is interesting to note that farmers have only two possibilities. They can either increase the price of their products or they can decrease their input. Over the last few years in the farming community interest on debt has increased by 322 per cent. The cost of petroleum products has increased by 284 per cent while the cost of fertilizer has increased by 218 per cent. The cost of chemicals has increased by 274 per cent. If one were to take the time to add up those figures it would be seen that for over 30 years total operating expenses for farming have increased by 1,053 per cent. During the same period of time the total receipts have only increased by some 688 per cent. This leaves a deficit of 365 per cent, which illustrates the point I have been making all along. We used to receive 6 per cent of the national income and now we receive only 1 per cent. The 365 per cent deficit with respect to reduction, in terms of actual intake compared with what we used to make per dollar spent and what we now make, has just about disappeared. I hesitate to say that by the year 1985 we will be down to 0 per cent as far as our portion of the national income is concerned. That is to say, we will be spending as much on debt as we will be taking in. That will be the case even when we take in dairy farmers, who are at least getting by.

Although I support the motion which is before us, I would have supported it more enthusiastically had it contained a resolution suggesting that the Government take a look at the pricing structure in terms of the whole agricultural industry. Regardless of whether this review is done in part or in whole it will result in us looking at every part of the agricultural industry if we expect it to survive in the way in which we think it should survive.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Blais: I call it six o'clock.

The Acting Speaker (Mr. Paproski): Is it agreed?

Some Hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

EXTERNAL AFFAIRS—U.S.S.R.—EMIGRATION OF JEWS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, on October 28 last I asked the Parliamentary Secretary, in the

absence of the Secretary of State for External Affairs (Mr. Clark), about word which was coming out of Israel that Russia might be relenting and letting some of the Soviet Jews emigrate to Israel, Canada and other countries. We were encouraged by that piece of news. I asked the Parliamentary Secretary whether there was any foundation for our very strong hope that this might be true. Regrettably, it does not appear that there is any foundation to it. However, I look forward to the Parliamentary Secretary's response in which he may have something further to add.

Tragically, the number of Jews being permitted to leave Russia has dropped to a mere trickle in the last few months and years. I hope that if there is some foundation to the rumour, if I may call it that, it is simply not a public relations attempt on the eve of the Geneva conference. This is really a human rights issue. Russia, of course, was a signatory of the 1975 Helsinki Accord. We are pressing the Soviets to honour their word and allow refusniks to leave the country. I would like to make a number of remarks on this issue.

From time to time we have heard bits of good news in this regard. I heard recently that Yelena Bonner, wife of Nobel Peace Prize Laureate Andrei Sakharov, will be released from exile in the Soviet Union and will be allowed to go to the West for medical treatment. That is good news. There is also news which is not so good. It concerns people such as Andrei Sakharov and Anatoly Shcharansky, who is only 37 years of age. These men have been jailed or subjected to internal exile for years. They are both sick and the indications are they have been subjected to mindbending drug torture. Their terrible crimes include daring to ask the Soviet Government to honour its Constitution on citizens' rights in the 1975 Helsinki Accord on Human Rights.

● (1800)

There are many organizations and many individuals who work very hard on behalf of the Soviet Jews. There is an organization in Ottawa called the Canadian Parliamentary Group for Soviet Jewry. It has, I believe, some 272 members from both the House of Commons and the other place. We are honoured to have a person like the Hon. Member for Edmonton Strathcona (Mr. Kilgour) as Chairman of that group. I am honoured to be one of the seven-person executive committee.

Different steps have been taken over the last year. There was a special trip to Russia to plead the case of Soviet Jews. Our Chairman, the Hon. Member for Edmonton-Strathcona, sent a letter to President Reagan on the eve of the Geneva Conference and I would like to quote the last paragraph of that letter:

> We wish to assure you of the support which exists in Canada for Soviet Jews. We trust that on this issue you will speak with Mikhail Gorbachev on behalf of all peoples concerned with human rights.

The National Council of Jewish Women of Canada is also very active. It has a separate committee on world Jewry headed by Eti Young. In Don Valley East there are several residents who are very concerned and hard working on this issue. I think of people like Mrs. Patti Starr, Mrs. Arlene Goldwater and Mrs. Joyce Zweig. It was Arlene Goldwater who introduced me to my refusnik. I have adopted a refusnik. His name is Simon Shnirman. He was born in 1957. He married his wife Leah in 1983 and they have a daughter Yona whom Simon has not yet seen.

One of Simon's recent crimes is that he gave two postcards, probably blank, which he had received through the mail, to one of the prisoners, and he washed his clothes by hand after working hours at a time and place not intended for this purpose. For these crimes he was given five days in an isolation cell without food or drink. For the past two years in the labour camp he has suffered great harassment and has been asked to do the hardest jobs. His basic right to receive packages has been denied. I could go on with the various forms of harassment but time is not available.

I wrote to his wife Leah on April 17, 1985 to basically introduce myself and give her a bit of my background. I mentioned the four children my wife Sandy and I have and the grandchild we were expecting. I was thrilled on August 21 to receive a letter, via Joyce Zweig, from Leah. Time does not permit me to read everything in the letter but I would like to quote just one part as follows:

> God knows I tell the truth. Simon is not well, I am afraid of his health. He needs now, and after this camp of strict regime, good medical help. I thank you for your supporting and hope you won't forget us in this difficult time.

This is an important issue, Mr. Speaker; it is a human rights issue.

I recently had a letter from Eti Young concerning a telegram that had been sent to three officials in Russia on Simon Shnirman's behalf. The National Council of Jewish Women, the Soviet Jewry Committee, has adopted Simon as its refusnik in the Toronto area. The Hon. Member for Edmonton-Strathcona (Mr. Kilgour) and I jointly signed a letter to the Right Hon. Member for Yellowhead (Mr. Clark) which was sent on September 25, 1985 pleading the case of Simon. This is just one individual, Mr. Speaker, but an important one.

● (1805)

There is a family network in Canada working on behalf of these important people. We ask the people of Canada to lend their prayerful support to the plight of these people in Russia whose only crime, in most cases, is simply wanting to speak their mind and enjoy the freedoms that we take for granted in this country.

Mr. Gerry Weiner (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, it is such support as this that gives strength to the Jewish people in the Soviet Union. We cannot let them be forgotten because that is just what the Soviet Union would hope for. The Member, his confreres on the committee and the Parliamentary Secretary to the Minister for External Relations (Mr. Kilgour) have always shown that same dedication to care and concern.

I wish I could give a more positive report, but the Government is closely monitoring developments in the Soviet Union and recognizes that there are some signs of positive movement

on the human rights front in general, and in Soviet Jewry in particular. These, however, remain to be confirmed. Indeed, speculation continues that Jewish emigration from the Soviet Union may be on the way up.

While emigration statistics do not support the notion of an easing in the situation of Soviet Jews—130 exit visas were issued in October—there are unconfirmed reports that a number of prominent refusniks may be released after the Geneva meeting between U.S. President Reagan and Soviet Secretary General Gorbachev.

Canada has repeatedly urged the Soviet Union to adhere to internationally recognized fundamental human rights which include freedom of religion, cultural expression and emigration. We would welcome any and all indications that Soviet authorities are beginning to re-examine their policy on these matters.

For its part, the Government is involved in various initiatives to impress upon the Soviets the importance and positive ramifications of an improvement in their human rights record. Most recently, for example, senior Canadian officials have made representations in Moscow and in Ottawa on family reunification cases. In addition, officials have stressed to Soviet authorities the constraints on popular support and confidence in our bilateral relations which the Soviet human rights performance and its policy toward Soviet Jews generate.

In conclusion, Mr. Speaker, the Government would commend all positive developments relating to Soviet Jewry and would welcome a Soviet decision to permit increased Jewish emigration.

CANADIAN SOVEREIGNTY—FLIGHT OVER *POLAR SEA* IN CANADIAN WATERS. (B) DROPPING OF CANADIAN FLAG ON UNITED STATES VESSEL

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, on October 29 I raised a question of great concern to Canadians involving the repercussions from the incursion of the *Polar Sea* icebreaker in Canadian waters in the Arctic earlier this summer. I want to deal with the issue broadly rather than just with the very particular issue of the investigation of the pilot of the Twin Otter who dropped a Canadian flag on our behalf on the *Polar Sea* and claimed Canadian sovereignty of these waters.

The facts are that the United States Coastguard icebreaker, the *Polar Sea*, entered Canadian waters in the summer, making this trip without asking the permission of the Canadian Government. Our Government, in a way very humiliating to Canadians, responded by offering permission, when it was not even asked for, demonstrating throughout a thorough incompetence in not understanding the seriousness of the matter.

When I raised this issue on October 29 the Government acknowledged the fact of an investigation of the pilot concerned, and the Prime Minister (Mr. Mulroney) blamed former Liberal Governments for their failure to provide adequately for Canadian sovereignty in the north, certainly a cop-out if ever there were one. The present Conservative Government was amply warned of the seriousness of the situation by Canadians, members of the Opposition and by Inuit who, of course, are very intimately concerned with sovereignty of our Arctic waters. The Conservative Government discounted all these concerns.

• (1810)

When the Government failed to act, Canadians acted for themselves. I am proud to say that the Council of Canadians organized an expedition to claim Canadian sovereignty on behalf of Canadians and, on August 8, dropped a canister from a Twin Otter. The canister contained a Canadian flag and messages claiming Canadian sovereignty, asking the United States ice-breaker to go back. Canadians then went on to another island, Princess Royal Island, and planted Canadian flags there, again to demonstrate Canadian concerns in the Arctic.

No harm was done either to persons or property. This was an important symbolic gesture that was made for all Canadians. These people represented us there when our Government failed to act responsibly.

Let me point out that this was not even a hostile act in any ordinary sense of the term. Canadians, certainly the Council of Canadians, do not want hostile relations with the United States, but friendly relations between mature nations as equals and people who consider each other's needs, and respect each other's interests and rights. When the Government simply agrees with another nations and allows it to do what it wants, being reluctant to assert what is clearly our rights, is not being friendly, but undignified and irresponsible to other Canadians.

A positive result from this incident is that the Government was forced to think about this position and take action. I welcome the statement made in the House by the Secretary of State for External Affairs (Mr. Clark) on September 10 that in the future Canada will exercise full sovereignty in northern waters and islands. This is not to say that the measures which were proposed are the best measures possible. I would certainly advocate discussion with northern peoples because the Northwest Territories Council is concerned about some of the measures that were proposed.

The commissioning of an ice-breaker, the plan for increased surveillance and the removal of a bar on appeals to the World Court are positive measures. Canada will now permit an appeal to the World Court and I believe that will clearly demonstrate that our claim to sovereignty is a most reasonable claim and recognized in international law.

Negative measures, such as an investigation of the pilot concerned, are reprehensible. The Government is taking a petty step in possibly punishing the pilot for making a harmless but important symbolic gesture on behalf of us all. The Inuit people are most concerned, as is the Council of Canadians and other Canadians.

I repeat the suggestion I made on October 29, that the people who represented us in the Arctic waters and made this symbolic gesture deserve our appreciation. Rather than con-

duct a further investigation against them, they should be awarded medals.

Mr. Gerry Weiner (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, as Hon. Members of the House know from having passed the amendments to the Aeronautics Act, Bill C-36, earlier this summer, the Minister of Transport (Mr. Mazankowski) has a statutory responsibility to supervise all matters connected with aeronautics. Part of that mandate includes ensuring that operators are in compliance with air safety regulations. On August 8, 1985, the Department received a complaint that an aircraft had made two low passes over the *Polar Sea*. Two objects were dropped from the aircraft, one of which landed on the ship.

It has been the Department's experience, in over 40 years of concern with flight safety, that unauthorized low flying presents a great hazard to persons both in the aircraft and on the ground. Furthermore, the risk created to persons and property on this ship by the dropping of a canister weighing several pounds at flying speed clearly required a thorough investigation. The applicability of Air Regulation 508 which the Minister quoted in the House on November 1 may relate directly to this incident. The investigation is now nearing completion.

As a routine procedure in such administrative cases, both the pilot who flew the aircraft and the co-pilot who dropped the object have been issued allegation letters seeking their explanation of their involvement in this incident. These explanations were to be submitted by November 19, 1985. The pilot has responded, the co-pilot has been granted an extension to November 23, 1985.

In keeping with Departmental guidelines that are available to the public, the facts presented by both the investigator and the two pilots will be reviewed by a third party. If no violation is found, no sanction will be imposed. However, if a violation is found, then administrative sanctions will be imposed commensurate with the nature and gravity of the offence.

• (1815)

Hon. Members of this House will certainly appreciate that while the matter is outstanding it is not appropriate for me to comment further; until a final decision is taken by the Minister in this matter.

[*Translation*]

SMALL BUSINESS—COMPATIBILITY OF FEDERAL AND PROVINCIAL INVESTMENT ADVANTAGES

Mr. Gabriel Fontaine (Lévis): On November 5, Mr. Speaker, I asked the Minister of Finance whether he had the intention of granting tax incentives to the Small Business Investment Corporations and the *Sociétés de placement dans l'entreprise québécoise*—SPEQs for short. I asked him whether it was his intention to provide some incentives for Quebec investors and to grant them comparable tax benefits if they bought shares through the SPEQs program. In his reply the Minister did mention incentives with respect to small business investment corporations but did not refer to SPEQs. That is why I want to clarify my question today in an attempt to elicit a more formal explanation from the Minister.

As you know, in its April 23, 1985 Budget the Government of Quebec announced the creation of SPEQs and unveiled regulations governing them. The purpose of the program is to promote investments of risk capital in private corporations known to be small- and medium-sized businesses. Quebec residents who should decide to invest in these SPEQs will be given generous tax incentives.

The general goals of the SPEQs are as follows: to increase the shareholders' equity capital in the financial structure of Quebec small and medium-sized businesses; to encourage the shareholders of small and medium-sized businesses to invest more in their own businesses; to make it possible for those shareholders to involve other investors in the financing of their businesses; and, finally, to make it easier for small and medium-sized businesses to get started and to expand.

In order to further increase the funding opportunities of small and medium-sized businesses, the Quebec government, through its Industrial Development Corporation, decided to set up as well a capitalization loan program involving a loan granted by a private financial institution and fully guaranteed by the Quebec Industrial Development Corporation for a maximum of 10 years.

The CAPI or capitalization loan is so called because it is designed to encourage the capitalization of the recipient business. The QIDC subject to regulations will agree to guarantee this business capitalization loan for an amount equivalent to the subscribed capital by a Quebec business investment corporation in a small and medium-sized business in Quebec. The Quebec Government will thus be doubling the equity capital of Quebec investors in small and medium-sized businesses. Moreover, in addition to guaranteeing the capital, the Quebec Government will reimburse the borrowing business for the interest paid which, however, should not exceed the preferential rate plus 1 per cent. For the first two years of the loan, 100 per cent of the interest will be reimbursed, and 50 per cent for the next three years.

This is an important incentive for our businesses, and what I want to know exactly is this: Since this promotes investments by Quebecers and reduces their cost by 25 per cent, will the Federal Minister of Finance, in view of the timeliness and relevance of this method of financing Quebec businesses, allow Quebecers who invest in SPEQ's to deduct the amounts invested not only from their provincial taxable income, but also from their federal taxable income? That is my question. Thank you, Mr. Speaker.

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I rise this evening to reply to the question asked by the Hon. Member for

Lévis (Mr. Fontaine) about the small business investment proposals announced by the Government in its Budget last May 23. The question of the Hon. Member concerns the compatibitily of the federal proposals and the tax incentives for small businesses recently announced by the Quebec Government.

• (1820)

[*English*]

The factors relevant to this matter are complex. I would like briefly to provide some background information before addressing the specific question of the Hon. Member.

As he knows, the tax measures to stimulate small business investments introduced by the federal Government in the May Budget are quite extensive. For example, measures were introduced to expand the list of qualifying investments for deferred income plans, such as RRSPs, to include securities issued by smaller Canadian businesses. Important incentives were also introduced to encourage pension and other deferred plans to undertake these investments. Furthermore, the federal proposals provide for a number of tax measures to facilitate the channelling of such funds to small business. These include the creation of special partnership, trust and corporate fund pooling vehicles which will receive certain preferential tax treatment.

The Hon. Member's question refers to one of these pooling vehicles, the small business investment corporation or SBIC. I would point out that the SBIC is a special type of non-taxable corporation designed exclusively for pension funds to assist them in making their small business investments. I think, therefore, that the Hon. Member's question is really about the more general relationship between the federal Government and the Quebec Government, in particular, whether investors in Quebec SPEQs, or *Société de placements dans l'entreprise québécoise*, will also qualify under the provisions of the federal small business legislation.

This by no means is a simple matter. Its various ramifications are currently being explored by both the federal and Quebec Governments. In this regard, the federal Government has recently received a formal request from the Government of Quebec. I can tell the Hon. Member that the feedback to date has been impressive. All indications are that there will be a substantial increase in available small business financing as a result of the measures being discussed. We are actively exploring ways in which federal and provincial efforts can be coordinated to enhance further the effect of the measures.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.22 p.m.

HOUSE OF COMMONS

Wednesday, November 20, 1985

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 22

[*English*]

TRADE

FOOTWEAR IMPORT QUOTAS

Ms. Sheila Copps (Hamilton East): Walter Sedlbauer, the senior vice-president of Susan Shoe Industries in Hamilton, one of the major employers in the Hamilton area, is flying to Ottawa today in anticipation of the Government's announcement. I hope the Government will have good news for Mr. Sedlbauer with respect to the extension of footwear quotas as promised by the Prime Minister (Mr. Mulroney). Most important, Mr. Speaker, I hope the Government will have good news for the workers in the footwear industry from Hamilton right across Canada.

I want to point out to the Government the commitment on this side of the House that, if the full package of quotas on men's and women's footwear is not extended, the Government will be facing the political fight of its life. The Prime Minister made promises and the Ministers have made promises on this issue.

I want to tell you, Mr. Speaker, we will see thousands of workers on Parliament Hill protesting the Government's decision if it does not live up to its promise to extend quotas fully to allow the Canadian footwear industry to compete equally in international markets. Eight out of ten Canadians support an extension of footwear quotas to save Canadian jobs. We are here to fight, and we are going to fight for those workers in Susan Shoe Industries.

Mr. Gauthier: Merry Christmas.

* * *

[*Translation*]

CULTURE

PROJECTED BUDGETARY CUT-BACKS FOR NATIONAL FILM BOARD

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, rather disquieting rumours are being heard respecting the proposed National Film Board $20-odd million cutbacks, one third of its budget. If this does not signal the demise of the NFB, it will certainly spell the end of its most creative sector—documentaries.

Particularly thanks to the NFB, Canada has gained worldwide recognition for its documentary film production, which happens to be an essentially Canadian art form. Quebec producers rank among the best in the world. It is imperative that this Government fully acknowledge Canada's cultural reality.

Artists want to express themselves here, depict Canadian reality, focus on Canadian problems and to promote a Canadian viewpoint on international issues.

[*English*]

For Canadian artists, the priority is not more U.S. or other markets, desirable as that goal is. Canadian artists above all want to do what they do well in Canada, and that is a contribution they can make for all of us to the world.

For nobody waved goodbye, Les ordres, Pour la suite du monde, and *If You Love This Planet*, the NFB needs our support and it needs an adequate budget to do its work.

* * *

[*Translation*]

THE ECONOMY

GOVERNMENT'S PERFORMANCE

Mr. Richard Grisé (Chambly): Mr. Speaker, according to the latest economic indicators, the economy in Quebec continues to show sustained growth in 1985.

Thanks to our policies, 89,000 new jobs were created since September 1984. The unemployment rate, which was 12.8 per cent in September 1984, dropped to 11.8 per cent in October 1985, a net reduction of 1 per cent.

Between January and August 1985, amounts for which building permits were issued increased 23.3 per cent, as compared with the same period under the former Government.

The private sector is responding favourably to the first initiatives taken by our Government.

According to a recent survey conducted by the Canadian Federation of Independent Business, 37 per cent of small- and medium-sized businesses intend to increase capital spending by the end of this year. Furthermore, 26 per cent are planning to hire staff, and 41 per cent expect to increase their working capital.

S.O. 22

The estimated value of deliveries by the manufacturing sector as a whole has increased by $611 million over one year, an increase of 12.7 per cent.

Retail sales increased by 8 per cent during the same period.

Mr. Speaker, these figures show once again that the economy's performance has considerably improved since the Progressive Conservative Government was elected last year. As far as the economy is concerned, and especially that of Quebec and the riding of Chambly which I represent, the Mulroney team has managed to restore the confidence of investors and of Canadian entrepreneurship.

* * *

[*English*]

HUNTING AND TRAPPING

FUR FASHIONS—LEAD GIVEN BY AMERICAN AND RUSSIAN FIRST LADIES

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the *Edmonton Sun* fashion page reported yesterday as follows:

When stylish Raisa Gorbachev arrived in Geneva she wore an eye-catching tailored grey coat with a fur collar and matching fur hat. Several hours later Nancy Reagan appeared in an elegant mink coat and matching hat.

At a time when Canada's fur industry is under attack by animal rights groups and organizations such as Greenpeace, and when the anti-trapping lobbyists are threatening the livelihood of thousands of Canadian trappers, these two leaders of world fashion are to be applauded not only for their excellent taste but also for their support of an industry which has time-honored traditions in both North America and the Soviet Union.

Let us hope, Sir, that the husbands of these two ladies will be as successful in Geneva in furthering the cause of world peace as they themselves have been in furthering an industry dedicated to the laudable objective of making people look and feel beautiful and which, incidentally, can only flourish in times of peace and prosperity.

* * *

REFUGEES

PARLIAMENT HILL DEMONSTRATION

Mr. Sergio Marchi (York West): Mr. Speaker, I wish to draw the attention of this House to the hundreds of political refugees who gathered today outside our Parliament buildings. I returned just a few moments ago from a meeting with these individuals which span 13 different organizations and eight different countries. It was a very emotional meeting. It was a meeting that I wish the Prime Minister (Mr. Mulroney) and the two Ministers responsible for immigration had an opportunity to attend. If they had, they would have seen the despair and the look of frustration in the eyes of hundreds of individuals representing 20,000 people who find themselves in the very same precarious position.

• (1410)

There was despair because they had substandard housing. There was despair because there was an inability to have their children schooled. There was despair because there was an inability to gain full-time employment at fair wages. There was despair because they had been separated from their families in their homeland. There was also frustration because of the Government's inability to deal in a fair and swift way to appease individuals looking for homes.

There are over 20,000 individuals who have spent four years or five years in this country. They are asking for fair judgment. They are asking for peace of mind. They are asking that this country allows them to become good citizens. They hope that they will not be uprooted and that they will not be asked to pack their bags once again—

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

* * *

CONSUMER AFFAIRS

HIGH INTEREST RATES CHARGED BY CREDIT CARD COMPANIES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I want to speak on behalf of the 16 million Canadians who hold credit cards, particularly those who are paying outrageous interest rates on their unpaid balances month after month.

Credit card interest rates are essentially unchanged since 1983 and, in many cases, unchanged since the high interest rate period of 1981. The range is from 28.8 per cent for department store cards, to 24 per cent for oil company cards, down to 21 per cent and to 17.4 per cent for bank credit cards such as Visa and MasterCard.

Many low-income consumers who shop with these cards are getting no benefit from the general fall in interest rates. The Minister of Finance (Mr. Wilson) has repeatedly told the House that he will not intercede on behalf of these consumers, many of whom do not qualify for lower interest loan credit. Instead, while he expresses his great faith in the market-place, the banks offer lower credit card rates to retailers but not to their consumers. Now the banks are offering gold cards, at a cost of up to $75 per year, with lower interest rates, to their upper-income customers who seldom need them because they pay their accounts promptly.

When the Conservative Government boasts of lower interest rates, we ask: lower interest rates for whom? There are lower interest rates for organized retailers and lower interest rates on credit cards for the well-off who do not need them. However, there are the same high rates for millions of average and low-income Canadians who cannot afford them.

I call upon the Minister of Consumer and Corporate Affairs (Mr. Côté) to take up the problems and the difficulties of low-income people who are being ripped off.

PARLIAMENT BUILDINGS

IMPROVED ACCESS NEEDED FOR THE DISABLED AND THE HANDICAPPED

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, these buildings, more than any other building in Canada, attract Canadians day after day. They have become almost a shrine, visited by Canadians from every part of the country. However, they are not accessible to a very important segment of our population, namely, the physically handicapped. It is possible for the physically handicapped to gain admission to these buildings, but not without great difficulty and great disadvantage. There is not even a sign pointing to the few entrances where it is possible for wheelchairs to enter.

Recently it was announced that the Government would ensure that federal government buildings would be adjusted to accommodate the physically handicapped. I plead with all authorities of the House and of the Government to ensure that the needs of the physically handicapped in terms of access to the Parliament Buildings will be given priority.

It behooves us as a caring society to be sure that the centre of Parliament, the centre of Government, is available to those who find it difficult to make their way here and want, all the more, to gain access when they arrive.

It was a complaint from one of my constituents which brought this matter to my attention. I hope it will receive the attention of all who can do something about it.

Some Hon. Members: Hear, hear!

* * *

SMALL BUSINESS

JOB CREATION INCREASE

Mr. William G. Lesick (Edmonton East): Mr. Speaker, the Progressive Conservative Government has a solid record of achievement in the development of the small business sector in Canada, certainly in Alberta. People across Canada, small-business people, have a positive attitude toward the future of business prospects in Canada. Most of the 25,000 new jobs in the last year in Alberta were generated by small business. In its most recent survey the Canadian Federation of Independent Business indicated: "Plans for increases in capital investment and working capital are the most optimistic we have seen for some time".

This renewed investor confidence results from the initiatives taken by the Progressive Conservative Government over the last year, including measures which have been announced to increase the capital available for small firms. These measures include capital gains exemptions, increased access to pension and RRSP funds, and tax assistance for labour sponsored venture capital. In addition, taxpayers have been given more rights in their dealings with Revenue Canada, including the right to a fair hearing. Finally, the federal Government has signed memoranda of understanding with all ten provinces and the two territories to reduce the regulatory and paper burden upon small businesses and to facilitate access to Government programs and services.

• (1415)

Mr. Speaker, the Government has illustrated its commitment to small business, and it will continue to provide opportunities for future growth of small enterprises across Canada.

* * *

[*Translation*]

THE ECONOMY

SITUATION IN MONTREAL EAST

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, today we met with nearly 500 workers from Montreal East. These people came here to ask the Government to find a way to deal with the loss of 5,000 jobs in Montreal East. They have no use for the statistics of the Hon. Member for Chambly (Mr. Grisé) who seems to be living on another planet. What they want is programs that will give them jobs. First of all, they want to see Vickers get a contract for ship repairs; second, they want the Government to meet its commitment regarding the sale of the Gulf refinery by maintaining the contract for 30,000 barrels a day. As for Bombardier, Canadian Steel Wheel and La Forge, these people want the Government to give out contracts for the manufacture of locomotives, railway cars and wheels.

Mr. Speaker, in concluding, I would ask all Conservative Members, and especially those from Quebec, to stand up and defend the interests of workers in Montreal East and fight against the lifting of quotas in the footwear industry.

ORAL QUESTION PERIOD

[*Translation*]

AUTOMOTIVE INDUSTRY

ESTABLISHMENT OF HYUNDAI PLANT IN QUEBEC—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, in the absence of the Prime Minister, my question is directed to the Minister of State for Small Businesses.

Mr. Speaker, there have been some strange goings-on during the last two days. First the Premier of Quebec says there is a Quebec-Ottawa agreement on Hyundai. Yesterday, the Minister of State for Small businesses informed the House that there was no agreement and that it was being negotiated. The Minister of Public Works told the House that the announcement had been made prematurely, against the advice of the

parties concerned. Mr. Speaker, I would like to ask the Minister of State for Small Businesses what went on in the Prime Minister's head and in this Government, between the Florida poolside and the cold reality of Ottawa, to bring about this change of heart after assurances had been given about the Hyundai plant?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Blackburn (Brant): It's the jack-in-the-box.

Mr. Chrétien: It's Monsieur Hatchet.

Mr. Speaker: Order. Let's at least start right today. Go ahead.

Mr. Nielsen: Mr. Speaker, I really am astonished at the degree to which my hon. colleagues in the Liberal Party are opposed to the jobs that are being created in their own province.

Some Hon. Members: Shame!

Mr. Nielsen: The question that has been asked today was answered several times yesterday. I need only draw my hon. colleague's attention to page 8594 of *Hansard* of yesterday where the Prime Minister said:

> We are concluding agreements pursuant to our joint agreements with the Government of Quebec, and in view of the absence of the Minister of Regional Industrial Expansion, details will be announced when and as appropriate.

He went on to say:

> I can tell you one thing: Quebecers and Canadians will be very pleased with Hyundai's coming to Canada.

I do not know why Hon. Members are so upset about the prospect of a couple of thousand jobs in that province.

Some Hon. Members: Hear, hear!

[*Translation*]

AGREEMENT WITH HYUNDAI—NATURE AND CONSEQUENCE

Hon. Jean Lapierre (Shefford): I have a supplementary, Mr. Speaker. The Deputy Prime Minister should realize this is not a laughing matter. We are talking about the integrity and the word of honour of his own Prime Minister.

The Premier of Quebec said without hesitation that the Prime Minister of Canada had assured him he could make the announcement and that the agreement was ready. Could the Deputy Prime Minister therefore inform the House whether the Prime Minister of Canada gave the go ahead for this announcement. Unlike what was claimed by the Minister of State for Small Businesses and the Minister of Public Works? If he did, what are the details of the agreement? Are there 1,200 or 1,800 jobs? Tell us the truth once and for all!

• (1420)

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman suggests that I am taking this matter haphazardly. Here is an industry which has intentions of locating in the Hon. Member's own riding and he is quoted in today's Montreal *Gazette* as saying:

> "The whole thing is fishy," said Liberal MP Jean Lapierre, in whose Shefford riding the plant will be built. "It stinks."

Is the Hon. Member going to go to the people of Granby who are unemployed to tell them not to accept jobs in the new development that will be taking place?

Some Hon. Members: Hear, hear!

CANADIAN CONTENT INQUIRY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Government has obviously painted itself into a corner on the Hyundai issue. There is absolute confusion about the timing of the announcement and whether there is a firm deal or not, and complete stupidity on the part of the Government in the handling of the negotiations.

My question is directed to the Deputy Prime Minister in the absence of the Prime Minister, whose handlers have obviously told him to absent himself conveniently today. Why, during six months of negotiations with the Hyundai company, did the Government not insist upon Canadian content for Hyundai cars assembled in this country, something which would have assured an additional 1,600 jobs in Quebec?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Leader of the Opposition obviously believes in his own preamble. However, the people of the Province of Quebec, and particularly of this area, are not going to believe in that kind of nonsense. He says that we have painted ourselves into a corner. If this is the result of the investment strategy adopted by the Government, a strategy that will have similar results across the country, then I for one would like to suggest to the Right Hon. Member that that is the kind of desirable corner into which to be painted.

Some Hon. Members: Hear, hear!

Mr. Nielsen: It means, Sir, more jobs, more jobs, more jobs. I do not see why the Right Hon. Member should be so opposed to that, particularly for a province that has been denied a fair share of the Canadian automobile industry.

[*Translation*]

HYUNDAI PLANT—ASSURANCE OF JOBS FOR CANADIANS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a supplementary for the Deputy Prime Minister. The Prime Minister himself has now lost the advantage to Hyundai. He was so anxious to make a public announcement that he lost his room to manœuvre in negotiations with the

company. My question to the Deputy Prime Minister is as follows: Why was this Government so anxious to make an announcement that it neglected to ensure that parts would be manufactured in Canada and thus provide for about 1,600 additional jobs? What is he going to tell unemployed workers in Montreal East?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Again, Mr. Speaker, uncharacteristically for the right hon. gentleman, because he does not usually distort matters, he is obviously believing in the fairy-tales of which he has assured himself by working them into the preamble to his question. In answer to several questions put to him yesterday, the Prime Minister said that the details of the transaction will be announced in the normal course of events. However, what they are really whining about over there, Sir, is the positive upturn in the economy that has taken place in our country in the last year.

Some Hon. Members: Hear, hear!

Mr. Nielsen: Quite apart from the employment statistics which show that employment is up by 5 per cent year over year, production in the automobile industry is up by 8 per cent. Production in the vehicle industry is up by 5 per cent, and up 16 per cent over—

Mr. Speaker: Order, please.

Some Hon. Members: More, more!

• (1425)

[*Translation*]

REQUEST FOR CLARIFICATION OF HYUNDAI NEGOTIATIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister claims that the arrangement with Hyundai is still being negotiated, while the Premier of Quebec is saying that there is a concrete agreement. The Minister of Public Works is saying that the Government was opposed to the announcement being made by the Government of Quebec. Yes, he said that. But the Premier of Quebec is claiming that he got the go ahead from the Prime Minister of Canada, from Florida. My question to the Deputy Prime Minister is as follows: Who is telling the truth?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the truth will certainly not be found in the allegations contained in the preamble to the right hon. gentleman's question. The fact is that the question was answered yesterday fully and forthrightly by the Prime Minister in response to the right hon. gentleman. The answer is to be found—and I will not bore him by repeating it—at page 8602 of *Hansard*.

With respect to the record of Hyundai, I do not think an article in *The Globe and Mail* of today should go unnoticed. It states:

"Hyundai has said, from the very beginning, that it would strive earnestly to reach auto pact status and that means automatically 60 per cent Canadian content," said Norman Gibbons, senior vice-president of Hyundai Auto Canada. "It's an extension of our parts purchasing program that we started in 1984 without any encouragement from anybody."

On that basis their record sounds pretty good to me.

Some Hon. Members: Hear, hear!

[*Translation*]

HYUNDAI PLANT—REQUEST FOR CLARIFICATION OF JOB CREATION GUARANTEES

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I wish to direct a question to the Deputy Prime Minister.

Today I met with hundreds of workers demonstrating on Parliament Hill here in Ottawa to tell the Government their concern over the heavy job losses in Montreal East.

Since jobs would be created in Montreal East if the deal with Hyundai were to include a Canadian content guarantee, can the Deputy Prime Minister assure the House that the federal Government will not give a single dollar to Hyundai unless the company provides job creation guarantees similar to those given by American Motors at Brampton?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman is putting the same question which he put yesterday. The answer is to be found at page 8595 of *Hansard* where the Prime Minister answered him by saying:

—the conditions for job creation in the case of Hyundai will be at least as interesting as they have been for all other automobile companies in Canada.

In passing, as the Hon. Member will see if he rereads yesterday's *Hansard*, the Prime Minister wondered about the reluctance of the NDP to applaud job creation in the Province of Quebec. Why are they doing that?

Some Hon. Members: Hear, hear!

[*Translation*]

HYUNDAI PLANT—AUTO PACT—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, can the Deputy Prime Minister explain how it is that other Canadian car makers fully endorse the automotive agreement provisions, but that this issue has not even been raised with Hyundai to force the company to abide by the automotive agreement?

Why a different scenario in the case of Hyundai? Or would it be that you do not want to upset the Americans who have little use for Canadian content restrictions?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I am again amazed at the extent to which the Hon. Member and, indeed, a good many of his colleagues, continue to believe in the truth of the preamble to their own ruddy questions. The preamble is simply not accurate. The Hon. Member's most pessimistic and gloomy predictions with respect to what will happen in the Province of Quebec are totally unfounded. The fact is that this is a direct result of the investment strategy of the Government. The creation of jobs should be applauded by him rather than viewed with his customary pessimism.

Some Hon. Members: Hear, hear!

[*Translation*]

REQUEST FOR CLARIFICATION OF HYUNDAI AGREEMENT

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to direct my question to the Minister of State for Small Businesses.

I would like to ask a question whose answer is not already recorded in yesterday's *Hansard*.

Are we looking at two different agreements, one between the Quebec Government and Hyundai, and another between the Canadian Government and Hyundai—no, do not look in yesterday's *Hansard,* the answer is not there—or would it be a tripartite agreement to which both Governments and Hyundai are parties?

• (1430)

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the fact is that if the Hon. Member had been paying attention yesterday, and if he had reread *Hansard* for yesterday, as I have, and studied it, he would have found the answer he says is not there, at page 8594 of *Hansard*. The Prime Minister said, and I quote:

> We are concluding agreements pursuant to our joint agreements with the Government of Quebec, and in view of the absence of the Minister of Regional Industrial Expansion, details will be announced when and as appropriate.

I don't know why the Hon. Member should join his colleague, who is from the very region where the plant is going to be established, in knocking and criticizing job creation in the Province of Quebec.

Some Hon. Members: Hear, hear!

[*Translation*]

HYUNDAI—REQUEST FOR CLARIFICATION OF GUARANTEES RELATING TO PARTS MANUFACTURING

Mr. Jacques Guilbault (Saint-Jacques): Fair enough, Mr. Speaker. It is a joint agreement.

Well then, I wish someone would explain to me why the Quebec Government has already made its announcement. How can it possibly guarantee 1,600 indirect jobs in parts manufacturing when, according to the vice-president of Hyundai, the question of guarantees with respect to parts manufacturing was not even raised in the negotiations with the federal Government? Is that what a joint agreement is? My eye!

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, there were 333,000 jobs created since last year.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Nielsen: And all we hear from them in response—

Mr. Blackburn (Brant): That's what Trudeau used to say.

Mr. Nielsen: —to that good news is complaints.

The Hon. Member almost had apoplexy yesterday because the news was so good. For heaven's sake, when the news is good, rejoice!

Some Hon. Members: More! More!

Mr. Nystrom: That's a hard act to follow, Mr. Speaker.

[*Translation*]

JOB LOSSES—INQUIRY ON MEASURES GOVERNMENT INTENDS TO TAKE

Mr. Lorne Nystrom (Yorkton-Melville): In the absence of the Prime Minister, I should like to direct a question to the Deputy Prime Minister of Canada.

I have just met some 400 working men and women from Montreal East who are really angry. They asked me to put to the Prime Minister of Canada the following question: What is the Government going to do for the workers of Montreal East who are now unemployed and to protect the jobs of those who are still employed?

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, I have also had the opportunity to meet these 400 or 500 workers of Montreal East who are quite concerned about the situation which exists there.

I should like the House to know that I have been quite pleased to meet these workers and to assure them that we are actively looking for ways and means to help them, in view of the fact that the policies implemented up to a few months ago have been disastrous for workers of Montreal East. We will make a special effort to help them. And I do not think the Members opposite are in a position to tell us what to do.

SITUATION IN MONTREAL EAST—GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, these workers would like to get a definite answer from the Minister, because such corporations as Bombardier, Gulf Oil, Vickers and so on are laying off workers.

Mr. Speaker, how many workers will have to come to Ottawa to camp on the steps of Parliament before this Government takes concrete action? Just how many? Five hundred, 1,000, 2,000, 3,000? How many?

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, I cannot understand that Members of the Opposition do not realize that 1,200, a minimum . . .

[*English*]

Mr. Speaker: Order, please. I think there is a point of order being made to me with regard to the appropriateness of the Minister answering the question, because I presume it was put to the Minister of Employment and Immigration. I am not sure.

Some Hon. Members: Oh, oh!

[*Translation*]

Mr. La Salle: Mr. Speaker, you certainly realize that I know a thing or two about Quebec.

Therefore, in view of the fact—

Some Hon. Members: Hear, hear!

[*English*]

Mr. Speaker: No, I'm sorry.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. Order, please. The Hon. Minister may want to speak, but I think he knows the House does not follow the practice of allowing political or regional Ministers to take questions. Therefore, I think we must go to the next question.

* * *

[*Translation*]

EMPLOYMENT

INQUIRY RESPECTING GOVERNMENT COMMITMENT ON GULF REFINERY PRODUCTION LEVELS

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question refers to the crisis which exists now in Montreal East following the loss of 5,000 jobs. I can understand that the Prime Minister, the Minister of Energy, Mines and Resources and the Minister of Supply and Services were hiding.

Mr. Speaker, what these workers who are in the galleries would like to know from the Deputy Prime Minister—

[*English*]

Mr. Speaker: Order, please.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. Could we just have a little quiet, please? I think the Hon. Member knows—

[*Translation*]

The Hon. Member is well aware that he is not allowed . . . Order, please! He is well aware that he is not allowed to mention the galleries. I think he knows that. I should like him, please, to ask his question immediately!

Mr. Malépart: Could the Deputy Prime Minister assure the Gulf refinery people that his Government intends to live up to the commitment made by the Minister of Energy, Mines and Resources to the effect that Gaz Métropolitain, the future buyer of the Gulf refinery, will benefit from the contract for 35,000 barrels a day?

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, I think that the Hon. Member, while directing his question to the Prime Minister, would like a reply dealing especially with the Montreal situation. May I tell the House that, contrary to the previous Government—

Mr. Gray (Windsor West): On a point of order, Mr. Speaker. When a Minister is absent, his parliamentary secretary—

[*English*]

Mr. Speaker: Order, please. Would the Hon. Member for Windsor West please resume his seat? Order, please.

An Hon. Member: Settle down.

Mr. Speaker: I have to remind the Ministry, I think, that the question was put, I take it, to either the Prime Minister or—may I know in what capacity the Hon. Minister of Public Works is replying, please?

Some Hon. Members: No.

Mr. Gauthier: It's Question Period. Get your act together.

Mr. Speaker: Order, please. I need to know from the Minister of Public Works in what capacity he believes he is replying, if I may. I take it the Deputy Prime Minister is now going to answer the question.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Let me respond, since there appears to be some misunderstanding about the right of the Minister of Public Works to respond on behalf of the Ministry, which I suggest he is entitled to do. The Hon. Member accuses us of hiding certain members of the Ministry. I would like to be able to say the same thing about himself but, unfortunately, I can't do that.

Some Hon. Members: Oh, oh!

Mr. Nielsen: If the Hon. Member has specific questions which he wishes to ask with respect—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. Do I need to remind Hon. Members that this is the House of Commons and some language surely should not be used here.

Mr. Nielsen: With respect to the demonstration in front of the House, the Hon. Minister for Public Works will respond to those questions fully, forthrightly, and completely.

Some Hon. Members: No, no.

Mr. Speaker: All that yelling is not helpful. I think, with respect to the House, that following Citation 361 in Beauchesne's fifth edition, which Hon. Members may want to read, I cannot allow questions to Ministers answering in a regional capacity, following the traditions of the House. I cannot do that.

• (1440)

[*Translation*]

REQUEST FOR EXPLANATION OF PRODUCTION OUTPUT AT MONTREAL GULF REFINERY

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): I have a supplementary question, Mr. Speaker. The Deputy Prime Minister did not get the point. It is clear that the Government is all mixed up in its answers. How do you think it will be able to save jobs in Montreal East?

I repeat my question to the Deputy Prime Minister: Could he assure these people that his Government will transfer to Gaz Métropolitain, the future purchaser of the Gulf refinery in Montreal East, the contract for 35,000 barrels a day? Yes or no?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I will tell the hon. gentleman what we will continue to guarantee as a Government Sir, as has been demonstrated by their smarting over the investment opportunity in their own province and the job creation which has occurred there as a result of Hyundai's investment. We can guarantee that those same strategies will be followed which will further improve the unemployment rate, now down 1.5 per cent from last September. Youth unemployment is down 2.2 per cent. The bank rate is down 3.6 per cent. The chartered bank rate is at a seven-year low, down three per cent. Mortgage rates are at a six-year low.

Some Hon. Members: Hear, hear!

Mr. Nielsen: He and his colleagues do not like those kinds of encouraging statistics but that is the kind of thing we will continue to promise him as a Government, and will continue to deliver.

REGIONAL INDUSTRIAL EXPANSION

CONTRACT AWARDED TO CLEARWATER LOBSTERS LIMITED

Hon. Edward Broadbent (Oshawa): Mr. Speaker, in the absence of the Prime Minister I have a question for the Deputy Prime Minister. He could have added that 52 per cent of Canadians think the Government is doing a lousy job.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: And 82 per cent voted against the NDP.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Wait for it, Ray.

In Nova Scotia on the weekend I learned that the federal Government had awarded a contract to Clearwater Lobsters Limited for $3.4 million. This same company is now eligible for some $2 million in federal loans. Is the Deputy Prime Minister aware that the Minister of Supply and Services holds shares in that company?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I am certain that the Hon. Member would not like—I hope I am wrong—to leave the inference that the Minister of Supply and Services somehow has a conflict. Such is not the case.

An Hon. Member: What about the guidelines?

Mr. Nielsen: Someone in the NDP mentions the guidelines. If they know the guidelines at all they know that Ministers have 120 days from the time of their appointment to comply with those guidelines, which the Minister of Supply and Services is doing.

However, the question is defective for more than that reason. The contract of which he speaks nothing to do with Supply and Services and everything to do with the Minister of Regional Industrial Expansion. So I suggest that before he leaves that kind of innuendo lying around in any further questioning, he better check his facts.

Some Hon. Members: Hear, hear!

EFFECT ON VALUE OF COMPANY SHARES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want to assure the Deputy Prime Minister that, as is usually the case, I check my facts in advance.

Mr. Clark (Yellowhead): What about uranium?

Mr. Broadbent: I was aware of those facts. Since this decision by the Government will have a positive effect, no doubt, on the shares of the company, and since the Minister stands to gain directly from that, does the Deputy Prime Minister think it is appropriate and consistent with the spirit of the guidelines that a Minister of the Crown should retain shares for three months in such a company without his col-

leagues being informed that he holds shares in such a company?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I can assure the hon. gentleman, and I spoke with the Minister of Supply and Services this morning, that he has taken and is taking every step required to comply meticulously with the guidelines. Thus far, in my judgment, he is not in breach in any way of those guidelines. I continue to assure the Hon. Member, though, that DSS has nothing to do with the contract in question, indeed has never had any business transactions, I am informed with the Clearwater Lobsters concern.

CONFLICT OF INTEREST GUIDELINES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Deputy Prime Minister knows very well that the conflict of interest guidelines he has alluded to do not exclusively pertain to the Minister's own Department, but they have everything to do with the appearance of justice, fairness, and the absence of private access. That is what they are all about.

Will the Deputy Prime Minister ensure that an investigation is made into the timing of the application for this grant, when it was made, and inform the House of that date?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I can assure the hon. gentleman to this extent, the extent to which my inquiries have gone thus far, that prior to the announcement of the grant the Minister of Supply and Services had no knowledge of it whatsoever. I continue to reassure him that the guidelines in existence, tabled by the Prime Minister recently, will continue to be applied meticulously, and the Minister of Supply and Services is complying in all respects with those guidelines.

* * *

[*Translation*]

EMPLOYMENT

MONTREAL EAST WORKERS—GOVERNMENT POSITION

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, I have a question for the Minister of State for Transport.

The workers of Montreal East travelled to Ottawa to protest on Parliament Hill and tell the Government that Montreal East is not Schefferville and that they want to keep their jobs at all costs.

Will the Minister announce her commitment to the workers of Bombardier, Canadian Foundries and Canadian Steel Wheel Foundries and state that the jobs of the workers in Montreal East will be protected?

Hon. Suzanne Blais-Grenier (Minister of State (Transport)): Mr. Speaker, I would like to thank my hon. colleague for his question and tell the House that we did not waste six years worrying about the situation in Montreal East, which had been getting worse under the previous Government. Not only are we concerned about the workers, but we are also consulting the companies to try to rectify the situation and we hope to be able to announce additional corrective action within a few weeks.

INQUIRY RESPECTING GOVERNMENT'S PLANS TO STOP CLOSURE OF S.K.D. TECHNOLOGIE

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, the workers in Montreal East are fed up with promises; they want jobs now.

My supplementary is for the Minister responsible for Investment Canada. I would like to know what is happening about the change of ownership of S.K.D. Technologies since the previous Liberal Government had guaranteed that Canadian jobs would be protected in such a case.

Are jobs in Canada going to be protected with this change of ownership and what does the Government plan to do to prevent the closure of the S.K.D. Technologies plant in Ville d'Anjou?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, as we all know, the Minister of Regional Industrial Expansion is detained in his constituency for a short while yet. I shall take the question as notice and come back with an answer as soon as possible. I am not familiar with this matter.

* * *

[*English*]

CONSUMER AFFAIRS

HIGH INTEREST RATES CHARGED BY CROWN CORPORATIONS

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. One of the many achievements of the Government has been a persistently low bank rate, but the news has not gotten through to the companies which levy excessive interest charges on their customers, including Crown corporations. Insofar as Air Canada charges its customers 19 per cent, which is 10 per cent over the bank rate, and Petro-Canada charges 24 per cent, which is a whopping 15 per cent over the bank rate, what assurance will the Minister give that when he discusses joint action with the provinces, to which he has referred in answers he has given previously, the agenda will include those corporations which boast they are ours?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, my view is that, as mentioned by the Hon. Member, we are proceeding with discussions with the Provinces on that matter, which of course concerns many consumers.

The Hon. Member will also remember that those carrying charges include not just interest charges, but also operating charges.

We are concerned about the matter, and we want to make sure that consumers are well informed of the choices available to them to get the credit they need. We are discussing with the Provinces about how to inform those consumers of the best available choices.

* * *

● (1450)

[*English*]

AUDITOR GENERAL

RELEASE OF CABINET DOCUMENTS ON PURCHASE OF PETROFINA

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of Justice. Is it the intention of the Government to comply with Justice Jerome's decision and give to the Auditor General all of the cabinet documents relating to the Petrofina takeover?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the position is that there is as yet no judgment in that particular case. We do not know when the judgment will be entered.

At the last meeting that took place before Mr. Justice Jerome, he added some observations to the record. Counsel are still supposed to see if they can agree in drafting the terms of a judgment. Until a judgment is entered we cannot consider the matter any further or make any decision. We can hardly make a decision until we know exactly what the judgment is.

GOVERNMENT POSITION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, what was the Minister of Justice talking about when he said on November 4, as reported at page 8318 of *Hansard:*

—I can assure the hon. gentleman that a decision will be made this week.

On November 8, as reported at page 8481 of *Hansard,* the Prime Minister said that the decision:

—I hope will be very shortly—in fact I know it will be shortly—

What were you talking about?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, as usual, the hon. gentleman is puzzled.

Mr. Deans: As usual, I am puzzled by you.

Mr. Crosbie: I can assure the hon. gentleman that there is nothing to be puzzled about. I was ready to make a decision when the judgment was entered. However, the judgment is not yet entered so I cannot make a premature decision. I will not be made a victim of premature decision making.

AGRICULTURE

TRIPARTITE RED MEAT PLAN

Mr. Jim Caldwell (Essex-Kent): Mr. Speaker, my question is directed to the Minister of Agriculture. I am sure that beef and pork producers across the country are very pleased to hear the announcement of a stabilization payment. Will this be the last payment made under this particular plan? Will the next one be made under the tripartite red meat plan? If so, does that mean that all provinces have signed the new agreement?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the Hon. Member's interest in the subject. He will know that the campaign for tripartite stabilization has eluded previous Governments for ten years. We provided the necessary change in the legislation and we have a tripartite stabilization plan ready to proceed. It carries one signature, the signature of the federal Minister of Agriculture. Again I invite all provincial Ministers to come to Ottawa and join that plan.

Some Hon. Members: Hear, hear!

* * *

REGIONAL INDUSTRIAL EXPANSION

CLEARWATER LOBSTER LIMITED CONTRACT

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Deputy Prime Minister. While it may just be coincidence that this money has been made available to Clearwater Lobster Limited, let me review the facts briefly. The Minister is a former secretary treasurer of that company, a former legal adviser, and presently a shareholder. His son is the assistant retail general manager for that particular company.

Would the Deputy Prime Minister explain to the House how this type of behaviour and conduct by the Minister of the Crown lives up both to the substance and spirit of the conflict of interest guidelines tabled by the Prime Minister?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I would have expected better—

Mr. Rodriguez: We do.

Mr. Blackburn (Brant): You took the words right out of our mouths.

Mr. Nielsen: —than the despicable accusation that is made in that question. The fact of the matter is that the Minister of Supply and Services resigned as a director in March, 1985. The fact of the matter is that he has no voting shares in that company. The fact of the matter is that he is in strict compliance with the guidelines. The Hon. Member might have a case if, after that time has expired, there was no compliance with the guidelines. However, at the moment he has no case and should not be pushing that kind of canard in the House of Commons.

CONFLICT OF INTEREST GUIDELINES

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I remind the Deputy Prime Minister of Section 5(2) of the conflict of interest guidelines which says in part: "... holders of the responsibility are to take such additional action as may be necessary to prevent real, potential or apparent conflicts of interest".

Is it not high time that the Minister of Supply and Services either resign from his position or that we have this whole matter submitted to the Standing Committee on Privileges and Elections to be reviewed by the parliamentary committee?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): No, Mr. Speaker, it is not high time that any such action be taken.

Mr. Dingwall: Another cover-up.

Mr. Nielsen: Now he charges, from the safety of his seat, that there is a cover-up. Nothing could be further from the truth, and he knows it.

Mr. Dingwall: Let's go to committee.

Mr. Nielsen: The Minister is complying with the guidelines. He should know that there is a strict procedure in place for assuring that compliance. That strict procedure is being followed by the Minister, but it sure as heck is not being followed by that Hon. Member.

Some Hon. Members: Hear, hear!

* * *

ENVIRONMENTAL AFFAIRS

ST. CLAIR RIVER—POLLUTION CLEAN-UP PROJECT

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the Minister of the Environment. The interim report on the St. Clair crisis shows a deeply serious situation that has been allowed to exist for far too long. The Minister now indicates that clean-up will take a further 75 days. Will the Minister ensure that more resources are devoted to this clean-up so that the job can be completed before the winter freeze-up, and downstream communities can keep a sense of confidence that this problem is being handled with urgency?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, yesterday I said outside the House that the job of vacuuming the offensive toxins was taking about ten times as long as was originally expected because of various circumstances that had not been anticipated. Because of our concern about the pending winter conditions that might compound the problem, it is my understanding from my team of high-powered scientists that a meeting is being held on Friday for the purpose of assessing the most up to date projection for completion of the clean-up. I would be glad to advise the Hon. Member and, through him, the House, on any further remedial action we might wish to take as a result of that meeting.

IMPORTATION OF HAZARDOUS WASTES FROM UNITED STATES

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I thank the Minister for that assurance. Given the large increase which this report shows in hazardous waste imports to the area from the United States, will the Minister agree that we have enough problems in Canada disposing of our own chemical wastes, and ban this trade in dangerous garbage?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I assume from the question that the Hon. Member is referring to the importation of hazardous goods from the United States into Canada, and into Ontario in particular. If that is the case, I can assure him that the necessary regime to deal with this concern has already been put in place by the Government. It is a question of vigorous enforcement and I can assure him and every Member of the House that we will be tough on companies which offend our environment, including companies on the other side of the border.

* * *

[*Translation*]

PUBLIC WORKS

SALE OF REAL ESTATE BY GOVERNMENT

Mr. Édouard Desrosiers (Hochelaga-Maisonneuve): Mr. Speaker, my question is directed to the Minister of Public Works.

Some time ago, the Auditor General of Canada referred in his report to the very large number of unused buildings entailing tremendous costs to the Government.

My question is this, Mr. Speaker: Did the Minister make changes? And what kind of changes?

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, I welcome this question. It is a fact that the Auditor General referred to surplus buildings or property owned by the Government, which cost millions of dollars because they are not being used. It is with great satisfaction that I can tell you, Mr. Speaker, that, striving as we do for good management, we have sold property—coming from my Department this should interest the lady—for $36 million that go to the Treasury Board, with a saving of almost $2 million in grants in lieu of taxes, and hopefully this will in fact generate private projects to the tune of $2 billion.

● (1500)

[*English*]

ENVIRONMENTAL AFFAIRS

ST. CLAIR RIVER POLLUTION—QUALITY OF DRINKING WATER

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is for the Minister of the Environment. In light of the report released yesterday, can he indicate to this House and to the people of the country whether it is safe to drink water from the St. Clair River?

Hon. Tom McMillan (Minister of the Environment): The answer is yes, Mr. Speaker.

Mr. Blackburn (Brant): Would you?

Mr. McMillan: The quality of the drinking water has not been compromised. Indeed, over all there is no concern about the quality of the St. Clair River in general from which thousands of Canadians are deriving their drinking water.

What we are concerned about is not the immediate threat from the so-called tarry blob but about what that tells us about the over-all conditions attendant to the St. Clair River.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of one, presented by Hon. Members on Tuesday, November 19, 1985, meet the requirements of the Standing Orders as to form.

One petition presented by the Hon. Member for Nickel Belt (Mr. Rodriguez) does not meet the requirements of the Standing Orders as to form.

[*Translation*]

The petition presented by the Hon. Member for Calgary West (Mr. Hawkes) and filed with the Clerk of the House also meets the requirements of the Standing Orders as to form.

Is the Hon. Member for Laurier (Mr. Berger) rising on a question of privilege?

Mr. Berger: Yes, Mr. Speaker.

* * *

PRIVILEGE

REQUEST FOR EXTENSION OF QUESTION PERIOD

Mr. David Berger (Laurier): Because of the confusion which existed among Government Members a while ago, Mr. Speaker, several Hon. Members, including myself, have been deprived of their right to ask questions during question period. I was wondering if you could not exercise your duty by extending the oral question period by four or five minutes to make up for the confusion that existed among Government Members.

Mr. Speaker: No!

ROUTINE PROCEEDINGS

[*English*]

INTERNATIONAL TRADE

FOOTWEAR IMPORT QUOTAS—STATEMENT OF MINISTER FOR INTERNATIONAL TRADE

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, a year ago the Government announced an agenda for the economic renewal of Canada. In it, we recognize that Canada's economic well-being will be determined, in large part, by how successfully Canadians respond to the challenges of technological change and rising competition that are facts of life in today's world.

In the *Agenda for Economic Renewal*, we set ourselves four basic goals: to put our fiscal house in order; to make Government less intrusive, reducing the compulsive regulation that has hamstrung business and sapped it of creative energy; to adopt policies that foster higher investment, greater innovation and increased international competitiveness, and to do all this in a climate of fairness and openness that is characteristic of Canadian society.

One of the basic tenets of the agenda was that we must improve our export performance. Trade is our lifeblood. Nearly one-third of our national income and more than three million jobs are directly dependent on our exports. During the past year, promoting and improving our capacity to export has been one of our Government's main preoccupations. Securing our access to the bigest market, the United States, has of course been a major theme. But we have also launched an important trade initiative in the Pacific Rim. We have worked with the provincial Governments to draw up a dynamic national trade strategy, and we have taken a leading role in promoting and preparing for a new round of multilateral trade negotiations that would lower more of the barriers to commerce throughout the world.

Trade is a two-way street. To export, we must also import. The balance in our trade can only be determined by our capacity to compete. Artificial barriers, such as quotas and high tariff walls, may provide temporary protection to specific industries, but experience has taught us that they are counterproductive in the long run. They can have the effect of isolating the industries they were intended to protect, of making them less able, rather than more able, to stand on their own.

During the past year, Mr. Speaker, the Government has been engaged in a comprehensive policy review related to one of Canada's protected industries, footwear. Our producers of

footwear have enjoyed the protection of import quotas for the past eight years.

In June of last year, the previous Government assigned the Canadian Import Tribunal to review the industry's position, with particular stress on determining two factors: the extent of injury the footwear sector would sustain if quotas were lifted, and the extent to which the industry had used the period of protection to become more competitive.

To carry out its mandate, the Canadian Import Tribunal spent one year conducting the most comprehensive review ever undertaken of our footwear industry. In addition to its own studies, the tribunal heard 72 witnesses and received 39 written submissions representing virtually all interests, manufacturers, importers, exporters, retailers, labour unions and consumers. It made its report this past June, and we see no reason to disagree with its findings.

Indeed, the tribunal found great cause for optimism. It found that, by and large, the Canadian footwear industry has in recent years matched and, at times, outperformed the economy as a whole and the manufacturing sector in particular.

We now have an industry which has undergone a process of adaption, adjustment and change. It has made significant changes in product mix. It has strengthened its position in its most favourable market segments. It has thought up new methods of competing. It has improved the efficiency of its management and financial information systems. It has continued to employ state-of-the-art technology and has moved upward in the quality scale in the market.

As a result, we now have an industry that, with one temporary and limited exception—that of the makers of women's and girls' footwear—is ready to stand up to the international challenge.

The tribunal pointed out another relevant detail about the transformation of the footwear industry. The quota system had little effect on it. The changes were brought about primarily by the pressures of the market-place rather than eight years of quota protection. A particular source of the industry strength, for example, has been its ability to fill orders for short runs of new products on very short notice.

The Government has therefore concluded that further granting of import relief to the whole industry would not be in the country's economic interest. Accordingly, effective December 1, 1985, import controls will be continued only on women's and girls' dress and casual footwear. This sector accounts for nearly half of the Canadian industry sales, and it is the only sector which the Canadian Import Tribunal found would be injured by an immediate removal of quotas. Moreover, in this sector of the industry the tribunal recommended—and the Government is committed to it—a phasing out of quotas over the next three years. They will be increased by 6 per cent in the first year, 8 per cent in the second and 10 per cent in the third year. By then the quotas will have been in force for almost 11 years.

• (1510)

In coming to this decision, the Government was influenced by the actual effects which the footwear quotas have had. They have driven shoe prices up. Canadian consumers have paid somewhere between $450 million and $500 million more for footwear than they would have, had there been no quotas. This increase has been felt by most lower-income Canadians, both because their budgets are lower and because low-cost imports have been restricted. Because prices were higher, demand for footwear decreased. Judging by the figures produced by the import tribunal, Canadian consumers now buy roughly 12 per cent fewer shoes than they would have if quotas had not been in force since 1978.

At the same time, the benefits accorded to the industry were minimal. In 1983, for example, consumers paid an extra $85 million for their footwear, while the industry produced only $29 million more than it would have without the protection of quotas.

Who gained from the quota system? The principal beneficiaries were not Canadian footwear producers. The ones who gained the most were the holders of footwear quotas, mostly importers and large retail chains. Smaller outlets were adversely affected because they had allocations too small to take advantage of price reductions for bulk buying.

There is a broader consideration as well in the Government decision to reduce and phase out footwear quotas. The fact is that continuation of the quotas would have seriously affected Canadian interests in other sectors of the economy.

The imposition of quotas invariably raises demands for compensation by countries whose exports are affected. These demands are neither unfair nor unrealistic. They are provided for by the rules of the international trading system which Canada supports. However, they are very expensive.

Compensation can take many forms—lower duties on other imports, for example, cash compensation or higher duties for some of our own exports. Injured countries are even entitled to retaliate by imposing their own quotas on products we sell to them.

Some Members of the House will recall that at the time the present footwear quotas were extended to November, 1985, the European Economic Community threatened to exercise its right to retaliate. It threatened to raise tariffs to prohibitive levels on Canadian petrochemicals, steel products, craft paper, furs and other products. This could have cost us $150 million in sales to Europe in industries that had nothing to do with footwear. We managed to stave off this threat only by agreeing to forgo duties on a range of European imports at a cost of $12 million to the Canadian Treasury. Had we not done so, a great many jobs would have been lost. This, somehow, does not seem fair.

The Government does not subscribe to the gloom and doom predictions that the lifting of quotas would result in the eventual demise of the Canadian footwear industry. The evidence suggests just the opposite, that the footwear industry has regained its vitality and health. It should not be forgotten,

moreover, that Canadian manufacturers will still be protected by a 23 per cent tariff on imported footwear. Twenty-three per cent is a lot of protection. In the U.S., the average footwear tariff is 8 per cent; in western Europe, it is 10 per cent; and Canada's average tariff on all manufactured goods is 9 per cent.

The process of industry adjustment has been significant. It has, moreover, been speeded by a number of Government assistance programs. We estimate that by the time disbursements are finalized under the Canadian Industrial Renewal Board program, footwear companies accounting for more than 60 per cent of industry sales will have received benefits, benefits totalling $22.5 million. This assistance has been directed to management, finance, marketing and production, with the bulk of planned investments directed to upgrading equipment.

Additionally, I am pleased to announce that the Minister of Finance (Mr. Wilson) will give consideration to any industry requests for temporary tariff or duty remission schemes to help the Canadian footwear industry improve its competitive position. These measures, coupled with Canada's existing anti-dumping legislation and the industry's increased competitiveness, not to mention the 23 per cent tariff, should allow Canadian manufacturers to compete successfully against foreign imports.

The Government anticipates that the lifting of quotas will give rise to a moderate surge in imports. Some of this will be due to pent-up demand for lower priced shoes. Some of it will be due to the fact that there will be a number of new importers, and some will be caused by what we expect will be an inclination by retailers to experiment by importing new items.

Our view is that the surge will be short-lived, that it will stabilize within 12 months to 18 months. Nevertheless, to mitigate any effects the surge may have, we will be conducting consultations with the countries which are Canada's principal footwear suppliers. We will put them on notice that their long-term interests in the Canadian market would best be served by a prudent and gradual approach to sales.

As for Canadian importers, some of whom have been known to bring in footwear for the sole purpose of establishing a high base for the allocation of future quotas, I will make it abundantly clear to them that such practices will not be rewarded in the future.

Canadians across the country will benefit as consumers from this decision. However, the Government also recognizes that a period of adjustment for workers in the industry may well result from the removal of quota controls. We are, therefore, adopting a pro-active approach to anticipated challenges. Rather than react with band-aid measures after the fact, we are proposing a strategy which recognizes the particular dynamics of the industry. Altogether, the footwear industry comprises approximately 175 companies and employs 15,000 workers. Most companies are fairly small, with an average of 86 employees.

To assist those affected, the Government has planned a three-pronged attack. We will provide aid to companies, to communities and to individual workers in the footwear industry.

Companies anticipating human resource problems can go to the Government's industrial adjustment service which can make available up to $100,000 on a cost-shared basis for a variety of purposes, including joint research into alternate business proposals and the adjustment needs of employees who might become vulnerable to market forces.

Employees are also eligible for the Government's skill investment and skill shortages programs for professional retraining and will bring into play the Labour Adjustment Benefits Program to assist older workers unable to take advantage of new job opportunities.

A further level of assistance will be applied when disruption in footwear employment might affect a whole community. Affected communities can take advantage of the industrial adjustment service on much the same terms as affected companies. In addition, the Community Futures Program will be well placed to provide direct assistance to communities which have been dependent on the footwear industry. This assistance will come in the form of program options designed to encourage new enterpreneurial activity and new employment or, if necessary, helping workers to relocate.

These are programs with a high degree of flexibility. We are confident that they will enable us to promote the Canadian footwear industry's growing ability to compete, both at home and in international markets, and to do so without causing great upheaval in the lives of Canadians employed in the footwear industry.

• (1520)

If we have learned anything from the past decade, Mr. Speaker, it is that the real source of our wealth is the ingenuity, the intelligence and the hard work of the Canadian people. However, we have also learned that if we are to preserve our wealth and increase it, we must be competitive at home and abroad and that if we are to be competitive we cannot impede change but must embrace it. One year ago the agenda for economic renewal summed up the challenge in one sentence. It said: "The art of progress is to preserve order amid change and to preserve change amid order". That, Mr. Speaker, is the intention of the action I am announcing today.

[*Translation*]

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I want to quote what the Prime Minister (Mr. Mulroney) said in Sherbrooke in August 1984. As reported in the newspaper *La Tribune*, the Prime Minister stated: "The policy on quotas will be maintained". He also said he was not in favour of free trade in that sector. He went on to say "he would not give in even under pressure which might come from European Common Market countries, the United States, and other nations".

What a cruel lie, Mr. Speaker, what a cruel lie! Today the Prime Minister has betrayed the Sherbrooke footwear workers as well as all other footwear workers in Canada.

Footwear workers can now call the Prime Minister the Pinocchio of Sherbrooke. Does he not feel any shame?

[*English*]

We have seen today one more in a long, long list of broken promises by the Prime Minister (Mr. Mulroney). During the election campaign he said, with brave words of assurance to the people of the Eastern Townships, the people of Quebec and Ontario, that he was not going to succumb to the pressures of those other countries, that he would protect their industries and keep the quotas on. Today we hear his Minister for International Trade (Mr. Kelleher) trying to put a gloss on those words and trying to bury them in the deep ground of shame which has covered the Government since it took office. Members of the Government have no intention of living up to their commitments and promises. They make a mockery of the profession of public service by completely and totally contradicting any sense of trust or confidence that people placed in them. It was not us who said that, Mr. Speaker. It was the present Prime Minister who made those declarations. Presumably he made them with some intention of carrying them out. Presumably, as a man of honour, which he likes to claim he is, he did not use those words lightly. He used them with great seriousness and great gravity because he knows how important that industry is to the people of those regions. Surely, Mr. Speaker, there is not a nose cover large enough in Canada to provide any camouflage for the kind of treason that the Government commits day after day as it breaks promise after promise.

Something that is perhaps even more serious than that broken promise, as serious as that may be, is what it tells us about the future. Since September 24 we have been trying to debate in this House the commitments that the Government is making to all kinds of other workers about what it will do when it negotiates trade. The Government says that it is going to protect the cultural industries and workers in agriculture, in the auto pact and in the lumber industry. The Government says that we should trust and believe it because it never changes its mind but is firm and determined. Mr. Speaker, I would ask members of the Government to today talk to workers in the shoe industry in Canada to find out how much they believe the Government and how much confidence we can entrust in these negotiations.

The very time when someone else calls the tune, our song and dance man is up on his toes whistling Dixie. That is the problem with our Prime Minister. We cannot believe what he has to say. As we enter into perhaps the most serious negotiations on trade in the history of the country we are faced with this example of betrayal and broken promises. That is the foundation upon which we are supposed to build the new regime of international commerce. That is what the Government is asking Canadians to place their trust in. Surely, Mr. Speaker, it is a serious and grave indictment and creates an incredible sense of uncertainty on the part of all Canadians as we make this leap of faith which we are being asked to do.

The fact of the matter, Mr. Speaker, is that the Government does not have a comprehensive, clear approach to the issue of trade. It does not understand that a trade policy is an extension of domestic economic reality. The Government treats it as a form of abstract economic theology which, since it was implanted in the agenda for economic renewal, takes on the appearance of being cast in stone. It has now become sacrosanct, another sacred trust. The Government does not understand that a trade policy should be the means to an end. It should be the way of securing employment. In order to develop a proper and effective trade policy one has to integrate and bring together problems of labour markets, capitalization, modernization and export-import policies. Sector by sector there must be a series of Government actions of consultation, planning and development to make sure that that sector is prepared to face whatever international competition exists.

The Minister said that we must live by international trade. We do not disagree. We agree that as a country we must broaden our markets and secure better markets. However, in order to achieve that we must have strong Canadian industries. We must have productivity, growth and competition at home in order to allow our industries to compete abroad. Surely that is the example set by Japen, which is presently probably the world's greatest exporting nation. It does not open its doors wide and say: "Come on in". Japan protects its fledgling industries. It gives old industries protection until they can regroup, remodernize and refresh themselves and then they compete abroad. That is the plan of attack of the Japanese rather than this theological abstraction which we get from the Government on the other side. The Government does not understand that, Mr. Speaker. It says that the eight years which the shoe industry has had is long enough.

Notice the inherent contradiction in the Minister's own statement. He says that protection is no good. Then, two paragraphs later, he goes on to admit that during that period of protection the industry has made a successful effort to start its modernization, to start retooling, the start bringing in new equipment and to start developing new markets. In other words, it has used that period to begin rebuilding itself for a new day. However, the industry has said very clearly that as yet, it has not had enough time; it has not achieved the point where it can meet that competition. During the period when there was a quota protection the industry did start turning itself around and rebuilding for the future. Now the Government has cut it off at the knees. It has short-circuited and short changed that industry.

You do not have to take my word for it, Mr. Speaker. I will quote the Minister of Regional Industrial Expansion (Mr. Stevens), the colleague of the Minister of International Trade. In giving the declaration of his new philosophy of economic regional development to the *Financial Times* he said: "A country like Canada may have to say we want to be free as far as our trading relationships are concerned. But it's got to be in the context of saying there is a portion of the market that we

should reserve for Canadian companies". That was the statement of the Minister of Regional Industrial Expansion.

Where is that statement contained in the report of the Minister of International Trade? I did not see any reference to the statement of the Minister of Regional Industrial Expansion that he was going to protect a portion of every industry for Canadian production. The poor Minister of Regional Industrial Expansion, he takes a few weeks off because of a severe illness and his colleagues totally and completely abandon his policies. He is betrayed, as are the workers in the shoe industry, because his so-called new approach to economic development has just been torn to shreds. Even worse, we on this side of the House find it absolutely incredible to accept that at the very time when we must strengthen and modernize the industry, the Government has discarded the one program that was enabling the shoe and textile industries to rebuild themselves. Two years ago, we formed the Canadian Industrial Renewal Board, a Government agency the decisions of which were made by senior executives from the private sector. The Chairman of the Board was Mr. Desmarais from Power Corporation and he was helped by union and business people from across Canada.

● (1530)

The import tribunal itself in its own report gives substantial credit to CIRB for having been the catalyst that was enabling the shoe industry to begin to bring in new machinery and develop new techniques. What did the Government do? It got rid of the program. It is cancelling it and has stopped its funding. It abandons it. While there was one real way in which the Government of Canada could help the industry to develop and modernize, the Government, in all its wisdom, gets rid of the program. That is really smart. That shows a great comprehension of industrial strategy. That shows that the Government knows what it is doing.

I recall that when we attended the meeting of the Canada-U.S. Parliamentary Association, a Member from Quebec applauded the wonderful job CIRB was doing while the Minister of Finance (Mr. Wilson) was getting rid of it.

Mr. Charest: You don't know what you're talking about.

Mr. Axworthy: He denies it. However, I was at the meeting.

The fact of the matter is that CIRB was the kind of program that was working with the shoe industry and was giving it a chance to redevelop and to od the very things the Government says it wants it to do. Now the rug has been pulled out from under it and CIRB no longer exists.

Wait a minute. The Minister has said, "Never fear, we are coming to the rescue. We are going to bring in an industrial adjustment service program for $100,000 a year so civil servants from Employment and Immigration can rush to all the towns and communities in which people are going to have their livelihoods destroyed to help those people plan how to move out of town". That's what industrial adjustment is. I was the Minister of that Department and I know what the program is about. It is a program to help people get out of town when industry fails. Industrial adjustment means that $100,000 is made available to help people plan how to pack their bags. That is what the Government is offering the workers in the shoe industry. That is the kind of compassionate, beneficial assistance that the Government is providing for these workers.

Mr. Gauthier: Schefferville solution.

Mr. Axworthy: My colleague says that it is the Schefferville solution. In fact, the Schefferville solution was far more generous because we formed the Government then. We put a lot more money into Schefferville as a federal Government than the Conservative Government is now giving. Now that the Conservatives are in Government, they have forgotten all about Schefferville. In fact, 60 per cent of the aid for Schefferville came from the Department of Employment and Immigration. This Government is not even offering to the people of Montreal, London and Guelph—

Ms. Copps: And Hamilton.

Mr. Axworthy: —and Hamilton the same kind of assistance we offered to the people of Schefferville. What a difference 14 months makes!

Again, this goes to the point I am making that the Government has ignored what the tribunal has said. On page 44 of the tribunal's report, it indicates that the footwear industry is a low-wage industry which employs a high proportion of women and that women who are employed in single-industry communities may not find alternative employment, particularly if they are not prepared to relocate.

I have read the Minister's statement. I have turned it upside down. The tribunal has made a clear declaration. What is the Government's response to it? Nothing. The women of the footwear industry have obviously been forgotten.

The report of the tribunal goes on to say on page 58 that the dislocations associated with this process will be severe in the case of those enterprises and employees directly affected. This report recommends not only that the Canadian Industrial Renewal Board continue but that extra funding will be required to meet the problem.

The import tribunal itself and the document upon which the Minister has based his statement, in its very last recommendation, says that CIRB must be expanded and increased. What does the Government do in response? It puts it in the ash bin of history. Why? Because this is a Government that believes that the market-place will take care of everyone. In this case, the market-place will throw all kinds of workers on the trash heap. That is the verdict of the Government. We know how the market-place will take care of the workers. They will be abandoned and unemployed. That will be the only answer.

What does this tell us about what we can expect in terms of a long-term future of industries whether it be the furniture industry, the brewery industry or others? They will be abandoned likewise. As we are entering into this incredible time of trade, where is the assistance that is being offered? What happened to the opportunity to consult with the shoe industry

and to work out guarantees for workers and a modernization and marketing plan? Where are the great promises and commitments to be in partnership with private enterprise? The shoe manufacturing industry has not been asked what it is prepared to do.

There is obviously much more that I can say. As my time comes to a close, I would simply say that we deplore this decision. We deplore it because of its absence of efforts or initiatives to come to grips with the industrial issues related to the shoe industry and the textile industry and to provide a proper industrial strategy to cope with the problems.

We call upon the Government to begin plans for a major worker-adjustment program in order to make sure that workers are properly cared for. We call upon the Government to meet with the communities affected, the provincial Governments and the local MPs to start working out a plan of capital modernization for those industries so that they can at least try to meet the terrible judgment that has been laid upon them at this point in time. We call upon the Government to establish a proper marketing plan for the industry and to start a buy-Canadian program so that the Canadian manufacturers will have opportunities to make their cases in those markets and to establish a proper marketing plan to get into the export initiative markets.

The Minister says that we must be prepared to change and to progress. Change should not mean chaos. Progress should not mean making the victims of that change and progress the workers of those industries. That is not the kind of commitment that we made as a Government or as a Party. Until the Government begins to show some compassion and caring for workers, its trade strategy will be subject to the most severe attacks ever seen because this Government does not know what it is doing.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, the Minister for International Trade (Mr. Kelleher) has made a statement today. It is a statement which has to be characterized, I believe, as sad, uncreative and unjust. It is a statement that in fact abandons 20,000 workers, breaks a major promise and will lead to a gross waste of the restructuring help which we have already committed to this industry.

What is worse, Mr. Speaker, is that this statement comes at entirely the wrong time. It comes at a time when the United States is toughening up its demands and its bargaining position prior to crucial negotiations that will take place between our two countries. While we are giving away gifts, giving up ground and abandoning positions by backing off from our quotas on the shoe industry and refusing to put Canadian-content rules into effect for a company like Hyundai, the United States is playing hardball. It is being tough. It is putting its position up front as strongly as possible so that when we sit down at the bargaining table, the United States will feel good and it will feel as if it had built a strong offensive position. We will have given up so much ground that we will be weaker than we need to be. We will face those negotiations with weakness instead of strength.

• (1540)

[*Translation*]

Mr. Speaker, we need a strong trade strategy, but this Government makes gifts to the Americans before the negotiations. We have had the case of Hyundai in the automobile industry and we now see what is happening to the shoe industry. The Americans are not taking the same approach; they are making even more demands. However, the strategy of this Conservative Government is to make more gifts instead of increasing its demands.

Last year, Mr. Speaker, Canadian men and women chose a new Government because they wanted a new policy. What the voters wanted most of all was a human Government, but the Minister said in his speech: "We see no reason to reject the conclusions contained in the report of the Tribunal." As for us, Mr. Speaker, we can see 20,000 such reasons, namely the workers of the shoe industry who could lose their jobs because of this decision. If the Minister and the Government have read this document carefully, they will know that it contains very important points showing the need for a specific decision which is not the one made by the Minister. For instance, Mr. Speaker, we can read the following on page 67:

> The upheavals caused by this readjustment mechanism will certainly be significant for the businesses and workers directly involved.

We also find the following on page 66:

> The manufacturers viewed as particularly vulnerable are the small manufacturers located mostly in Montreal, the small manufacturers in Quebec outside Montreal, and perhaps even those in Toronto, who may also be threatened.

This is a fact, Mr. Speaker, and it is a fact that the Prime Minister knew before the elections. At the time, the Prime Minister said that we needed these quotas for the shoe industry. But, Mr. Speaker, now that he is Prime Minister, he says: "It is not necessary, we do not want to do that." For all the voters in Quebec and Canada, that is the problem with our Government. Many Canadians voted for this Government because the Prime Minister had said before the election that we needed those quotas. However, after the election, in spite of his promises, he had decided to scrap that policy.

[*English*]

There is no question that there are serious challenges which face the country in dealing with industries such as the shoe industry, the textile industry, the electrical products industry and many of the other industries which face competition from low wage countries throughout the world. It is a touch challenge, but the answer to it is not to abandon these industries to their own fate. It is not to bow in hollow supplication to past economic theories. The challenge is not to surrender the shoe industry because we want to prove to the Americans that we are really committed to free trade. The challenge is to lead an industry to adjust, adopt restructure, modernize and change in order to face the competition of the future.

That is the challenge which the country has faced dismally. It is a challenge which was faced more by the previous

Government than by the present Government. The failure to respond effectively to that challenge lies particularly with the previous Government. The Minister of International Trade is quite right to say that quotas which have been in place for eight years should have done their job by now. The fact of the matter is that because of the failure of the past Government's strategy this industry did not adjust, did not adapt and did not begin to modernize until far too late. If the Minister had taken the time to examine the case, I think he probably would have seen this.

I must say that I was particularly struck to hear my colleague from the Liberal Party speak about how he viewed adjustment policy as helping companies pack their bags in communities and give up their future. That is not how we view restructuring policy. We see the strategy which we have to take toward these sectors as a creative one in order to help them prepare for the future so that they can compete successfully. However, the present tribunal report fully documents the failure of our past policy.

I would like to read again to Members of the House some quotations from that document. I quote from page 53 of the footwear report. It reads:

● (1550)

In its 1981 report—

This is four years after quotas were first put in place.

—the Tribunal noted that there was no indication that major restructuring had taken place since quotas were imposed.

So as of now, we face a situation where, as the tribunal itself admitted, and I quote from page 19 of the report:

The footwear industry has not yet completed this process of improvement in management efficiency . . .

Let me quote perhaps the most damning statements which come from the report of the tribunal. This is the most damning judgment on past footwear policy in this country. I quote from page 100 of the report as follows:

As of October 31, 1984, roughly $14.1 million of the $17 million earmarked for footwear under CIRB's Sector Firms Program had been committed . . . As of December, 1984, however, it appeared that actual payments to the footwear industry under this part of the program were in the region of only about $2.2 million.

So less than one seventh of the money allocated to help this industry modernize had actually been spent at the start of this year. That is why the decision to terminate these quotas at this stage is economic nonsense.

There are those persons within this country who take the approach of neoclassical economists to the sector. They say, "Look, we should not provide support for a sector like this which is weak and vulnerable". That is an inhuman decision. It is an inhuman approach to industrial policy. But the approach which the Government is taking is not just inhuman, it is incompetent, because it runs the very real risk of wasting the whole of $15 million which has been been allocated to help this industry and has not, as of the start of this year, yet been spent.

In my misbegotten past, I worked—I must tell the House—as an economist on these questions of restructuring. I can tell Hon. Members, on the basis of all of the work I have had a chance to do in my own research, that we cannot restructure an industry quickly. It takes time and commitment and a sense of understanding of the human problem. That is what the Government is abandoning with this approach.

This policy is not wrong because it wants to see an end to quotas. No one in this country wants to keep quotas in place forever in the footwear industry. But it is wrong because we have finally started the process of restructuring—too late, I agree, but we started it. Now is the chance to put this industry back on its feet, to give it a future, and to give the communities across this country who depend on this industry, the thousands of workers, the future they deserve. We need to do that not just for the sake of those workers but for the sake of our country as we enter these crucial trade negotiations so that we look like tough bargainers who are committed to jobs in this country, not to the loss of jobs to the United States.

* * *

PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. John Nunziata (York South-Weston): Mr. Speaker, I would like to take this opportunity to table in the House a petition which was circulated by Mrs. Hilda Goldberg of 376 Montrose Avenue in Toronto. It calls upon the Government to reinstate full indexation of universal family allowance and to rescind the unfair tax increases which were indicated in the Conservative Budget. The petition is signed by some 30 individuals who live in the Metropolitan Toronto area.

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I have a very large number of petitions from my own riding and from other ridings in Toronto and, indeed, from other parts of Canada. This first set of petitions I am presenting point out that the family allowance deindexation will not be offset by changes to the child tax credit and that even the poorest families will be worse off by 1990 and will fall further and further behind. These petitioners call upon Parliament to reinsinstate full indexation of universal family allowance and to rescind the unfair tax increases.

I Second, I have a very substantial number of petitions also on the issue of the family allowance. These petitioners point out that in their opinion, the deindexation of the universal family allowance and the massive cut-backs in public commitment to child benefits are an unfair attack on women and families with children, especially single parent mothers. Again, these petitioners call upon the House of Commons to reinstate full indexation of the universal family allowance and to rescind unfair tax increases.

CALL FOR INQUIRY INTO USE OF TEST RANGE AT NANOOSE BAY

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I have also a number of petitions signed by residents of Ontario on a different question. The petitioners show that the procedures for and results of radiation monitoring tests of waters part of and adjacent to the Canadian Forces maritime experimental and test range at Nanoose Bay, British Columbia, should be made public; that Section 1 of the agreement between Canada and the United States authorizing the said test range is ambiguous; that the naval policy of the United States of America of neither denying nor confirming the presence of nuclear weapons on board U.S. vessels using the said test range is unacceptable; and that the economic impact of the said test range on the local community is not properly understood. Therefore, these petitioners call upon Parliament to hold a public inquiry before the present agreement is renegotiated with powers to investigate the above concerns about the said test range and make recommendations therefor.

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I have two sets of petitions on two separate items. The first petition is from the residents of my riding in Govan, Quinton and Pangman Indian Reserve near Punnichy. The petitioners point out that the family allowance deindexation will not be offset by changes to the child tax credit and that even the poorest families will be worse off by 1990 by an amount of some $600 million annually. The petitioners state that this will be on top of sales tax changes and increases, excise tax increases and income tax increases. They urge the House to reinstate full indexation of universal family allowance and to rescind the unfair tax increases.

CALL FOR INQUIRY INTO USE OF TEST RANGE AT NANOOSE BAY

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise to present a petition on behalf of a number of British Columbians concerning the agreement between Canada and the United States authorizing a test range at Nanoose Bay, British Columbia. The petitioners are calling for a public inquiry before this agreement is renegotiated with powers to investigate a number of concerns about this test range. The concerns which they call upon the Government to investigate are the following, that the procedures for and results of radiation monitoring tests of waters part of and adjacent to the Canadian Forces maritime experimental and test range at Nanoose Bay, British Columbia, should be made public; that the agreement in question is ambiguous; and that the naval policy of the United States of America of neither denying nor confirming the presence of nuclear weapons on board U.S. vessels using the said test range is unacceptable. Finally, the economic impact of the said testing on the local community is not properly understood. For these reasons the petitioners call upon the Government to authorize a public inquiry which can deal with these very important questions.

• (1600)

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I have one more petition from residents of Moose Jaw, Saskatchewan, who point out that the procedures for and results of radiation monitoring and testing of waters in the Canadian Forces maritime experimental and test range at Nanoose Bay, British Columbia, should be made public. The U.S. policy of neither denying nor confirming the presence of nuclear weapons on board its vessels using that test range is unacceptable. They call upon Parliament to hold a public inquiry before the present agreement is renegtiated.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I wish to present a petition from citizens resident on Denman Island, Qualicum Beach, Duncan, Port Alberni, Sechelt, Egmont, Lund, Powell River, Halfmoon Bay, Madeira Park, Union Bay, Courtenay, Black Creek and Merville. They ask that the Government of Canada conduct a public inquiry before the present agreement with the U.S. concerning the weapons testing range at Nanoose is renewed. The inquiry would have the power to investigate concerns about radiation monitoring in the area, whether the U.S. vessels in the area carry nuclear weapons, and make an assessment of the economic impact of the test range upon the local community.

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I have four petitions from all parts of British Columbia. The petitioners are concerned about the Government's intention to deindex family allowances. In their opinion this is an unfair attack on women and families with children, especially single parent mothers. They ask the Government to reinstate full indexation and rescind unfair tax increases in the last Budget.

[*Translation*]

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, it is my duty to present two petitions on the same question, that is the deindexation of family allowances.

[*English*]

The first petition comes from residents in my riding, more particularly from Sackville, Port Elgin, Bayfield and Point de Bute.

The second petition comes from residents of St. George and Bonny River in the riding of Carleton-Charlotte. They humbly request that the Government not proceed with partial deindexation of family allowances.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I have the privilege to present a second petition concerning the Government's cut-backs in family allowances. The petitioners are resident in Halifax, Nova Scotia, and point that deindexation will have a very serious negative effect on Canadians. This, on top of sales tax and excise tax increases, as well as income tax increases, places an unfair burden on middle and lower-income households.

Motions for Papers

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, Question No. 462 will be answered today.

[*Text*]

PARKS CANADA

Question No. 462—**Mr. Corbett:**

1. What second language training is available to national park employees to permit them to compete for all job classifications in their respective parks?

2. In what national parks is language training available?

3. How many positions at Fundy National Park are designated bilingual and, in each case, what are they?

Hon. Tom McMillan (Minister of the Environment): 1. Parks Canada employees have access to the Public Service Commission (PSC) language training offered in the main urbain centres. The PSC Offers night courses in the following cities near the parks indicated:

Revelstoke (Mount Revelstoke)

Shawinigan (La Mauricie)

Charlottetown (Prince Edward Island)

Moncton (Kouchibouguac and Fundy)

Sydney (Cape Breton Highlands)

Employees in the prairie region have access to a self-directed course called "Dialogue Canada programmé" developed by Parks Canada. Parks Canada also possesses specialized French training, "Services au public visiteur", developed especially for its officers. Western region has retained the services of a language teacher to provide night courses.

2. Waterton Lakes.

3. Twenty-two. (*a*) six indeterminate (full-time): superintendent, visitor services officer, assistant chief, visitor services, clerk receptionist, assistant chief park interpreter, park warden. (*b*) 15 term: visitor services: 12 interpretation services: 2, park warden: 1. (*c*) 1 seasonal indeterminate: park warden.

[*English*]

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

Mr. Deputy Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

[*Translation*]

Mr. Deputy Speaker: Are all Notices of Motions allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

CRIMINAL CODE

MEASURE TO AMEND

The House resumed from Tuesday, November 19, 1985, consideration of the motion of Mr. Crosbie that Bill C-49, an Act to amend the Criminal Code (prostitution), be read the third time and passed.

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I wish to resume debate on Bill C-49 and again express my disappointment with this Bill.

I may add that women's groups in particular were very disappointed.

The National Association of Women and the Law is alarmed at the content and impact of provisional measures aimed at reducing the inconvenience to the public caused by street soliciting.

The prohibiting of any communication, as proposed by the Minister of Justice (Mr. Crosbie), constitutes a serious and unjustified infringement of our civil liberties, considering the respect Canadians have for freedom of speech and association and for individual freedom and security, as enshrined in the Canadian Charter of Rights and Freedoms.

According to the National Action Committee on the Status of Women, Bill C-49 is trying to deal with the problem of street prostitution piecemeal, without considering the economic and social climate that fosters this phenomenon. Furthermore, the Bill fails to suggest any legitimate venue where prostitution may take place, thereby increasing the risk of violence for prostitutes.

When the Minister of Justice presented his Bill in committee and we mentioned the risk of violence for prostitutes, and also that the Bill went far beyond street soliciting as such, his answer was that once the prostitutes were banned from the streets, they might have more trouble finding customers but that really was no concern of his.

It is therefore not surprising to find this kind of legislation before the House, since we have the impression that the Minister himself is not terribly concerned about what enforcement of this legislation will do.

The National Advisory Council on the Status of Women feels that Bill C-49 is unimaginative, narrow and punitive. According to the president, who was appointed by the Progressive Conservative Government, the Bill deals with only half of the problem. The CACSW believes that, although it might allay the grave concern of residents, the new legislation might force prostitutes to operate secretely, compel them to resort more often to pimps, and make them liable to more fines and jail sentences, with police records. This would restrict even further any possibility of abandoning their trade.

During committee proceedings we tried to introduce amendments about pimps—let it be said, Mr. Speaker, that there is not a single reference to pimps in this Bill—but we were told not to worry, that pimps can be arrested, that they are covered under some other legislative provisions. Yet when we ask the police why they never manage to arrest a pimp they tell us that the legislation is so badly drafted and so complicated that their hands are tied.

I entertain serious reservations about this Bill, since it covers juvenile prostitution and it will make it quite impossible to arrest pimps who will be selling the services of 12-year-old children and adult prostitutes alike. We did propose amendments but they were all turned down.

As to the client, I must admit he is mentioned in the Bill. But they have taken a very paternalistic approach in the written text given to us by the Minister of Justice. We have to wonder how the police will be able to apply the provisions of such a Bill.

I, for one, believe that we should not concern ourselves with what might go on between adults. However, since the Bill stipulates that adult prostitutes will be arrested, then clients have to be arrested as well.

If we take a closer look at what the Minister of Justice (Mr. Crosbie) wrote about the clients, and I quote: "Most clients however have undoubtedly never been in trouble with the law . . .", those clients will indeed run the risk of ending up with a police record, besides being sentenced for having committed an infraction and publicly unveiling before the courts an aspect of their private life which is generally unknown. So I wonder if the police will be able to punish clients as they do prostitutes because even today the police tell us: We arrest the clients, but they always manage to go scot-free through the back door. In my judgement, this Bill has no teeth when it comes to the clients.

● (1610)

Another thing is that, throughout the debate on Bill C-49, I expressed my concern about juvenile prostitution. I believe that making prostitutes under 18 subject to the same laws as prostitutes over 18 is fundamentally wrong. In the legislative committee, I proposed a series of amendments concerning juvenile prostitution, which my Conservative colleagues rushed to vote down.

Mr. Speaker, three possibilities are generally considered when we are talking about prostitution: criminalization, legislation and decriminalization. Bill C-49, the intent of which is to wipe out street soliciting for the purpose of engaging in prostitution, tackles the first approach: criminalization. The purpose of the Bill is to give the law teeth so that it will be easier to arrest a person who is soliciting. When the Police chiefs of Montreal, Toronto and Vancouver came to testify before the Committee, they said that they liked the Bill this way, and when we discussed again how difficult it was to arrest a pimp who was selling the services of an adolescent, the Mayor of Niagara answered: "Listen, is the Hon. Member anxious to legislate morality?" So I do not know whether it is concern for morality to want to arrest someone who is selling the services of a 10 or 12 year old child, because if Bill C-49 is enacted, it will then be possible to be arrested if a police officer sees you communicating in any way with another person, if the officer believes that such communication is for the purpose of engaging in prostitution.

Mr. Speaker, like the Law Reform Commission, I believe that the Criminal Code should not be used unless other means of control in our society are inadequate or inappropriate, and when rights and freedoms are threatened. I would say that prostitution does not threaten rights and freedoms. It may shock some people, one may find it immoral, indecent or unworthy—that is a matter of personal opinion—but prostitution does not in any way threaten the rights and freedoms of Canadians.

And if we look at prostitution as the only opportunity for individuals whose training and labour market experience are practically nil, I believe that the answers we are looking for are not judicial but social.

The Special Committee on Pornography and Prostitution, also known as the Fraser Committee, pointed out, and rightly so, that prostitution is related to lack of social and educational programs that would help young people approach confidently and responsibly the problems of sexism, sexuality and sexual identity. It is most significant that the first recommendation of the Fraser Committee on Prostitution calls upon the Government to intensify its moral and financial commitment to eliminate economic and social disparities between the sexes as well as discrimination based on sexual orientation. It is my view that any legislation on prostitution should contain social provision aimed at eradicating the causes of prostitution that relate to social and economic injustice. The Fraser and Badgley Reports are replete with all kinds of proposals to that effect. They deal among other things with social programs aimed at women and young children in need, with sexual education programs to be implemented in schools, with assistance to community groups contributing to the welfare of present and former prostitutes, so that they may have access to social, health, employment and educational services.

The studies, the research, have been made, the special committees have been set up, and we now have a set of realistic recommendations available. All that is now lacking for action across the board is the political will.

And when I heard the Minister of Justice suggest yesterday that this legislation was not a response to the Badgley and Fraser Reports, that we would have another legislation in early 1986, I was somewhat concerned because looking at the current approach and the current Bill on prostitution, we have cause to wonder whether the Government would ever have a better approach to juvenile prostitution. I am therefore sorry that such a legislation should be allowed to pass, and it is my hope that a more specific remedy will be forthcoming concerning juvenile prostitution.

[*English*]

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise on third reading of Bill C-49 to reiterate the strong opposition of the federal New Democratic Party to this legislation. Having heard from a number of witnesses that appeared before the legislative committee considering Bill C-49, certainly our position has, if anything, been strengthened and reinforced.

The Bill is a sweeping attack on civil liberties. The approach which is taken in this legislation is fundamentally misguided. The Bill is dangerous and will merely drive prostitution underground in the short run. It will make prostitutes more subject to violence, more dependent on pimps, or it will mean that prostitutes who return to the streets after having been charged will run more often. This was indicated by a woman who appeared before the committee. She is presently working the streets of Vancouver as a prostitute.

We were told that the effect of the Bill will be to create a revolving door. Prostitutes will be arrested and charged. They will pay the fine and return to the street to work in order to pay off their fine. Indeed, the representative of the Canadian Association of Chiefs of Police who appeared before the committee agreed that it was likely that the Bill would not significantly affect the number of prostitutes working on the streets. The association recognized that the prostitutes would likely be back on the streets. It said that that is why it would pursue the customers of prostitutes.

I asked the representatives of the Canadian Association of Chiefs of Police, when they appeared before the committee, how the police intend to go after the customers of the prostitutes. They said that they will use undercover female officers to arrest the customers. I then asked how many female officers are working in the morality squads of the Vancouver police department, the Toronto police department, the Montreal police department or the Niagara Falls police department. Across Canada there are perhaps eight or ten women who are working in those positions within the police departments. The reality is that women will not be in a position to be used as undercover police personnel to arrest male customers. I asked the chiefs of police if they had an alternative plan for pursuing the customers. They said that they could use boom microphones to intercept communications between prostitutes and customers. I suggest that those who enforce our laws should also read them because using boom microphones to interrupt communications between Canadians is illegal under the provisions of the Criminal Code. I would hope that the police of this land would not be using illegal techniques in order to attempt to make arrests under the provisions of Bill C-49. When I pressed the police, Mr. Speaker, and asked, if boom microphones were not allowed and that if there were not enough female undercover personnel, what techniques they would use to go after customers, they said: "Well, that is classified information. We are not prepared to tell you".

• (1620)

The reason the police are not prepared to tell us is that this Bill will be applied overwhelmingly against the poorest of prostitutes, against prostitutes who work on the streets. It will not affect the call-girls, those who service the economic elite in our society, the doctors, the lawyers and the wealthy. No, Mr. Speaker, it will touch the poorest of the poor, the women who are huddled under street lamps in order to prostitute themselves. Surely that is the real question.

Why is it that women, and in some cases men, are selling their bodies as commodities on the street, Mr. Speaker? As the Fraser Commission has documented very clearly, this is fundamentally an economic and social problem. To deal with an economic and social problem using harsh and repressive criminal measures is profoundly mistaken.

I would argue that certainly those who live in residential communities, whether they be in Vancouver in the Mount Pleasant area or in the west end of Vancouver or Toronto, Montreal, Halifax and elsewhere, have a right to live in peace and quiet. Their children have a right to go to school without being harassed. People have a right to sleep at night without hearing the screeching of tires and obscenities being hurled underneath their windows.

We must ask, before adopting the Draconian provisions of Bill C-49, have the police exhausted all other possibilities? I suggest that the answer to that question is no, they have not. In fact, the police should not be coming before Parliament seeking these sweeping new remedies without being able to demonstrate clearly that they have attempted to use other provisions, other sections of the Criminal Code, including Section 171 dealing with disorderly conduct, Section 169, concerning indecent acts and sections concerning assault.

Carefully drafted municipal by-laws concerning traffic, noise and nuisance can be enacted or enforced locally to aid in the control of nuisance factors that are associated with street prostitution. Indeed, a by-law has been upheld in Montreal that effectively regulates the nuisance aspects of street prostitution.

My colleagues, particularly the Hon. Member for Vancouver East (Ms. Mitchell) and my colleague, the Hon. Member for Vancouver Kingsway (Mr. Waddell), recognize and are deeply concerned about the serious problem of street prostitution in residential communities.

We have before us a piece of legislation which does not just deal with street soliciting, but it goes far beyond that, representing a sweeping attack on freedom of expression in Canada. I say that because while the Government says it wants this Bill to deal with street soliciting, the Bill does not just deal with street soliciting. It deals in its very terms with any form of communication or attempted communication in any public place anywhere in Canada. That, Mr. Speaker, is not just streets. It is nightclubs, bars, inside automobiles, anywhere to which the public has access as of right or by invitation.

When the Canadian Civil Liberties Association appeared before our committee, it pointed out that these provisions were Draconian. They go far beyond what the chiefs of police sought to deal with street prostitution. The association pointed out some of the behaviour which would be illegal under the provisions of this Bill.

Under this Bill it would be unlawful for a passenger in a taxi to ask a driver how to contact a prostitute. It would be unlawful for a hotel guest in an elevator to ask such questions of a bellhop or for a customer to ask it of his pharmacist in a drugstore, no matter how inconspicuous or discreet such communications might be. In fact, there are no limitations whatever in this Bill in the scope of it in terms of communication. A wink, a nod, a smile could trigger a criminal prosecution. I suggest that such provisions may very well be struck down under the provisions of the Charter of Rights and Freedoms.

What we are told is to trust the police, that they will not abuse the sweeping new powers we are giving them. Sure, we may be giving them a little more than they asked for, but we should trust them; they will not abuse the powers. I suggest that we do not give powerful new weapons to the police and then suggest that perhaps if we have given them too much power, having a sunset clause in the Bill would allow us three years later to remove those powers. That is an abrogation of our responsibility as Members of Parliament to draft legislation with thought and care by giving power that go well beyond those which should be accorded to the police.

What about the manner in which this Bill deals with kids on the street, young people, juveniles? One area of consensus on the Justice Committee in 1983 was that in dealing with the problem of juvenile prostitution, one should not make criminals out of young people. Surely one must go after the customer of the young person and nail the customer.

My colleague, the Hon. Member for Broadview-Greenwood (Ms. McDonald) who sat on the committee at that time was in full agreement, and indeed the entire NDP caucus urged the Government to act on that recommendation with respect to juvenile prostitution. What is there in Bill C-49 to deal with the question of juvenile prostitution, Mr. Speaker?

What this Bill does is to label young people who engage in prostitution as criminals. It would give them a record and drive them further underground and make much more difficult attempts to try to use social and economic programs to get them off the street.

When I asked the chiefs of police what they intended to do with the kids they arrest as criminals, they said: "We recognize that there are not adequate programs available". The Province of British Columbia, the province from which I come, has totally inadequate programs to assist young people in getting off the street. The Chief of Police for Vancouver said: "We know there are not programs now but when this Bill is passed, we trust there will be additional pressure put on the Government to bring in programs to deal with young people". That is nonsense. Certainly the provincial Government of British Columbia has been cutting back on social programs. What we will see is young people who are engaged in prostitution again back on the streets or going underground, even more dependent on pimps.

The Bill fails to deal with the reality of juvenile prostitution and to recognize that in some cases, particularly in the case of young men, they are on the street because there continues to be discrimination on the basis of sexual orientation in Canada, and that violence and repression in their own communities, particularly in small towns, drives them to the street which is the only place where they get any kind of acceptance. That is one of the reasons the subcommittee on equality rights was unanimous in its strong recommendation calling for a legislative amendment to prohibit discrimination on the basis of sexual orientation in Canada.

The Bill would sweep the streets of prostitution according to the police, but what it fails to recognize is that prostitution itself is not illegal in Canada today, and that in sweeping prostitution from the streets and doing nothing to deal with bawdy house laws the Government, in effect, is providing no alternative.

● (1630)

The Fraser Commission was clear in its denunciation of that kind of proposal. It indicated the following:

> We see no virtue in replacing the present system with a more repressive regime. There is no evidence in the history of this country or those countries like the United States which retain a Draconian system, that the results of such an approach would justify it. Indeed, we are inclined to think that a move in that direction would subvert any attempt to treat prostitution sensitively as a major social problem.

A major social problem and a major economic problem it is. I should like to refer to a letter which I received from a gentleman in Vancouver, a representative of the Evangelical Tabernacle in that city. He has been involved in helping prostitutes by Christian street witnessing. After a year of this work, he became a volunteer worker at a drop-in centre for prostitutes. He said that Bill C-49 would legislate prostitutes underground, resulting in more pimps and more violence to the prostitutes. Also he said that working bars would force prostitutes to pay off both bartenders and doormen, and that there would be more involvement of organized crime. Also he noted that women who are prostitutes today, for the most part, do not want to live that way.

We heard evidence from a prostitute who appeared before the committee which indicated that some prostitutes chose prostitution as a job. Certainly many of us find it difficult to

understand prostitution as a career choice, but I think it should be noted in this debate that there are those who choose it as a job. The vast majority of those who work as prostitutes were either violently abused or sexually abused as children. Also many of them are involved in prostitution because they are poor and are on welfare. Prostitution is a way of feeding their children.

In the Province of Quebec, young people under the age of 30 years and on welfare are supposed to survive on $161 per month. Is it any wonder that some of those young kids are on the streets when that is the amount of income they receive? In the Province of British Columbia, an individual with one child is supposed to survive on $640 per month. As the individual to whom I referred earlier stated, the best way to clear the streets of prostitution is to raise the welfare rates.

In conclusion, in that I know my 20 minutes are up, again I emphasize a very strong opposition to the approach taken in this legislation. Also I want to emphasize that the Government is attempting to deal with what is fundamentally a social and economic problem by using a legal sledge-hammer. That approach is profoundly wrong.

I hope the Government comes forward early in the new year with recommendations to deal with some of the suggestions of the Fraser Commission. We are by no means adopting those recommendations holus-bolus. After very careful study, the commission made a number of recommendations in respect of changes to bawdy house laws and in respect of decriminalization, which I think the House would be wise to adopt.

Finally, as a Parliament, we are engaged today, in many ways, in what is an act of collective hypocrisy. We can go to sleep tonight, suggesting that we have dealt in a serious way with the problem of prostitution; we have swept our streets clean of the poorest prostitutes. Until we come to grips with the social and economic reasons for prostitution, the second-class status of women in society, economically and socially, until we put more resources into dealing with violence against women, we will be continuing to adopt a piecemeal, destructive approach which represents an attack not just on the civil rights of prostitutes but ultimately on the civil rights of Canadian men and women.

Mr. Deputy Speaker: I wish to inform the House that because of the ministerial statement, consideration of Government Orders will be extended by 52 minutes. Are there questions or comments on the speech of the Hon. Member for Burnaby (Mr. Robinson)? If not, we will resume debate with the Hon. Member for Broadview-Greenwood (Ms. McDonald).

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I rise this afternoon to speak on Bill C-49, an Act to amend the Criminal Code with regard to prostitution. An extremely heavy-handed amendment is being proposed. It lacks common sense. It will not deal with the problem of street soliciting or the nuisance problem with which Canadians want us to deal. Instead, it will result in the criminalization largely of women, young women and children.

The reason the Bill is before us is that the police have not been able to cope with the problem of street soliciting with the present means at their disposal. They have asked and lobbied very vigorously, supported by many mayors and citizens, for stronger powers. I am sympathetic with the objective of their concern because citizens are entitled to quiet neighbourhoods and a trouble-free existence in their homes, as well as going to and from them. However, the Bill will not help achieve that peace and quiet. It will raise a whole set of new problems.

The old interpretation that soliciting had to constitute pressing and persistent importuning was one which limited prosecutions on soliciting. However, there are other measures which could be used to deal with street soliciting. I sat on the Justice Committee when we examined this question and came up with a couple of much more appropriate, very concrete proposals to deal with the street problem. One was to enforce existing nuisance, noise, disorderly conduct and traffic provisions of the Criminal Code. I have discussed with police officers why these provisions are not better enforced. In fact, I recall discussing the matter with the then chief of the Toronto police who pointed out a great problem posed by street soliciting, that traffic was held up and that cars lined up as motorists were looking for prostitutes standing on the corners. He said that it was a very serious problem, and I asked him what they did about it. He said: "We arrest them". I said: "Do you mean that you arrest the motorists?" He said: "Oh, no, we don't arrest the motorists; we arrest the girls". I think this conversation points to the hypocrisy of the implementation of our current laws. The Bill before us now will not do anything to change that hypocrisy.

I should like to refer to some of the statistics on enforcement of street soliciting under our existing laws. We have no reason to believe that there will be any improvement in going after customers. Heretofore the laws have been enforced against women, and this is what we have to expect to happen. In Toronto, 78.2 per cent of the soliciting charges laid in 1979 were laid against women in 1980, 69.9 per cent; in 1981, 82.6 per cent; and in 1982, 80.8 per cent. This is a law which is enforced against women. The idea that it will be enforced against customers, male customers in most cases, is absolutely ludicrous. We know that it will not happen. We know what are the enforcement procedures. The police have enforced it against customers to a very limited extent. Referring to the loitering charges in Toronto, 84.5 per cent were laid against women; charges laid under counselling to commit an indecent act, 67.2 per cent were against women.

In the case of Vancouver, 65 per cent of the charges were laid against female prostitutes. The vast majority of charges are in fact being laid against women, not against customers. In Halifax, 77.8 per cent were laid against women. In the case of British Columbia there is an anomoly that customers cannot be charged under the Criminal Code. They could be charged under by-laws, but not under the Criminal Code as a result of a most unfortunate interpretation by a court which was never appealed. Of course the answer to that is to change the law to close that loophole. That would have been, by far, the more

appropriate thing to do, to make it possible to charge more customers and in fact go ahead and do that when there is a genuine problem of street soliciting.

● (1640)

I have referred to the 1983 Justice Committee report which made a very important recommendation which I supported very strongly. It recommended that it be an offence for an adult to ask for or agree to pay for an act of prostitution with a minor. We know that there are large numbers of young people on the streets and it should certainly be up to adults who are seeking prostitutes to ensure that they do not seek an act of prostitution from a minor. It seems to me that adult behaviour requires a certain amount of responsibility and it would be far better to put the onus on improving adult behaviour to save young people this experience. Yet, the Bill before us today does not do that. There was strong support from the Justice Committee for that very concrete and direct proposal, and yet it was ignored by the Minister of Justice (Mr. Crosbie) in the drafting of this new legislation.

The Bill before us today attempts to deal with the nuisance problem of street prostitution in isolation from the social and economic climate which promoted the problem in the first place. We have an unemployment rate of one in five among young people who are, in growing numbers, becoming prostitutes. We must understand that that is the problem to be dealt with and this sledge-hammer approach, this punitive approach, is not going to deal with the causes of young people going into prostitution. It provides no legal venue in which prostitution may take place. It is a damned-if-you-do, damned-if-you-don't situation. If the idea was to get it off the streets, the Bill criminalizes soliciting in other places as well.

In the testimony of the Mayor of Vancouver he said that it was not the concern of the Vancouver city council or the citizens of Vancouver to try to ban prostitution entirely. He said that that was unrealistic, it was not something that could be done, and they were not attempting to do that. They were attempting to get it off the streets and out of places in which it was a nuisance to the public who could not enjoy their homes and were hassled going to and from work and going in and out for the evening. Yet, this Bill does not meet those very reasonable expectations of the Mayor of Vancouver and city councillors. It goes far beyond that to criminalize behaviour in a much more general fashion. They suggested that we needed to get it off the streets and put it where it will not be a source of nuisance to other people.

This legislation will simply result in a large number of people being criminalized and we will get into the revolving door syndrome. There will be more dependence in pimps. Women will have to call their pimps to get bail. They will have to go back on the streets to pay their fines and lawyers' fees. This is the kind of legal control that we do not want. We have had it before. The idea is that we need tougher laws to deal with this problem. However, we used to have tougher laws. The jails of Vancouver used to be filled with prostitutes. It was a revolving door. If they could not pay their fine and no one would raise bail for them they simply stayed in. Then, when they got out, they had to get back to work to pay the rent and do all the things which people have to do. It simply got them further and further into a criminal milieu and it was harder and harder for them to get into ordinary work and out of that kind of life.

We have tried the revolving door. It was repugnant to people and they argued against it. As a result of all those arguments we had the laws improved and now the Government wants us to go backward. My Party is very strongly opposing this legislation. We are opposing the revolving door and the increased criminalization of women and young people.

If passed, this Bill would result in prostitutes being at risk of violence to a greater extent. It would increase the male exploitation of female prostitutes because they would be more dependent on people to intervene for them with the law. They will be more vulnerable as a result of this legislation. It also endangers the freedom of expression of other Canadians. The wording of Bill C-49 is very broad indeed. It says:

> Every person who in a public place or in any place open to public view
>
> (*c*) stops or attempts to stop any person or in any manner communicates or attempts to communicate with any person
>
> for the purpose of engaging in prostitution or of obtaining the services of a prostitute is guilty of an offence—

The words "stop or ... in any manner communicates" is very general. This very, very general wording which will result in large numbers of people being criminalized is totally inappropriate and is possibly contrary to the Charter of Rights. Certainly one obvious result, if this legislation is passed, is that there will be court cases challenging the legality of the legislation instead of proceeding in a practical and focused way to deal with the immediate problem. It is aimed at the most vulnerable prostitutes, those who are young, those who are unskilled. It is an extremely repugnant measure, Mr. Speaker.

I suggest that we should take quite a different approach to this problem. We should be closing the loopholes and making it an offence to solicit an act of prostitution from a minor. We should be enforcing the laws of nuisance, disorderliness and noise, which measures are available. If I were a police chief in a city which had a prostitution problem I can assure you that there would not be a street soliciting problem. The matter could be dealt with. Police forces have sheltered and protected the male customers out of a mistaken sense of male bonding. They have gone after the prostitute, the evil woman in the case, and sheltered the male customer. They have done this out of a very mistaken sense of honour saying that they are only innocent occasional offenders whose reputations should not be harmed by having it known.

In no jurisdiction in Canada has there been public reporting of the names of offenders who have been customers in cases of soliciting. The furthest that has been gone in this direction was in Vancouver and I will tell you how paltry the measures were. Male customers were reported using their surnames and initials only with no addresses. For example: "R. Smith was convicted of an act of street soliciting". Obviously that is no risk to the reputation of anyone. It is the customer who can be

controlled by the threat of loss of reputation. Clearly, for the prostitute the publication of a name is neither here nor there. Indeed, it might be advertising. However, the customer has something to lose. Yes, this very obvious method of dealing with the problem has not been used. Police forces would rather use the sledge-hammer than use the very practical tactic of publishing the names of offenders who are customers. If I were a police chief I would use this cheap, easy and convenient means of clearing up the problem. I would not wish to resort to this far more heavy-handed, extremely expensive measure. It is expensive in terms of prison costs and in terms of the human costs for people who are going to suffer very much as a result.

A large number of people spoke very strongly at committee stage in opposition to this Bill. A large number of women's organizations made representations. The National Action Committee on the Status of Women spoke very strongly. It gave a brief detailing the reprehensible nature of the proposed measures and proposing a very different approach. They recommend a much more global approach which understands the social and economic context in which street soliciting occurs. The Elizabeth Fry Society, an organization which I belong to and support, has been very strong in support of the rehabilitation of women offenders and in support of civil liberties in a general fashion. The members of this organization work directly with women offenders, including women prostitutes, and they are very familiar with the problem. Their advice ought to have been heeded rather than this more Draconian approach which the Conservative Government approves.

I will quote from the position taken by representatives of the Elizabeth Fry Society before the Justice Committee. They said:

● (1650)

> Our goal is to ensure that prostitutes have alternatives to selling their bodies in order to make a living. Criminal records decrease this likelihood and further demoralize people who are already condemned by many sectors of our society. Criminalizing prostitution and/or soliciting expresses public condemnation of women who, if anything, are closer to victims than to criminals . . . Criminalizing soliciting in fact increases the prostitute's dependency on her pimp. She needs him for protection, and she has no means of protecting herself from the pimp. She will have to work the streets even harder and be more persistent in her soliciting to repay her pimp for the trouble she has caused him.

Again, does this measure deal with the problems caused by pimps? Not at all. We have heard plenty of testimony from women's organizations indicating that we should throw the book at pimps. That is a difficult thing to do. I am sympathetic to police forces which point out the difficulties of dealing with pimps. However, how hard have they tried? Pimps are the people who really cause problems. Indeed, one of the revelations of the Badgley Commission was that young people who were prostitutes and solicited in a pressing and persistent manner did so as a result of orders from their pimps who said that they were not making enough money. It was the pimps who were creating the problem, not the prostitutes themselves. Yet this measure will not do anything about the problems posed by pimps.

Let me continue to quote from testimony of representatives of the Elizabeth Fry Society:

> —prostitutes generally are not dangerous criminals; they are not people who we would wish, on an objective test, to put into our prisons, particularly at a time when the provincial prisons across this country are, I believe without exception, overcrowded, particularly the remand and short sentence centres. I am wondering whether we really want to increase the double and triple bunking in our prisons, particularly with young people—many of the prostitutes are young people; an increasing number are juveniles as well. These, I believe, really are not appropriately dealt with through toughening of the Criminal Code.

Another proposal was made by the National Action Committee on the Status of Women as follows:

> It would seem a far better use of government funds to support women in retraining programs, and provide street workers and alternate living quarters away from the street, than to spend funds on policing, court costs, and imprisonment of prostitutes.

I have raised a few points on the question of policing. Let me continue with some further analyses that the police themselves have revealed. My colleague, the Hon. Member for Burnaby (Mr. Robinson) has pointed officers who could act as undercover officers to entrap male customers. There is a much larger number of male police officers ready and apparently quite willing to work in this capacity to attract women prostitutes. This was the historic way of getting conviction quotas up when the old laws were in force and many more women were going to prison than is the case now.

I recall asking the Chief of Police of Toronto about this matter. I asked him why he did not go after the customers and one of the answers he gave me was that he did not have many women police officers and they did not like doing it. Women police officers do not like enforcing a law using entrapment. I asked the Chief of Police about the situation with men police officers and he told me that they do not mind so much. That is a double standard. We should not be happy about it. Yet that is the nature of the beast. We must understand this and we should have laws which will take us away from the double standard. We must be very sensitive to the fact that this is a law that will really be used against women and children and that it is entirely inappropriate.

To conclude, let me say that this is not a law that will do any good. It will not stop the problem of street soliciting. It will not deal with the problem of children on the streets. It will criminalize a large number of people and will increase dependence on pimps. It will worsen the situation of children on the streets. This is a heavy-handed, Draconian measure and it lacks common sense. It is an irresponsible measure and I urge the House to defeat Bill C-49.

Mr. Deputy Speaker: Are there any questions or comments? If not, we will resume debate.

Mr. John Nunziata (York South-Weston): Mr. Speaker, I appreciate this opportunity to speak to Bill C-49. Put very simply, Bill C-49 is not the answer to the problem.

It was hoped that after committee deliberations over this Bill, the Government would recognize that the Bill was offensive and deserving of substantial amendment. Be that as it may, the Government, in its wisdom, decided not to amend the

Bill. It decided to bring the Bill before the House for third reading with no amendments other than the inclusion of one word in the first clause.

In my respectful submission, the Bill is not supportable simply from a civil libertarian point of view. There is no question that the Bill poses a threat to individual rights and freedoms and we as Parliamentarians must be the custodians of civil liberties and of individual rights and freedoms. We must ensure that in our deliberations, we afford as much protection as possible to Canadians so that we may protect those rights.

In my submission, I would like to indicate why this Bill is not deserving of support from a civil libertarian point of view. However, I would like to begin by indicating why we are here today debating Bill C-49. In my view, the Bill is a knee-jerk political reaction to a problem that does exist. We recognize that the problem of street prostitution does exist. It is a nuisance in many of the major cities of Canada including Vancouver, Calgary, Toronto, Halifax and others. However, Bill C-49 is not the answer.

We argued at committee and at second reading stage that what was needed was a comprehensive piece of legislation to deal with all the aspects of and problems associated with prostitution in Canada. The Minister indicated on a number of occasions that it is the intention of the Government to bring forward a comprehensive piece of legislation as early as the new year. Why then? Why pass this Bill which is so basically and fundamentally flawed now?

In my view, this Bill will be struck down by the courts. You can bet your bottom dollars, Mr. Speaker, that it will be challenged at the earliest opportunity. I am confident that a superior court will strike this Bill down as being too vague and not specific enough.

The Government decided that it had to act because of political pressure. As you are well aware, Mr. Speaker, when Governments act under political pressure, they make bad laws at times. This one is a bad law.

We know that the Criminal Code has not been effective in dealing with the problem of street prostitution. We had Section 195.1 of the Criminal Code of Canada which reads:

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

The courts of the land have interpreted that particular Section as stated in a Supreme Court of Canada decision as meaning that the activity had to be pressing and persistent. A mere wink, a wave or a mere communication was not sufficient to prosecute and convict under the particular section. The police forces across the land felt fettered as a result of that particular Supreme Court of Canada decision. The previous administration decided that the whole question of prostitution had to be looked into. In that respect we had the Fraser Commission and the Badgley Commission which looked into the matter and related areas. Both Commissions have tabled reports in the House of Commons and both have made recommendations with respect to the problems. While all Members of the House may not support these recommendations I think it is important that the Government respond in a comprehensive way to the Fraser Report and bring in legislation which will deal with the problems associated with prostitution and with pimps. Bill C-49 does not deal with pimps, nor does it deal with common bawdy houses because of political pressure which the Government has brought to bear with respect to this legislation.

• (1700)

Bill C-49 is a short piece of legislation. It has but two clauses. I think it is important to point out that the Government is unsure of itself with respect to the Bill. This can be concluded by reading the two clauses contained in the Bill. One of the clauses is a sunset clause. It requires the Government of Canada to conduct a comprehensive review of the provisions of this Bill after three years. That suggests to me that the Government is not sure whether this Bill will survive and whether it is the answer. I think the Government realizes deep down inside that the Bill might not survive. I think the Government is paying a disservice to those who are concerned about the problems of street prostitution. It is doing a disservice because, as I indicated earlier with all the certainty I could command, this Bill will be challenged.

What will be the result if the Bill is challenged? It will go to a trial court and a trial judge will make a decision either in favour or against it. Regardless of the decision made someone, either the Crown or the accused, will appeal the decision to a superior court. A superior court will strike down the Bill because it is vague. Then what will happen? The police will no longer be able to act. Their hands will be tied again because the courts will deem the Bill to be unenforceable, vague and perhaps in contravention of the Charter of Rights and Freedoms.

The legislation will be held up for months and months, if not years, before a final decision is rendered by the Supreme Court of Canada. In effect, what the Government may be doing by passing this Bill is perpetuating the problem for years to come. It may be effective on a short term basis, perhaps for a number of weeks or months. It might get the prostitutes off the streets for that period of time; but they will come back after the Supreme Court of any province decides that the Bill is unenforceable. We, as legislators, will then have to sit on our hands and wait until the Supreme Court of Canada renders a decision with respect to it. I hope the Government has thought about this aspect of the Bill and about the potential of a lengthy delay as a result of a court decision.

I would like to review the Bill and the offensive clauses in it and indicate why, in my view and in the view of many people, the Bill is not supported because it poses a threat to individual rights and freedoms. The Bill makes it an offence for any person, which would include a customer or a prostitute, who, in a public place or in any place open to public view, does one of a number of things. If that person stops or attempts to stop any motor vehicle for the purposes of engaging in prostitution or of obtaining the services of a prostitute, then that person

could be prosecuted and convicted of a criminal offense. How will the courts define "stops" or "attempts to stop any motor vehicle"?

With respect to stopping a motor vehicle, it is pretty simple. If someone stands in front of a car and forces it to stop then I think it is obvious that the person is stopping a motor vehicle. However, that is not where the matter ends. The prosecution will then have to show that the person has not only stopped a motor vehicle but it will have to go on in order to secure a conviction. The prosecution must prove that the purpose of the stopping was to engage in prostitution or for obtaining the sexual services of a prostitute. How will the police be able to prove that?

I submit that there is an evidentiary problem. My friend, the Hon. Member for Burnaby (Mr. Robinson), indicated some of the problems with respect to adducing such evidence in order to secure a conviction. How can that evidence be obtained? Someone will actually have to listen or understand why the vehicle is being stopped. Of course, we could use undercover police officers to this end, but there would be problems with that. Either the customer or the prostitute would have to admit or confess to the police what in effect had taken place.

Proposed Subsection 195.1(*a*) deals with stopping or attempting to stop any motor vehicle. What does "attempts to stop any motor vehicle" mean? It is a simple wave to the driver an attempt to stop a motor vehicle? How does one attempt to stop a motor vehicle? If one gets in the way of a motor vehicle and the driver drives around that person is that an attempt to stop a motor vehicle? One can see the problems associated with that subsection.

Let us go on to proposed Subsection 195.1(*b*) which deals with the person who in a public place or in any place open to public view impedes the free flow of pedestrian or vehicular traffic or ingress to or egress from premises adjacent to that place. What does that mean? These are questions which the courts will ask. They will ask what Parliament intends when it says that it is a criminal offence to impede the free flow of pedestrian or vehicular traffic. If a prostitute or a customer simply stands on a sidewalk and someone has to side-step that person in order to get around, then is that person impeding the free flow of pedestrian traffic? That is but a judgment call. The court demand some certainty from Parliament with respect to its laws in order for those laws to be fair and in order for them to be equally applied. There is a problem with this subsection in that one does not know what it means to impede the free flow of pedestrian traffic.

I would like to indicate at this point how it can be seen that police officers are given tremendous discretion under this particular piece of legislation, Bill C-49. It is up to the police officer to decide whether or not to charge a particular person, for whatever reason. He or she has that discretion under this legislation. While we have the utmost respect for police officers and police force in Canada we have to ensure that a discretion of this magnitude is not given to them because it just might be, and it is likely to be, misused. If a particular officer does not like a particular person for whatever reason then he or she can decide that that person is impeding the free flow of pedestrian traffic or that that person is attempting to stop a motor vehicle. One can see the problems associated with the vagueness of this particular piece of legislation and the reason it will be turfed out of court. Let me come to the most offensive section of this particular piece of legislation, proposed Subsection 1(*c*) which states, and I quote:

● (1710)

> Every person who in a public place or in any place open to public view
>
> (*c*) stops or attempts to stop any person or in any manner comunicates or attempts to communicate with any person
>
> for the purpose of engaging in prostitution—

What does that mean, Mr. Speaker? If that is not vague, I do not know what is. What does it mean to attempt to communicate? I am sure Hon. Members in the House, and many Canadians, could think of examples of what it means to attempt to communicate. Is winking an attempt to communicate for the purpose of prostitution? How about if you wave? If any one of us is walking down the street one day and a person unbeknown to us waves at us and we wave back, and that person happens to be a prostitute, I would submit to you, Mr. Speaker, that a police officer could charge that person who is the prostitute and anyone of us in the House, if the officer wanted to. That could be the result of this particular piece of legislation.

I say to Hon. Members opposite to beware of liberal police officers because they could charge you. What would the consequences be to Hon. Members opposite of a charge under Section 195.1 of the Criminal Code of Canada? I need not tell them that their political careers would be destroyed as well as their family life. In any case, they would have a lot of explaining to do to their constituents and to their families. This Bill is offensive on a civil libertarian basis because of the vagueness of this particular piece of legislation. It does not define what it means to attempt to communicate with any person.

Bill C-49 in proposed Subsection 195.1(2) defines what a "public place" means. A "public place" according to this Bill includes any place to which the public has access as of right or by invitation—that would include, of course, shopping malls, bars, lobbies of office buildings, any place where the public has the right of access—expressed or implied, and any motor vehicle located in a public place or in any place open to public view. If one has his car parked in his driveway, someone from the street could look to see what is happening in his car, or if the curtains of a home were open, a pedestrian walking by could look into that home to see if there was an attempt to communicate or direct communication for the purpose of prostitution. In that case, a police officer could lay a charge.

Hon. Members opposite may laugh and say: "Police officers would not do that. They are responsible people". However, you and I know, Mr. Speaker, as well as Hon. Members opposite, that we have to ensure that the discretion given to police officers and others who have to enforce the law have to be limited and that our laws, in order to be good laws, must be

certain and definite so a Canadian will know when he or she is committing a criminal offence.

I will conclude by saying I have considerable regret and chagrin that the Conservatives have brought forward this Bill and have decided not to amend it in order to address the civil libertarian concerns which have been expressed by a great number of Canadians. It is regrettable. We hope that the Government will see the wisdom of its folly and bring in that comprehensive piece of legislation but it is obvious that this Government will not. I simply ask the Government to read my submissions in a year or two years' time and perhaps it will see that what I have said here today holds true.

Mr. Nystrom: Could the Hon. Member tell us what he means by "the wisdom of its folly"?

Mr. Nunziata: What I meant to say, Mr. Speaker, is that the Conservative Government is totally lacking in wisdom by bringing forward this particular piece of legislation. It is displaying an abysmal folly by bringing it forward. That is what I meant.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is the following one. Mr. Crosbie, seconded by Mr. Hnatyshyn, moves that Bill C-49, An Act to amend the Criminal Code (prostitution) be now read a third time and do pass. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

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

(*Division No. 130*)

YEAS

Members

Bernier	Bouchard	Cardiff
Bertrand	Bourgault	Champagne (Saint-Hyacinthe-Bagot)
Binns	Boyer	Champagne (Champlain)
Bissonnette	Bradley	Clark (Brandon-Souris)
Blackburn (Jonquière)	Brightwell	
Blais-Grenier	Browes	
	Cadieux	
Coates	Harvey	Pennock
Collins	Hawkes	Pietz
Cook	Hicks	Porter
Cooper	Hnatyshyn	Ravis
Cossitt	Hockin	Redway
Crofton	Holtmann	Reimer
Crosbie (St. John's West)	Horner	St. Germain
	Howie	St-Julien
Crosby (Halifax West)	Hudon	Scott (Victoria-Haliburton)
	Jacques	
Crouse	Jardine	Scott (Hamilton-Wentworth)
Darling	Kilgour	
Daubney	King	Scowen
Desjardins	Ladouceur	Shields
Desrosiers	Landry	Sparrow
Dick	La Salle	Speyer
Ellis	Layton	Stackhouse
Elzinga	Lesick	Stewart
Epp (Provencher)	Lewis	Tardif (Charlesbourg)
	MacDougall (Timiskaming)	
Fennell		Toupin
Ferland	MacKay	Towers
Fraser	Marin	Tremblay (Québec-Est)
Fretz	Mayer	
Friesen	McCuish	Tremblay (Lotbinière)
Gass	McKenzie	
Gervais	McKinnon	Tupper
Girard	McKnight	Turner (Ottawa-Carleton)
Gormley	Minaker	
Graham	Moore	Valcourt
Grisé	Nicholson (Niagara Falls)	Vézina
Guilbault (Drummond)		Vincent
	Nickerson	Warner
Halliday	Nielsen	White
Hardey	Oberle	Winegard
		Wise—111.

NAYS

Members

Allmand	Guilbault (Saint-Jacques)	Nystrom
Althouse		Orlikow
Baker	Hopkins	Parry
Berger	Hovdebo	Pépin
Blackburn (Brant)	Jewett	Riis
	Langdon	Robinson
Broadbent	Lapierre	Rodriguez
Deans	MacLellan	Skelly
Dingwall	Manly	Tardif (Richmond-Wolfe)
Finestone	McDonald (Broadview-Greenwood)	
Fulton		Turner (Vancouver Quadra)
Gauthier	Mitchell	
Gray (Windsor West)	Murphy	Young—35.
	Nunziata	

Mr. Deputy Speaker: I declare the motion carried.

Bill read the third time and passed.

* * *

THE GOVERNOR GENERAL'S ACT

MEASURE TO AMEND

Hon. John C. Crosbie (Minister of Justice) moved that Bill C-78, an Act to amend the Governor General's Act, the Governor General's Retiring Annuity Act, the Salaries Act and the Judges Act, as reported (without amendment) from a legislative committee, be concurred in.

Motion agreed to.

Mr. Crosbie moved that the Bill be read the third time and passed.

Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I intend to say a very few words with

respect to third reading of this Act. This Act essentially amends different Acts to increase the salaries of judges, Lieutenant Governors of the Provinces and the Governor General.

The Constitution of Canada imposes upon Parliament the duty to fix and provide the salaries, allowances and pensions of the federally appointed judiciary. It is a difficult duty, although no doubt it seemed fairly straightforward to the Fathers of Confederation when they determined upon the text of Section 100 of what was then the British North America Act. Acting pursuant to this provision, Parliament is expected to balance the needs and expectations of the judiciary with its own responsibility to use the money of the taxpayers wisely and to the best effect. It is a duty only Parliament can perform. By virtue of the wording of Section 100, this duty cannot be delegated to any other body. It is a duty that is often embarrassing and distasteful to both Members of Parliament and members of the judiciary since it requires a public debate upon the remuneration of men and women who, as a result, may be subjected to generalized abuse but who, by their offices, are denied the privilege of public reply. It carries with it the danger of politicizing judicial compensation issues and, unless the levels of compensation are reviewed at regular intervals, the danger also of inequity and unfairness to the judiciary if salaries and other benefits are permitted to fall behind on the basis of leading economic indicators.

Judicial salaries have in fact suffered erosion since 1981 when an indexing formula was first provided to cushion the effects of inflation between parliamentary reviews. Indexing has had the effect of permitting Governments and Parliament to defer consideration of the salary issue in the comforting knowledge that the judiciary were receiving some increase each year without the necessity for full public debate and legislative action. This tendency has been further reinforced by the provision for triennial commissions to review the adequacy of judicial salaries and benefits.

Two years have passed since the report of the first commission on judges' salaries and benefits was tabled in Parliament. At its 1985 annual meeting, the Canadian Bar Association passed a resolution deploring the delay in dealing with the Lang Report and calling for its implementation forthwith. While we are aware of the serious delay which has ensued, the Government also accepts that its mandate for fiscal restraint and the protection of the nation's economic interests will not permit full acceptance of the Lang Commission's recommendations. Accordingly, we have sought to arrive at adequate compensation for the judiciary while recognizing the fact that we continue in a period of economic recovery and fiscal restraint.

Very briefly, what is intended is that the salary of a judge of a provincial superior court which, as of April 1, 1985, was $93,800 will be increased by this Bill to $105,000. With respect to District Court judges, their salaries will be pegged at $5,000 under the salary level from year to year of a superior court judge.

With respect to the Governor General, the annual salary will be raised from $48,666, its current level, to a level of $70,000. With respect to the Lieutenant Governors of the provinces, the increase will be to $69,000.

We have heard speeches on this matter and the Minister appeared before the committee to testify with respect to his views on these matters. There were no amendments at report stage. I hope for the sake of the judiciary and other people involved that this matter can have the most prompt attention of the House so that we can implement it and make it law.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise and make a few brief remarks on this legislation. The position of members of the New Democratic Party in relation to this legislation was stated clearly at the time of the second reading debate and subsequently when the distinguished Minister of Justice (Mr. Crosbie) appeared before the legislative committee which was considering this Bill. I do not now intend to repeat the arguments we made at that time. However, I do want to put on the record our opposition to this legislation.

While no one in this House would in any way deny the integral and vital role played by the judiciary in our legal system, certainly it is not our view that we should be increasing the discrepancies between the wealthy and the poor in Canadian society. At a time of restraint when basic social programs which provide essential social services to the poor are being cut back, and when we are attacking the deficit, an increase in the salaries of a group who are in relative terms privileged economically cannot be justified.

We as Parliamentarians have the obligation to allocate scarce resources among competing ends. If there are additional dollars to be spent, I suggest that they should be spent in assisting those at the bottom end of the economic scale and not those who are already very well paid by any standard of comparison. Instead of increasing the gap between the rich and poor we should be reducing it.

The suggestion has been made that it is essential to increase the salaries of judges in order to recruit more qualified and capable personnel. First, I would suggest that the Canadian Bar Association report on the independence of the judiciary made very clear that that suggestion is without foundation. I would like to quote from that report as follows:

> —it is neither necessary nor desirable to establish judicial salaries at such a level as to match the judge's earnings before appointment to the bench. The most obvious reason for this is that such a policy would tend to attract people to the bench for purely financial reasons. The sort of person who would accept a position on the bench because it paid well is not the sort of person who would make the best judge.
>
> Rather the sort of person we would wish to see on the bench are those who appreciate the honour of being a judge and who see as part of their reward the satisfaction of serving society on the bench.

I would remind Hon. Members that in calculating the over-all level of judicial compensation, we must remember as well that there is a very, very rich pension scheme for federal judicial appointees. It has been suggested by some, including some members of the judiciary, that the contributions made by members of the federal judiciary to their own pension plan in some way undermines the independence of the judiciary. I

suggest that any statement to that effect is without foundation, and should the Supreme Court of Canada rule in the Beauregard case that in fact the legislation which requires the members of the judiciary to contribute to their pension plans is in fact within the powers of Parliament, Parliament should not take any steps to remove the contributions of members of the federal judiciary.

• (1820)

I would note that there are some flaws in the present judicial pension scheme. These flaws have been identified by a number of commissions. Perhaps one of the most glaring flaws is that those who have served more than 10 years but less than 15 years are not entitled to any pension whatsoever. I suggest that we look at some sort of prorated pension for members of the bench who have served Canada with distinction during that particular period of time.

We also have to look at the method of the appointment of judges. The Canadian Bar Association has recommended substantial changes to the manner in which judicial appointments are made. In August of this year it issued a report which constitutes a scathing criticism of the current method of judicial appointment. It finds that the quality of the Canadian judiciary is high. However, it also finds that in some provinces politics play too great a role in the selection of candidates for the bench. It recommends one form of judicial appointment process which I think we should certainly look at.

What we must recognize is that the present system, which allows for political patronage to far too great an extent, is one which has no place in a democratic society, particularly at a time when the role of the judiciary is being enhanced by the adoption of an entrenched Charter of Rights and Freedoms.

At third reading stage I wanted to put on the record these brief points with respect to some of our concerns about this legislation. I wish to note that, federally, the New Democratic Party opposes this Bill and will continue to call for legislation and policy which will reduce the gap between rich and poor in Canada instead of increasing the gap, as this Bill would do.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

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

Mr. Chuck Cook (North Vancouver-Burnaby): Mr. Speaker, I think you will find that there is a predisposition in the House to call it 6.52 p.m.

Mr. Deputy Speaker: Is it agreed?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: It being after six o'clock this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.24 p.m.

HOUSE OF COMMONS

Thursday, November 21, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

The House resumed from Thursday, October 31 consideration of the motion of Miss MacDonald that Bill C-62, an Act respecting Employment Equity, be read the second time and referred to a legislative committee, and on the amendment of Mr. Keeper (p. 8197).

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, this will be the last day of debate on Bill C-62 at second reading. The Government for the fifth time in this session of Parliament has imposed closure, cut off debate, on an important Government Bill.

Mr. Lewis: Something you never used to do, did you?

Some Hon. Members: Oh, oh!

Mr. Allmand: As a result of that procedure by the Government, we are not permitted to have a full discussion in this House of what is supposed to be one of the key pieces of legislation put forward by the Government.

The Government has made a lot, both in the Speech from the Throne and in speeches that have followed, about the reform of Parliament. The Government established a committee, headed by the Hon. Member for St. John's East (Mr. McGrath), to examine the rules of Parliament and to suggest ways in which Parliament can be reformed to give Members on both sides of the House the opportunity for more input into legislation so that legislation will not be formulated in the back rooms of the civil service. In other words, those who are elected to this House will have some say in the drafting, in the amendment and in the content of legislation.

If the Government continues to use allocation of time and continues to cut off debate on Bills so Members of Parliament cannot have that input, what does that say about reform of Paliament? It says that the Government is not really serious about reform of Parliament. The proposals put forward are simply a facade and not a real approach to parliamentary affairs.

When we debate an issue in Parliament, such as we want to do with this Bill on employment equity, we know that we are not going to convince too many of the 211 Conservative Members on the other side to change their minds. We know that there are only 70 of us in opposition, 40 in one Party and 30 in another and despite the soundness of our arguments, we will not convince too many Conservatives to change their minds.

The purpose of debate in this House—and this does not begin with this Parliament—is to reach beyond the walls of Parliament to the public outside where we hope to touch public opinion. If we touch public opinion by continuing the debate in this House, through the media and through those who may watch the proceedings of Parliament, then pressure may be put on the Government and the Government will begin to amend and withdraw Bills. That is what happened when we dealt with the proposal to cut back indexation of old age pensions. If it had been for the government caucus itself, deindexation would have proceeded, but by debate in this House and outside the House the public became aware of what was happening to old age pensions. The public went after the Government. The 211 Member majority responded to the mass of public opinion that was brought to bear on the Government to amend and draw back on that proposal. We believe the debate should continue on this Bill. We abhor the fact that the Government is cutting off debate on Bill C-62 and that this is the last day on second reading.

Why do we oppose this Bill and why are we trying to make the public aware of what is happening? This Bill pretends, and I say pretends, to do something about employment equity. Employment equity is supposed to bring about fairer conditions of employment for certain target groups who have had a rough deal generation after generation. I am speaking of the women, the visible minorities, our native people and the handicapped. This Bill pretends to do something about those particular groups in our population so that they will have a fairer deal in seeking and maintaining employment.

• (1110)

The Bill was supposed to be based upon the recommendations of the Abella Report. The previous Government appointed Judge Abella in 1983 to look into the whole problem of inequity in the employment market-place and to make recommendations on how it could be corrected. Judge Abella tabled her report in November, 1984, after the change of Government, making some very specific recommendations on what must be done. Unfortunately, the Government has not followed those recommendations.

We are opposing the Bill because while it expresses the right intent—it indicates that it wants to do something about the situation of inequity in the employment market-place for different target groups in our population—it in fact does very little. There are no standards set out in the Bill. There are no objective criteria which must be followed. There is no enforcement agency set out in the Bill. In fact, there are no penalties if the employers who are subject to the Bill do not follow through with what is expected of them. The only penalty in the Bill is for employers who do not report to the Government. However, if they report, and even if their reports are wanting or are lacking in progress, there is no penalty. The only penalty is if they do not report.

Judge Abella, in her report, demanded that there be an enforcement agency, standards and penalties. The Bill does not provide for them. This is why we are opposing it and trying to make clear to Canadians that while the Bill pretends to do something, it does very little. We are afraid that if the Bill passes, the Government can then say that it has done something about employment equity, when in fact it will have done nothing at all and will go on pretending that something meaningful has been done. If the Government really wanted to do something, it would have put into law what Judge Abella recommended.

I am not the only one who says this. The great mass of public opinion is not yet aware of the façade which is going on here. However, the leaders of the target groups do. They have come to Ottawa, have visited our offices and have told us so. The leaders of the handicapped associations have told us that the Bill is not acceptable. Also they have told us that they would rather see it defeated than passed in this half measure form before us. Women's groups have come to Ottawa, such as the National Action Committee and other organizations, and have told us that the Bill is not acceptable. The leaders of visible minorities and native people have told us that the Bill is not acceptable. Yet, the Minister and Members on the Government side tell us what a great Bill it is.

The Bill is not to serve most of us in the House of Commons; it is to serve those people who are considered target groups under the Bill. If they do not think it is acceptable, why does the Government not do what we have asked, take back the Bill and make some amendments to it?

The Bill could be improved and could be made worth while, if key amendments were made to it. I am afraid those key amendments cannot be made in committee. At first I thought they could be made after the Bill was sent to committee on second reading, that that would do the job. Now, after further consideration, I have come to the conclusion that the Bill is so defective and needs so many amendments that it should be sent back to the drawing-board. The Government should reform the Bill, revise the Bill and bring it back to us. Then it would be doing something to please those target groups.

One wonders who the Government is trying to please with the Bill. Rather than trying to meet the needs of the groups to which I have referred, those who have difficulty with employment—women, native people, the handicapped and visible minorities—it is really backing off Judge Abella's recommendations because it does not want to offend big business which does not want too much regulation or interference with its employment practices.

The decision in the Bill as to what the standards should be is left to the employers. That is really surprising. It is a very unusual situation. A Bill will be passed which indicates that employers must do something about a certain problem, in this case employment inequity, but the Government leaves it up to them to decide what the standards will be. That is what the Government is doing in Clause 4 which reads:

> An employer shall implement employment equity by
>
> (*a*) identifying and eliminating each of the employer's employment practices, not otherwise authorized by a law, that results in employment barriers against persons in designated groups—

● (1115)

It is saying to the employers that they decide which of their practices are against employment equity and do something about them. How many employers will say that they have been doing the wrong thing for several years and now they will make changes in some of their policies? We need standards in the Bill. We need an enforcement agency. I hope the Government does something about it.

The Acting Speaker (Mr. Charest): Order, please. On debate, the Hon. Minister of Indian Affairs and Northern Development (Mr. Crombie).

Mr. Gauthier: Good morning, David; I am glad you are here.

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Yes, Mr. Speaker, it is a pleasure to be in the House this morning. I have been on the road for the last number of weeks, so it is nice to see smiling faces on both sides of the House.

Mr. Allmand: It is better to be on the road.

Mr. Crombie: The Hon. Member might be right.

It is with considerable pleasure that I am able to rise today to endorse the historic Bill which my colleague, the Minister of Employment and Immigration (Miss MacDonald), presented some time ago. All Members of the House must recognize that we have reached a landmark, no matter what imperfections might be perceived, with this Bill. That focus should be kept on most of the discussions because in many of these things there are always matters which could be done better or could be done different. There is no particular Bill, no particular passage of literature, which contains all the wisdom. However, the House should not miss the point; it is a landmark Bill.

With the passage of the Canadian Human Rights Act of 1977 and the proclamation of the Charter of Rights and Freedoms in 1983, the people of the country clearly stated that employment discrimination could no longer be tolerated in a democratic society. With the passage of the Employment Equity Act, we will ensure that employers, both public and

private, will be responsible to ensure that equality becomes a reality.

Over the past 14 months, it has been my pleasure to criss-cross the country, talking with native people. After visiting many communities, hundreds of communities, I can say that few issues have dominated my discussions as much as the desire on the part of native people for economic development and employment. With unemployment rates reaching 80 per cent in many communities, native people want the opportunity for long-term productive employment. They want the types of jobs which will allow them to break out of the dependency relationships which they see as a major threat to the survival of their own culture and communities. Few other Canadians face the kind of barriers to employment which Indian people face. For many, there is a need to upgrade their education, to acquire occupational skills through training, and to obtain work experience and the special assistance necessary to enter the labour market successfully.

Recently I was pleased to announce the Indian Community Human Resource Strategies Program. It is designed to provide resources to Indian communities in order that they can provide their members with the skills, experience and other assistance the world of work increasingly requires. However, all the training and preparation in the world will be a waste if Indian people do not have opportunities for employment at whatever job and at whatever level for which they are qualified. Whether intentional or unintentional—and native workers are often excluded because of invalid or inappropriate employment requirements—discriminatory barriers for native people must be removed. Even further, employers must be prepared to demonstrate to potential Indian employees that those opportunities are there. Again, the figures are compelling. If Indian people are to reach the same employment levels as other Canadians by the 1991 census, some 85,000 jobs must be created just to get close to the level of other Canadians.

• (1120)

Certainly, our Government is committed to assisting Indian communities and individuals to develop fully the employment opportunities on reserves. However, even with success, a minimum of 60 per cent to 70 per cent of the required jobs will have to be in the non-Indian private and public sectors. Clearly, whether they are opportunities for Indian workers commuting from the reserve or for those choosing to live off the reserve, we must be prepared to ensure finally that Indians will have a fair share access to employment in this country.

I am convinced that this Bill represents the cornerstone of its successful employment strategy for native Canadians. Despite the rhetoric we sometimes hear from the other side, as it is part of their job, employers as defined in this Act will be required—I emphasize required—to implement employment equity. First, they will be required to remove all barriers which discriminate against designated groups, whether intentional or systemic. Second, they will be required to implement positive measures to ensure an appropriate degree of representation. Third, they will be required to provide annual reports to the Minister of Employment and Immigration on exactly how well they are doing with respect to achieving employment equity.

There are those who would criticize the Bill because it establishes no new enforcement agency. However, the facts show something different. Crown corporations will be required to submit mandatory employment equity plans to Treasury Board and will be closely monitored for compliance. Federal contractors will be required by law to certify their commitment to implement employment equity and they will be monitored. Those failing to comply will face debarrment, and that is a very powerful incentive. Companies under federal jurisdiction will be required, under penalty of a stiff fine, to report publicly their employment data on a yearly basis. If they make no progress, Section 32(3) of the Canadian Human Rights Act clearly gives the Human Rights Commission the right to initiate complaints with respect to it. For the first time, the commission will have the information required to monitor employment practices.

As my colleague stated earlier, the Government is also committed to ensuring that the commission has the staff and resources to carry out that part of the mandate. If this Bill does not have a new enforcement agency it is because the Government believes in using the powers of the agencies already in place. What we do not need is another redundant agency. We need the action that this Bill gives to those people who are looking for employment equity. Officials in my Department are currently working with over 80 Indian communities which are negotiating with Crown corporations and private employers for employment opportunities. This long list includes oil and gas, transportation and service industries and construction companies. Many other communities will be developing and implementing long-term human resource plans as part of our human resources strategies program.

I can assure all Members that the employment equity program will be an enormous boost in all of these communities. It will help pry open doors that have long been closed to Indian people. The prospects are exciting for them. It is historic and I believe that all Members of the House should support this Bill.

Nothing in the world is perfect, but I can say that this Bill moves this country forward such a distance that it will make all Hon. Members who support this Bill proud they did so and those who do not will wonder why.

• (1125)

Mr. Rod Murphy (Churchill): Mr. Speaker, in rising to speak to Bill C-62, I am pleased to have the opportunity to follow the Minister of Indian Affairs and Northern Development (Mr. Crombie). As the Minister is well aware, the native population in my riding is approximately 30 per cent of the total. We have had experience in the past with provincial regulation that is very similar to the Bill before us today. Therefore, I am aware of the difficulties we will face in turning this Bill into a real affirmative action program. The intent of the employment equity Bill must be to provide real equity and real participation at all levels in the workforce for

those disadvantaged groups, whether they are native people, women, the handicapped or others.

During my term as Public Service critic for my caucus prior to the last election, I read many reports stating that there was no real equity within the structure of the federal Public Service. The problems have not been resolved after many years of Liberal study and after a year of Conservative promises. I believe we will suffer from the same inefficiencies as a result of this Bill.

During the election campaign the Government promised to implement mandatory affirmative action. Again, this promise is being broken by this legislation.

Let me explain why I believe this legislation is flawed and will not fulfil the task that it should. Large hydro development projects were being implemented in Manitoba during the 1970s. At that time a northern preference clause was negotiated with the contractors and sub-contractors who were involved in these large projects that employed thousands of people. However, there was essentially no enforcement mechanism or method of ensuring that native people and women really became involved in the process. We have learned from those negotiations in the 1970s, and as we gear up for new projects in Manitoba at Limestone and Conawapa, we have built in quotas and indicated that various trades must provide up to 45 per cent native hiring and maintain 45 per cent native employment in some trades on those projects. There must be training for those people before the projects begin in order for them to be qualified for the jobs as they come on stream. In this case, I will give credit to the federal Government for helping to pay for these training projects. In particular, I give credit to the Minister of Employment and Immigration (Miss MacDonald) for agreeing with the Manitoba Government to pay for some of the training that is involved in that project.

However, this illustrates that there must be some real enforcement mechanism provided in this Bill. It is not enough to leave it up to the companies to look after their own affairs and simply report to the Government. We have had experience with years and years of reports about the federal civil service. We know that women are under-represented and we know, as the Minister of Indian Affairs and Northern Development is well aware, that native people are under-represented especially in areas where they live. We know that the higher one goes in the hierarchy, the fewer disadvantaged people there are, fewer women and fewer native people employed in the Government. While that information is useful in itself, the process must continue to achieve the goal of real equity. That is what we are looking at in this legislation. It is unfortunate but true that this Bill is only a step along the road to what we need.

• (1130)

I would like to see the Government live up to its election promise of mandatory affirmative action for corporations that are involved in very large Government contracts. That was a promise, and presumably a promise is made to be kept. However, it is not being kept.

The fact that almost every major Canadian organization that is concerned about women, natives and the handicapped have spoken out against this legislation, tells us a great deal. They have said that it is not adequate and is not in keeping with the promise the Government made during the election campaign. There is really no enforcement mechanism that will make sure anything will really happen as a result of this legislation. There is no guarantee that these corporations will even fill out the forms the Government will produce for them.

As the labour spokesperson for our Party, I am concerned about the fact that there is no provision for the input of unions in this legislation. Unions are the ones that are involved in negotiating and it is their members who are affected. The unions could have input in terms of educational leave for purposes of helping people move up the ladder within the company. Yet there is no input from the unions suggested in this legislation. A Government that has prided itself on its consultation is leaving out a very fundamental group which has a lot of input into what will happen in the workplace. Again, this legislation is flawed because of that lack.

As well, this legislation is flawed because it lacks not only the goals but the guidelines for affirmative action. What does the Government expect to happen as a result of this legislation next year, two years down the road or five years from now? I think we have a right to know that. Year after year we have seen a failure within the federal civil service to deal with real affirmative action. I have talked about the fact that there has been study after study and that chart after chart has been shown to us. What is the real goal of the federal Government with regard to its own employees? We are talking about hundreds of thousands of Canadians. What are the goals of the Government with regard to Crown corporations? What are the Government's goals and expectations for the effect of this legislation on the private sector? I think we should know that and I think that is the problem we are facing at this time.

We are dealing with a piece of legislation which I do not believe will do very much for the people about whom we are so concerned. I think that in 1985, the people have a right to expect more than a piece of legislation which would have been found to be faulty even in the 1960s and the 1970s. The Government is moving in the right direction. There is no question about that. However, I think that it is moving very slowly and probably very cautiously, which is certainly not in keeping with the bold statements made by the Prime Minister (Mr. Mulroney) during the election campaign.

I have lived in northern Manitoba and seen mining companies bring in workforces from outside. I have seen other companies bring their workforces with them to the North. Because of that, I recognize that voluntary plans do not often work. Sure, we can say that we are open to native hiring and the advancement of women. However, if we are not going to do anything about it, that will not help the situation.

I do not think that INCO in Thompson had any particular regulation indicating that native people could not be hired but the net result was that very few native people were hired. It was only in cases like the one of Sherritt Gordon for which the

Government had specific programs that native people were actually being hired. It was only for Manfor Ltd. that the Government made specific regulations and developed hiring programs so native people would be employed in the forestry industry.

In closing, because we are under time allocation and I am limited to speaking only 10 minutes, I would say that the legislation is too weak. I can certainly speak from the experience I have had in my own riding and I say that it ain't going to work.

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I too am rather concerned and disappointed that the Government is bringing a halt to debate on this very important employment equity Bill. A lot more needs to be said on this issue. Frankly, a lot of the things that have been said already need to be said again, because it is obvious that the Government is not listening.

I do not think anyone on this side of the House is quarrelling with the Bill *per se*. It is just that the Bill does not do what the Government said it was going to do. It certainly will not do what the Abella Royal Commission wanted done in this regard. This Bill provides us in the House of Commons with a chance to do something for women, visible minorities, native people and the disabled in the workplace. This is the moment when we can achieve something for these groups. If we let this opportunity go by with just a cursory glance, we may not get another chance, with the thinking of this Government, for some time to come. We have to be cognizant of the importance of this Bill, particularly at this time when we have before us this legislation and we can do something regarding this very important matter.

This Bill, as has been stated by the affected groups, just does not go far enough. This is the tragedy. It indicates to me that the Government is not sincere in what it is attempting to have the Canadian people believe. We in Canada made a good start with the Canadian Human Rights Act of 1977, with the Charter of Rights and Freedoms, and particularly with Article 15 of the Charter. It was hoped that this Bill would provide the additional buoyancy that would support these groups in their attempt to attain what the Government should be giving to them.

There are a few things about the Bill with which I would like to deal. As has been mentioned, the definition of employer in the Bill is any person who employs 100 or more employees on or in connection with federal work undertaken. That is just not sufficient. There are holes in that definition through which one could drive a truck. It is not a clause that would be designed by a Government that wants to put teeth and feeling into the stated purpose of this Bill, a very important matter for these groups.

Clause 4 refers to identifying and eliminating each of the employer's employment practices not otherwise authorized by law. If it were not so obvious, we would say that the Government was just being naive. To try to give an objective standard to the subjective position of employers and leaving it at that is far from being sufficient. In fact, it is bordering on being insulting to the intelligence of the Canadian people and particularly the groups that we on this side of the House wish to help, the groups that the Government is not helping anywhere near to the extent that is needed.

I listened to the Hon. Minister of Indian Affairs and Northern Development (Mr. Crombie). He made some very good points, points which I think all Canadians should consider regarding the seriousness of native employment. I think the Minister mentioned that we need to create 85,000 jobs by 1991 if we are going to bring native people anywhere close to the norm of employment levels in Canada. It is astounding for a country with the prosperity and enlightenment of Canada to have our native people in that type of position. Something has to be done, something more than what we see in this Bill.

• (1140)

I am not only distressed by the fact that the Bill does not carry the strength which is needed to protect native people and to secure employment for them, but I am distressed by the Government's policy with respect to abandoning its regional development aspect. I know that my colleague, the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall), will say more about this when he speaks. At least when we had a Department of Regional Industrial Expansion we had a way to help those people who were no longer on the reserve to work hand in hand with the work which was being done by the Minister responsible for the Department of Indian Affairs and Northern Development. Those natives who are no longer on the reserve have no way of being assisted by the Government. The Bill does not go far enough in that regard.

As has been said earlier, there are no teeth in the Bill. There are no sanctions. There is certainly provision for a fine of up to $5,000 if companies do not report on their progress and position with respect to the requirements of the Bill. However, it is not enough to have these targeted companies and organizations do what we want them to do to enforce the principle, purpose and heart of the Bill.

The Hon. Member for Churchill (Mr. Murphy) said that he does not know what the goals of the Bill are. The Government is not saying what the goals are, that is true. I think we can see a clear indication of what the goals of the Government are when it says that even though it requires a report and the sanction applies only to a report not being filed, it does not have to be filed until June 1, 1988. The Government is obviously not expecting anything from the Bill and from the targeted organizations and companies until after June 1, 1988. Without the spirit of accomplishing what the Government says it wants to accomplish, the Bill will not go anywhere near achieving what we want to achieve and what the Canadian people want to achieve. As has been said earlier, Canadians do not want a continuance of this discrimination. That is becoming more and more obvious.

The Bill will just not do anything. The recommendations of the special committee dealing with the handicapped have been pretty well discounted. The Abella Commission said that the

recommendations in the report entitled *Obstacles* have to be followed in a Bill such as this if it is to have meaningful application. That has not been done. The recommendations of the Abella Commission have not been followed. What we have is smoke and mirrors with respect to this very important question. Visible minorities, the handicapped, native people and the disabled have been waiting a long time. When I say a long time I mean that something should have been done a long time ago. What I am afraid of is that by having this insufficient Bill become law people will say: "Oh well, this question has been looked after and the needs of these groups have been looked after". It just ain't necessarily so. It will not happen. This Bill is not the answer. It has to be strengthened. We can no more abandon the search for the just practice and treatment of these groups after the passage of this Bill than we could before it was introduced.

I am concerned that there will be no follow-up and that companies will look at this legislation as just another porous document to which they will give only cursory glances now and again. Without any of the principles which we in the Liberal Party want to see but in the Bill these aims will not be put into practice. I think that will be very unfortunate.

I ask the Government to reconsider this Bill and to look at it again. I ask the Government to give further consideration to strengthening the Bill. The Government should listen to Hon. Members on this side of the House, put some teeth into the Bill and do what it says it wants done in Clause 2.

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, it gives me great pleasure to speak in support of Bill C-62, an Act respecting employment equity. For years the Liberal Government paid lip service to the doctrine of equal opportunity in the workplace. It was all talk and no action. With its strong mandate from the people of Canada the present Government has given this basic right top priority. In fact, within our first year in office we have drafted a Bill which will finally make employment equity a reality. Members opposite are still all talk and no action.

We have had enough, as have the Canadian people. Women, native people, disabled persons and visible minorities want to see some action. They want to see results. They demand legislation which will enshrine the right of all Canadians, not just the white, able-bodied males, equal access to employment opportunities. They have waited patiently through years of rhetoric and self-serving inaction. However, with the Bill which is before us now the barriers are coming down. We have shared their frustration and we have heard their cries. As legislators we are committed to opening wide the doors of opportunity for all Canadians.

Not only will the doors be opened but here is the clout of this legislation. Employers will be held accountable for implementing special measures to ensure a truly representative workforce. Critics say the Bill is not tough enough. They say that accountability is not mandatory, that business will not comply and that employers will fudge their reports. This attitude of mistrust and confrontation toward the business community is counter-productive. I might say that this is one of the reasons the labour market and, indeed, the economy as a whole was in the sorry state in which we found it when we assumed power.

I am proud to say that my Government has confidence in the integrity and intelligence of the business community and that, when required by law to report annually on the status of designated groups in the organization, they will comply, both through social conscience and because it makes good business sense. I am convinced they will comply because we are giving them clear guidelines and a firm but realistic deadline.

All employers within the federal jurisdiction must begin immediately to examine their employment procedures and to explore remedies to unfair practices. Systems must be established so that data can be collected to support an annual report on the status of designated groups beginning in 1988.

Recognizing that there are always a few bad apples and not, as some would have us think, that the whole barrel is bad, a fine of up to $50,000 will be levied if a report is not submitted or if it is incomplete. If real progress in the elimination of barriers is not substantiated, the report will be open to public and media scrutiny and it will be made subject to the full force of the Canadian Human Rights Commission.

As can be seen, we mean business. We are determined to liberate victims of past discrimination, but as you can also see, Mr. Speaker, we believe in co-operation rather than confrontation to persuade business to conform. We know it is made up of, for the most part, responsible corporate citizens. We also know they are not fools. They are vulnerable to public opinion and they respect the bottom line.

• (1150)

Business sets goals and timetables for every aspect of its operations; profits, capital investment and productivity increases. Setting goals and timetables for designated minorities is a way of ensuring and measuring progress. I think most companies are aware as well that they can no longer afford to waste the potential contribution of capable people for artificial reasons. What is more, the Canadian companies which are already applying the principles of employment equity such as Nova and the Royal Bank, find that their efforts to hire and promote designated groups have resulted in increased productivity, reduced recruitment and training costs, together with a more appropriate use of human resources.

Employment equity makes good business sense. It also enhances the corporate image. If employees, including women, native people, disabled persons and designated minorities are offered equal opportunities, there is a noticeable increase in job satisfaction and morale. Does this improved morale and productivity shine through to the customer and to the public? Yes, it does. Everyone is a potential employee. Everyone is a potential customer. Any company with a representative workforce has something of which to be proud.

The purpose of employment equity legislation is to ensure that all Canadians, particularly victims of past discrimination, can stand proud and confident that in Canada people are hired

and promoted according to only one criterion, the ability to do the job.

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, I also want to join in this debate on Bill C-62, an Act respecting employment equity. I think we should ask ourselves why the Government has chosen to bring in closure on this particular piece of legislation. This is the fifth occasion, I believe, that the Government has brought in closure on a piece of legislation which it has deemed to be important to all Canadians. Why, then, the rush? Why does the Government want to choke off debate on this particular subject matter? Why the hurry, Mr. Speaker? Would it have to do with the contents of Bill C-62?

If we examine Bill C-62 we see that the phrase "designated groups" means women, aboriginal peoples, persons with disabilities and persons who belong to a visible minority. That is what the Bill directs itself to. I believe, as the Hon. Member for Calgary South (Mrs. Sparrow) indicated, that it is an important piece of legislation, but when we look at the substance of the Bill, the four and a half pages—two and a half of which are legalese which is included in every piece of legislation which comes before Parliament—we see, perhaps, a page and a half which somehow addresses itself to the issue of employment equity. The Bill does not address the issues affecting those individuals and those groups of whom I have made mention; women, aboriginal peoples, persons with disabilities and visible minorities. The Government is bringing in closure on this Bill for the simple reason, I suggest, that it has very little to offer women, aboriginal peoples, persons with disabilities or, indeed, individuals who belong to visible minority groups. The Bill is totally lacking in substance and in enforcement procedure to ensure that equality is brought to bear in the workplace. Clause 7 of Bill C-62 reads, and I quote:

> The Minister shall in each year prepare a consolidation of the reports received in that year under section 5 and shall, as soon as possible thereafter but not later than the end of that year, cause the consolidation, . . . to be laid before each House of Parliament.

We are going to have to wait until after the next federal election—which is 31 months from now—before reports are tabled with the Minister of Employment and Immigration (Miss MacDonald). Then we have to wait for the end of the calendar year before the Minister tables her reports. That is a considerable length of time. The Government promised the Canadian people that if it was elected it would take strong initiatives in order to see that employment equity was brought to the workplace. It is certainly not living up to its election promises, nor is it living up to the comments made by the Prime Minister (Mr. Mulroney) and the Minister of Employment and Immigration that this subject matter in itself is important. It will take 31 months before companies in this country submit their reports to the federal Minister, and thereafter we will have to wait until the end of the calendar year before they are tabled before Parliament.

What about an enforcement agency for breaches of this particular piece of legislation, Mr. Speaker? What about the sanctions for not complying with the legislation? Where are the standards? Where do we want to be on June 1, 1988, with respect to the provisions of this Bill? Has there been any statement of any goals or objectives set out by the Minister involved? There has been nothing. All we have is two or three pieces of paper about a subject matter which is important to all Canadians. The Government says it is concerned—as Clause 2 states—"to achieve equality in the workplace". But it takes more than pious statements by Ministers or Members of Parliament to achieve the goal of equality in the workplace. And sometimes measures may have to be taken, unfortunate as it may be, to call to task certain corporations and individuals with respect to seeing that equality is restored to the workplace. However, this Bill says nothing. It gives women, native people, the disabled and visible minorities nothing. These people may have to wait for 31 months and longer before Parliament will see the reports. In other words, the wrongs will not be righted by this legislation. These wrongs will continue and there will be no check for more than 31 months.

• (1200)

I had hoped Government Members would be a little more forthcoming in setting out the goals and objectives to be reached at the end of 31 months, but they have not been. I had hoped that the Government would provide clear and unequivocal sanctions in the Bill for those who breached its provisions in the workplace. That has not been the case. Then, to add insult to injury, the Government is using the guillotine, as Members opposite often referred to it when they were in opposition, to cut off debate on this very important matter. That is a shameful thing for a Government elected by the Canadian people en masse on the promise, among others, of substantive changes regarding equality in the workplace.

What do we have to show for it? A smoke and mirrors campaign by the Minister of Employment and Immigration and the Prime Minister of Canada. That is not what Canadians need. That is why groups from coast to coast have denounced the substance of this legislation. Surely in 1985 women, native people, the disabled and visible minorities have legal rights. Surely we, as Members of Parliament, have to give them our support in making sure that those rights are observed and that equality is brought to the workplace.

In closing, I suggest that this Bill ought to be withdrawn by the Government and replaced with legislation with substance, sanctions, enforcement ability and time restrictions on compliance.

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I rise to speak on Bill C-62, and in particular on our motion for a six-month delay on second reading. It is strange for an NDP Member to be asking that the Government and Parliament not deal with this Bill immediately. We have been prodding the Government to bring in employment equity legislation for a very long time. However, the sad fact is that this legislation is totally inadequate and we do not want to see it pass. We will be voting against it because of its very serious inadequacies. We would like the Government to spend the next six months in taking a real hard look at the problem and then

come back with some legislative proposals adequate to meet the needs of Canadians who suffer discrimination in the workplace, Canadians who are disadvantaged and who expect some action on the problem by the Government.

One thing the Government could do in the next six months is look at the Abella Report entitled *Equality in Employment*. It has a substantial list of recommendations on dealing with the employment discrimination that women, visible minorities, native persons and the disabled experience in Canada. In the section dealing with voluntary versus mandatory measures, which is absolutely crucial because it is the lack of mandatory measures which make this Bill unfit to be passed, it says:

> Voluntary employment equity means that employers are encouraged, rather than required, to adopt measures intended to rectify employment inequities. There is no provision for an enforcement component. A voluntary program with a mandatory reporting requirement is nonetheless voluntary in the absence of a requirement to remedy the discriminatory practices disclosed by the information reported.

That is what we have here. We have procedures which will mean companies will be reporting information which could be entirely revealing of inadequacies, ongoing discrimination, and the lack of measures to deal with that. That would not cut them off at all. The report goes on:

> A requirement of public reporting may result in public pressure on a company to revise its systems but it is unrealistic to rely on public opinion as an effective monitoring agent. It results in a speculative and scattered approach and creates the perception, in the absence of enforcement, that the issue is deserving of only casual attention.

Casual attention is precisely what we do not want. Studies have all too amply documented the extent of discrimination, low wages and salaries, of these target groups; the very high percentage of unemployment among disabled and native people; the concentration of women in ghettoized sectors of the economy without opportunities for job advancement. In the case of women, they have plenty of qualifications. Often they are over-qualified for the job, but there is still systemic discrimination and the measures in this Bill simply do not deal with that. The report goes on:

> Voluntary programs of various kinds on behalf of women were attempted in Canada after the Royal Commission on the Status of Women reported in 1970. Certain of these programs were revitalized and expanded, at least in the public sector in and after 1975, International Women's Year. Voluntary programs in the federal government have had little impact on the composition of the public sector workforce.

It is shameful to see the low proportion of women in these jobs and, of course, the heavy concentration in the lower paying, dead-end jobs which do not lead to promotion.

Let me refer also to the observations of the Urban Alliance on Racial Relations which presented a very excellent brief on this subject. This organization deals with visible minorities and has conducted studies on the extent of discrimination that they experience, and I think it has some very wise advice for the Government. It points out that the Government has not announced requirements for departmental affirmative action plans, the goals and timetables for increasing the representation of these target groups. It does not say whether, when and in what form government Departments will report publicly on their progress or what sanctions will be imposed by Treasury Board on Departments which do not make progress towards equality. All of this, unfortunately, is true. This legislation is seriously lacking in this area.

The initiative regarding equal pay for work of equal value is long overdue. The Government has been bound by the Canadian Human Rights Act which requires this, but there is no timetable for implementation and no indication of the amount of money set aside to equalize women's pay. This remains a vain hope, an ideal somewhere off in the sky, but there are no realistic measures and penalties for failure to comply. Treasury Board has been responsible for affirmative action in the Government of Canada for some years now and women have little to show for it. Goals set for increasing women's representation have been very low and they have only been set for management positions where women are largely excluded. Target groups have no reason to consider Treasury Board a credible agency in the affirmative action field. They have been told about what they are lacking for a long time. There has been extensive lobbying and Treasury Board has been on the other side when groups representing workers are negotiating a better situation for women. Treasury Board does not want to see classification changed. It imposes artificial limitations on opportunities for women's promotion and advancement.

The Government of Canada has announced that Crown corporations will be required to have affirmative action plans and report to Treasury Board. Some Crown corporations will be required to report publicly. However, the Government has not announced the requirements for these affirmative action plans. It has not announced goals and timetables for achieving appropriate representation of the four target groups. There are no sanctions to be applied to Crown corporations if they do not produce results.

We know how bad Crown corporations have been. I personally have been lobbying the CBC since 1974. Its record is abysmal in hiring and promoting women into the creative production and managerial positions. This is typical of the backwardness of our Crown corporations. Crown corporations which fall under the legislation governing federally-regulated businesses will not have to begin to report their workforce data for three years. Why should there be this kind of delay? Why should we not be moving into mandatory affirmative action promptly? They have had plenty of time. The Royal Commission on the Status of Women in Canada reported in 1970. One of the recommendations was that each Crown corporation have a plan for the implementation of the recommendations of the Royal Commission's report. For 16 years they have known that the people of Canada expect some action toward employment equity. For 16 years they have been stalling, and we now have legislation before us which would give them another three years to stall.

● (1210)

Contracts give the Government of Canada a major opportunity to have some impact. Billions of dollars a year are spent on Government contracts for goods and services across the country. This is a carrot which could be used to encourage

corporations doing business with the Government to clean up their acts. Instead, we have a very weak approach which includes only the major corporations, and under very weak provisions at that. This is an opportunity to involve the medium-sized and even small businesses which want Government business. For them the government contracts would be a decided incentive to clean up their acts and introduce employment equity.

In closing, Mr. Speaker, I will just point out that the legislation is woefully inadequate. We cannot support it. We call on the Government to take a good, hard look at it and to do justice for women, disabled persons, native persons and visible minorities. It is about time that we had some good, hard adequate legislation with timetables, goals, and mechanisms for enforcement in order to create a situation where people have a fair chance in the workforce.

[*Translation*]

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, not only do I welcome this opportunity to take part in the debate on Bill C-62, I feel that as a woman, and especially as the Minister for Youth, I have a duty to do so because, Mr. Speaker, it is essential to get back to a subject that is very important to us, who belong to a highly industrialized world and claim to live in a modern and progressive society.

I think everyone will readily admit that high principles and noble ideals do not readily become a living part of our culture, and that it is easy to forget the principles of justice, equality and equity, and even the idea of long term benefits.

That is why Governments must intervene to keep individual aspirations from infringeing on the rights of the community. And that is what led to the creation, in June 1983, of the Royal Commission on Equality and Employment. In October 1984, the Commission's report was submitted by the chairman of the Commission, Judge Rosalie Abella.

I shall, if I may, read a passage from the report. It is taken from Chapter 6 and concerns instruments of implementation. We read: It would also be expected that employers would set annual internal objectives but these would not be required by statute.

This recommendation from the Abella report brings us straight to the core of Bill C-62, which is now at the second reading stage. Clause 4 of the Bill establishes the employer's duty, in two respects:

To eliminate employment practices not otherwise authorized by law that result in employment barriers, and to institute policies and practices to ensure that the persons concerned achieve equitable representation.

Mr. Speaker, it is true that Bill C-62 does not provide any penalties for employers who fail to observe the letter and the intent of the legislation. Some see this as a serious shortcoming. However, those who do can hardly have spent much time reading and examining the Bill before the House today.

Although the Bill does not contain any provisions that make achieving tangible and concrete results compulsory, that is not the case with the submission of reports. Indeed, Clause 6 tells us that an employer who fails to meet his obligation to produce the report prescribed in Clause 5 is liable to a fine of up to $50,000.

I do not know many companies that would want to be fined $50,000. Nor do I know any that would work very hard at submitting statistics that failed to reflect the true situation in their establishments.

So this particular provision of the Bill indicates the Government is firmly resolved to make federally-regulated businesses eliminate discriminatory employment methods and practices and substitute therefor such measures and practices that are likely to guarantee target group members that the principle of equity in recruitment, promotion and remuneration will be observed. It is this provision that will provide justice for women, native peoples, the handicapped and members of visible minorities, who have been left out of the labour market for too long. And that same provision will also provide a measure of justice for those who are being doubly discriminated against. I am referring to young women, young native people, young handicapped persons and young members of visible minorities.

People who think that getting a job right away is the sole concern of young people today do not know much about what young people are thinking nowadays. Today, they are thinking about post-secondary education, the environment, culture, and the practical job experience they can get while they are still at school. I think that as a result of these measures, they can expect to find jobs when the time comes, even if they belong to groups that usually have even more trouble finding employment.

[*English*]

Employment, Mr. Speaker, is not the only thing that preoccupies young people today. They want to talk about post-secondary education, the environment, the cultural aspects of life, peace, and pre-employment practical experience. Above all, Mr. Speaker, they want to talk about participation in the life of the country and the decision-making process of the country. They all want to be part of society in general. More than any others, the young women, the handicapped young people and the aboriginal young people find this difficult. It is through a Bill like C-62 that we will be able to achieve that for them.

[*Translation*]

Mr. Speaker, in our present situation, anyone who thinks that young people, and I realize I am repeating myself, see today's job as their sole concern is really oversimplifying the problem. It is with legislation like this Bill that over time, the advancement of women and all other minorities, all members of these target groups, will make enormous strides. As far as I am concerned, a vote against this Bill is a vote against the

youth of this country. It is a vote against women, young native people, young handicapped persons and against all visible minorities, and I cannot imagine how anyone in this House could be against the advancement of those who in ten or fifteen years will be the leaders of this country. If we do not take them seriously today, we deserve to get the same treatment when, in a few years' time, they will be sitting where we are now.

I therefore ask all Members of this House . . . I think we must, all of us together, take this important step towards equity, towards justice for young people and the other groups.

● (1220)

[*English*]

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I listened with some interest to the speech of the Minister of State for Youth (Mrs. Champagne). You cannot help but feel sympathy for some of the things she expresses, concerns not only of hers but concerns of the overwhelming majority of people in the country. I listened also to the Minister of Indian Affairs and Northern Development (Mr. Crombie) who spoke about the need to proceed with this legislation because it was a step forward. Yet you have to stop and ask yourself, is it a step forward when you put in legislation and write into law something that you cannot enforce? Is that a step forward when you write a law that has absolutely no enforcement mechanism within it?

If we were to treat other sectors, other problems in society in the same way, we would have chaos. It is entirely possible now for companies and organizations operating in Canada to do all of the things that this Bill now requires, yet they do not. What therefore leads us to believe that as a result of having an unenforcible law companies will suddenly rush to comply with it? This is confusing to many people who view the Government's action and makes it aggravating for many of us who, for years—and I am not speaking just of opposition Members—have been arguing in some cases for what is now called employment equity but which in years gone by took on a variety of different names. We have all argued that discrimination in the workplace should cease.

When I listened to Government Members speak about a step forward, why did they not simply write a letter to everybody and tell people it is the desire of the Government that companies should do this thing and if they do, that would be nice and if they do not, do not worry about it?

Mr. Lewis: It takes too long by mail.

Mr. Deans: If it does take too long by mail as the Hon. Member for Simcoe North (Mr. Lewis) says, that is the Government's problem too, is it not, Mr. Speaker? Do not foist that on us. A year and a half has gone by and there is still no action.

In any event, Mr. Speaker, what we are doing is sending out yet another signal identical to the signal sent out year after year after year. Surely to God we do not think that somehow or other, by virtue of the passage of this piece of legislation all of those people, who until now have refused to comply with what is reasonable and fair in our society, are suddenly going to start complying.

Does the Government truly believe that those individuals who have refused to maintain in their place of work safety standards sufficient to protect their employees will voluntarily introduce employment equity? Does the Government believe that those who have traditionally relied on women and paid them low, substandard wages will certainly alter their view of life, because we think it is a good idea, and will establish without any kind of enforcement mechanism a change in the practices pursued throughout their entire business careers?

I find it incredible that Government Members would rise one after another and attempt to leave the impression that the end result of this legislation will be a change in the attitude of Canadian employers, and that, as a result of our having nodded yes, we need to have employment equity, companies will rush to institute it. If they do not, we are going to be very disappointed, are we not, Mr. Speaker? We will be very disappointed if companies do not comply, but if they do not, there is nothing we can do because there is nothing in the Bill that will allow us to take any action to require compliance with what each and every Member of this Chamber, I hope, believes is necessary in a modern society.

I want to deal primarily with the problems of women. Time does not allow me to go into details on the other areas, those of visible minorities or the natives. We all know that the report of the Special Committee on Visible Minorities in Canadian society called *Equality Now* set out clearly what the problems were and set out the need for action by the Parliament of Canada to require compliance with fairness and equity. But did we see a great rush of people dashing forward to implement the recommendations voluntarily? No, we did not. What did we get, Mr. Speaker? We got the Abella Report. Judge Abella in her equality and employment report says that we should require, not ask, not cajole, all federally regulated employers in both the public and the private sector to implement what she calls employment equity, which for years was called affirmative action. We have seen the groundwork laid. There were countless other reports over the last decade and beyond dealing with it. Did anyone rush forward after Judge Abella's Report was tabled and immediately begin to implement policies in the federally regulated private and public sectors voluntarily? No, Mr. Speaker.

Are we thinking that because we pass a toothless law everyone will rush forward to comply? Would you put in a speed limit without some kind of penalty for breaking it, Mr. Speaker? Of course not. Would you allow people to pollute our drinking water without some penalty for having polluted it? I should not have asked that question because the Government might in fact do so.

Some Hon. Members: Oh, oh!

Mr. Deans: As I think about it now, that was not a very good analogy to draw. Let me assume goodwill if nothing else.

In this Bill we have something that goes to the very fundamental principles of society, equality for people, regardless of sex, regardless of background. We say to people at this late stage in the middle 1980s, "We are going to write a little law, if you want to live up to it, fine, and if you do not, do not worry about it because there is nothing we can do about it. We will be mad at you and if we are really mad, you will have to suffer the consequences of our annoyance." That is the extent of it and that is not good enough, Mr. Speaker. That is why we say that this is not a step forward. It may even be a step backward. It is entirely possible that by virtue of the introduction and passage of this legislation complacency will become rampant in the country, if you can imagine rampant complacency.

Some Hon. Members: Oh, oh!

Mr. Deans: That tells you something about it.

Mr. Riis: Rampant complacency is not any different from progressive conservatism.

Some Hon. Members: Oh, oh!

Mr. Deans: As my colleague says, rampant complacency is not any different from progressive conservatism.

When dealing with the question of women in society, why do we need to have a law with some kind of enforcement mechanism in it? We need it because the average earnings of women in the paid workforce are 60 per cent of the average earnings of men, notwithstanding the fact that for years people have said there should be equality in the pay of those doing similar kinds of work. Women workers are still confined to most of the job ghettos. Three out of five work in clerical, sales or service occupations.

• (1230)

I draw to your attention, Mr. Speaker, that computer technology is invading the area in which women used to work, so they are not getting a chance at those jobs. At present, 52 per cent of Canadian women work outside the house, 42 per cent of families headed by women have incomes below the poverty line, and 62 per cent of elderly women live below the poverty line. By the end of the century, women's labour force participation rate is expected to be equal to that of men.

I see you signalling, Mr. Speaker; I am just winding up. During the last 10 years, the average unemployment rate of women was 9 per cent, while it was just over 7 per cent for men.

I make these points in order to reinforce what I am trying to say. We have known of these things for years. The discrepancies and discrimination have existed for years. People have written about it. There have been reports about it. There have been requests and requirements for years. However, there has never been a law with teeth in it. Now we have yet another toothless law. I say to the Government that we are opposed to it because we frankly believe that it will set back the cause of equality in the workplace rather than enhance it.

[*Translation*]

Mrs. Lise Bourgault (Argenteuil-Papineau): Mr. Speaker, it is both a duty and a pleasure to rise again on a matter of considerable interest to the Conservative Party, Bill C-62 on employment equity which I unreservedly champion. I regret that our Canadian parliamentary system is such that, as a result of the will and directives of their Party, Members of the Opposition—and particularly my female colleagues on the other side—cannot endorse this measure. What a shame!

While I would not for a moment entertain the thought that the principles of those Members who are against the measures advocated with respect to the designated groups might in any way spring from theories which had wide currency in Europe in the 1930s, I can only conclude that the position taken by some opponents of our propositions is likely to debase our country's reputation in terms of respect for all Canadian men and women, especially those who belong to the designated groups: visible minorities, persons with disabilities, aboriginal peoples, women. Canada is made up of immigrants from every corner of the world, and a stroll along the streets of any major Canadian city will bear witness to that. People of all races, colours and cultures can be seen every day.

As to persons with disabilities, examples abound, for they are active in all circles and all spheres of society, and public transportation, access roads to buildings and city sidewalks have been designed to meet their needs. A number of companies have rolled out the welcome carpet for disabled people, a reliable source of qualified, assiduous and devoted employees.

As to aboriginal peoples, their presence in our major northern cities is ever more apparent, and companies which develop our natural resources increasingly look to them as a pool of skilled workers.

Another of the main designated groups whose sheer numbers give it preponderance—women. A lot of ground has been covered since the first women's groups took position at the turn of the century and, as a result of changing economic needs and new trends in social values, a great many women have sought to enter or re-enter the labour market.

As I have just shown, Mr. Speaker, Canada is a welcoming land, a land of warm hospitality and great diversity, a country where a foreigner wants to sink his or her roots and where peace and justice prevail. How justice has become a trite concept! Some people claim that any man or woman is entitled to possess all the wordly goods he or she can afford to buy and that we all have equal opportunities to better our own lot. Others maintain that we are all entitled to the same standard of living and that our overall wealth should be equally divided among us all.

Were we to adopt that approach we would run the risk of opening ever unresolved debates which could only prop up the cause of those who prefer to stand pat rather than forge ahead.

Unlike previous Governments we have faced the facts and taken constructive measures.

Mr. Speaker, the Progressive Conservative Party admits that the designated groups I mentioned are victims of discrimination in employment. The Progressive Conservative Party acknowledges that, however numerous they may be in this country, members of visible minorities are denied employment equity because of the colour of their skin. We know that. The Progressive Conservative Party agrees that, despite some progress, the professional potential of the disabled is shamefully exploited and that a good many of them simply cannot claim their rightful place in the labour force.

We have acknowledged the fact that, while an increasing number of native people live and work in northern centres, they still have a disastrous unemployment rate and very little access to the labour market. We have recognized that, while women have recently seemed to be better appreciated on the labour market, their wages are still less than one third those paid to men and they are still mostly confined to so-called traditional occupations in three sectors, namely sales, services and teaching.

Mr. Speaker, this Government has recognized these facts and taken concrete action to rectify the situation. Following the recommendations of the Abella Report, this Government has introduced Bill C-62 to provide employment equity to women, the native people, the handicapped and the members of visible minorities and give them the same rights as other citizens for recruitment, promotion and salaries.

Mr. Speaker, we believe that we have proven our case. The arguments against this Bill have simply melted away. There is no basis to the suggestions that passage of this Bill will entail considerable expenses.

On the one hand, the amounts that the Government will have to spend in this regard are minimal. On the other hand, the cost to businesses will be quite reasonable and indeed insignificant when compared with the enormous benefits which will be gained by employers in acquiring an enthusiastic, assiduous, quick, faithful and competent manpower.

Mr. Speaker, I repeat that we have proven our case. The Government has recognized the facts and taken action. Parliament must do the same. It must accept the facts and pass without further delay the Bill now under consideration which will enshrine in our statutes the principle of employment equity.

In closing, Mr. Speaker, I remember that, in 1976, I was working for a large company, Esso Imperial, in the comfort centre department, and after going up through the ranks, I had attained a level where I was blocking the promotion opportunities of my colleagues.

An Hon. Member: Such was the climate at the time.

Mrs. Bourgault: One day, I was called to the director's office, where I was told: "Mrs. Bourgault, we have to transfer you and offer you a position in Don Mills, Ontario, because you cannot be appointed to a management position." I asked why and the reply was: "Because you are a woman and the company finds it difficult to recognize that a woman could be manager of the heating system installation department." Ten years after this, we are still discussing employment equity. We are not about to forget the work of all the women who, for a hundred years, have been making every effort to attain their rightful place in this country and make people recognize that their work and education are just as good as those of their male colleagues.

When your parents pay for your university studies, Mr. Speaker, the fact that you are a woman makes no difference. The fees are the same as for a man. It costs the same.

You pay the same for your lodgings and studies. Why is it that you cannot get the same wages after joining the labour market? This is a problem which must be addressed and our Government has recognized it. Bill C-62 attempts—I am sorry, Mr. Speaker, I would like to withdraw that word—aims at solving this problem.

• (1240)

Hon. Jean Lapierre (Shefford): Mr. Speaker, I have listened with much attention to the remarks made by the Hon. Member who has just resumed her seat, and I can tell her that her promotion at Esso's, on the basis of the arguments she has put forward ... she should not think that she was refused a promotion because of her sex.

Mr. Speaker, the Hon. Member has suggested that she feels it is unfortunate that the Parliamentary system does not allow us to vote in favour of this Bill. I understand that she is a newcomer to the House and that, being part of this Government, she has never had the opportunity to vote freely or according to her choice. I want nevertheless to inform her, Mr. Speaker, that she has the right to vote according to her conscience like all other Members of this House, and that if the Conservative Party has not told her so yet, I urge her to consult our Standing Orders.

Mr. Speaker, the Hon. Member has told us just how everything is fine and dandy in this best of all possible worlds, she has mentioned the case of the handicapped whom she sees as perfectly integrated everywhere in the labour force. Either the Hon. Member is living in a world of make-believe, Mr. Speaker, or she does not understand the reality and problems of people afflicted with a physical or mental handicap. Mr. Speaker, she mentioned the native people who were so active in the major urban centres of the North. Has she ever been to the North, Mr. Speaker? In the North, major urban centres just do not exist, Mr. Speaker. If she has visited all parts of Canada, all she has to do is to check the statistical data concerning the under-employment of native people and she will realize

that the preamble to her remark was completely wrong. Mr. Speaker, she insisted that the Progressive Conservative Party is aware of the problem. Then she said that the Progressive Conservative Party is aware of the problem experienced by the handicapped, the visible minorities, the native people, and finally Canadian women. Her conclusion: it is so very much aware of it that it has decided to push through Bill C-62. But let us try to answer one question, Mr. Speaker: Is there anything in this Bill which would have solved the problem experienced by my hon. friend at the time she was working for Esso? There is nothing, because the Esso Company would have had no obligation under this Bill. She has said that the case is closed, but I feel that the advocates were quite poor, Mr. Speaker. If the case of women, the handicapped, the visible minorities and the native people has been heard by the Government, I do not understand its decision to introduce such a weak Bill as this.

Mr. Speaker, Bill C-62 is only wishful thinking on the part of the Government. You know as I do that there is nothing in this Bill to force anybody to do anything, except table a report, and not in every case, only a number of companies with contracts amounting to $200,000 or more; yet, small- and medium-sized businesses which have provided the bulk of jobs over the past ten years are automatically excluded by this $200,000 restriction. Where does the Hon. Member think she will have any influence with her worthless bill? How could she go through the mental exercise of reading the Abella Report and then feel that this was an adequate response? I am sure that if she has read the Abella Report, she must have seen that mandatory measures and a strong mechanism were required to make employment equity a reality and not just wishful thinking, Mr. Speaker. This is what was called for in the Abella Report. The report called for the establishment of a specialized agency to ensure that actual, everyday equality be implemented. Where is that agency in Bill C-62? It is nowhere to be found. This means nobody will be there to enforce those great principles which Government Members are so self-righteously bragging about.

It is a fact, Mr. Speaker, that this Bill could have been replaced by an ad in the papers. The impact would have been the same. Nothing at all has been gained with our wasting the time of the House when all we want is to urge to action, to gently tap employers on the back and tell them to go ahead. But there is nothing, no teeth in that legislation. What kind of Government is this? Have they got any backbone? If they have identified the problem, where are the solutions? Certainly not in that flaccid Bill they are putting forward. And worse still, Mr. Speaker, listen to the kind of speeches we have been hearing since this morning. They would have the people believe that starting from now, there is no longer any problem, that those groups will be considered on an equal footing. The Hon. Member will go back to her constituency and tell women: "Do not worry, we now have as many opportunities as everyone else". Not with that Bill, Mr. Speaker. She should go back to the drawing board and reconsider her Bill. I hope the Conservative Members will not have the gall to tell the handicaped in their constituencies that this House has passed a bill that will bring them tremendous benefits, for they will be very disappointed, because this has no real-life meaning for them.

I hope the Government Members will not lie to the natives by telling them that from now on they will have as many opportunies as everybody else to make it on the labour market. Actually, this is not the case. The Bill only contains the pious wishes of a cowardly and spineless Government.

Mr. Speaker, this Bill was analysed by Lise Bissonnette, a well-known journalist, and her conclusion is that this legislation is only symbolic. She says that it simply proposes a disguised optional program. Mr. Speaker, why does the Government take the trouble to have this Bill passed if it will then misrepresent the situation to the groups involved? I trust that the Hon. Member will look at her own conscience and rise freely to say: "This is not good enough." Her personal experience with Esso will show her that this Bill will do absolutely nothing for her. Since she does not want other women to suffer the same humiliation as she did, she will go to the Minister responsible and tell her: "Your Bill does not respond to the needs of real life." At least, I hope that she will do so. I hope that the Parliamentary Secretary, who has a lot more influence than any of us on the Minister of Employment and Immigration (Miss MacDonald), is listening and taking notes and that he will recommend to his Minister that some teeth be put into this Bill.

The Minister of State for Youth (Mrs. Champagne) tried to suggest that this legislation will do a lot for young people. There is as much in this for youth as she had in her Youth Year and as she will have under her own portfolio after January 1. In other words, there is absolutely nothing for young people in this Bill. I do not understand how she can have the audacity to rise today and pretend that there is.

Mr. Speaker, I believe that, after looking at this Bill, all the Members of this House and the groups concerned will be able to see that the Government is simply being wishful while its cowardice is very obvious.

• (1250)

[*English*]

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, in the brief 10 minutes available to me, I would like to remind Hon. Members of the situation that faces women in the workforce or women who are trying to get into the workforce. Then I would like to take another look at this Bill, not so much from the point of view of criticizing it, because that has been done repeatedly, but I would like to put forward in a positive way the kinds of things we would like to have seen in the Bill and the kind of things we hope will still be considered.

Earlier my colleague referred to some of the statistics that apply to women in the workforce. It is now almost a cliché that women earn 60 per cent of the average wages of men. We know that 42 per cent of women family heads are poor, and this figure is increasing every week. We also know that the traditional family, the one to which we refer when we speak about family allowances—the one in which the father works, the mother is at home doing the dishes and there are two lovely children—is almost a myth in society. In fact, 52 per cent of women now work outside the home as well as in the home and 66 per cent of the workforce is at this time composed of women.

We could look ahead to the year 2000 by following the trends. We would see an even greater increase in the direction of women carrying full responsibility in the workforce. By the year 2000, two out of three of the new entrants into the workforce will be women. Yet the unemployment rate for women is higher. Let us keep in mind that the figure we now have is a very conservative one because many women who would like to work do not register with the unemployment office. Over the last 10 years, the unemployment rate for women was 9 per cent and for men it was 7.6 per cent.

I believe we can find a very startling statistic if we look at the month of September. We heard from Government Members how many new jobs were created in September. Looking at the Statistics Canada figures very closely, we see that full-time jobs went down by 24,000 and most of those were jobs which traditionally employ women. On the other hand, there were 47,000 more part-time jobs. Most of the part-time jobs were for women. Here again there is a trend of women being forced into part-time work. Do not try to tell me that this is because they choose part-time work. It is because they do not have much choice, and in fact many of the largest companies in the federal jurisdiction, and the airlines in particular, are deliberately trying to force workers, most of whom are women, into part-time contract jobs.

The situation is bad and we had hoped that this Bill would deal with fairness within the workforce for the women who are now working. We had also hoped, of course, that there would be much more emphasis on full-time job creation, not part-time job creation, for women. We had hoped that there would be jobs with equal pay for work of equal value and jobs with equal opportunity for advancement for women.

It is very important that we look at employment equity within the federal job-creation programs. We have been told by this Government and by the former Liberal Government that employment equity is implicit in the federal job-creation programs. However, only 20 per cent of the people who benefited from the old NEED program were women. Only 13 per cent of those who benefited from the old Canada Works program were women and only 38 per cent of those who benefited from the LEAP program were women. I am going to be looking very carefully at the figures for the new job-creation programs to see what happens.

Only 5 per cent of the people going into apprenticeship programs in 1981 were women. Only .5 per cent of the workers in non-traditional jobs were women. We can see that women are still stuck in the old job ghettos consisting of jobs that are being fast affected by technological change. These jobs include clerical, sales and service jobs, three out of five of which employ women. Very few women are entering non-traditional jobs or getting training for those jobs.

Let us look at management. Affirmative action and employment equity is supposed to be targeted at getting more women and minority groups to move up the scale. They are targeted at not only getting women into the jobs and into decent-paying jobs but at giving women an opportunity to advance. Members of Parliament should be ashamed of the fact that in the Public Service on which we have a direct impact, only 6 per cent of management jobs are held by women. yet 80 per cent of those who hold administrative or clerical jobs and the like are women. This is really intolerable when for years we have been talking about affirmative action in the Public Service. It just goes to show that even though it is now called employment equity and not affirmative action, voluntary programs do not work.

Ever since I have been in the House, and that is getting on to seven years now, the Government has said that voluntary affirmative action will work. It does not even work in the public sector on which we have a direct impact and for which there are unions as well. Let us not be naive about this.

We feel that this Bill should include more provisions and we hope that the Government will seriously consider withdrawing this Bill in order to make major changes to it. If we are to have employment equity or affirmative action, whichever name we want to call it, and if it is going to work, we believe very strongly, as do the authorities in this field, that there must be one central agency that is in charge of enforcement and the establishment of standards.

In the federal jurisdiction, there are four different areas to consider: federal Departments, Crown corporations, contractors and federally-regulated businesses. These are the four areas on which we should have direct impact in imposing employment equity. As well, unions should be involved in the planning of employment equity at all stages. That is another thing that has been forgotten in this Bill.

As my colleagues have said repeatedly, if we are to have employment equity programs that will achieve true equality in the workforce, we have to have a mandatory program and not a voluntary one. We have to have a program the goals of which are clearly defined and established, and there has to be a program with timetables for achieving a greater participation of women and minorities in each job situation.

An enforcement agency must be able to receive, analyse and publicize employer' workforce data. There is a fair bit in this Bill about reporting requirements. Perhaps the Bill is not so bad from the standpoint of reporting, but if that is all we are going to require, then we should forget it. We should simply do a reasearch project.

We feel that there must be a way of imposing program requirements and penalties on employers who do not comply

with the expected established targets and timetables. There must be penalties but there are none provided for in this Bill. The Bill does provide a slight penalty for not keeping records, but nothing beyond that.

We feel that there must be a way of investigating the programs, practices and data systems of employers so that reporting is not simply left to the initiative of the employers. There also must be a real channel for complaints or court action. We do not feel it is good enough that individual workers, most of whom are women, have to go case-by-case to take a complaint to the Human Rights Commission. Every single employer in the federal jurisdiction should provide equal pay for work of equal value. This should not even be questioned and there should be no need for complaints. We should make a systemic change in that direction.

We feel that there must be contract compliance and that this is not defined clearly enough in the Bill. Contract compliance must be imposed on all Government contractors with over 50 employees and $200,000 worth of Government contracts per year. Contractors must also provide equal pay for work of equal value.

The Acting Speaker (Mr. Charest): Order. I am sorry to interrupt the Hon. Member.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 22

[*Translation*]

THE ECONOMY

REOPENING OF MINE—IMPACT ON EMPLOYMENT

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, the citizens of New Brunswick are concerned about the federal Government's intention to subsidize the reopening of the Cyprus Anvil mine in the Yukon Territory.

According to several observers, this reopening of the mine would result in a reduction of the prices of lead and zinc, making several other Canadian mines hardly profitable.

In my province, the Brunswick mine, in Bathurst, could not stand a new price reduction of its minerals. Its profit margin was considerably cut as a result of the low prices of the past few years. The reopening of the Cyprus Anvil mine would be catastrophic.

Another example is the Heath Steele mine, in Newcastle, which was closed two years ago because of a glut of zinc and lead on the market. If prices continue to go down, its chances of resuming operation are non-existent.

Mr. Speaker, I am not against the principle of creating jobs in the North, but knowing that the reopening of the Cyprus Anvil mine would result in other Canadian mines being less profitable, the Government should know that the second consequence of this reopening would be a major loss of jobs in New Brunswick and elsewhere.

How could the Government justify using federal funds to create jobs in one area, when it is aware that this decision could result in jobs being lost in another elsewhere in this country?

* * *

[*English*]

CANADIAN PACIFIC RAILWAY

CANCELLATION OF PENSIONERS' RAIL PASSES

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, Canadian Pacific Railway recently notified its pensioners of its intention to withdraw their travel privileges. Improvements to the medical plan, of little use in some provinces, were offered to the pensioners as a saw-off.

Unfortunately pensioners were never consulted on whether or not they wanted this change. Many of them have complained to me and to other Members of Parliament about this unilateral change to their retirement benefits. Pensioners feel, quite legitimately, that they are being deprived of a benefit they earned during their working lives.

Clearly, it is not satisfactory that a company make such a unilateral change. Regulations should limit companies in making retroactive changes to the benefits of retired workers. CP Rail should reconsider these insensitive changes.

* * *

[*Translation*]

CRIMINAL CODE

PROSTITUTION—GOVERNMENT POSITION

Mr. Gilles Bernier (Beauce): Mr. Speaker, yesterday the Government passed Bill C-49, an Act to amend the Criminal Code (prostitution).

Such important changes clearly show Canadians that our Government is carrying on with its job of dealing out the correctives needed by our society.

Mr. Speaker, in spite of the objections raised by the Liberals and New Democrats, the incidence of prostitution will be reduced thanks to the Conservatives.

We have seen no demonstrations organized by the Opposition on Parliament Hill like the ones they had with respect to family allowances and old age security pensions.

Mr. Speaker, when it is a matter of cleansing the morals of people, why is the Opposition not gathering our virtuous mothers or our respected older citizens together in support of the Government in its relentless task of eradicating prostitution?

When it comes to dealing with problems of moral depravation, the Opposition outcry is no longer heard.

We have been elected to bring about those changes. Mr. Speaker, as a Government we assume our responsibilities. A word to the wise is enough.

* * *

[*English*]

AGRICULTURE

PRINCE EDWARD ISLAND TOBACCO GROWERS

Mr. Pat Binns (Cardigan): Mr. Speaker, approximately 80 farm families in my constituency of Cardigan, Prince Edward Island, grow tobacco. With declining demand for tobacco, an orderly reduction in production capacity is necessary in order to prevent damaging repercussions to growers. The P.E.I. industry supports the reduction plan and feels that each province should share proportionately in relation to its production.

In order to avoid financial disaster, and to aid growers who must find new means of earning a livelihood, financial assistance from Ottawa is necessary. Compensation to producers for loss of productive capacity must be in direct proportion to their contribution to the generation of tax dollars from production.

The Government must also establish a mechanism with producer-provinces to pay out compensation. The P.E.I. industry has proposed that each province's share of compensation be based on a five-year average of domestic production. In this way Ontario would receive 83.4 per cent; Quebec, 10.3 per cent; Prince Edward Island, 4.9 per cent; and Nova Scotia and New Brunswick, 1.5 per cent. I would urge the Government to act quickly to help all of Canada's producers through a difficult period of adjustment, in a fair and equitable manner.

* * *

[*Translation*]

IMMIGRATION

AUTHORIZATION SOUGHT BY MR. FRED DARVIN TO LIVE IN CANADA

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I wish to call the attention of this House to the case of a Second World War veteran, Mr. Fred Darvin, who is 70 years old and who wishes to spend the rest of his life in Canada.

Mr. Darvin moved to the United States after the war because he had found a job in Detroit. He raised his family in Florida as his two sons, who died at the ages of 21 and 17 respectively, both suffered from muscular dystrophy. Now that Mr. Darvin is 70 years old, he wants to come back to Canada and the Immigration officers are calling into play the rule stating that anyone likely to be a burden on Canadian medical services can be rejected.

Mr. Speaker, Mr. Darvin fought for Canada during the Second World War and he should be admitted in this country today. The Minister of Veterans Affairs (Mr. Hees) has even urged his colleague, the Minister of Employment and Immigration (Miss MacDonald), to accept Mr. Darvin on humanitarian gounds. I sincerely believe that, if it is true that Canada is a welcoming and fair country, Mr. Darvin should be admitted immediately without further bureaucratic delays.

* * *

[*English*]

NATIONAL SECURITY

REPORTED USE OF AGENTS PROVOCATEURS BY GOVERNMENT OF INDIA

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, last June an Air-India Jet originating in Canada crashed off the coast of Ireland with the loss of 329 lives. Since that time the entire Sikh community of Canada has been under a cloud of suspicion and innuendo with the suggestion that some of its people were responsible for the crash. Federal investigation encouraged this suspicion when police raided the Sikh Temple at Duncan, British Columbia, violating their sacred space, even though the police found nothing to take.

A story in today's *Globe and Mail* now claims the Government of India has been using *agents provocateurs* to destabilize the entire Sikh community. People posing as religious fanatics have worked to discredit all members of the Sikh faith who have advocated an independent homeland in the Punjab. These very serious charges require clarification by federal authorities.

The Sikh people have the right to be protected by the Canadian Government. We cannot stand by if, as the article claims, a legitimate religious community within Canada is being destablized and placed under a cloud of suspicion by agents of a foreign Government. If the article lacks substance, the Government should indicate so. However, if there is substance to the *Globe and Mail* story, Canada must protest in the strongest terms to the Government of India about this violation of Canadian rights and freedoms.

* * *

[*Translation*]

WOMEN

GOVERNMENT POSITION

Mrs. Lise Bourgault (Argenteuil-Papineau): For several months now, a group of women have been trying very hard to

make the headlines by speaking through their hats on very serious women's issues, despite the fact that in the past eighteen months this Government has made serious commitments on the status of women, as evidenced by the following initiatives:

—The extension of the spouse's eligibility to a pension—close to 85,000 widows and widowers will benefit from that;

—The elimination of discrimination in the Indian Act. Sex discrimination from now on will be prohibited—some 60,000 women will be affected by that amendment;

—Better employment and training opportunities under the Employment Planning Programs;

—The introduction of a new divorce bill with provisions for the enforcement of custody and maintenance orders, and we are now today discussing Bill C-62 on employment equality.

Mr. Speaker, this is but a brief survey of the many initiatives undertaken by this Government to establish equal opportunities for all women. Mr. Speaker, the women in that group are speaking more on their own behalf, and their narrowmindedness and ideology will result in the status of Canadian women being pushed back 15 years and we are not ready to live through that.

* * *

• (1410)

[*English*]

WAR CRIMINALS

COMMISSION'S DECISION TO SECURE EVIDENCE IN SOVIET UNION

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, I rise to echo the concerns of my hon. colleagues from Calgary East, Edmonton East, and Parkdale-High Park with respect to the Deschênes Commission ruling on the advisability of travelling to the Soviet Union to take evidence. In his ruling Mr. Justice Deschênes clearly stressed that six basic precautions must be applied to the collection of Soviet evidence to counter the very real danger of abuse and subversion of the rule of law. In referring to the six precautions Mr. Justice Deschênes states that: "The Commission concurs in those conditions and will insist that they be accepted and observed. Failure to agree ought then to be considered as a refusal to co-operate with Canadian justice."

Are we to assume that if these conditions are not met by the Soviets then the Commission will not take the Soviet evidence? If this is the case, why not have this agreement committed to writing beforehand? I believe the six safeguards proposed by Mr. Justice Deschênes are significant and necessary, but I do not think they go far enough. For example, there should be a forensic examination of all documents to determine their validity, and this examination should take place in a neutral environment.

Consideration should only be given to evidence if it is of a corroborative nature. As well, the Commission should at least request that witness depositions be taken in Canada or at the Canadian Embassy. Without an extension of these safeguards and an agreement in writing with the Soviets, I cannot support the Commission's decision to travel to the Soviet Union to take evidence.

* * *

[*Translation*]

THE ECONOMY

REQUEST FOR MAINTENANCE OF FOOTWEAR AND TEXTILE QUOTAS

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Again yesterday, Mr. Speaker, we saw the Prime Minister (Mr. Mulroney) break his word. And again, that promise had been made in Sherbrooke during the election campaign. We all remember the Prime Minister's famous promise to the elderly in Sherbrooke, a promise which he was forced to swallow.

And then in the month of May, in Sherbrooke, in the Eastern Townships, he had promised to maintain footwear and textile quotas, but again yesterday the Prime Minister did not keep his word and footwear quotas went by the board.

Mr. Speaker, this inhuman Government is unable to tell us . . . Today's headline in the *Journal de Montréal* reads: "5,000 Quebec shoe workers will lose their jobs". The Government is unable to tell us where these workers will find other jobs.

Montreal East is already threatened with the loss of 5,000 jobs because of the inaction of this Government. Two groups of people from Daoust and La Parisette in Montreal East came here to see if anything could be done to help them, but what they heard yesterday was the end of it and, without quotas, other shoe factories will have to shut down as a result of this Government's stupid and inhuman decisions.

Mr. Speaker, I dare hope that the 58 Quebec Conservative Members—described as cowards yesterday by the union president—will wake up and convince the Prime Minister that he has to honour his commitments and maintain quotas.

* * *

[*English*]

CANADIAN PACIFIC RAILWAY

CANCELLATION OF PENSIONERS' RAIL PASSES

Mr. Aurèle Gervais (Timmins-Chapleau): Mr. Speaker, on November 1, 1985, rail passes for all CP Rail pensioners in Canada were revoked and replaced by an extended health care package. This action by CP Rail was taken unilaterally without consultation with the pensioners. The extended health care plan does not necessarily enhance health benefits for the

pensioners as they were already covered free of charge by provincial health plans. To the pensioners the passes were construed as a right in recognition of past employment, a right pensioners enjoyed since the inception of the railway some one hundred years ago.

It is morally wrong for CP Rail to have taken such action unilaterally against a group which has no bargaining units to defend itself. I believe such action to be questionable legally as well. Understandably, Mr. Speaker, the pensioners are upset. On their behalf I strongly urge the support of all my colleagues on both sides of the House in speaking out in order to allow CP Rail pensioners the option of retaining their pass privileges so abruptly revoked by CP Rail.

ORAL QUESTION PERIOD

[*English*]

TRADE

FOOTWEAR IMPORT QUOTAS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would like to ask a question of the Minister for Internatiional Trade. The Prime Minister of our country has broken another major promise, this one given in a clear-cut commitment to the workers in the Canadian shoe industry. On May 4, 1984, the Prime Minister said: "A Conservative Government will not abolish import quotas imposed by Canada in the shoe sector. The quota policy will remain as is". Why has the Prime Minister of our country once again broken his word to the people of Canada?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, the inquiry which was undertaken was the most comprehensive inquiry ever undertaken into the shoe industry. It was found that in the vast majority of categories no further protection for quotas was needed. Where quotas were required, they were recommended and we agreed to them.

I would like to point out to the right hon. gentleman that it was his Government that appointed this inquiry. It was they who set the terms of reference. It was they who appointed the members of that board of inquiry. I find it strange that they do not want to accept what the board of inquiry has now recommended.

Mr. Lapierre: Why did you promise it then?

[*Translation*]

GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, what the Minister is saying is all very interesting, but unfortunately, it directly contradicts the promise made by the Prime Minister to workers in the shoe industry.

Last year, the Prime Minister stated quite clearly that the quota policy for shoes would remain as is. And now these quotas have been eliminated by the Conservative Government. Talk about cynical!

I will put my question again: Why has the Prime Minister of this country once again betrayed Canadian workers?

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I must say that I am greatly surprised by the response of my right hon. friend. Quotas are remaining on 50 per cent of all footwear produced in the country. The tribunal which the Liberal Government appointed has found that quotas were not needed in the other categories. All sorts of remedies have been provided and offered by the Government to protect the workers in the event that there is any diminution of the work force, which the tribunal did not feel would take place. I am frankly surprised at his lack of concern for the consumers of the country who have been paying an extra half a billion dollars for shoes which they should not have been paying.

Mr. Lapierre: How about the workers?

[*Translation*]

PRIME MINISTER'S PROMISE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Government of Canada has just set aside $100,000 for a study of the future of 20,000 workers in the shoe industry in Canada. That works out to about $5 per worker.

I want to ask the Minister: Is that what the Prime Minister's word is worth? Five measly dollars per worker in this industry?

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, unfortunately I am afraid that the premise of the hon. gentleman's question is completely inaccurate. That is just one of many programs being offered by the Government. There are a number of programs in place, not only for the workers and the companies, but for the communities in which those companies are located. All the Hon. Member has to do is read the statement which I enunciated in the House yesterday which quite clearly set out a very comprehensive program for those people.

[*Translation*]

RECONCILIATION OF STATEMENTS AND COMMITMENTS WITH GOVERNMENT DECISION

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, my question is also directed to the Minister for International Trade. As we all know, the Prime Minister made some formal

commitments in the Eastern Townships in May 1984. Much later, however, in March 1985, the Minister of Regional Industrial Expansion said that if the Government guaranteed them a fair share of the market over the long term, they might become surprisingly efficient. Yesterday's decision apportions about 12 per cent of the market to the industry in Canada. How can you reconcile those statements and formal commitments with the decision you released yesterday?

● (1420)

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I would again point out to the Hon. Member that it was his Government appointed the tribunal, set the terms of reference, and appointed members to it. I am surprised now that opposition Members are finding it difficult to accept a decision of a tribunal which conducted the most extensive investigation of the shoe industry ever undertaken.

I would remind Hon. Members opposite that there still remains in place a 23 per cent tariff on all shoes, and a three-year extension of quotas on 50 per cent of all shoes produced in Canada.

[*Translation*]

LAY-OFFS—GOVERNMENT POSITION

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, in his statement yesterday, the Minister said there would probably be repercussions in terms of lay-offs and that there would be quite a number of these. Could the Minister inform the House, first of all, how many lay-offs are expected, and second, whether, if the number of lay-offs were to be substantially higher than expected by his Department, the Minister is prepared to make a formal commitment to review his decision?

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, again I must refer to the decision of the tribunal, which in four of the five categories stated that no further protection by way of quotas was required and, therefore, any lay-offs whatever would be extremely minimal.

In those areas that were endangered, children's and women's shoes, we have left the quotas in place, which quotas represent over 50 per cent of the total. In our opinion the programs we have announced to take care of any dislocation are more than adequate to meet the needs of the industry and the workers involved.

[*Translation*]

INQUIRY WHY PRIME MINISTER HAS NOT KEPT HIS PROMISE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, before the electoral campaign, the Prime Minister made a promise in Sherbrooke. He specifically stated that a Conservative Government would maintain footwear import quotas in spite of American pressures. The Government has now done exactly the opposite. My question is quite simple. Why?

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, again I would like to remind the Hon. Member that we are not ignoring the concerns of the workers.

Mr. Deans: A broken promise.

Mr. Kelleher: In those areas where that part of the industry is endangered, we have left the quotas in place. Quite frankly, Mr. Speaker, I am surprised at the Hon. Member not being concerned at all about 25 million consumers in Canada, and particularly those in the low income groups who have been badly hurt by the imposition of these quotas. Where is his concern for them?

Mr. Deans: They will get nothing.

Mr. Crosbie: You don't care about the low-income people, Ed.

EFFECT ON EMPLOYMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, let me tell the Minister that the people of Canada are surprised that a Conservative Government which promised change is defending a Liberal appointed commission. If they wanted a change, why did we not get it?

Some Hon. Members: Hear, hear!

Mr. Broadbent: I want to ask the Minister, who is taking pride and boasting about implementing a Liberal commission's report, is he aware that when the quotas were lifted in the United States just a short time ago American producers lost 60 per cent of their share of the market. If he is aware of that, will he tell Canadians why we will not lose thousands of jobs which we badly need right now in Canada?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I will tell the Hon. Member: because up here in Canada, the tribunal, after one year of the most far-reaching inquiry into the shoe industry, found that it did not need the protection, and that was not the case in the United States. I am still surprised that he is not concerned about those consumers and he is not concerned about all of the other workers in other industries who would suffer a loss of jobs because of retaliation by our trading partners.

REQUEST FOR RETENTION OF QUOTAS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I know that the Minister is an expert on the textile industry, as everyone in Nova Scotia knows.

Some Hon. Members: Oh, oh!

Mr. Broadbent: If he checked his facts he would find that the United States was told that it did not have to worry if it lifted its quotas too, and it lost 60 per cent of its market after its Government did the stupid thing which our Government plans to do here. If the Government is interested in the 20,000 jobs nationally, and if it is interested in more than 10,000 jobs in the Province of Quebec, why does it not use its common sense, maintain those quotas and maintain those jobs, instead of abandoning Canadian workers?

Hon. James Kelleher (Minister for International Trade): Again, Mr. Speaker, I would like to correct the hon. gentleman. There are 15,000 people employed in this industry, not 20,000 and, second, the tribunal found that they no longer required the protection, except with respect to women's and girls' shoes. We are protecting them with quotas for another three years. We are concerned about the workers. That is why we took the action which we did.

Some Hon. Members: Hear, hear!

* * *

FINANCE

CAPITAL GAINS TAX EXEMPTION PROPOSAL

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, my question is for the Minister of State for Finance, in the absence of the Minister of Finance. The budget projections would now seem to be in tatters, along with much of the Budget itself. We have a $2.8 billion cost for the Minister's two black eyes—the Northland Bank and the CCB.

Some Hon. Members: Oh, oh!

Mr. Johnston: We have $1 billion in tax rulings. We have $500 million in an ice-breaker—

Mr. Speaker: Order, please.

Mr. Johnston: Would the Minister undertake—

Some Hon. Members: Oh, oh!

Mr. Crosbie: Go back to piano playing.

Mr. Speaker: Order, please. Could the House allow the question to be heard, please?

Mr. Crosbie: There was no question.

Mr. Johnston: Would the Minister undertake to ask her colleague, the Minister of Finance, to withdraw his inequitable, complex, costly capital gains tax exemption proposal, to make up at least some of the lost revenue which will take place by reason of those gaffes?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, at least my eyes are open.

Some Hon. Members: Hear, hear!

An Hon. Member: Go get 'em, Rocky.

Mr. Oberle: You can lick him at any time, Barbara.

Mrs. McDougall: They are open enough to know, as the Hon. Member obviously does not know, that in the latest reporting months the deficit went down for the first time in many years. That is something his Government never managed to accomplish.

Some Hon. Members: Hear, hear!

REQUEST FOR INTRODUCTION OF BUDGET BEFORE FEBRUARY

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, if the Minister is bragging about reducing the deficit by putting taxes on the backs of the poor and the disadvantaged who cannot protect themselves, that is fine, but the fact is that costs are going through the roof. I would suggest to the Minister that it would be appropriate for the Minister of Finance to bring forward fiscal projections before Christmas. Would she undertake to ask him to ensure that his Budget to correct some of this damage is tabled before February?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the Hon. Member is not paying any attention to what is going on in the country as a result of our actions on the deficit. What is going on is that mortgage rates are coming down, housing starts are up, and jobs are being created. Is that not enough for him?

* * *

[*Translation*]

TRADE

REQUEST FOR ESTABLISHMENT OF GLOBAL TEXTILE QUOTA SYSTEM

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I have a question for the Minister for International Trade. Another promise made by the Prime Minister before the elections was that a comprehensive quota system would be implemented for the textile industry. Can the Minister confirm what he told the Canadian Textile Institute to the effect that the Government has now decided to forget this promise as well?

• (1430)

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I would like to see the statement with respect to textiles that is alleged to have been made by the Prime Minister. I can certainly say to the Hon. Member that I am dismayed that he has not applauded what our decision has done for the consumers of this country, particularly low-

income consumers whom these quotas have hit the hardest. It has cost them half a billion dollars.

[*Translation*]

SHOE INDUSTRY—REQUEST FOR RETENTION OF QUOTAS

Mr. Steven W. Langdon (Essex-Windsor): I have a supplementary, Mr. Speaker. I am speaking about the textile industry, not about footwear.

Can the Minister tell the 160,000 Canadian men and women working in this industry that the decision on footwear is an indication that the Government has also decided to abolish any kind of quota system for the textile industry?

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I do not believe that the Hon. Member should be drawing conclusions when no decision has yet been made with respect to the textile industry. It will be made on its own merits, based on its own problems and concerns. He will be advised in due course, as will all Hon. Members of the House.

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[*Translation*]

AUTOMOTIVE INDUSTRY

ESTABLISHMENT OF HYUNDAI PLANT IN BROMONT—FEDERAL PARTICIPATION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Minister of State for Small Businesses. When it was announced that Hyundai would be establishing a plant at Bromont, it was quite clear at the time that the federal Government had agreed with the Government of Quebec to provide a measure of financial participation in this undertaking. Today I want to give the Minister a chance to stop "frigging" around and to inform the House outright whether or not the commitment made by the Prime Minister in his call from Florida will be met and whether we now have the assurance that Hyundai will come to Bromont, with federal participation.

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, this is the third day in a row that that question has been answered. The answer remains the same. The Government is "concluding agreements pursuant to our joint agreements with the Government of Quebec, and in view of the absence of the Minister of Regional Industrial Expansion, details will be announced when and as appropriate," as stated by the Prime Minister last Wednesday and repeated by me yesterday.

[*Translation*]

NATURE AND PUBLICATION OF OFFER

Hon. Jean Lapierre (Shefford): I have a supplementary, Mr. Speaker. The Deputy Prime Minister is telling the House that they are going to make their announcement as provided under the federal-provincial agreement. Nothing is further from the truth, Mr. Speaker, and I would ask the Deputy Prime Minister to take another look at the agreement his Government signed. If those are the conditions, what was the offer and why was it not announced jointly? What are they waiting for? According to the conditions of the agreement, everything was supposed to be "clean above the board", no secrets and no "frigging" around.

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, they are so upset. Again I must express my total lack of understanding of why that particular Member should be upset with the establishment of an automobile plant in his region of the country which is bound to create jobs for his constituents. I cannot, for the life of me, understand why he continues to oppose it.

* * *

NATIONAL REVENUE

COST OF GENSTAR TAX RULING

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, in the absence of the Minister of Finance my question is directed to the Minister of State for Finance. The recent Genstar tax ruling by the federal Government now means that preferred shareholders can avoid paying tax on dividends. Of course this has incredible implication for many other corporations that can take advantage of this ruling. What will be the cost of this particular ruling in terms of lost tax revenue as it is applied to other corporations? What is the cost to the taxpayers of Canada?

Hon. Elmer M. MacKay (Minister of National Revenue): First, Mr. Speaker, I can understand the importance of the question, but the Hon. Member must also understand that it is not incumbent upon myself or any other Members of the House to discuss these kinds of implications—

Mr. Deans: We are entitled to know how much revenue we are losing.

Mr. MacKay: I can assure him that in this particular case the action taken was in accordance with the law which was applied to the facts. Each of these cases is reviewed on a case by case basis.

MINISTER'S POSITION

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, now that a brand new loophole has been opened that is likely to

cost hundreds of millions and perhaps billions of dollars, is the Minister of National Revenue indicating that he is not prepared to say what this will cost the taxpayers of Canada, and that it is an open-ended loophole? Is that what he is saying, or is he refusing to pass that information along?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I am not saying anything of the kind. My hon. friend opposite is the one who has characterized this as a loophole. If he wishes to characterize it as that, it is not our loophole but a product of what we inherited when we formed this administration.

Some Hon. Members: Oh, oh!

Mr. MacKay: Each one of these cases is looked upon as it is relevant to the laws that are applied to the facts that are brought forward. If there are changes to be made in the fiscal and monetary policy, they are in the purview of my colleague, the Minister of Finance.

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[*Translation*]

FOOTWEAR INDUSTRY

INQUIRY WHY GOVERNMENT HAS CHANGED ITS POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I should like to address a question to the Minister for International Trade responsible for the creation of unemployment in Canada.

Could the Minister explain what happened to prevent the Government from honouring the commitment made by the Prime Minister in Sherbrooke when he said that he would maintain the quotas in the footwear industry and thus save 20,000 jobs? What happened that made the Prime Minister cheat the people of Canada?

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, my reply to the Hon. Member would be in a similar vein as my reply to his colleagues. We are not deceiving the public. We are protecting the industry where it is required, as recommended to us by the tribunal which his Party appointed under their terms of reference. Is he suggesting now that after one year its decision is not competent? If so, I suggest that he reconsider the whole matter.

We are protecting the industry where it needs protection, and that protection will be removed where it is not needed.

[*Translation*]

LAY-OFFS—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, the Minister's answer is unacceptable because the Government has had the Abella Report on equity in employment and failed to take it into account. Now stop fooling the people with the antidumping report!

Could the Minister explain why the Government was unable to fulfill the promise made by the Prime Minister in Sherbrooke? And what solutions are there for the 20,000 workers who will lose their jobs?

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, the second question is the same as the first. I will remind him that there are not 20,000 people involved in the industry, but 15,000. The tribunal did not find that there would be any great loss of jobs. If he has evidence of that from some study, I wish he would make it available to me.

* * *

NORTH AMERICAN AIR DEFENCE

MINISTER'S STATEMENTS

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is directed to the Minister of National Defence. On Tuesday he said that his Department has to look ahead with programs like SDA-2000 which seek to integrate NORAD and SDI, even though he told the House on Monday that NORAD and SDI are "quite distinct". Was the Minister misleading the House on Monday or misleading the press on Tuesday?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Hon. Member has been looking behind for so long that he would probably find it impossible to look ahead.

Some Hon. Members: Oh, oh!

• (1440)

Mr. Nielsen: What he attributes to me is absolutely false. I made no such linkage and no such statement.

UNITED STATES STRATEGIC DEFENCE INITIATIVE

Mr. Derek Blackburn (Brant): Mr. Speaker, I gather that the Minister is defending his looking-ahead statement as quoted in the newspaper. Therefore, I would ask him if it is not rather dishonest to tell Canadians that the Government will not participate in star wars when the Minister's Department is laying the groundwork for Canadian participation through NORAD's Strategic Defence Architecture Plan 2000.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I agree with the hon. gentleman. I would be dishonest if I had said it, but I did not.

HEALTH

SPREAD OF AIDS DISEASE

Mr. William G. Lesick (Edmonton East): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. The Standing Committee on Health and Welfare has heard from yet another eminent witness, Dr. Peter Gill, the Director of the Bureau of Microbiology for the Minister's Department, regarding the dilemma and rapid spreading in Canada of the fatal disease AIDS. Is the Minister prepared to provide the full resources of his Department and full funding by the Government to combat this deadly plague?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member has taken an interest in this subject and I thank him for it. When the National Advisory Committee on AIDS was established by the previous administration, it put together what I believe was a very full response to the situation as it was at that time. We have seen a very rapid increase in the disease, both nationaly and internationaly. The committee is meeting again on December 9. Some of those very questions regarding further recommendations and proper responses are on its agenda for the December 9 meeting. Obviously I will look at its recommendations in the light in which they are given.

* * *

REFUGEES

EXPRESSION OF CONCERNS

Mr. Sergio Marchi (York West): Mr. Speaker, in the absence of the Minister responsible for immigration, I hope someone will be able to provide some answers. Yesterday over 300 refugees from some eight different countries spanning 13 different organizations marched on Parliament Hill. They came because they despaired of the insensitivity of the Government in dealing expeditiously with their concerns. Therefore, can the Government inform the House and the over 20,000 refugees living in this country of what specific proposals the Government is prepared to introduce and support and, more important, when?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, in the absence of the Minister I will take notice of that question and inform her on her return. I am sure she will communicate with the Hon. Member.

BACKLOG OF REFUGEE STATUS CLAIMS

Mr. Sergio Marchi (York West): Mr. Speaker, I am not too sure that the 20,000 people whose futures lie with the Government would be too pleased. I would also like to draw to the Minister's attention the following question: is the Government prepared to release a second and confidential report dealing solely with the refugee backlog that was submitted to the Minister by Rabbi Plaut? Is the Government prepared to release that report, make it public, and act on its recommendations?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, the Minister finds it necessary to be absent from the House on Government business at this time. I will draw the Hon. Member's question to her attention.

* * *

ABORIGINAL RIGHTS

HAIDA CLAIM TO QUEEN CHARLOTTE ISLANDS

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. I am sure the Minister is aware that the Council of the Haida nation have had their aboriginal claim to the Queen Charlotte Islands accepted by the Department of Justice and by the Minister's Department for over two years. But the B.C. courts have warned the Indian people that they are sleeping on their rights right now. Those Haida people standing up for their rights are now being arrested. Will the Minister appoint a negotiator who can legally and formally get negotiations under way, in order to defuse a very dangerous situation in British Columbia?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I would like to thank the Hon. Member for his question and his obvious interest in the matter. A couple of points are probably worth mentioning. As the Hon. Member is aware, the comprehensive land claim policy that the federal Government has been following for a number of years limits the number of negotiations to six and there is only one of those in the Province of British Columbia at the present time. As a consequence, as the Hon. Member I am sure is aware, I asked for a review of the comprehensive land claim policy. The report on that should be due at the end of this month or the beginning of December. At that time I will be able to look for ways in which to change the general policy in order to take us out of the limit of six.

Second, with respect to the current situation, I have indicated on a number of occasions to all parties that I am pleased, along with the Minister of the Environment, to use our good offices for mediation with the interests involved. I share the concern of the Hon. Member, as we all do.

REQUEST FOR MINISTERIAL INTERVENTION

Mr. Jim Fulton (Skeena): Mr. Speaker, I am sure the Minister is aware of the pressing nature of the issue on the Queen Charlotte Islands. The Haida people and the loggers, not only on the Queen Charlottes but around British Columbia, are being used as political cannon fodder. Is the Minister willing, along with the Minister of the Environment, to come with me to the Queen Charlotte Islands to see if we can defuse this matter before it gets any further out of hand?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am of course always willing to travel with the Hon. Member. I have on a number of occasions indicated to all parties that the view of the federal Government is that the future opportunity lies in bringing the parties of the contending interests together to recognize that there ought to be an understanding of the relationship between the park, the legitimate interests of the Haida people in terms of stewardship and management, and the operation of commercial enterprises. In our view, those three contending interests can be accommodated in a way which will bring about the best interests for all three. We would like to be able to participate in those discussions. I have indicated that I would be willing to do so and, indeed, if I could get a message from the other people, I would even be willing to call a meeting.

* * *

ADMINISTRATION OF JUSTICE

SIZE OF JURIES IN NORTHWEST TERRITORIES AND YUKON

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, my question is directed to the Minister of Justice who, among other things, is also the Attorney General for the Northwest Territories and Yukon. The Supreme Courts of the N.W.T. and Yukon have found that the traditional six-person juries are unconstitutional. Does the Minister plan to appeal this finding to a higher court or, alternatively, to bring in amendments to the Criminal Code to allow for 12-person juries in both of those territories?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, two decisions were made. One, in the case *R v. Bailey*, was made on June 11 in the Yukon and held that a six-person jury could not stand because of the Charter. We have decided not to appeal that case because in Yukon, Supreme Court jury trials are held in Whitehorse which has a population of 17,000 people. Therefore, the administration of justice could live with that decision.

A similar decision was made in the Northwest Territories which held in the case of *R v. Punch* on October 12 that there had to be a 12-person jury. Because—

Some Hon. Members: Order.

Mr. Crosbie: If you are not interested in the administration of justice in the Northwest Territories, then continue to talk.

Mr. Rodriguez: Statements by Ministers.

Mr. Crosbie: Because trials in the Northwest Territories are held in small communities and because this would result in having to bring offenders to trial in large communities and travel hundreds of miles to do so, we are considering an appeal in the Northwest Territories case.

RESEARCH AND DEVELOPMENT

GOVERNMENT RESEARCH FUNDING

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. I would like to ask the new Minister a question about an old and pressing problem. The Government's delay in making a decision about research funds is becoming unbearably long. The Dean of the Methematics Faculty at the University of Waterloo has said that he is leaving the country because of the negative research climate here. Unless a decision is made now, more Canadians will leave for greener labs abroad. Will the Government end the uncertainty it has created, by keeping its promise to provide money for research, and will it do so now?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker—

Some Hon. Members: Hear, hear!

Mr. Oberle: Mr. Speaker, there is probably no greater reward any person could receive than being appreciated by one's peers. I thank the House very much for its kind applause and for the good wishes that I have received in the last couple of days.

• (1450)

Having said that, I would like to tell the Hon. Member that I am very appreciative of the expertise he brings to his role as critic, an expertise which I am about to develop myself. The particular question he has asked is one to which I bring a particular and personal interest. I can tell the Hon. Member that he will be pleasantly surprised over the next few weeks with the announcements which the Government is about to make following the reporting of the various funding councils, which is to take place next week.

Some Hon. Members: Hear, hear!

TIMING OF ANNOUNCEMENT

Mr. David Berger (Laurier): Mr. Speaker, the first answer is encouraging. The Minister should need no briefings to answer my next question since all MPs have received thousands of letters from Canadians whose careers are in danger.

Can the Minister tell us today precisely how long it will be before the Government keeps its promise to provide funds for research?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, the Government has already done a great many things in the 14 months it has been in power. In fact I was pleasantly surprised myself to find that $500 million has been spent, apart from the direct research funding which has been made, to support research and scientific activities throughout the country.

Will the Hon. Member be patient and give me a week in which to prepare myself in order to surprise him?

Some Hon. Members: Hear, hear!

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF RIGHT HON. MALCOLM FRASER, FORMER PRIME MINISTER OF AUSTRALIA

Mr. Speaker: I would like to draw the attention of Members of the House to the presence in our gallery today of the Right Hon. Malcolm Fraser, former Prime Minister of Australia.

Some Hon. Members: Hear, hear!

* * *

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

LEVEL OF FEDERAL TRANSFER PAYMENTS

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of State for Finance. This week is the six-month anniversary of the May 23 Budget. This week the Maritime Premiers joined the New Democratic Government in Manitoba in opposing the cuts in transfer payments which the Government announced in its Budget. After listening to its Conservative colleagues, in addition to the NDP Government in Manitoba, is the Government now willing to withdraw that proposal?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have suggested to the House before, as has my colleague the Minister of Finance, that there are no cuts in transfer payments to the provinces and that there is an ongoing discussion concerning the rate of growth in future payments. The Minister of Finance meets regularly with his provincial counterparts. There is the First Ministers' Conference coming up. I am sure that the issue will be resolved to everyone's satisfaction.

GOVERNMENT POSITION

Mr. Rod Murphy (Churchill): Mr. Speaker, the Government denies that there will be a cut. There will be a cut in terms of what the provinces would receive if the present legislation were extended. In addition to that there will be cuts next year, in April of 1986 instead of April, 1987, for which the present legislation allows. It is our estimate that these cuts will amount to $400 million—

Mr. Speaker: Order, please.

Some Hon. Members: Question.

Mr. Murphy: It is our estimate that those cuts will cost the—

Mr. Speaker: Order, please.

Mr. Murphy: Will the Government release its figures showing how much these cuts will be? Will the Government tell the provinces and the people of Canada how much it intends to cut next year?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, Members opposite have not only a problem with their eyes but with their ears. We have made it clear that there are to be no cuts.

I ask the Hon. Member to consider the type of things which have gone on with the provinces. There has been a record number of ERDAs since our Government took over. Interest rates are down because of our work on the deficit, which helps them more than anything else we can do. The discussions with respect to the transfer payments will continue.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

PUBLIC WORKS

DECISION TO CLOSE CANADIAN ARMED FORCES BASE AT LAC SAINT-DENIS

Mrs. Lise Bourgault (Argenteuil-Papineau): Mr. Speaker, my question is directed to the Minister of Public Works. I think he is aware of the climate of concern and uncertainty which exists in the municipality of Saint-Adolphe d'Howard following the Government's decision to close the Canadian Armed Forces Base near Lake Saint-Denis.

Could the Minister tell me today how things stand as of this date? Has he received any bids to purchase the base? If so, could he make them public, and could he meet the members of the Renewal Committee to discuss them?

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, I am pleased to reply to the Hon. Member who is particularly concerned about the Saint-Denis Base in her riding. I would like to indicate to her that the Department of National Defence has identified this territory as surplus effective November 1, that bids may be accepted until March 1, 1986, and that no bid will be accepted without their being discussed with the local Renewal Committee. Finally, Mr. Speaker, I will be please to meet this Renewal Committee before the end of this year.

* * *

CANADA POST CORPORATION

INQUIRY WHEN NEW PRESIDENT WILL BE APPOINTED

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is directed to the Minister responsible for Canada Post. The Marchment report was tabled in the House last

Monday and surely the Government has had time to read and ponder over the recommendations. Is the Minister, fully aware that the postal service means a lot to elderly Canadians, remote areas and small businesses, now prepared to tell us when the Canada Post president will be appointed?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): In answer to that question, Mr. Speaker, I can tell my colleague that we are waiting for the list of prospective applicants who are available and have been proposed by the consulting firm. We hope to be able to announce the appointment of the president of Canada Post and he will take over early next year.

Mr. Gauthier: Hopefully, Mr. Speaker, it is not the Conservative Party's patronage list!

Some Hon. Members: Oh, oh!

Mr. Gauthier: It makes you nervous.

URGENCY OF THE SITUATION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): In yesterday's *Le Droit*, Mr. Speaker, the Minister was reported as saying that he would act on the Marchment report recommendations before the end of the current fiscal year, April 1986. Is that really how urgent the Minister considers this matter to be? Is he not aware that there is a problem in Canada Post and that it must be settled?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, of course we give priority to Canada Post problems. We received the Marchment report recommendations early this week. They will be discussed with my Cabinet colleagues and decisions will be made very soon. I can tell my colleague that action is forthcoming.

* * *

[*English*]

AGRICULTURE

LIVESTOCK BLOOD-TYPING LABORATORY—PRIVATIZATION PROPOSAL

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is directed to the Minister of Agriculture who has received notice of it. It concerns the closure of the blood-typing laboratory by Agriculture Canada. With the closure of this blood-typing laboratory our exports of pedigreed cattle will be threatened because they are based on embryo transplant technology. As well, a tentative agreement with the New York Jockey Club to accept Canadian tests as valid has put the exports of our horse breeders into jeopardy. Why did the Minister decide that this blood-typing laboratory should be privatized in light of a report recommending against it which was made for him in 1979?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I think the Hon. Member must recognize that the Government was elected over 13 months ago to reduce the deficit. We are doing an excellent job in that regard.

Some Hon. Members: Hear, hear!

Mr. Wise: The Hon. Member must recognize that as Minister of Agriculture I have the responsibility of identifying certain services which are currently being carried on by Agriculture Canada which might be done better by the private side, in the interests of effectiveness and efficiency. That is exactly what we are doing.

FUTURE TEST STANDARDS

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, since this laboratory has been operating on a cost-plus basis and has actually been covering all its fees and making money, the Minister seems to be saying that it should be turned over to the private sector for that reason. How can he guarantee that this turning over to the private sector will not result in the same type of scandals which we saw in the United States where profit intervened in testing in industrial biotech laboratories, which caused hundreds of tests to be thrown out because the company decided to go for fast bucks instead of accurate tests?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am sure the Hon. Member does not expect me to give any guarantees with respect to what might or might not have happened with some laboratory in the United States.

The Hon. Member and the House should know that blood-typing has nothing to do with disease detection and identification but is simply done for parentage verification. The Hon. Member will know that we did not act unilaterally when we implemented the cost recovery exercise. We will not act unilaterally in this case either. We will have to be satisfied that, indeed, the service can be provided by the private side. If we are not satisfied, then we will wait a little longer in the interests of the industry.

* * *

DECENTRALIZATION

CANCELLATION OF OFFICE TRANSFER TO SYDNEY, N.S.

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. A year ago the Minister cancelled the decentralization of an income security office to Sydney, Nova Scotia, while three similar projects were approved for three Tory ridings. The Auditor General in his most recent report stated that the cancellation of the Sydney office cost the Government $1.5 million. When the Government has already

spent $1.5 million, why did it cancel a projet which is so desperately needed?

• (1500)

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member makes an interesting point about Tory ridings. Most ridings in Canada now are Tory ridings—

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): —so it is very difficult to have any action in any riding which is not Tory. However, I point out to the Hon. Member that, yes, there have been certain moneys spent in the North Sydney office which was not needed. In fact, if we had continued with the project, the cost would have been much greater.

Mr. MacLellan: The answer of the Minister of National Health and Welfare is going to wow the unemployed in Sydney, Nova Scotia.

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REGIONAL INDUSTRIAL EXPANSION

CAPE BRETON—TASK FORCE RECOMMENDATIONS

Mr. Russell MacLellan (Cape Breton-The Sydneys): My supplementary question is directed to the Deputy Prime Minister who knows that his own task force recommended 34 points to help the economy in Cape Breton, one of which was decentralization. When is the—

Mr. Speaker: Order, please. May we have a question right now, please. We are out of time.

Mr. MacLellan: When is the Deputy Prime Minister going to implement some of those recommendations and provide jobs instead of taking them away?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Soon.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Wednesday, November 20, 1985, meet the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for Peace River (Mr. Cooper) by filing with the Clerk of the House also meets the requirements of the Standing Orders as to form.

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Jacques Guilbault (Saint-Jacques): I would like to ask the customary business question on Thursday. Would the Government House Leader tell us what the menu is for the coming days?

Mr. Blackburn (Brant): Whatever it is, it will be overdone.

Hon. Ray Hnatyshyn (President of the Privy Council): The menu will be as usual, Mr. Speaker, tempting, appealing, progressive and ambitious. With the co-operation of the Opposition, I hope that we can serve the best interests of the people of Canada. Accordingly, today we will carry on with the consideration of a progressive piece of legislation, Bill C-62. Hopefully, if we conclude that debate some time today, we will be able to deal with Bill C-79, which allows the depositors of certain banks which have failed to receive compensation for their investment in the banks.

Tomorrow the first item of business will be Bill C-66, which is the reorganization of the Canada Development Corporation. I believe there have been discussions among the Parties with respect to this legislation and that there is a disposition to deal with both the report stage and the third reading stage of that Bill by consent tomorrow. If Bill C-66 is completed, then we will carry on with the discussion and debate on Bill C-79.

I would like to take this opportunity to designate next Monday as the third allotted day in the current period of supply.

Later on today the Minister of State for Finance (Mrs. McDougall) will be tabling Ways and Means motions with respect to the Income Tax Act. On Tuesday, the first item of business will be to dispose of the Ways and Means motions relating to the Income Tax Act which, as I said, will be tabled later today.

Following the Ways and Means motions, I will call Bill C-74, respecting electoral boundaries redistribution, which I understand is going to be reported to the House today. When Bill C-74 is completed, we will resume consideration of Bill C-79—that is on Tuesday.

It is my intention on Wednesday and Thursday of next week to call second reading stage of the Income Tax Bill as the first item of business in the interest of having Bills relating to the Budget dealt with in an expeditious manner. We can, hopefully, make progress on that matter so the Bill will be able to go to committee so that the taxpayers of Canada will have certainty of passage of the legislation when they are putting their income tax returns in at the beginning of next year.

The back-up legislation with respect to the Income Tax Act will be the three Bills which deal with divorce and ancillary matters of relief and enforcement, that is Bill C-46, Bill C-47, and Bill C-48.

Obviously, we will continue to monitor the progress being made from time to time and we will consult with the Opposition House Leaders. If there are any changes to be made in

that line-up, I will advise the House and my opposition counterparts.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I am a little concerned about one statement made by the Government House Leader that, I believe, perhaps is not entirely accurate. With regard to the CDC Bill, there would be no difficulty, as far as I can tell, in completing the report stage tomorrow. However, there are a number of amendments which will have to be voted upon and I would think it inappropriate to proceed to third reading given that the votes on the amendments will have to be held over until Monday.

What I would like to suggest to the Government House Leader is that if we get through the report stage tomorrow, and we defer the votes until Monday, we will deal with third reading with only one speaker, which will help expedite passage, but I do not want to leave the wrong impression about the way the business might be conducted tomorrow.

Mr. Hnatyshyn: Mr. Speaker, I appreciate that. I had understood we had made progress on that legislation with respect to both Parties and thought possibly the amendments might go on a voice vote. However, if there is intention to call a standing vote, then the rules would preclude us from having it on Friday and the votes would take place on the following Monday at the end of the proceedings.

[*Translation*]

Mr. Speaker: I have received notice of a point of order from the Minister of State for Youth (Mrs. Champagne). The Minister of State for Youth.

* * *

POINT OF ORDER

ALLEGED USE OF UNPARLIAMENTARY LANGUAGE IN THE HOUSE

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, during the past few days, some Members of the Official Opposition's francophone caucus have been using language in this House which no francophone would want to hear, and certainly not in the House of Commons. I realize that if they want to go on demonstrating their fondness for vulgar language and their poor taste, they are free to do so. However, Mr. Speaker, it is incredible . . . I ask you to listen to the tapes and look at the blues, because we can hardly tolerate a Member accusing the Government of, and I quote:

—frigging—

—and a Minister of the Crown of "frigging around". This is unparliamentary language, and we have here a case of what is referred to as "indecent language" in Beauchesne's, Citation 319. I wish you would look into this, Mr. Speaker.

Hon. Jean Lapierre (Shefford): Mr. Speaker, I know I never took elocution with Mrs. So-and-So and I have never been on the stage. I am here to represent the interests of my constituents, and at this very moment, Mr. Speaker, this Government, by refusing to get on with it and making a decision it promised the Premier of Quebec it would make, is indeed "frigging around" and jeopardizing the survival of my riding and the creation of thousands of jobs.

Mr. Speaker, unlike the Minister, I am not ashamed of speaking in the vernacular, because it is probably the best way for me to represent—

An Hon. Member: That is not a point of order!

[*English*]

Mr. Speaker: Order, please. Clearly a question of language is a point of order. I am sorry, I am like most Anglophones, English is my mother tongue. I, therefore, do not know all of the words in French which one might know. Therefore, in the circumstances, I believe I must reserve, check the "blues" and determine what was said and what it does in fact mean, if I can put it that way. I am sorry, I am not in a position to resolve the matter for the House immediately.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

STRIKING COMMITTEE—TWELFTH REPORT OF STANDING COMMITTEE

Mr. Chuck Cook (North Vancouver-Burnaby): Mr. Speaker, I have the honour to table the twelfth report of the Striking Committee in both official languages.

PRIVILEGES AND ELECTIONS—THIRD REPORT OF STANDING COMMITTEE

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, I have the honour to present the third report of the Standing Committee on Privileges and Elections in both official languages.

* * *

• (1510)

WAYS AND MEANS

TABLING OF NOTICES OF MOTIONS

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, pursuant to Standing Order 65(1), I wish to lay upon the Table copies of notices of Ways and Means motions to amend the Income Tax Act and related statutes. Pursuant to Standing Order 65(2), I ask that an Order of the Day be designated for their consideration.

PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCE

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, it is an honour for me to present a petition from a number of residents of my constituency and other communities in British Columbia who continue to be extremely grieved by the decision of the Government to remove full indexation of family allowances. They pray that the Government may still act to reinstate full indexation of universal family allowances.

UNEMPLOYMENT INSURANCE—PENSION INCOME DEDUCTIONS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the honour and responsibility to present two petitions. The first is signed by some 300 members of the Newfoundland and Labrador Federation of Labour who protest the proposed changes in the Unemployment Insurance Act coming into effect January 1, 1986. These changes would have pension income counted as earned income for unemployment insurance purposes. They call upon the Government to retreat from that very retrograde step before it is too late.

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. John R. Rodriguez (Nickel Belt): The second petition is signed by many Members of the Sudbury Women's Action Group protesting deindexation of family allowance benefits. They call upon the Government to reinstate full indexation.

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I have a number of petitions from citizens in my riding, especially from the area of Walkley and Chester Avenues. They ask that the Government of Canada abandon its regressive decision to deindex family allowances. This decision, if implemented, would further reduce the buying power of the truly needy in Canada.

DELAYS IN ARRIVAL OF CHEQUES

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, it is my honour to table a petition from eight Manpower-sponsored adult students together with their teacher from the settlement of Lac La Martre in the Northwest Territories. They point out that their cheques from the Department of Employment and Immigration arrive at least a month late and often much later than that. The problem is that cheques are not mailed on time—not that the Post Office is slow. They ask Parliament to remedy this situation which causes them considerable hardship.

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Rod Murphy (Churchill): Mr. Speaker, I have two petitions to present concerning the Government's intent to partially deindex family allowances. They are significant petitions in that in one community concerned, Lac Brochet, where all groceries must be flown in. Everything is quite expensive and they certainly need their full family allowance.

The other petition is from residents of Leaf Rapids, Manitoba, where hundreds of people are protesting the Minister of National Health and Welfare's intention to deindex family allowances. It is significant that the majority of the adults in that community signed the petition.

CALL FOR INQUIRY INTO USE OF TEST RANGE AT NANOOSE BAY

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I have a number of petitions from residents of Victoria, British Columbia, concerned about the Canadian Forces maritime experimental and test range at Nanoose Bay, British Columbia. They are concerned that we do not have adequate information from the U.S. Navy about whether or not vessels entering Nanoose Bay are nuclear equipped. We do not have adequate information about the economic impact of the said test range. They call for a full public inquiry before the present agreement is renegotiated.

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Jim Manly (Cowichan-Malahat-The Islands): I have a number of other petitions from residents of Victoria also, who are concerned about the Government's proposal to deindex family allowances. They point out that this imposes an unfair burden on families, especially those with young children, as well as single-parent families. They call upon the House to institute full indexation of family allowances.

POSTAL SERVICE IN NEPEAN-CARLETON

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, I am pleased to present a petition from some 150 residents of the Centre Point community in Nepean-Carleton who are deeply concerned about a total lack of mail delivery in their community and the very inadequate facilities they have to use for general delivery purposes.

[*Translation*]

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I am privileged to present before the House two petitions signed by people from my constituency. First, a petition signed by a group of ladies who live in Saint-Adrien de Ham.

Also from my constituency, I have another one from the community of Saint-Zacharie, on the immediate outskirts of Windsor-Richmond.

I also have a whole set of petitions, but in order to comply with parliamentary procedure, I will list them according to their constituencies or origin.

So there is a group of Canadians from the constituency of Hochelaga-Maisonneuve, who also object to the same thing as always, the proposal to deindex family allowances.

I have another one, Mr. Speaker, from the constituency of Saint-Jacques in the Province of Quebec.

Another one from the constituency of Saint-Hyacinthe-Bagot, in Quebec. Another one also from Saint-Hyacinthe-Bagot, in Quebec. And another one from Saint-Hyacinthe-Bagot, in Quebec.

Another petition from Chicoutimi, in the Province of Quebec, in which again all the signers regret the Government's intention of deindexing family allowances.

I have another petition from Renfrew-Nipissing-Pembroke in Ontario. And another one from Essex-Kent, also in Ontario. And still another one from Kingston. And another one from Saint-Michel-Ahuntsic in the Province of Quebec.

An Hon. Member: Pronounce the names correctly.

Mr. Tardif: Yes, if you tried as hard to speak French as we do English, I think everything would go much better.

I have still another petition from Charlevoix. And another one from Montreal-Sainte Marie. Another still from Hochelaga-Maisonneuve. And another one from Moncton, New Brunswick. And another one from Laval-des-Rapides, in Quebec. Another one from Rosemont-Montreal-Sainte-Marie. Still another one from the constituency of Saint-Michel-Ahuntsic.

Another petition, Mr. Speaker, from the federal constituency of Halton, Ontario. And another one from Saint-Jacques, Quebec, and, finally, a last one from Saint-Michel-Ahuntsic, where thousands of Canadians regret the Government's action—

Mr. Speaker: Order, please! And thank you. I now recognize the Hon. Member for Kenora-Rainy River (Mr. Parry).

DEINDEXATION OF FAMILY ALLOWANCE AND TAX INCREASES

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I have the honour and the duty to table in the House four petitions. The first one is signed by residents of a number of ridings in Montreal, Laval and Dollard-des-Ormeaux, in the province of Quebec, asking the House to reinstate the full indexation of family allowances and to rescind unfair tax increases.

[*English*]

USE OF NANOOSE BAY TEST RANGE

Mr. John Parry (Kenora-Rainy River): The second petition is signed by residents of the great community of Oshawa, Ontario. They call upon Parliament to examine the effect of the Nanoose Bay test range on the local community and its implications for Canada's independent foreign policy.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, the third petition is signed by residents of the communities of Montreal, LaSalle and Verdun. They call upon the House of Commons to reinstate full indexation of universal family allowances and rescind unfair tax increases.

[*Translation*]

The fourth one, Mr. Speaker, asks Parliament to reinstate the indexation of family allowances.

[*English*]

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I have two petitions to present from pensioners in my riding who won the fight for fully indexed pensions. They feel that right should be granted to mothers and children who receive family allowances. They call upon Parliament to index fully universal family allowances and rescind unfair tax increases levied against families. These petitioners are from the communities of Humboldt and St. Gregor in my riding.

• (1520)

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I have well over 1,000 names of people from my constituency who have signed petitions stressing very strongly their opposition to the deindexation of family allowances and to the tax increases which are being imposed on ordinary Canadians. They call upon this House to reverse those policies.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have petitions from a number of people from different parts of Canada opposing Bill C-70 and asking for full indexation of the universal family allowance. They ask also for unfair tax increases to be rescinded. On this last day that the committee will be speaking to this issue, I implore the Minister to think of the thousands and thousands of signatures that have been presented and that will be presented which oppose this Bill. I hope he will think seriously of this.

* * *

[*Translation*]

TAX REBATE DISCOUNTING ACT

MEASURE TO AMEND

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post) moved for leave to introduce Bill C-83, to amend the Tax Rebate Discounting Act.

Mr. Speaker: Is it the pleasure of the House that the Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I am pleased to advise the House that Question No. 434 will be answered today.

[*Text*]

CLEARANCE FOR AMATEUR ATHLETES FROM U.S.

Question No. 434—**Mrs. Cossitt:**

1. Are amateur athletes from the United States, who play for local Canadian athletic teams, required to have their team management complete clearance for their admissibility to Canada through documentation of Canada Employment clearance of Emp. 2151 and Immigration Authorization, Imm. 1102 forms?

2. Did the Ontario regional headquarters of the Department of Employment and Immigration issue instructions to its regional managers to process American amateur athletes entering Canada as visitors, provided they were not otherwise admissible and, if so (*a*) on what date was the instruction issued (*b*) which offices received it (*c*) who authorized the instruction and what is his/her name and job designation?

3. Were these instructions authorized by the Minister of Employment and Immigration or any person at national headquarters and (*a*) if so (i) on what date (ii) who authorized them and what is his/her name and job designation (*b*) if not, for what reason?

4. Will the Department instruct its officials at every port of entry to adopt the new procedures and (*a*) if so, on what date (*b*) if not, for what reason?

5. Did the national headquarters of CEIC review its procedures concerning the admission of amateur athletes from other countries and, if so (*a*) on what date was the review completed and what were its results (*b*) for what reason?

Hon. Walter McLean (Minister of State (Immigration)): 1. Yes.

2. Yes. (*a*) May 25, 1983. (*b*) Ottawa District which made copies for their local offices. (*c*) The Program Specialist of the Ontario Region on behalf of the Regional Director General of Immigration, Mr. D. Donn.

3. No. (*a*) Not applicable. (*b*) The instructions referred to in part 2 were issued by the Ontario regional headquarters as an interim measure pending completion of a review by national headquarters concerning the entry of foreign athletes and also to resolve a local problem. The instructions allowed the Ottawa immigration district office to admit as visitors only those amateur athletes who were playing on recreational teams, if they were not otherwise inadmissible.

4. No. (*a*) Not applicable. (*b*) Immigration national headquarters are drafting new guidelines that will be more specific than those issued earlier by the Ontario regional headquarters.

These new guidelines should then be adopted by all immigration officers.

5. (*a*) A review was completed in August, 1985 and the new guidelines will be issued sometime in November, 1985.

(*b*) Foreign athletes destined to Canadian-based teams will be dealt with under one of the categories described hereunder because Canadian athletes are allowed to work in other countries with minimum requirements.

(1) A person who plays or participates on a recreational basis in a sport activity, does not receive remuneration or any valuable consideration will be treated as a visitor.

(2) Athletes earning less than 50 per cent of their income from sports activities will be exempt from Canada Employment Centre validation pursuant to Subsection 20(5)(E)iii of the Immigration Regulations and to the exemption code E95 as per the instructions contained in Chapter IS 15 of the Immigration Manual. They will nevertheless be documented on an employment authorization. The exemption will only be used for "amateur athletes" as defined by Sports Canada i.e. a person who does not earn more than fifty per cent of his or her income from performing a sport.

(3) Athletes earning more than 50 per cent of their income from sports activities will be exempt from Canada Employment Centre validation pursuant to Subsection 20(5)(E)iii of the Immigration Regulations and to the exemption code E99 as per the instructions contained in Chapter IS 15 of the Immigration Manual. They will nevertheless be documented on an employment authorization. The exemption will be used for all semi-professional or professional athletes coming to Canada to join a Canadian-based team.

The two different exemption codes will allow the Commission to monitor the entry of amateur athletes (Code E95) and professional athletes (Code E99).

[*English*]

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

Mr. Speaker: The question enumerated by the Hon. Parliamentary Secretary has been answered. Shall the remining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Miss MacDonald that Bill C-62, an Act respecting employment

equity, be read the second time and referred to a legislative committee, and on the amendment of Mr. Keeper (p. 8197).

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I had the opportunity to speak first on this Bill before the motion to hoist was moved. Rather than reiterate some of the things I said the other day, I would like to draw the attention of the House to exactly what it is in Bill C-62 that the Liberal Opposition is opposed to with regard to the proposals made by the Government. More important, I would like to draw to the attention of the Members of the House the reasons we had the Abella Commission in the first place, the working conditions that led to the need for that kind of commission, and the exact recommendations made by Judge Abella in her report. By doing so, I will point out the inadequacies of the Government's response through Bill C-62 which is presently before the House.

The mandate of the commission, Mr. Speaker, was, in essence, the following: The Judge was asked to inquire into the most efficient, effective and equitable means of promoting employment opportunities for, and eliminating systemic discrimination against, four designated groups: women, native people, disabled persons, and visible minorities. In the 11 Crown and Government-owned corporations, the improvement rate for women over the five-year period studied had been minimal. Women remained overwhelmingly concentrated in the lowest paid occupations in every corporation. In fact, the Judge found that they held very few managerial or supervisory positions.

As a result of the first study that was done, the Liberal Government in power at the time undertook a pilot project at the Canadian Mortgage and Housing Corporation, which is singled out as an example of success in elimination of discriminatory barriers in employment. It was found that only in those corporations where measures have been implemented to eliminate discriminatory barriers in employment have opportunities for women genuinely improved. All corporations agreed that without legislation and a reporting requirement substantial change was unlikely to occur. Bear that in mind, Mr. Speaker, because that is a very important element in the reasons for the Liberal Party's opposition to Bill C-62 in its present form.

When Judge Abella went across the country gathering evidence most representatives with whom she met considered further Government intervention necessary to ensure their equitable participation in the workforce. The report also concluded that it is critical that census data relating to the quality of labour force participation of the four designated groups be collected every five years. Judge Abella found that employment barriers articulated by the group included insufficient or inappropriate training facilities, inadequate information systems, inadequate hiring and promotion practices and discriminatory assumptions.

The Abella Commission concluded that voluntary measures are an unsatisfactory response to the pervasiveness of systemic discrimination in Canadian workplaces and have, therefore, recommended that all federally regulated employers be required, by legislation, to implement employment equity. In other words, it decided that there had to be a mandatory affirmative action program instituted, and several ways were recommended in which to oversee and ensure that the intent of the legislation is sound.

The first recommendation to ensure that this kind of discrimination was being eliminated was to expand the jurisdiction of the Canadian Human Rights Commission to make it responsible for employment equity. You will note, Mr. Speaker, that that is one of the recommendations in Bill C-62. It is unusual, though, that in diluting that proposal of the Abella Commission the Government has indicated that the Canadian Human Rights Commission will be the regulatory body that is going to oversee the implementation of these proposals but, in fact, it has not mandated additional resources to the Canadian Human Rights Commission through this Bill, nor has it given that body jurisdiction. Therefore, in terms of the enforcement provisions, we have serious reservations about the ability of the Canadian Human Rights Commission to undertake the necessary review and ensure that the four target groups are going to be allowed the employment opportunities that we know do not now exist within the federal Government or our Crown corporations. More important, they do not exist within companies with which the federal Government has contracts and does business.

This leads me to my second point, Mr. Speaker. What laws presently exist and in what ways can we improve the track record of the federal Government with respect to enhancement of employment equity? In 1977 the Canadian Human Rights Act was passed forbidding discrimination on the basis of sex. Since 1978 there have been affirmative action programs in federal Departments. I mentioned the pilot projects within CMHC. We later had the Katie Cooke Task Force Report on child care established under the Liberal administration which is presently in the possession of the Minister responsible for the Status of Women (Mr. McLean) awaiting follow-up.

Mr. Epp (Provencher): That has not been reported.

Mr. Frith: The Minister of National Health and Welfare (Mr. Epp) indicates that that is not yet reported, so it is still at report stage.

The following are the major points of criticism that the Liberal Party has with Bill C-62: First, it does not implement several of Judge Abella's key recommendations. The Bill includes no mandatory enforcement of employment equity. That, Mr. Speaker, is a very serious flaw. As outlined earlier, every group that came before the Abella Commission indicated that they felt that without mandatory enforcement there would be little progress made. They have cited case after case from the 1970s and early 1980s to reinforce that view.

Second, in this Bill there is no provision for a separate monitoring agency. As I indicated earlier, the responsibility has been conferred upon the Canadian Human Rights Commission but there have been no additional manpower resources allocated to that group. Due to the backlog of cases before the Human Rights Commission, the groups that have criticized

Bill C-62 are probably correct in their assumption that with a monitored three-year reporting program it will be the year 2000 and beyond before we get the first test case of the Abella Commission's Report before that body.

Third, without the allocation of additional resources, Mr. Speaker, the Canadian Human Rights Commission will not have the power to enforce employment equity. That again flies in the face of all the evidence that was gathered by the Abella Commission over the several years during which she studied the problems of the four groups about which I spoke. In addition to the fact that we are not even going to have mandatory enforcement—we are going to have voluntary reporting—there have not been any targets set by the Government as to what each Department and companies that represent 200 employees or more must agree to in order to abide by the rules set by the Government.

• (1530)

As I have indicated about that reporting procedure, there has been no standardization established in Bill C-62. If there is no standardization, Mr. Speaker, then we will have three years of monitoring before anything can be put before the Canadian Human Rights Commission. We are talking, in effect, about another generation of Canadians who will have to await another Government, I suppose another Government with more of a commitment to the enhancement of employment equity than has been exhibited by the Conservative Government.

In the election campaign in the summer of 1984 the Government made a number of promises to women in particular with respect to recommendations that would flow from the Abella Commission report. This is another example of more broken promises.

Earlier today during Question Period quotes were given by my colleagues from the Province of Quebec and southwestern Ontario. These were verbatim promises made by the Conservative leader a year ago during the campaign about how he was going to ensure the viability of the Canadian shoe manufacturing industry. He broke that promise. The Government has broken promises with respect to making sure that deficit reduction would never be done at the expense of low-and middle-income Canadians. That promise was broken within 10 weeks of the Conservatives assuming office.

Here again, with the Abella Commission report, and the manner in which the Government has chosen to reply to those excellent recommendations, we have another series of broken promises and another generation that we will have to wait before we have some improvement in employment equity.

Last but not least, in addition to all the flaws I have outlined about this Bill previously, there are no penalties in the Bill for companies not complying with it. Why do we not simply tell Canadians and those four groups, the women, the native people, the disabled and the visible minorities, that Bill C-62 will not address their concerns, that it will not, in a reasonable period of time, add to their quality of life. They should be told that the Government is not prepared to move to create the kind of legislation required. Quite frankly, Bill C-62 is a sham. Those groups know it, opposition Members know it, and I would be delighted to hear perhaps a Government back-bench MP try to defend the recommendations in the Bill.

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, we have before us today another instance of the degree to which the Government has adopted half measures and token efforts in replacement as a substitute for responsible, serious and enforcible legislation. I think it raises real questions about the self respect of the Government and the degree to which—

Mr. Rodriguez: It has none.

Mr. Parry: —the Government takes its promises and pre-election commitments seriously when we compare the legislation before us today with the sort of promises made before the election and the statements after the election of September 4, 1984.

I will not be repetitious, Mr. Speaker, by quoting to the Government the promises it made. I think that has been done adequately. This Bill highlights the difference to me between the sort of society which the Government would like to see us aim for and the society that I and my Party would like to see us aim for. It also highlights to a degree the difference between the sort of society that we have today and the sort of society that any of us might want to have. Notwithstanding our material prosperity in many parts of the country, though certainly not all, and the strides and gains made concerning the employment and the status of women, the minorities and the handicapped, our society is falling far short of what I would like to see.

We have to look at the state of a society in which women, as an example, receive only five-eighths of the average male's wage, in which native people suffer from greatly elevated levels of unemployment compared to the average in our society. We have to look at a society in which the job is of central and paramount importance to the individual, to the determination of his or her identity and self and how a person perceives himself or herself and his or her relationship to society. What I see are large numbers of people within society who are disadvantaged by the status quo, that status quo which this legislation does so little to change and so much to maintain.

I see people, Mr. Speaker, whose parents and grandparents suffered from unemployment. I see women who have been and are still being held back by prejudice and a failure to understand their potential, a failure to appreciate their commitment of what they are capable of doing. I see very little in this Bill that will do anything to correct those situations and move us toward a society where people will be able to compete on an equal, full basis, regarding only their talent, their ability, their skills and their commitment, and which will set aside extraneous factors such as race and sex.

The way in which the Bill is being handled in the House shows that what once were vices are now merely habits. The Government is introducing closure for the fifth time. The Government is trying to push through this inadequate little

piece of legislation, as modest in its size as it is in its quality, as small in its thickness as it is in its ambition to do anything about the state of employment in our society.

I hear the Government taking the view that one cannot introduce mandatory programs for this sort of thing. We cannot push too hard. We cannot take steps that will upset anybody in the corporate environment. This reflects not only a lack of imagination and a lack of intelligence in design of an employment equity program, but it also essentially reflects a lack of adequate commitment to such programs.

Simply because we have bad examples of similar types of programs in the recent history, such as the language and the police issues in the Province of Quebec, does not excuse the federal Government from trying to produce something better, something that will better serve Canadians as we try to work toward a future of equality, a future based upon a concept, a realization and a concretization of employment equity.

I regret when we look at this legislation that there is no provision for the involvement of a union in the development of a corporate plan. I believe that many unions have pioneered the concept of employment equity and pioneered the implementation of employment equity measures in the workplace.

I recall the example of the Ontario Federation of Labour, which has been working on employment equity for women. It had a co-ordinator who was working on employment equity for people of minorities that previously had suffered a lack of equity in their employment prospects.

• (1540)

I believe that this has endowed our labour bodies with experience which could be put very well to use in the design of a corporate plan such as the legislation rather inadequately stipulates and rather inadequately outlines and requires.

Many others have said—and I must reiterate it—that this legislation lacks goals. It lacks guidelines for affirmative action. It lacks an effective enforcement mechanism and really effective sanctions. After all, the penalties for non-compliance are not framed to include any effect on the business which the offending company does with the Government.

I was surprised to hear the Minister of State for Youth (Mrs. Champagne) say this morning that the Bill introduces employment equity. It manifestly does not, because of the restrictions in the Bill which apply to a very narrow segment of the total economy. After all, there is nothing in it about the Government itself and its commitment to employment equity. It merely, as we see it, applies to those employers who employ 100 or more employees on or in connection with a federal work undertaking. There is nothing relating to the over-all size of the enterprise. There is only a very loose definition of people connected with or employed on a federal work undertaking or enterprise.

A comprehensive affirmative action program would include contract compliance and sanctions. It would include equal pay for work of equal value. It would include some stipulations as to the provision of the faciliative mechanisms to institute employment equity, such as education, training and child care. These things are not addressed by the Bill.

We know that with the majority which the Government has, the Bill will go through. We also know that five years or ten years from today, when the history of this sad piece of legislation is reviewed, all that could be said is that it had a marginal impact upon the introduction of employment equity in Canada.

[*Translation*]

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I am also very happy to join those who have already had the opportunity to speak about Bill C-62. In my humble opinion, this Bill is another exercise which shows the true nature of this Government. Bill C-62 deals with a very important issue which was of special concern during the last election and still is for the coming provincial election. We are always meeting people who draw our attention to unacceptable situations, especially as concerns the problems faced by women, in certain cases to get a job, and in other cases to get promotions. There are a great many instances of such problems and we are all aware of them. All that this Bill does is stated in clause 1, namely: 1.

1. This Act may be cited as the Employment Equity Act.

In my humble opinion, Mr. Speaker, about the only good thing that we find in this Bill is its title and its intent to recognize a fact which has existed for quite some time. However, there is obviously no real intent, no courage, no determination to attack the real problems directly.

The Bill states that recommendations will be made very nicely to some companies, and I emphasize the word "some", not necessarily in the short term, as the date mentioned is 1988, asking them to file a report and state their plans and intentions. However, Mr. Speaker, everyone recognizes that jobs are generally created by smaller businesses. These businesses, which are major producers of jobs, especially in a constituency such as mine, rarely employ more than 100 people.

Generally, when we speak about small businesses, we mean those whose work force varies between 2 and 50 employees. Everyone agrees that, when a business has over 50 employees, it becomes a company, since the very great majority of small businesses have fewer than 50. Yet, this legislation does not deal with such businesses in any way. It deals only with companies with over 100 employees. I find this measure rather timid, and for my part, it is quite enough to convince me to vote against this Bill.

On the subject of discrimination I think we all agree. We all recognize that there is a lot to do. Suffice it to know that 36 per cent of complaints filed with the Canadian Human Rights Commission, since its inception in 1976, relate to sex discrimination. Filed in 80 per cent of cases by women, those 2,300 complaints dealt especially with employment, but also with housing, recreation and credit. In my view, statistics such as

these clearly point to a situation that is so prevalent that, unfortunately, we have somewhat become used to living with such an unacceptable fact of life.

And faced with such a crying situation, all the Government finds as an answer and a response is the tabling of what it calls Bill C-62, a rehashing of pious wishes, of decidedly unrealistic expectancies, with the hope that someone else will help better the situation, that the private sector will take action, and that despite the absence of any sanctions, we can and will rely on good faith alone. But I would be most surprised if three, four, five or six years down the road, we found the slightest betterment, the slightest improvement in the situation as it now stands. Except that when the Bill comes into force, Government Members will have an opportunity to slap their own backs, to go bragging all across the country that they as a Government have solved the problem, that in spite of the Opposition's objections, legislation was passed and from now on we will be referring to professional equity. I agree that as a theme, or balloon, it is quite interesting.

However, when we consider the subject matter of the Bill, I think that it simply is ridiculing those for whom they have been working for years to improve conditions and eliminate those discriminations. The Government is practically laughing at them by introducing a Bill that solves so few problems and which finally is a statement of intent rather than a solution to concerns.

• (1550)

Yesterday, Mr. Speaker, we had the opportunity to see how much indifference there is to that problem. I have what people call a semi-rural riding where small- and medium-sized businesses manufacture clothing, footwear and textile and where women are for the most part assuming whatever responsibilities there are. They assume such responsibilities by choice, by liking and in many cases also by necessity.

Yesterday, we heard the Government announce a decision which will affect in the very near future those job-creating businesses where there exists comparative equity as far as the hiring of women is concerned and with the loss of their jobs, those women will strictly have nothing to hope for. This is an absolutely revolting decision as a result of which a promise will be broken and there will be no more quotas in the footwear industry. The actual short-term consequence will be that several plants will close their doors and hundreds if not thousands of jobs mostly held by women will disappear.

There is something else I want to tell Hon. Members, and it has to do with what happens every week in my riding office. Female constituents, ladies and representatives of women's associations come to my office to make represntations and various requests. They are quite simply shocked and even insulted every time they walk into manpower and immigration offices and see signs like "Women and disabled persons, this way". Mention that to women in your ridings and you will get the same reaction—they are insulted by the way they are treated.

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I am glad of this opportunity to take part in the debate, especially since the first speech we had this morning referred to the fact that once again, the Government is introducing a motion of closure on a Bill, and we will be speaking to this motion for some time.

I am glad that the motion of closure was presented because it is high time we stopped ignorance from making further inroads in this House. It is time for a change and for saying why we are using closure. It is because we cannot afford this new kind of fanaticism which could be defined as refusing to change the subject.

People who have been watching us since this morning and listening to what we have said, especially the kind of language being used, know perfectly well why we are going to change the subject, with everybody's general approval, Mr. Speaker. Recently, we had a Member who said: Quebec is being "screwed". This is unparliamentary language. He withdrew the term and said: Quebec is being had. And you listen to the news that evening and lo and behold, Mr. Speaker, they quoted the first term. That is the kind of language we have been hearing recently. They speak from their seats, they speak to the Speaker without having the nerve to rise, and we have had a few examples today. Mr. Speaker, that is why we have a motion for closure and why we should support this motion and get the debate over with and change the subject and let the Bill go to committee.

Mr. Speaker, I will give you a few examples. They said earlier that we were going to go to our ridings and brag about what we did. No, Mr. Speaker. We are not going to brag and say we have fixed everything. In the last few days we have been seeing people from Montreal East. Who is bragging to the people from Montreal East? Who is bragging about finding a solution? Not us. When they shut down BP and three other refineries, they weren't bragging, but now they are.

Mr. Speaker, there was a group of political refugees here in the House of Commons yesterday. They were here because of the old system that caused a backlog of nearly 10,000 cases. And people want to criticize Bill C-55! I was there. It was incredible! But who set up the system? Who was bragging to these people yesterday and saying they would take care of them?

Mr. Speaker, today, workers in the footwear industry are setting up an appeal tribunal that will make recommendations. And who is bragging that they are going to save the footwear industry? The same people again.

Mr. Gauthier: —going to fall flat on your face—

Mr. Hudon: Mr. Speaker, that is fanaticism for you. Fanaticism has a one-track mind, but we want to change the subject

and we will go before the legislative committee if necessary, and we will stand firm.

Mr. Speaker, the people watching us understand the system.

Mr. Tardif: You are not saying a damned thing!

Mr. Hudon: What? I see the hon. expert on the footwear industry decided to come back from behind the curtains and listen to the debate—

Mr. Speaker, it is essential that Hon. Members as well as people watching us on their television sets should understand this system. The Government introduced this Bill which was examined by a legislative committee; before that, it was referred to a Standing Committee of the House for a review of the problem. Then the Bill was read the first time. It was later read the second time.

Mr. Gauthier: I am going to see it on TV.

Mr. Hudon: Yes, you will be able to see it tomorrow on your VCR.

Then the Bill was read the second time. During second reading debate, we looked into the same amendments which had been raised before our Committee on Labour, Manpower and Immigration. We went through the whole thing again, very nicely, very politely. No, no, no and no. It was at the second reading stage. There was an eight-hour debate on this Bill. Yes, eight hours!

After that, it was referred to a legislative committee. The legislative committee held four meetings during which it heard the same witnesses as our Standing Committee. Four or five meetings were held to hear these witnesses, following which we made a clause by clause study of the Bill.

Mr. Speaker, there were four amendments—one, two, three and four—the very same amendments which the House had debated, because it is democratic.

Well, at the end it was passed, because we had the necessary majority and we had discussed it with people.

Do you know that, Mr. Speaker? If you check the official record, that is, the debates of the House, concerning Bill C-55, the very same amendments are still there.

For the information of the people watching us on their T.V. sets, this is the third reading stage. If you have followed me in the legislative committee, in the Standing Committee, you are going to see me again—

And do you know why, Mr. Speaker? Because they do not want to take—

Mr. Tardif: Because you do not understand.

Mr. Hudon: Because we do not understand? Let me tell you that you do not understand either.

Do you know what they want to do, Mr. Speaker? They want to file . . . witnesses to appear before the Appeal Board; they want to send for 18 to 55 people to look into appeal cases of refugees. That is what they want to do.

Yesterday, Hon. Members opposite said: We are looking after your case.

Mr. Speaker, that is what is meant when we hear that ignorance is making progress in the House of Commons. It has to be said! When Members opposite want to score a few points, they make us feel guilty or make us look like fools. They say: It is unthinkable that we should vote for such a measure.

Bill C-62 may not be much, but at least it is a step in the right direction.

They were in office for fifteen years, but we will not brag about solving all problems. We will brag about taking the first step, then you will take the second, we will take the third, and so on. That is how a society is built.

Some Hon. Members: Hear, hear!

Mr. Hudon: Our first step will be so good that, if they are to take the second step, it will only be in 22 years from now.

They say they make us feel guilty. It was terrible listening to them this morning, as if we ought to hide behind our desks, ashamed of the Bill we support.

But you did not do a thing about equity, not a thing, no legislation—

The Acting Speaker (Mr. Charest): Order, please. The Hon. Member for Bourassa (Mr. Rossi) on a point of order.

Mr. Rossi: Mr. Speaker, when the Hon. Member for Beauharnois-Salaberry (Mr. Hudon) has the floor he does not say anything relevant to the Bill under consideration.

I would therefore ask my friend the Hon. Member to speak to the Bill.

• (1600)

Mr. Hudon: As far as I know, Mr. Speaker, we are debating a closure motion and I am talking about closing something. Very well, I will get back to Bill C-62.

Mr. Tardif: You have nothing to say about the Bill—

Mr. Rossi: Mr. Speaker, might the Hon. Member be urged to speak to Bill C-62—

An Hon. Member: He does not even know what Bill C-62 is about—

The Acting Speaker (Mr. Charest): I think the Parliamentary Secretary is referring to the closure motion we are debating and which all other Members have mentioned—

An Hon. Member: A point of order—

The Acting Speaker (Mr. Charest): No, if I may, I should like to finish what I have to say. All or almost all Members who have taken part in the debate today did refer to it, including the first speaker this morning who practically did not talk about anything else during the ten minutes allotted to him.

Mr. Hudon: Mr. Speaker, I thank you for your intervention, especially as the first Member to speak this morning on the other side was the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand), I believe, and the first thing he said was that the Government was doing a terrible thing in imposing closure, and I am now explaining why I agree with the closure motion.

An Hon. Member: It is not a closure motion: it is a time allocation motion.

Mr. Hudon: No? Mr. Speaker, we are now going to argue with the Liberal Party about the difference between a closure motion and a time allocation motion. This is what they did for 15 years: they argued about the difference between a closure motion and a time allocation motion.

As I was saying when I was interrupted, Mr. Speaker, and I was moving along very nicely—I do not understand why they cannot hear me on the other side—what is going on now? People are made to feel guilty and are ridiculed. The Members Opposite should perhaps learn from this.

During the question period, and even now, Mr. Speaker, I can hear from my seat insults when certain Ministers are speaking—

Mr. Rossi: It is not true.

Mr. Hudon: —or when someone else is speaking. Because he used to sell cheese, they say that he stinks. Somebody attacks one Minister; someone else attacks another Minister. What kind of word did we hear at noon?

An Hon. Member: A neologism.

Mr. Hudon: Are we going to tolerate such a thing? No, Mr. Speaker. We shall later on study the bill in Committee—listen to this, you people watching television—we shall refer the Bill to a legislative committee where the same subject matter will be discussed and we shall come back to the House at the third reading stage with the same amendments. We shall be coming back to it.

[*English*]

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, in the last few minutes we have to debate Bill C-62, I think we need to recognize that it is a—

[*Translation*]

Mr. Rossi: You will not be coming back after the next elections.

Ms. Jacques: We shall see.

The Acting Speaker (Mr. Charest): Order, please! Unfortunately, you are interrupting the speech of the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) who would like to have the same opportunity as everyone else to express his views. If you please.

[*English*]

Mr. Manly: Thank you, Mr. Speaker. If Conservative Members wish to speak, they should not have voted for time allocation on this Bill. It would be nice if they would allow those who do wish to speak on this Bill to have a chance.

I would suggest that Bill C-62 should not so much be opposed as it should be exposed, exposed as a sham and as a hoax because it claims to do something when in fact it does nothing of the kind. Clause No. 2 of Bill C-62 reads as follows:

> The purpose of this Act is to achieve equality in the work place so that no person shall be denied employment opportunities or benefits for reasons unrelated to ability and, in the fulfilment of that goal, to ameliorate the conditions of disadvantage in employment experienced by women, aboriginal peoples, persons with disabilities and persons who are, because of their race or colour, in a visible minority in Canada by giving effect to the principle that employment equity means more than treating persons in the same way but also requires special measures and the accommodation of differences.

Those are fine sounding words. In order to achieve employment equity, we need to have some special measures and that naturally would lead to the hope that this Bill would introduce some special measures, However, where are the special measures in it? It simply contains a system of reporting.

Back in 1978 the federal Government tried to establish a system of preferential hiring to ensure that native people had greater representation in federal Departments by sending out requests to all Departments. However, by June 1980, only 19 of 58 Departments had even complied with requests for action plans. This is what happened with the federal Government's own Departments, let alone other corporations.

In *The Globe and Mail* of September 28, 1985, Michele Landsberg quotes William McEwen, the Chairman of the Resources and Equal Opportunity Committee of the U.S. National Association of Manufacturers as saying the following:

> "There's no such thing as voluntary compliance with affirmative action laws. If voluntary compliance worked, Moses would have come down from the mountain with the Ten Guidelines."

Voluntary compliance just does not mean a thing. The system of reporting that the Government is introducing will not do the job either.

This Bill is a sham. I suspect that the Minister of Employment and Immigration (Miss MacDonald) knows that it is a sham. Certainly, if she had stayed and listened to some of the participants in the Conference on Women that she attended last week in New York, she would know that. For example,

Judy Lichtman, the Executive Director of the Women's Legal Defence Fund in Washington said that she is very dubious about affirmative action programs that do not have fixed goals for employers. I quote the following from *The Globe and Mail* of November 15, 1985:

"In our American experience, we got no compliance until there was an enforcement mechanism."

Of course, there is no enforcement mechanism contained in this particular Bill.

Chaviva Hosek, President of the National Action Committee on the Status of Women, pointed out that this Bill is not going to work and that it is going to create the illusion that something has been done when in fact nothing has been done and therefore it is a step backward. She pointed out that in the United States where there is compulsory compliance with affirmative action laws, 36 per cent of middle-management jobs are taken by women as compared to the 17 per cent in Canada.

In defence of her weak and toothless Bill, the Minister of Employment and Immigration said that quotas become ceilings. I would suggest that the ceiling is high enough for almost all the women in Canada to be very comfortable at present. There has been no quota imposed at all. Even if there were to be a ceiling of 34 per cent, progress would be made over the 17 per cent that we have now.

I do not think we need to worry too much at the present about quotas becoming ceilings. We should at least have quotas put in place that could serve as floors. If later on they begin to act as ceilings, then we could deal with them at that time. To say that quotas serve as ceilings as an excuse for not putting in a system of compliance is, I think, a cop-out.

I am particularly concerned that this Bill does not address the employment equity needs of Indians, Inuit or Métis people. I would like to look at the situation of status Indian people in particular. Across Canada there are some 330,000 Indian people of status who are members of some 590 bands. One-third of those bands reside in remote communities with very few employment opportunities. Because of this, many Indian people have had to leave their reserves. The off-reserve population has doubled since 1966. Almost one-third of Canada's status Indians live off reserves.

The single most important reason Indian people leave their home communities to go to larger centres in because they are seeking jobs. Yet they leave remote reserves where there are no jobs and end up in Indian ghettos where they find that they have no opportunity either because the Government provides almost no services for off-reserve Indians. The Government no longer provides services to help Indian youngsters receive an education in terms of clothing and textbook allowances when they are attending public or high schools. It provides minimal help in terms of job placement and training and now that minimal help is being cut back.

● (1610)

A few weeks ago I met with some people from the Nanaimo Friendship Centre who were very concerned because the basic skills upgrading program was being cut. This program gave people a grade 10 equivalency. It meant that for the first time in their lives Indian people were able to qualify for work. This is now being cut. In its place we have instead a system of reporting which will lead absolutely nowhere.

The Abella Commission report stated that the Outreach Program was very effective in terms of reaching native people and helping them find work opportunities. However, the Outreach Program is now being cut back on.

Let us consider the situation of Indian women. They constitute a group which has been called doubly disadvantaged. It is interesting to note that 10 per cent more Indian women than men leave the reserve. This does not even account for those women who married other than Indian men and who lost their status under former Section 12(1)(*b*). Among Indian women there are four to five times as many single-parent families as compared to the general population. The income of these women is only 58 per cent of the income of non-Indian single-parent families led by women. Yet, the Government continues to renege on its promises to establish adequate day care for these people. How will Indian people benefit from any legislation which talks about reporting when they cannot even get basic training and day care which will enable them to go out and obtain jobs?

The legislation before us is completely inadequate for the type of job which it says it will do. We expose it as a sham. We want to see the Government bring in something which will lead to employment equity, a goal which this Party believes in, a goal which we believe is necessary for Canadians. It is a goal which will not be reached by the present legislation.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): It is my duty, pursuant to Standing Order 46, to inform the House that the question to be raised tonight at the time of adjournment is as follows: The Hon. Member for Richmond-Wolfe (Mr. Tardif)—Agriculture—(a) Possible construction of research laboratory—Minister's position (b) Brief presented by Canadian Federation of Agriculture—Government position.

GOVERNMENT ORDERS

[*English*]

EMPLOYMENT EQUITY ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Miss MacDonald that Bill C-62, an Act respecting Employment Equity, be read the second time and referred to a legislative committee, and on the amendment of Mr. Keeper (p. 8197).

Mr. William G. Lesick (Edmonton East): Mr. Speaker, it is a pleasure for me to join in this extended debate on Bill C-62. The extra time we are giving to these deliberations reflects, to me, the importance of the topic to all Canadians.

The employment equity legislation will have a dramatic impact on the Canadian labour force—not dramatic in the sense of crisis or antagonism between special interests but, rather, dramatic in that for the first time Canadians long denied opportunities to participate fully in the economy will be able to contribute all of their skills and talents. These are not idle promises. In anticipation of this legislation businesses large and small are already calling Government offices to learn how they can apply employment equity principles to their operations. Believe me, this is good news to the millions of Canadian women, native people, members of visible minorities and disabled individuals. Something positive is happening at last. Individuals covered by the legislation are being given a chance to compete as equals.

The purpose of Bill C-62 is to provide for employment equity, that is, to guarantee everyone equal rights with respect to employment, advancement and remuneration. The legislation will require employers to implement employment equity and to demonstrate their progress by reporting annually on the results. What is wrong with that? To abide by the Bill's intent, as recommended by Judge Abella, objectives have to be set by and for each employer concerned. These objectives cannot be universal. We must consider the specific circumstances under which each business operates. The distinction between purpose and objective is very important. Matters cannot be taken in isolation. We must consider the general availability of qualified workers. Then, we need to take into account the availability of such workers within the designated groups. Finally, we need to look at whether workers are in the right location for the job.

For example, it is beyond dispute that there is an inexcusable lack of women in the engineering profession. We would like to see businesses hire more women engineers. However, when women represent only 6 per cent of all professional engineers, it would be folly to set quotas for individual businesses requiring them to hire women engineers in direct relation to the number of women in the general labour force.

I believe the Government is taking a far wiser approach. It is acknowledging individual needs and circumstances rather than setting arbitrary rules and procedures which would place both the private and public sectors into a straight jacket. It is like pointing a gun to a person's head. Yet, members of target groups need not worry that the lack of quotas can be used as an excuse for inaction. When employers covered by the legislation begin filing their mandatory reports in just a little more than two years, they will have to show that they are making constructive changes.

The data reports will enable the Canadian Human Rights Commission to play a key role in the enforcement of employment equity. Investigators from the Human Rights Commission will be able to use the reports as grounds to initiate investigations and then cover possible violations of human rights legislation. No longer will they be forced to wait for individuals or groups to file complaints. The Government has already committed itself to ensuring that the Human Rights Commission has the necessary resources to fulfil its mandate in support of employment equity.

These are major changes. Thus, it is only fair that the Government allows the private sector some time to get the systems in place and, ideally, take positive measures even before employers file their first reports. Yet, the changes will not be costly, which is an important aspect. Data from the United States shows that the reporting costs will probably amount to a little more than $1.50 per worker, a small price to pay to release the blocked talents of so many capable Canadians.

I am glad that many businesses are already discovering the advantages of employment equity. I agree that few enterprises paid heed when things were totally voluntary. However, we are now receiving some genuine interest well in advance of the implementation of this legislation.

I would ask Hon. Members to consider the case of the Westin Bayshore Hotel in Vancouver which has worked with the CEIC consultants. This business employs about 500 people. It took two people only one week to collect and analyse the data of the firm's workforce. The managers there say it takes only a small amount of their time to operate the employment equity program now that it is in place. That is a good sign. Executives at the hotel, and at other enterprises, are saying that they are pleased and surprised at how easy it is to make employment equity work. They are discovering the simple truth that equity actually helps to enhance productivity and profitability.

Bill C-62 requires that the affected companies implement employment equity and report annually on their workforce's composition. Similarly, associations and representatives of target groups covered by the legislation have a responsibility to work with their members to encourage them to acquire the necessary qualifications. I agree that this task is immense. There will be times of frustration, especially in making progress in the professions where it takes a substantial investment of time and effort to obtain the required skills. In this regard, the Government is ready to help out through programs in the new Canadian job strategy. There is support for training and skills development and projects, and proposals which take employment equity into account are going to receive priority attention.

• (1620)

I have been listening to Hon. Members of the opposition say they wish enforcement. That reminds me of what happens in a communistic state where everyone works. Everyone will work digging ditches, men, women, disadvantaged and all. However, we cannot enforce everything immediately. There is a great diversity of peoples and of employment opportunities.

Let me conclude with a simple but important observation. No Government can, or should, regulate every small element of economic activity. Our responsibility in this House is to provide a framework through which the economy can be as productive as possible, in an environment of social justice and fairness. Bill C-62 meets the high standards so essential to democracy. The legislation calls for real change and facilitates enforcement of human rights legislation against those who would try to defy the law's intent, but the most important and significant responsibilities must continue to rest with individuals and groups within our industries and communities. It is these Canadians; workers, employers and members of target groups, who will ensure the success of the employment equity objectives. We have a big challenge ahead, one of genuine opportunity for growth and change. I am confident that Bill C-62 is a major step in the direction of justice and equal opportunity for all and I urge other Hon. Members in this Chamber to join me in supporting its passage into law.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I was not going to participate in this debate, however, this particular motion we are debating is a closure motion. I listened to Hon. Members of the Government saying what a great system they have now in the House of Commons. They used to sit on the opposition side and castigate the Liberals for introducing closure motions or any kind of time allocation to debate. The Conservatives called the Liberals undemocratic. Those Conservatives are phonies. They are now in the Government and what are they doing? They have done it five times. They have the largest majority in Canadian political history and what they think they have to do is muzzle the opposition. Why do they need to bring in closure motions? There are only a total of 70 Opposition Members. There are 210 of them over there. Don't they feel like big bullies? Why do the Conservatives have to be the bully on the block? Why not give us a chance to debate the principle which is involved? It is an important principle and one which is not carried out in practice in the Bill.

My friend, the Hon. Member for Edmonton East (Mr. Lesick) sits over here. I don't know how he ended up on my left. It seems to me he would be more appropriately placed on the right of Attila the Hun. He sees the communist threat in any kind of mandatory employment equity program. He really sees the danger of creeping communism. He is Jerry Falwell's disciple, sitting on my left.

Lo and behold, Mr. Speaker, in Ronald Reagan's America they have mandatory employment equity programs. It was only after they got those mandatory employment equity programs in the 1960s in the United States that things started to turn around for those females, visible minorities, native people and the handicapped.

Mr. Epp (Provencher): How about Pawley? Can he do it?

Mr. Rodriguez: We should look at the hypocrisy of the Liberal Party, on the other hand.

Mr. Epp (Provencher): What about Pawley?

Mr. Rodriguez: I am giving you an easy target.

Mr. McKnight: If you promise, I will listen.

Mr. Rodriguez: What about the Liberals, on the other hand?

Some Hon. Members: Where are they?

Mr. Rodriguez: Oh, there he is.

The Liberals had a policy convention in Halifax and one of the big issues was providing equality for women in the Liberal Party. Do you know what happened, Mr. Speaker? I quote from an article in *The Leader Post* on November 9, 1985:

Senior Liberal women reacted angrily Friday to the Parties rejection of—

The Acting Speaker (Mr. Charest): Order. Before I recognize the Hon. Member for Ottawa-Vanier (Mr. Gauthier) and he gets into his point of order, may I point out to the House and to Hon. Members that I am not very surprised to be standing here listening to a point of order. It sems that it always happens on Thursday afternoons.

An Hon. Member: Especially when John is on his feet.

The Acting Speaker (Mr. Charest): Especially when certain persons are together in the House. Before we get into the point of order, I hope Hon. Members will bear what I said in mind.

Mr. Gauthier: Mr. Speaker, may I just ask that you be patient with me while I make my point of order which is, indeed, one of great importance. The Hon. Member from, I believe, Nickel Belt, said we had a policy meeting in Halifax. It was a reform meeting which his Party would do well to attend to and look after its own troubles. After all, we are only 22 per cent. We have to reform something. It was not policy, it was reform.

Mr. Rodriguez: I know how sensitive and touchy the Liberals are when one points out their foibles, their phoniness in attacking this piece of horse feathers which is called Bill C-62. The Liberals are accusing, quite correctly, that this Bill is phoney, but they are the biggest phonies because they cannot even practice equity in their own Liberal Party with respect to women.

Mr. Gauthier: Our President is a woman. How about you?

Mr. Rodriguez: Apparently when the motion was made to give women equal representation as elected delegates to the Liberal Convention, there were comments like this, and I quote: "One Ontario male youth delegate said the woman's

proposal would give one group power to dictate to the whole Party". This is the kind of phoniness of the Liberal Party. When it was the Government it brought in closure. The Tories when they were in opposition used to protest. Today the Tories have brought in Bill C-62 to debate in principle, a Bill which really has no substance, which is all smoke and mirrors, as the Tories would say in the old days, and lo and behold, the Liberals are acting in exactly the same way they criticized. They do not want equity in employment any more than the Tories.

I look at this Bill, Mr. Speaker, and I want to unmask it for what it is, a piece of fluff, just smoke and mirrors. Bull feathers is what it is.

Mr. Epp (Provencher): What is a bull feather?

Mr. Rodriguez: That is a Tory floating to the ground.

Mr. McKnight: Mr. Speaker, I would like to draw to the attention of the Hon. Member for Nickel Belt (Mr. Rodriguez), on behalf of all of agriculture in Canada, that "bull feathers" is not something we would find in that community.

Mr. Rodriguez: I thank the Minister. Clause 2 states, for example, that this Bill would be giving effect to the principle that employment equity means more than treating persons in the same way but also requires special measures and the accommodation of differences. Yet it does not provide any special measures. The only mandatory part of this Bill is some kind of reporting process. This is a report card. No wonder the Tories want a protracted adjournment at Chirstmas and then start a new session.

I see the Government House Leader (Mr. Hnatyshyn) has arrived and he feels moved to speak. He can do it on his own time, he should not do it on mine. I have been interrupted with points of order by the Minister of bow feathers, Members on my right and Members in the centre.

The only thing which is mandatory here is a reporting system. What do they report? Is there any punishment if, for example, a corporation does not ensure employment equity? No, of course not! This Government wants to give the impression it has something going on here. This is sleight of hand. I can think of other instances where there were reporting systems. Canadian corporations operating in South Africa were supposed to file a report of their employment practices in South Africa. What a joke that has been. Bata and Falconbridge, for example, have not reported in a decade. Yet the Government used to get up and say that we have a reporting system. The reporting system has broken down! Every time we have that kind of wishy-washy approach to important issues nothing gets done. In my own riding, for example, can you imagine a police force of 224 officers with one woman constable? The force interfaces with the native community in a negative way and there is not one native person on the force. There is not one visible minority on the force.

This Bill does not cover most corporations in this country so far as reporting is concerned, so why are we selling people a bill of goods? Why is the Government building up expectations? This is empty. A shell game. The Tories are masters at playing the shell game. They were in Opposition so long they learned it from the Liberals. The best thing that can be done with this Bill is that it be hoisted and not considered for the next six months. The Tories should go back and look at Judge Abella's recommandations.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): Miss MacDonald, seconded by Mr. Hnatyshyn, moves that Bill C-62, an Act respecting employment equity be now read a second time and referred to a Legislative Committee, and on the amendment of Mr. Keeper, seconded by Mr. Young, that the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

Bill C-62, an Act respecting employment equity, be not now read a second time but that it be read a second time this day six months hence.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Call in the Members.

The House divided on the motion (Mr. Keeper) which was negatived on the following division:

(*Division No. 131*)

YEAS

Members

Althouse	Hopkins	Mitchell
Baker	Isabelle	Murphy
Deans	Jewett	Orlikow
Finestone	Keeper	Parry
Fulton	Langdon	Riis
Gauthier	MacLellan	Robichaud
Guilbault (Saint-Jacques)	Malépart	Robinson
	Manly	Rodriguez
		Rossi—24.

NAYS

Members

Bernier	Fennell	McMillan
Bertrand	Ferland	Mitges
Blackburn (Jonquière)	Fontaine	Moore
Blais	Fraleigh	Nielsen
Blais-Grenier	Fretz	Oberle
Bouchard	Friesen	Paproski
Bourgault	Gervais	Pennock
Boyer	Gormley	Porter
Bradley	Graham	Price
Brightwell	Greenaway	Ravis
Cadieux	Grisé	Reimer
Caldwell	Guilbault (Drummond)	Ricard
Cardiff	Gurbin	St-Julien
Champagne (Saint-Hyacinthe-Bagot)	Halliday	Schellenberger (Wetaskiwin)
Champagne (Champlain)	Hardey	Scott (Hamilton-Wentworth)
Charest	Hawkes	Scowen
Coates	Hicks	Sparrow
Collins	Hnatyshyn	Tardif (Charlesbourg)
Cook	Hudon	Thacker
Cooper	Jardine	Towers
Cossitt	Kempling	Tremblay (Québec-Est)
Côté (Langelier)	King	Tremblay (Lotbinière)
Crofton	La Salle	Tupper
Crosby (Halifax West)	Layton	Turner (Ottawa-Carleton)
Crouse	Lesick	Valcourt
Darling	Lewis	Vankoughnet
Daubney	MacDougall (Timiskaming)	Vincent
Desjardins	MacKay	Warner
Ellis	Marin	White
Epp (Provencher)	Mazankowski	Winegard—94.
	McCain	
	McCuish	
	McKenzie	
	McKnight	

Mr. Speaker: I declare the amendment lost.

[*Translation*]

Mr. Prud'homme: Mr. Speaker, I rise on a point of order.

Mr. Speaker: The Hon. Member for Saint-Denis on a point of order.

Mr. Prud'homme: Mr. Speaker, you made me the honour of appointing me chairman of the legislative committee which dealt with Bill C-62. In order to maintain my impartiality, I did not vote.

● (1710)

[*English*]

Mr. Deans: Mr. Speaker, I rise on a point of order. Given that we know what the outcome of the next vote might well be, might it be possible to have the same numbers recorded in reverse so that we do not have to go through the voting procedure and take time from Private Members' hour?

Some Hon. Members: Hear, hear!

Mr. Speaker: I take it there is agreement?

Some Hon. Members: Agreed.

Mr. Speaker: The question is as follows: Miss MacDonald, seconded by Mr. Hnatyshyn, moves that Bill C-62, an Act respecting employment equity be now read a second time and referred to a legislative committee. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it. Shall we dispense with the bells?

Some Hon. Members: Agreed.

Mr. Speaker: Shall we record the vote in the reverse of how it was previously taken?

Some Hon. Members: Agreed.

Mr. Speaker: It shall be so recorded with the addition of the Hon. Member for Richmond-Wolfe (Mr. Tardif) in the negative. I take it the Hon. Member for Saint-Denis (Mr. Prud'homme) would like the same abstention recorded with regard to this vote?

Mr. Prud'homme: Yes.

The House divided on the motion (Miss MacDonald), which was agreed to on the following division:

(*Division No. 132*)

YEAS

Members

Bernier	Crouse	King
Bertrand	Darling	La Salle
Blackburn (Jonquière)	Daubney	Layton
Blais	Desjardins	Lesick
Blais-Grenier	Ellis	Lewis
Bouchard	Epp (Provencher)	MacDougall (Timiskaming)
Bourgault	Fennell	MacKay
Boyer	Ferland	Marin
Bradley	Fontaine	Mazankowski
Brightwell	Fraleigh	McCain
Cadieux	Fretz	McCuish
Caldwell	Friesen	McKenzie
Cardiff	Gervais	McKnight
Champagne (Saint-Hyacinthe-Bagot)	Gormley	McMillan
Champagne (Champlain)	Graham	Mitges
Charest	Greenaway	Moore
Coates	Grisé	Nielsen
Collins	Guilbault (Drummond)	Oberle
Cook	Gurbin	Paproski
Cooper	Halliday	Pennock
Cossitt	Hardey	Porter
Côté (Langelier)	Hawkes	Price
Crofton	Hicks	Ravis
Crosby (Halifax West)	Hnatyshyn	Reimer
	Hudon	Ricard
	Jardine	St-Julien
	Kempling	Schellenberger (Wetaskiwin)

Members

Scott (Hamilton-Wentworth)	Tremblay (Québec-Est)	Vankoughnet
Scowen	Tremblay (Lotbinière)	Vincent
Sparrow	Tupper	Warner
Tardif (Charlesbourg)	Turner (Ottawa-Carleton)	White
Thacker	Valcourt	Winegard—94.
Towers		

NAYS

Members

Althouse	Isabelle	Orlikow
Baker	Jewett	Parry
Deans	Keeper	Riis
Finestone	Langdon	Robichaud
Fulton	MacLellan	Robinson
Gauthier	Malépart	Rodriguez
Guilbault (Saint-Jacques)	Manly	Rossi
Hopkins	Mitchell	Tardif (Richmond-Wolfe)—25.
	Murphy	

Mr. Speaker: I declare the motion carried.

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

Mr. Speaker: It being 5.13 o'clock, the House will now proceed to the consideration of Private Members' business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—PRIVATE BILLS

[*English*]

EVANGELICAL LUTHERAN CHURCH IN CANADA

Mr. Cyril Keeper (Winnipeg North Centre) moved that Bill S-5, an Act to provide for the creation by amalgamation of the Evangelical Lutheran Church in Canada, be read the second time and, by unanimous consent, referred to a committee of the whole.

He said: Mr. Speaker, I want to say briefly that the amalgamation of the churches to form the Evangelical Lutheran Church in Canada is supported by all members of the two churches that are to be amalgamated. There is nothing controversial involved in this and we are serving a useful public purpose in passing this private members' Bill.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Charest in the chair.

Clauses 2 to 15 inclusive agreed to.

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

Tobacco Growing Industry

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

AGRICULTURE

SUGGESTED STUDY OF TOBACCO GROWING INDUSTRY

Mr. Bruce Halliday (Oxford) moved:

That the Standing Committee on Agriculture be empowered to study the current state of the tobacco growing industry in Canada, taking into account various financial and non-financial government-assisted options available for a rationalization of the tobacco sector of agriculture which might provide appropriate solutions for all interests involved.

He said: Mr. Speaker, today I want to talk to my colleagues regarding the problems of the tobacco industry. I am asking in my motion that we refer the issue to the Standing Committee on Agriculture for its consideration.

Let me say a few words about the history of the tobacco industry in Canada and explain some of the changes that have taken place in that industry and society in general. I will then conclude with some suggestions as to initiatives which might be considered by the Standing Committee on Agriculture in an effort to relieve some of the pressures we are seeing not only on the producers of tobacco but on the surrounding communities.

This question must be considered carefully from the point of view of the communities surrounding those parts of the country where tobacco is grown. My colleague, the Hon. Member for Cardigan (Mr. Binns), rose under Standing Order 22 this afternoon and offered some very valid comments. He said that an orderly reduction in production capacity is necessary in Canada in order to prevent damaging repercussions to growers.

I support what he said on behalf of his farmers in Cardigan. I want to add that not only are we concerned about the growers, but also about the communities that surround these growers. I believe I am not only speaking on behalf of my constituents in Oxford but also for those in the riding of the Minister of Agriculture (Mr. Wise), the riding of Elgin, and the riding of Haldimand-Norfolk, all of which are adjacent ridings. To a lesser degree, we have the same problem in a small area of Quebec, Prince Edward Island, New Brunswick and Nova Scotia.

Most Members will know that the history of tobacco growing began roughly 50 years ago when it became a significant industry, particularly in the area surrounding Tillsonburg, Delhi, Aylmer and Simcoe. Prior to that the area was largely sand and was useless for agriculture of any kind. When it was found that tobacco grew very well in this area, tobacco growers flourished as well as the surrounding communities.

Once the surrounding communities began to flourish, various support service industries began to develop in those various communities. As a result, for a number of years there has been a very vibrant and excellent economy in those areas surrounding the tobacco growers.

However, some changes have taken place which have threatened that economy. Let me refer to those briefly. Once that economic base was developed around the tobacco growers, a certain social fabric also developed as part of the community in which they work and live. The social situation in Canada has undergone some changes. In the last 10 years, we have noticed a decrease in the use of the product tobacco for smoking. In more recent years in both the United States and Canada, there has been a decline in the use of tobacco of about 2 per cent. I as a physician who believes that tobacco is harmful, as do by far the majority of people who are familiar with the health aspects of the use of tobacco, have to agree that the decline is desirable. I do not bemoan that decline but I do bemoan the fact that it is having a deleterious effect not only on the growers who deserve better treatment than that which they are receiving now but also on their communities. As soon as the growers begin to earn inadequate incomes, those who supply the growers and offer support services in the community begin to suffer.

● (1720)

If I may, I would like to read from one of the four western Ontario journals, the *Western Ontario Business News*. On page 1 of the September 23 edition, there appears the following:

It has required new marketing approaches and lent a sense of urgency to the search for new industries in communities like this town (Tillsonburg) of 10,000—

Tillsonburg happens to be in my riding but similar towns like Aylmer, Delhi, and Simcoe are all in somewhat desperate straits because of the rapid decline in the use of tobacco and the impact of that on all aspects of society in those communities. It is mainly because of that that I believe we should be addressing this problem in Parliament in an effort to help not only the producers make a transition into some other more useful type of agricultural pursuit but also to protect those people who have nothing directly to do with tobacco at all but are suffering extensively as a result of the severe drought.

I have already alluded to the health aspects of tobacco smoking. We do know, for instance, that the actual number of cigarettes smoked has gone from 69 billion in 1983 to just under 68 billion. It is a drop of roughly 2 per cent per year, as I already indicated.

From an economic point of view, the growers have also suffered because of the fact that our inflation rate, our cost of production and our lack of efficiency in many industries has led the price of tobacco on the foreign markets to be way out of line with the price of tobacco from other countries. We find that Latin American countries and some African countries are now able to produce tobacco at just a fraction of the cost for which we in Canada can produce tobacco. As a result of that, what were hitherto foreign markets that we could enjoy are now pretty well gone due to the price differential. Not only is there a health care factor and the costs related to the health problems caused by tobacco but there is also the economic factor of the decrease in foreign markets hitting tobacco growers all at the same time.

These two factors have come together on top of a history which has allowed for a very active economic growth in the communities affected for a number of years. Suddenly this growth is coming to an end. I would indicate to the House how one of the leading business people in Tillsonburg feels about this issue. Mr. Eugene Heath, owner of the Heath Department Store and also Vice President of the local Chamber of Commerce, had this brief word to say:

Tobacco has been instrumental in establishing Tillsonburg.

For that reason, I think it is incumbent upon us to take a look at this problem and see what we as a Parliament can do to obviate some of the hardships that are beginning to show already on the growers and those who are living in the communities affected.

I can cite, for example, the fact that a supplier to the tobacco industry, DeCloet Limited, which produces farm machinery for the tobacco industry, has laid off 79 of 140 workers in the last couple of years. We can see the effect this is having. The general impact on the growers themselves amounts to the fact that heretofore there were about 1,700 growers in the area but there are now only about 1,000 growers. This has occurred since 1976 because of the depression that has been suffered in the growing and particularly the sales of tobacco.

It is interesting to note what has happened to the manufacturing industry. Naturally, it surrounds to a large extent the area in which tobacco is produced. In 1985, the manufacturers indicated that they needed only 170 million pounds of tobacco compared to the 235 million pounds required the year before. No agreement was reached with the manufacturers so instead of having 170 million pounds being guaranteed by the manufacturers, they have now come up with an offer of only 135 million pounds guaranteed for this year. We can see that the growers are in quite a significant bind.

Let me go on to the next area which I believe is the important one. As a country generally composed of citizens who are compassionate toward each other, what can we do to assist these people in making a transition from growing tobacco, an industry which has been cut down to approximately half of what it was, to growing something else that is productive and will allow them to lead a normal life while at the same time not cause the communities to deteriorate in other ways? We can look at a number of initiatives that could be considered by the Standing Committee if and when this motion were to be referred to it.

I must say that one of the prime concerns of the growers is the establishment of a national marketing agency for tobacco. There have been a lot of misconceptions about this agency. I have received letters and I know the Minister has received many letters indicating to us that many people feel that this agency is designed to increase the selling of tobacco in the domestic market. If that is a significant point in favour of the national agency, it is not a big one at all and is perhaps one of the smallest.

The real reason to have a national agency is to give the growers a chance to combine together to maintain a price for

their tobacco that will allow them a reasonable return on their investment. The second reason for trying to establish a national agency is the fact that it will provide an opportunity to help prevent imports into Canada of tobacco leaf from those countries which can easily undersell the producers here in Canada. Some people argue that it can also be useful for export trade but with the price of our tobacco at the present time, I doubt that we will see much of an increase in exports of our tobacco.

Previously this year, the House saw fit to pass the legislation necessary to have the National Farm Products Marketing Board hold hearings that would allow the agency to be formed. Unfortunately, those hearings have been completed but before the report could be transmitted to the Minister, it was stopped because of an injunction through the courts brought forward by the manufacturers' council. Of course, this is disastrous to the producers for this year because they are not going to be in a position to be able to market their product. I would hope that that is one of the initiatives that we recognize as being very important for the growers. This national marketing agency will help those who are still in the business maintain a level of return on their investment that is consistent with a normal way of life.

There are other important reasons why this motion should go to the committee for consideration. I think particularly of the concept of alternate crop development. There is no doubt that there is a capacity for alternate crops in the sandy soil that exists in that part of Ontario and other parts of the country. I have heard representations from Gary Balthus of Haldimand-Norfolk and from George Demeyere, a former Chairman of the Ontario Flue-Cured Tobacco Growers' Marketing Board. These people have shown a lot of initiative over the last couple of years in developing a plan that would see tomatoes to be used for tomato paste grown in this part of Ontario. They have now interested close to 30 farmers in this project. They have developed a real protocol for the development of this plant. It is interesting to note that Canada utilizes about 110 million pounds of tomato paste per year, yet we import 80 million pounds. The time is here to seriously consider the wisdom of trying to develop tomatoes to be used in the production of tomato paste as an alternate crop. We are told that the same plant which could be used for tomato paste at one time of the year could be used, with a few alterations, for the processing of additional crops such as strawberries to the tune of about $26 million per year. Of course, there will be some spin-offs if alternate crops can be developed for the area. There will be spin-offs in terms of machinery production, employment for the area and plant nursery operations.

• (1730)

The people who have proposed the Southern Ontario Tomato Co-operative Incorporated have offered to provide 1.5 per cent of their profits to the Delhi Research Station, a neighbouring federal research station, to work on these alternate crops. That bodes well for the attitude of the people in the area who are trying to help themselves out of a difficult problem.

We have heard talk in the past which has given rise to some misconceptions about the $90 million of advance payments which was recently granted by the Minister of Agriculture. This was a big help to the producers this year who have been unable as of yet to sell their crops. The conception around the country is that this was a $90 million gift to the tobacco growers. It was not that at all. It was simply a repayable loan. The producers are hoping to be able to sell their crops in order to be able to repay the loans.

Another interesting area which should be looked at in committee is with respect to help which can be given to the remaining tobacco industry in terms of our tax laws. Taxes on tobacco products both federally and provincially have been increasing at a rather rapid rate so that they far exceed taxes on most other products. I argue that is somewhat unfair since it is a regressive type of tax. People who smoke are penalized the most and they are the ones who can least afford it. I think it is regrettable that we have to see these taxes increase at the rate which they have.

In the United States there has been a move to allocate one cent of tax per package of tobacco to encourage growers to go into other industries. It is an attempt to help those in the tobacco industry out of this predicament. The Minister of Finance (Mr. Wilson) should consider taking a certain amount of the large amount of tax revenue raised from tobacco products and allocate it to those growers who wish to become involved in the transition to another type of agricultural product. Not only would this be helpful in terms of encouraging growers to become involved in another type of industry, but it would be useful to the communities which surround these same industries.

I wish to make a few comments with respect to research and development which I think the Standing Committee on Agriculture might want to consider. There is need for a long-term study to be done with respect to what will happen to the tobacco industry over the next 10 years. It is estimated that although there are now 1,600 or 1,700 tobacco-growing farmers in Canada, in 10 years that number will most likely be reduced to approximately 800. These people have to be taken into account in society. We should be looking at ways and means to help them make adjustments.

The Delhi Research Station is situated in the sandy soil of Norfolk County. It has been performing research studies on tobacco and other products which can be grown in the area. We have been told by officials at the station that they are presently underfunded with respect to assistance which they could provide to tobacco growers who wish to diversify. They say that as little as $40,000 or $50,000 more would make a big difference in their program in order to increase their progress. They also acknowledge that what they call the new crop program is definitely underfunded.

Another area in terms of research which we should be pursuing and which has taken place in Carolina concerns the young green tobacco leaf which is one of the best known sources of a complete protein in the world. I am told it is a little expensive to extract the protein and make it ready for

human consumption. Of course, what is needed in this respect is more research. I am told that there will probably be some resistance from other sectors of the economy with respect to spending money on this research. I refer to the soybean producers and perhaps others. If we know that the tobacco leaf is one of the best sources of protein I think it is deplorable that this matter not be pursued in a world which is going as hungry as the world in which we live. I suggest this is an area into which the committee should look. Perhaps it should encourage our Minister of Agriculture to allocate some funds to this research.

Finally, I would like to deal with another area of research which is being conducted at the Delhi Research Station. Research is being done with respect to the need to cut back on the tars which are present in tobacco which is still being grown. Research being conducted there may well reduce some of the hazards which exist in terms of the carcinogens found in tobacco smoke.

I would like to conclude by saying that in various provinces there were at one time flourishing industries with strong supporting communities which are now suffering badly. I think the compassionate nature of Canadians tells us that they would like to see these people helped into a more productive and acceptable form of work. I encourage Members of the House to agree to refer this matter to the Standing Committee on Agriculture so that it can be given in-depth consideration. In this way we may be of some assistance to one sector of the community which is suffering very seriously.

[*Translation*]

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I should like to support my colleague in what he has just said concerning this motion, and I cannot help remembering that Canadians not too long ago had the opportunity to learn about a somewhat contradictory situation.

The Government invested substantial amounts of money to support a campaign against the use of tobacco. It made a big fuss about the need for Canadian men and women to become aware of the dangers of tobacco, with the hope of seeing them reduced their smoking. At the same time, the Government was spending tens of millions of dollars to help tobacco growers.

I suppose that a great many Canadians have reacted the way I did and felt that these two initiatives were somewhat contradictory.

I think, however, that the motion moved by the Hon. Member for Oxford (Mr. Halliday) deserves our support, especially when we realize the importance of this industry for Canada.

Our hon. friends opposite are blaming us, saying we are against everything for the sake of being against everything. Well, Mr. Speaker, when legislation makes sense and is relevant, as that introduced by my hon. friend certainly is, I think that my Party makes a point to support it and encourage it. I believe this initiative deserves all our encouragement and all our support if we stop for a few moments to appreciate the importance of the undertaking.

I was somewhat amazed to realize how many constituencies actually produce tobacco. Those constituencies are to be found in Ontario, Quebec, Prince Edward Island, New Brunswick and Nova Scotia. Those tobacco producing areas are in a relatively bad position to meet the changing demand for tobacco.

However, there are still many people directly involved in that industry, which for instance in the first half of 1985 was valued at $137 million, 69 per cent of which was in Ontario and 19 per cent in Quebec. And to go on with the information I have here before me, tobacco production was stable in 1985. All areas except Quebec experienced a decrease in the value of their tobacco production. More than 10,000 Canadians, Mr. Speaker, are permanently employed in tobacco production, and 40,000 other Canadians are provided with seasonal employment. And there are more than 7,000 people working in the processing of tobacco which is being done in approximately ten plants, both in Quebec and in Ontario. In 1983, 9 plants, 6 in Quebec and 3 in Ontario, produced a total of 63 billion cigarettes, which probably was much too high.

We are facing a situation that is quite contradictory in itself, as I must recognize. The fact is we must, on the one hand, try to help those tobacco producers, and also those communities that depend on them, that have grown in line with that production, that directly depend on it, and the future of which is closely linked with the performance of the tobacco industry. So the motion now before us proposes that the Standing Committee on Agriculture be empowered to study that question, through some sort of in-depth scrutiny, to derive some kind of expertise, and surely on future possibilites, on the present situation, so that we might take concrete steps to help those thousands of persons directly affected by that industry. The motion as such seems most commendable. It must be encouraged and supported, and such is the approach taken by this Party regarding this motion, as we give it our unreserved support.

● (1740)

[*English*]

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I appreciate the few moments to explain the support which we will be giving to this measure. We in my Party agree that this item should go to a committee for further discussion. We do this, however, in an attempt to make it very clear that the decisions which have to be made now by the Government should in no way await any decision by that committee. There are some very clear decisions which are on the desk of the Minister of Agriculture (Mr. Wise) at the moment which require immediate action if the tobacco farmers in Ontario, the Atlantic Provinces and Quebec are going to survive another year or two years.

As the House has been made aware, the tobacco farmers are under a great deal of economic pressure at the moment because the Tobacco Manufactures Council—which is in effect a very well organized oligopoly working of a few very powerful companies which have decided to work together through that Council—have organized themselves to fight the attempt by the producers to form a National Marketing Agency. The permissive legislation for that Agency was passed in this House in the fall of 1984 and the farmers have hit road-block after road-block in implementing that plan and getting it to work. The most recent road-block was a court order by one of the justices of our court system who suggested that because the cost of production formula had not been submitted to cross-examination by the tobacco manufacturers, either the process should be reinitiated or the whole thing stopped entirely. The Cabinet now has a decision to make as to whether to appeal that decision through the courts or to direct its National Farm Products Marketing Council to reinitiate the hearings concerning the cost of production figures which are proposed in the plan. Either way, it will take some time and will probably mean that tobacco farmers will miss one more year of having the right to negotiate prices on a national basis and to have some control over imports.

That is extremely important when we look at what these 2,000 producers are up against. Over the years demand for their product has actually been holding or increasing slightly in Canada. Smoking is becoming less popular as the health effects are becoming better understood. Basically we produced some 58 billion cigarettes in the 1970s and we seem to be producing 60 billion or 61 billion cigarettes in the 1980s. Therefore the production has remained relatively stable. Yet we are told by the Tobacco Marketing Council this year that it only needs 60 million or 70 million pounds of a normal requirement of some 170 million to 180 million pounds. The proposition which is being put forward on the table indicates that the Tobacco Marketing Council is not particularly interested in this tobacco crop. The reason it is doing this is quite clear. It happens every time the farmers get the right to put forward a marketing plan. The buyers of that product do everything in their power to make certain that the plan does not get off the ground.

We have suggested to the Minister in this House that one of the ways, perhaps, he could help to ease the two parties toward the bargaining table would be to make it very clear to the Tobacco Marketing Council, the manufacturers, that if it chooses to pull out of the country—which is one of the threats it has thrown out a number of times—that brands of tobacco or products those particular companies choose to produce would no longer be permitted back into the country, for health reasons, trade reasons and a whole host of other reasons. The Minister has hesitated to make such a move. We have found that in order to make up the clearly understood shortfall of the manufacturers' production requirements in this country, they have been importing products from outside. That seems to be of concern both amongst health people and producers, perhaps for different reasons, but sometimes their interests are fairly common. They are concerned about pesticide residue in this imported product. The tobacco growers of Ontario had written to the Minister of Agriculture asking for upgraded analyses of imported tobacco for pesticide residue content, and they received a nice reply from the Minister on November 5 which said that officers from the agriculture inspection directorate of his Department will collect the sample material and forward it to the Ontario Ministry of Agriculture and Food Pesticide Residue Laboratory at the University of Guelph for analysis. He said: "Officers of my Department will be in touch with you directly to co-ordinate their sampling activities with any special needs or interests that you may have". He had explained previously in the letter that it was a joint federal-provincial sampling agreement which was at work.

Some 10 days later another letter arrived on the subject of imported tobacco samples which came from the program officer, pesticides, Ontario region, who informed the board: "It has come to my attention that our tobacco sampling program must temporarily be put on hold. Customs officials in Ottawa have refused to provide the information required for timely sampling." We do not seem to be getting uniform messages from the federal Government with regard to this issue. The question that continues to arise is whether the Government is concerned and interested in setting up such a national program. Is it concerned about protecting producers in Canada? The actions to date are not clear, and I think that it is time that producers received a little more indication from the Minister of Agriculture, and from the Cabinet, that they are indeed serious about setting up this national agency.

• (1750)

This is important not only for agriculture but for consumers as well because it provides a means of monitoring the size of the crop and imports. This is an extremely important power to have in the hands of farmers when they know they are producing a commodity which has limited expansion possibilities. Without a national marketing board it will be chaos for those producers and towns and villages in tobacco producing areas. Without those powers they will not be able to restrict production in a way which will permit them to ease slowly into the production of other crops and out of tobacco. Without the protection of such an agency it will be the dog eat dog world of a big oligopoly or near monopoly picking off the smaller producers one after the other. Hundreds of tobacco producers will be forced out of business this year, several hundred next year, until the industry has shrunk to just a few producers. The producers themselves have been trying to do that in a more humane way by operating through a marketing agency to distribute the pain and permit the industry to shrink to fit the new health conscious consumers we have now.

Tobacco producers are attempting to fit their product to this new reality. As the Hon. Member for Cambridge (Mr. Speyer) noted, Canadian tobacco has one of the lower tar contents of any tobacco in the world. This means it has a slightly lower carcinogen level so there is somewhat less of a chance of contracting cancer of the lungs and related diseases due to smoking. I do not want to leave the impression that Canadian

tobacco is necessarily good for you. There are 30,000 to 35,000 Canadians who die each year from tobacco-related diseases. About 5,000 of those people have not smoked but have had secondary exposure to smoke in private meeting rooms and in public places. About one-fifth to one-seventh of the people who contract cancer and related diseases are people who are not active smokers themselves. As well we have a cost to the economy each year of some $85 million in property loss due to fire started by careless smokers. Therefore, there are some very real economic and health reasons for phasing down smoking, and only a national marketing agency will permit producers to make the necessary adjustments without causing undue harm and hardship to their communities. They will be able to make the transition over a few years rather than having to decide whether they go bankrupt next year or not.

I hope that when this proposal goes to committee the committee's work will encompass not only production and marketing problems, and the shenanigans going on between growers and processors, but that it will also spend a considerable amount of time on the health effects of the use of tobacco. I hope it will look at possible changes to the tax laws which will have an impact both on the growers and users of tobacco.

The committee should also look at the use of tobacco advertising. From the roughly $300 million of product that the farmer sells there is generated just over $2 billion of economic activity through processing, taxing and advertising of tobacco products. Advertising is a very large part of that $2 billion. The Minister of National Health and Welfare (Mr. Epp) has just begun an anti-smoking advertising campaign. It is a very small campaign and we should be looking at proposals to change the tax laws as they apply to advertising. Perhaps it is time to look at a system for reducing the amount of advertising dollars which can be claimed as legitimate expenses for tax purposes by tobacco companies. Perhaps we should place a surtax on advertising to raise money to produce a counter-advertising campaign as well as providing assistance to producers to get into new forms of agricultural production. These are some things the committee should look at when it sets out its terms of reference. I hope the committee is able to follow in the footsteps of the Hon. Member for Hull-Aylmer (Mr. Isabelle) who produced the report on tobacco and a part of the industry in 1971 and presented it to this House at that time. It is time to review the industry from production to final use, to look at the health effects, and look at a means of marketing which will permit producers to adjust to the new realities.

Because my time is nearly up and I am putting you to sleep, Mr. Speaker, I think we should stop at this point, vote on the proposal, which I understand will receive unanimous approval, and send it off to the appropriate committee.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion agreed to.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

AGRICULTURE—(A) POSSIBLE CONSTRUCTION OF RESEARCH LABORATORY—MINISTER'S POSITION (B) BRIEF PRESENTED BY CANADIAN FEDERATION OF AGRICULTURE—GOVERNMENT POSITION

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I want to take advantage of this opportunity to raise a question which I feel is very important, in the circumstances.

The previous Member for Lotbinière, Mr. Speaker, was probably one of the most forceful defenders of the agri-food industry in recent years. He represented a riding where farming is the major industry, as it is in Saint-Hyacinthe-Bagot and Drummondville, and the Member in question, and I am referring to Mr. Jean-Guy Dubois, worked very hard for the implementation of a project that was to be set up in his riding, at Victoriaville.

I am referring to the plant protection laboratory that was to be established for the purpose of enforcing the Plant Quarantine Act. It was a project worth $13 million, of which $12 million was to be financed from the Laprade Fund and $1 million from public funds allocated under the budget for Agriculture Canada.

The project was officially announced on June 13, 1984, and this announcement was followed by an Order in Council on July 11, 1984—I can even give the House the number: 794586—which made the project official.

• (1800)

The project as such would have had and was supposed to have a very positive impact on this farming district. I saw it as a sign that the agricultural industry in this riding, and in Saint-Hyacinthe and Lennoxville where other laboratories were set up, had attained the status it deserved. During the election campaign, the project was frequently discussed, and the present Member made a firm commitment that the project would be implemented in the weeks following his election. Surprisingly, today it is November 21, so it was a year ago on September 4, when I put a question recently to the Minister, the Hon. Minister for Agriculture (Mr. Wise) answered, and I quote: "Mr. Speaker, I regret that I do not

have sufficient information to respond specifically about the project to which the Hon. Member refers. I am very happy to take notice of the question and will get back to the Hon. Member."

This was not a project worth $30,000, $35,000 or $50,000, Mr. Speaker. This was a project worth $13 million with spin-offs in terms of very good jobs for 50 technicians and 15 scientists, not to mention the supporting staff and all the indirect benefits . . . This is a project worth $13 million, and all the Minister of Agriculture can reply is this: I do not know. I do not have the information.

Mr. Speaker, this makes me wonder about what the present Hon. Member has been doing for his riding. Instead of coming to my riding and telling my constituents that the federal Government would richly subsidize industrial motels, which is not the case, I think that he should limit himself to defending the interests of his riding and make the necessary representations to his Minister, because it seems to me totally unacceptable that the Minister of Agriculture should not be aware of a project worth $13 million which had been planned for Victoriaville.

There had been an announcement. The Treasury Board had approved the expenditures and civil servants had even taken steps to find the proper site. Now, a year and a few months after this announcement, the Minister makes the following statement: I do not know what it is all about. I am going to find out and get back to the Hon. Member in due course.

This is an insult to a great many people who have been waiting for this project and are dependent upon it being carried out. Under the previous administration, we had put together two projects which I felt had extremely important benefits. There was the Mapping Centre in Sherbrooke and the Plant Health Centre in Victoriaville. These were two regional projects which would have established the economic importance of the greater Eastern Townships and Bois-Francs area. And of those two projects, one is being questioned and the other one is unknown in Ottawa.

I think that under the circumstances, I am not being petty when I ask myself certain questions and when I say that I have some reservations about what has been done, because if I had a $13 million project for my riding, you can be sure, Mr. Speaker, that I would harass the Minister, I would raise the matter with him day after day until a final decision is reached. Will it be built or not?

• (1805)

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I would suggest that the Minister of Agriculture (Mr. Wise) cannot be faulted for not responding immediately when the question was put to him on October 31. As Hon. Members know, when specific questions are raised during oral questions period, Mr. Speaker himself does not usually allow five- or ten-minute answers to any given question.

So the Minister simply said that he would eventually get back to the Hon. Member, and we now have the opportunity to do so this evening.

As the Hon. Member would know, the Minister of Agriculture reviews his programs on a regular basis to make sure they are still appropriate and meet the requirements of the industries for which they are designed.

One of the programs under active consideration has to do with the protection of vegetables and related quarantine facilities. The mandate of the Department is to prevent the introduction and spreading of agents which might be harmful to the production and marketing of plants and their products. We must also ensure that all farm and forest products likely to harbour phytoparasites meet the quarantine standards of importing countries.

The departmental study committee includes representatives from the private sector. That sector does not act lightly. Canada's achievements in that sector are highly esteemed everywhere, and it is my view that we must maintain that high level of quality.

The number and the location of inspection points for crops under plant quarantine are included in the list of problems identified by the comittee, Mr. Speaker.

The committee also looks into the way the program's scientific support services are distributed to optimize the ratio of inspection and program staff to the scientific support staff. This is something not to be done lightly. I appreciate that as a crash action, the previous Government, perhaps to get the support of people in that area, wanted to announce a project to get votes. That may have been so, but people were not misled.

There is also a sub-committee that is now looking into how and where this project is to be undertaken.

In any case, Mr. Speaker, we took specific measures to make sure that the right location is chosen. Consider also the fact that the site which had been selected and which still has not been rejected up until now, gave rise within that very committee and within the private sector itself, to certain difficulties linked with its remoteness with respect to transportation, from some areas. This was not raised by us but by the private sector, which you have a duty to represent, as I do, and as does each and every Member in this House.

In view of the fact that this Government is also making every effort to control its expenditures, something the previous Government was not doing . . . They found it easy to announce projects, because with a running deficit that had reached $200 billion, $13 million did not make that much difference. But this is not the way we—

The private sector is asked to invest, the Government joins in, perhaps not to the least possible extent, but still it must join

in so that projects are carried out, but it is not the Government's role to always assume the financial responsibility for all those projects.

Mr. Speaker, that project should . . . by the end of the fiscal year, we will have a final answer concerning the location of that centre.

The Acting Speaker (Mr. Charest): Order, please. The motion to adjourn the House is now deemed to have been adopted.

Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.08 p.m.

HOUSE OF COMMONS

Friday, November 22, 1985

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 22

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—CULTURAL INDUSTRIES

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, the week before we adjourned, the issue of Canada's sovereignty dominated the concerns of many Canadians. Despite repeated calls from the Opposition for the Government to come clean and tell the people of the country what will be on the table when free trade talks begin with the United States, the Government seemed satisfied with the answers it provided, as circumspect as they were. The country still wants a clear definition of what is vital to the national identity.

With the Prime Minister (Mr. Mulroney) saying one thing and the Secretary of State for External Affairs (Mr. Clark) saying another, it is no wonder Canadians believe the Government is either confused or covering up its real intentions.

Culture is the essence of sovereignty, Mr. Speaker. It is not a commodity that can be changed for the questionable favours of a neighbour. To put culture on the auction block is to put a "for sale" sign on our independence. The Government has already thrown out its own policy with respect to the book publishing industry to keep American interests happy. What next, Mr. Speaker?

Culture is a great contributor to the national wealth, spiritually and economically speaking. The Secretary of State for External Affairs says free trade talks could help the cultural industry grow and prosper by opening up the American market. Later he contradicted himself, saying that protectionist measures in the United States are the type that can be altered by the American Government. Why the indecision, Mr. Speaker? Culture is not a minor economic factor. The combined cultural industry is the fourth largest employer in Canada. The Government should immediately state that the cultural industries are not to be bargained away. Instead, our objective should be to increase—

Mr. Speaker: I regret to advise the Hon. Member that his time has expired. The Hon. Member for Kenora-Rainy River (Mr. Parry).

AIR SAFETY

LONG-RANGE RADIO NAVIGATIONAL SYSTEM—CALL FOR EXPANSION

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, Canada's current non-directional beacon air navigation system places Canada in the steam age of flight. In this day and age air travel is a necessity, and all parties involved in this mode of transportation, including our federal Government, should be concerned with increasing air safety.

The Loran-C, long-range radio navigational system, is well proven and is a highly accurate system whose service, if extended, would increase air safety across the country. The aviation management committee of the Roads Transportation Association of Canada recently passed a resolution supporting the expansion of the Loran-C system. This system has the support of the provinces and the territories. The United States is currently testing Loran-C, with the U.S. National Association of State Aviation officials campaigning for its adoption.

With 55 per cent of flights in this country made below 5,000 feet altitude, and 58 per cent made under visual flight regulations, how can the Minister of Transport (Mr. Mazankowski) and his Department be strongly considering the Omega VLF system which is too expensive for the majority of general aviation pilots to consider?

The provinces see the need to adopt the Loran-C system. It is time for the federal Government to wake up to this need and improve air safety in Canada by extending the Loran-C system.

* * *

FINANCE

CAPITAL GAINS TAX EXEMPTION—POSITION OF OPPOSITION PARTIES

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, Canada's farmers, business people and investors were justifiably pleased when our Government introduced the $500,000 capital gains tax exemption. On Budget Day this measure was greeted with a standing ovation in Parliament and resounding support across the country.

But what do we hear now, Mr. Speaker? From the opposition benches there is an open attack on both the principle and content of the capital gains tax exemption. Most recently in this House the Leader of the Opposition (Mr. Turner) boldly stated that our Government should rescind the capital gains tax measure. It would appear that in his zeal and enthusiasm,

the Opposition Leader has forgotten the thousands of farmers and small business people who will benefit from this measure.

How can this big city corporate lawyer callously turn his back on the farmers and small-business people, particularly those in my area of western Canada?

Next door to the Liberals, Mr. Speaker, in the Party of perpetual righteousness, the NDP, the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) told the Saskatoon *Star-Phoenix* newspaper this summer that the capital gains tax exemption was too generous for farmers, and he objects to the fact that it applies to other business gains.

Although the NDP is not in touch with reality at the best of times, on this occasion its members have shown their contempt for the initiative and spirit of free enterprise and business. Again, in trying to make the rich pay, these socialists are jeopardizing the very fabric of the Canadian way of life.

The Government is serious about the capital gains tax measure, and despite the misdirected efforts of the Liberals and the NDP, we will fight to save the $500,000 capital gains tax exemption.

* * *

PARLIAMENT BUILDINGS

NON SMOKING AREAS AND SMOKING BAN ADVOCATED

Mr. W. R. Bud Jardine (Northumberland-Miramichi): Mr. Speaker, so much has been said, written, and discussed about this matter that I am reluctant to raise it in the House. I do so precisely because, while so much has been said, so little positive demonstrative action has been taken within our own definable area of responsibility.

I am speaking, Mr. Speaker, about the lack of enforced no-smoking areas in our parliamentary restaurant, our cafeterias, our committee and caucus rooms. While I do not quarrel whatever with the right of anyone to smoke, I know that smokers also agree that everyone has the right to breathe clean, toxic-free air.

One study has pointed out that in a smoke-filled room over an eight-hour period non-smokers will inhale as many noxious fumes, tars, nicotine and carbon-monoxide as they would by smoking cigarettes in the same period. That would make a non-smoker a two-pack-a-day person.

I would ask, in an attempt to protect the health of all Members and employees of this House, that early steps be taken to designate at least no smoking areas in all dining facilities, and to ban outright smoking in all committee and conference rooms where ventilation is either inadequate or non-existent.

Some Hon. Members: Hear, hear!

[*Translation*]

SOCIAL SECURITY

RECOMMENDATION THAT CLAUSE 5 OF BILL C-70 BE AMENDED

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, the committee report on Bill C-70 is to be tabled later this day. As is well known this Bill is inhuman and unacceptable not only because it will deindex family allowances but especially because, under Clause 5, the Minister seeks discretionary powers to issue a presumption of death certificate to a family whose child has disappeared.

Yesterday, Mr. Speaker, all Hon. Members—Tories included—seemed to be opposed to calling this Bill.

I would therefore urge all Conservative Members in the House to pressure the Minister of National Health and Welfare (Mr. Epp) so that for once he will show compassion by introducing an amendment whose purpose would simply be to advise families of missing children to close the file rather than have the Minister issue a certificate presuming the demise of the child.

Mrs. Sirois' child has been missing for a year and yesterday she stated she will never accept that a Minister might declare him dead, because she still hopes her child will be found alive.

Mr. Speaker, I ask all Conservative Members to make strong representations to the Minister so that the Department might find a more acceptable and more human approach since this certificate can only—

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

* * *

• (1110)

[*English*]

NUCLEAR ARMAMENTS

MUTUAL BALANCED VERIFIABLE NUCLEAR WEAPONS FREEZE PROPOSAL

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, at the very time President Reagan and General Secretary Gorbachev were meeting in Geneva, Canada failed once again to take up an opportunity to break the momentum of the nuclear arms race. At the United Nations First Committee, Canada voted no to a mutual, balanced, verifiable nuclear weapons freeze. Like the Liberals before them, Conservative Members continue to reject the almost universal call for the nuclear superpowers to freeze the testing, development, and deployment of nuclear weapons.

This year at the First Committee, our friends, including Australia, Norway, Denmark and New Zealand voted in favour of a freeze. A total of 113 countries supported the freeze and only 11, including Canada, voted against it. Despite the fine words of peace of the Prime Minister (Mr. Mulroney)

and the earlier record of Canada's Disarmament Ambassador who supported a freeze when he was a Conservative Member of the House only two years ago, Canada has failed to take even this modest action to halt the nuclear arms race.

Canada can and must do more for peace than send the Prime Minister to Brussels to be debriefed by President Reagan. It is time for initiative and action. At the very least Canada should support the initiatives being taken by others at the U.N. and elsewhere. I urge the Government to change its vote when the freeze issue comes before the General Assembly of the U.N.

* * *

AIR SAFETY

EFFECT OF AIRLINE DEREGULATION IN UNITED STATES

Mr. J. R. Ellis (Prince Edward-Hastings): Mr. Speaker, Dennis McDermott, President of the Canadian Labour Congress, made a statement on CTV's *Question Period* on Sunday to the effet that the recent increase in air accidents in the United States occurred as a result of its deregulation of the airlines. I feel that he is exploiting the public's natural fears regarding air safety, either in the cause of some personal vendetta or on the basis of a total lack of understanding of a very complex problem.

No union head in the United States has made statements comparable to those made by Mr. McDermott. Perhaps he is not aware of the fact that deregulation will create many new jobs in safety and in operations, and will bring flying within the reach of millions more Canadians.

The fact is that there has been no increase in accidents involving fatalities in the United States, or elsewhere in the world, in spite of our pereceptions based on the two recent tragic and terrible crashes and the fact that traffic has increased greatly. However, the United States is under fire for having failed to increase its safety facilities and personnel in proportion to increase traffic. I can tell Mr. McDermott that we will not make the same mistake.

Our record since partial deregulation over a year ago shows no increase in accidents in spite of increased airline activity. A perception of increased accidents has probably arisen because what are called incidents or near-accidents have been reported mandatorily since last June. As well, we are even now in the process of designing supplementary new radar equipment to improve air safety. Safety has been and remains our number one priority.

* * *

SCIENCE AND TECHNOLOGY

PROPOSAL TO BUILD MICRO-CHIP RESEARCH CENTRES

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, the future success of practically all Canadian businesses will depend on their ability to develop or adopt innovations based on semiconductor technology. It is in this context that the Canadian Micro-electronics Corporation submitted its business plan a few days ago. The plan recommends the building of two advanced microchip research centres with the main purpose of training engineers and scientists in leading edge semiconductor technology.

The CMC plan calls for $155 million to be spent over five years to set up two centres designed to work on advanced silicon production techniques and process technology. Technology developed through these centres will be translated into the creation of wealth and new jobs. Economic analysis shows that 100 jobs in semiconductor research and development lead to over 31,000 jobs in the rest of the economy.

I urge the Government to consider favourably the proposals of the CMC. Investment in intellectual capital now will have high returns for our country's economic well-being and will enhance productivity and create new industrial opportunities. The business plan recommends Ottawa-Carleton as the best location for one of the research centres. I applaud this choice and strongly recommend that the Ottawa-Carleton region be considered for one of the facilities. It has the right infrastructure and expertise at hand to meet the challenges set by the microelectronics industry.

* * *

• (1115)

DEPARTMENT OF AGRICULTURE

PROPOSED RELOCATION OF ANIMAL PATHOLOGY LABORATORY

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, recently citizens of the Town of Sackville in my constituency were informed that the federal Government intends to relocate the Animal Pathology Laboratory of the Department of Agriculture from Sackville to Charlottetown, a move which will likely cost the taxpayers of Canada in excess of $10 million.

Although the relocation is not scheduled to take place immediately, it is nonetheless a very serious blow to the Town of Sackville. In fact it would represent a loss of 18 jobs to a town already devastated by two important closures, not to mention the loss of part of its Canadian Wildlife Service staff, compliments of the former Minister of the Environment.

The laboratory was established in Sackville in 1948 for important reasons, but primarily because of the location and the presence of Mount Allison University. These reasons still exist today. The reason given by the Government for the relocation is that the lab should be located closer to the new veterinary college being built in Charlottetown. That reason is not good enough.

The Government says it wants to reduce the deficit and control unnecessary expenditures. It says that it is opposed to the costly relocation of facilities. Why then will it not act in this instance and cancel the proposed relocation of this facility? The taxpayers of Canada will approve—

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

ORAL QUESTION PERIOD

[*English*]

NORTH AMERICAN AIR DEFENCE

CANADIAN POSITION ON PARTICIPATION IN UNITED STATES STRATEGIC DEFENCE INITIATIVE

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, my question is directed to the Deputy Prime Minister. However, before I start I would like to say that this morning some members of the NORAD sub-committee were shocked when representatives from the Canadian branch of the Physicians for Social Responsibility, who are concerned with the prevention of nuclear war, and are recipients of this year's Nobel Prize, were gravely insulted and could not finish their presentation for peace to the committee. This was terrible, especially at a time when Canadians are pleased that, after a long period of cold relations between the United States and the Soviet Union, the two superpowers finally met in Geneva to start rebuilding the bridges for peace.

Some Hon. Members: Question.

Mr. Speaker: Question, please.

Mr. Chrétien: We are happy because of the vital *rapprochement* at Geneva this week. Is it the intention of the Government to pursue this *rapprochement* and to make sure that, through the NORAD agreement, Canada will be in a position to state clearly that we will not participate in any form of deployment of the star wars program, which is presently a stumbling block to any meaningful *rapprochement* between the Soviet Union and the United States?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the NORAD agreement which is now in existence is the agreement which was designed and negotiated by the previous administration of which the hon. gentleman was a member. That agreement is quite clear in its terms. It is not inconsistent with the often stated policy of the Government that there will be no Government-to-Government participation with the United States in the Strategic Defence Initiative but that it is a prudent course for the U.S. to be following at this time.

[*Translation*]

STAR WARS—CANADA'S POSITION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, could the Deputy Prime Minister give the House the assurance that, at a time when we are negotiating renewal of the NORAD agreement with the United States, it is imperative that no activity should be deployed in Canada that would make us clear participants in star wars, since the Government has clearly established that even if we were in favour of this research which we do not want to do but the Government wants to do, the NORAD agreement would never allow the United States to use Canadian territory to further its strategic defence initiative?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman is searching for a linkage which is simply not there. He knows that as one of the Ministers of the day who supported the agreement as it now stands. He also has, as do all Members of the House and the Canadian public at large, the repeated assurances of the Government that it is not the intention of the Government of Canada to participate on a Government-to-Government basis in the Strategic Defence Initiative. Equally often stated has been the Government's position that the U.S. pursuit of the Strategic Defence Initiative is prudent at this time.

• (1120)

[*Translation*]

REQUEST THAT REGISTRATION SYSTEM BE ESTABLISHED FOR CANADIAN COMPANIES PARTICIPATING IN STAR WARS PROGRAM

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I have a supplementary for the Deputy Prime Minister. Does he intend to consider a proposal according to which Canadians will be informed of any steps being taken by Canadian businesses to take part in the star wars research program? Is the Minister of National Defence prepared to consider setting up a system to register all companies that will take part in this research program, so that we will have accurate and public information on who these companies are and whether they are receiving assistance from a Government agency?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, by its very wording the question is hypothetical and based on an assumption which may or may not occur. I can only repeat once again that it is not the intention of the Government of Canada to engage on a Government-to-Government basis in the strategic defence Initiative of the United States.

* * *

[*Translation*]

FOOTWEAR INDUSTRY

REQUEST FOR CLARIFICATION OF DECISION ON IMPORT QUOTAS

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, since the Minister for International Trade is not in this Chamber, my question is directed to the Deputy Prime Minister. The

Anti-Dumping Tribunal's report was used to justify lifting the quotas. Now, anyone who has read this report will realize that the conclusions arrived at are entirely at odds with the content of the report, which is absurd and an insult to the intelligence of Canadians.

Why did the Government follow these recommendations when it had the legal and constitutional authority to circumvent these conclusions and make a decision to safeguard the 20,000 jobs that are at stake?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman raises more of a debate than he does a question. The question was answered yesterday by the Minister for International Trade at which time the House heard him say that the policy was based on the conclusions in that report. The Hon. Member may take a different view, but that is the view of the Government which has been stated by the Minister in response to questions and in his statement earlier this week.

[*Translation*]

INQUIRY WHY GOVERNMENT HAS NOT TAKEN JOBS AT STAKE INTO ACCOUNT

Mr. Alain Tardif (Richmond-Wolfe): I have a supplementary, Mr. Speaker. The second justification for the decision was the interests of the consumer. However, the Government knows perfectly that according to a study, eight out of ten Canadians supported the quota policy. It was also estimated that it will cost $3 billion—

Mr. Speaker: Order, please!

Mr. Tardif: Considering the present circumstances, why did the Government not make its decision exclusively in terms of the 20,000 jobs at stake in the footwear industry?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, again the hon. gentleman's question is more of a debate than it is a question seeking information. He heard the Minister in response to questions which have been asked of him this week stress the importance of the consumers of Canada with respect to this decision. I heard him say, as I am sure the Hon. Member did as well, that there would be a savings resulting to the consumers of this country, 25 million of them, of half a billion dollars.

* * *

NATIONAL REVENUE

GENSTAR TAX RULING—AMOUNT OF TAX LOSS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, yesterday we received no answer on the implications of the Genstar tax ruling so I would like to ask the Minister of State for Finance a question. Before the tax ruling was made, did the Minister of State for Finance, or her Department, conduct a study on the tax lost to the people of Canada on this particular ruling? If she did, what was the amount of that tax loss? If she did not, why didn't she?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the Hon. Member knows full well that that is not a subject which we, or any other Government, could responsibly discuss in this House. The amounts on tax rulings are confidential information. The tax ruling was made under the existing law within the purview of the Minister of National Revenue.

EFFECT ON REVENUE

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, as a result of the Genstar decision and the Government's change to capital gains legislation, the Minister's own tax expenditures from the last Budget indicate that this could cost well in excess of $1 billion. I don't think it is unrealistic to say that the implications of this tax ruling are horrendous in terms of lost tax. Is the Minister saying to us that she, or her Department, did not bother to carry out any investigation at all into what this was actually going to cost the taxpayers of Canada?

• (1125)

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, this Government did a great deal for tax fairness in the last Budget by closing some less legitimate measures, and the Hon. Member knows what they are. This is an ongoing process with us. Our departmental officials are constantly looking at tax policy and the implications not only for revenue but for fairness.

GOVERNMENT POLICY

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, we found over the last couple of days, with the tax book coming out, that the number of Canadians in upper-income brackets not paying any tax at all increased 48 per cent over the previous tax year. Once again this particular ruling will result in many, many more people not paying tax.

I want to ask the Minister for the last time, is she saying to us that when the Government makes a tax ruling there is no calculation and no study, that it is an open-ended situation in the sense of what it will cost the taxpayers of Canada? We have seen a billion dollars given away time and time again in other tax rulings in the last few months. Is this an ongoing process?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I certainly do hope that this is the last time the Hon. Member asks that question. I would like to point out that it is this Government which said there will be a minimum tax in this country for the first time. The Minister of Finance has already assured this House that those provisions will be avail-

able very soon. The elimination of tax shelter financing on yachts and hotels, as well as action on the scientific research tax credit are just some of so many things this Government has done in the Budget. We are doing that on a continuing basis.

* * *

[*Translation*]

FOOTWEAR INDUSTRY

GOVERNMENT'S DECISION—INQUIRY IF PROVINCES CONSULTED

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is for the Deputy Prime Minister. In view of the fact that the Government's decision concerning footwear imports will have a very serious impact on the provinces which will be called upon to assume its social costs, could the Deputy Prime Minister tell us whether, before making this decision, the Federal Government had consulted the provinces and, if so, what their position was?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I am sure the hon. gentleman, indeed all Members of the House, would understand that I would not know the extent of consultations which took place between the Minister of International Trade and the provinces on this issue.

Mr. Ouellet: Why not?

Mr. Nielsen: I can take that question as notice and bring it to his attention. Why not? Because the responsibility for conducting those conversations and consultations with the provinces lies with the appropriate Minister.

[*Translation*]

INQUIRY CONCERNING MEASURES GOVERNMENT INTENDS TO TAKE

Hon. Jean Lapierre (Shefford): Mr. Speaker, I have a supplementary question. On the same subject, it is a well known fact that there will be many adjustment problems. Could the Deputy Prime Minister advise the House whether the Government intends to extend the mandate of the Canadian Industrial Renewal Board for the purpose of allowing the affected communities and the laid-off individuals to adjust?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I can only draw the hon. gentleman's attention to the responses given yesterday by the Minister of International Trade when he outlined in some detail, I believe, the attention being paid to caring for the workers concerned should any disruption be caused as a result of this decision.

INCOME TAX

EFFECT OF TAX RULINGS ON INDIVIDUAL TAXPAYERS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I also have a question for the Minister of State for Finance. Does she think it reasonable that low and middle-income Canadians should be asked to pay more income tax this year and next year and the year after while people like Genstar and O&Y have been able to use the tax system to avoid paying in excess of $1 billion in tax which ought to be paid to ease the burden on those very people?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, this Government has moved to help low-income people in a number of ways. I remind the Hon. Member about the change in the child tax credit. One of the things which I think is grossly unfair and misleading is a political Party which sends out envelopes that say "Taxation Notice" on the outside.

Some Hon. Members: Hear hear!

● (1130)

Mr. Deans: That does not match a political party which says it is going to bring about tax fairness and then imposes higher taxes on low-income Canadians and gives more to those who have.

Some Hon. Members: Shame!

GOVERNMENT POLICY

Mr. Ian Deans (Hamilton Mountain): We now know that there are almost 50 per cent more Canadians earning over $50,000 who are paying no tax. We now know—

Mr. Speaker: Order. Order, please! Just a question, please.

An Hon. Member: How's the Cadillac these days?

Mr. Deans: Very good, by the way. It cost me $5,000 second hand.

Does the Minister think it is fair that, having promised to put a minimum tax on those who paid no tax, the Government has allowed that group to increase by 50 per cent and, at the same time, allowed the corporate sector to rip off the public by more than $1 billion during the Government's first year in office?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am really surprised that the Hon. Member continues to raise this issue. Even today the papers quote the Canadian public as saying that the private sector is the place where jobs should be created. They have more confidence in the private sector than they have ever had before. We, too, have confidence in the private sector. That is where the jobs that we have been creating are coming from and they have been permanent, long-term jobs.

Mr. Riis: Genstar paid no tax at all.

Mr. Deans: No tax at all.

Mrs. McDougall: Mr. Speaker, the Hon. Member talks about tax fairness. The Government has done more for tax fairness and for job creation than any other Government.

Mr. Deans: Nonsense.

Ms. Jewett: It hasn't done a thing.

Mr. Deans: You shovel money to all your friends and rip off everybody else.

Mr. Hnatyshyn: I liked you better with your moustache.

Mr. Deans: Typical Tories.

Mr. Rodriguez: There are no typical Tories; they are all lousy Tories.

Mr. Speaker: Please.

* * *

REGIONAL INDUSTRIAL EXPANSION

CAPE BRETON ADVISORY BOARD RECOMMENDATIONS

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Acting Minister of Regional Industrial Expansion. I point out to him that the situation on the Island of Cape Breton has reached crisis proportions. Many thousands of people are unemployed and many thousands are turning to welfare.

Can the Minister explain to the House why it has taken in excess of 58 days for the recommendations of the Cape Breton Advisory Board, which was appointed by the federal Government and the Government of Nova Scotia, to be acted upon? It made 34 recommendations. I ask the Minister to inform the House why there is this delay when the situation in that economy is so devastating.

Hon. Jack Murta (Acting Minister of Regional Industrial Expansion): Mr. Speaker, I, as well as all Members of the House of Commons, sympathize with the concern which the Hon. Member has expressed. As the Member knows, the Government is committed to working toward development in the Cape Breton area. We are working as hard and as fast as we can. The Member's concern will be duly noted by the Minister. I assure him that we are doing everything possible to bring as much development and activity as possible into that area of Canada.

SYDNEY STEEL CORPORATION—CANADIAN NATIONAL RAIL CONTRACT

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my supplementary question is directed to the Minister of Transport. In July of 1984 the Prime Minister made a commitment with regard to the Sydney Steel Corporation. As the Minister knows, the Premier of my province has been talking about a long-term contract for the supply of rails to CN. Would the Minister inform the House today what has taken place with regard to discussions between the Premier and the Minister with regard to Sysco supplying rails to CN?

Hon. Don Mazankowski (Minister of Transport): I am sure that the Hon. Member is aware that CN has been purchasing most of its rails from Sysco. Ongoing discussions have been taking place between CN officials and Sysco officials. I can assure the Hon. Member that, to the extent possible, CN will continue acquiring rails from Sydney Steel.

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CONSUMER AFFAIRS

INCOME TAX REBATE DISCOUNTING

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. With regard to the horrendous matter of tax discounting, why is the Government allowing an American company, H&R Block, to rip off Canadian taxpayers through vicious tax discounting when it is forbidden by law to do so in its home country?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I should like to reply to my hon. friend that we have of course been involved in a great many consultations over the past few months throughout the country. We have announced a series of measures to correct the shortcomings of the system already in place. Moreover, we have announced the Government's intentions to protect the interests of Canadians, especially those with the lowest incomes.

[*English*]

REQUEST THAT LEGISLATION BE REPEALED

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, the Minister must know that anti-poverty organizations and consumer organizations in Canada have rejected his so-called solution.

Mr. Riis: Everybody has.

Ms. Jewett: In view of the fact that tax discounting was created by law by the previous Government in 1978, why in the world can the Government not "uncreate" it by law today?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I think we have announced a policy which gives consumers the right to equity and freedom of choice.

Oral Questions

REBATE DISCOUNTERS—AMENDMENTS CONCERNING INCOME TAX CREDIT PROGRAM—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I should like to put a question to the Minister of Consumer and Corporate Affairs—I should say of Corporations.

Unfortunately, the Minister did not have enough courage and decided once again to compromise.

Firstly, could the Minister tell us why he did not have the guts to do as the Quebec Government did and ban discounters completely, and secondly, can he explain his announcement concerning amendments to his income tax credit scheme when the Minister of Finance says the opposite?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I think I have already answered the question.

As I said, we want to give consumers the right to a certain equity as well as a freedom of choice.

[*English*]

HIGH INTEREST RATES—REQUEST FOR APPLICATION OF CRIMINAL CODE

Mr. George Baker (Gander-Twillingate): Mr. Speaker, under the Criminal Code any lender who charges over 60 per cent interest computed annually is guilty of a criminal offence. Instead of announcing the complex formula which the Minister has announced, why would be not bring discounters under that provision of the Criminal Code which applies to every other lender in the country?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, if my colleague could be aware of all the terms and conditions of that policy, he would know that this announcement involved measures whose costs would be entirely within the limits allowed under the Criminal Code.

* * *

[*English*]

INSURANCE

UNITED CANADA COMPANY—TRUCKING COMPANIES' POLICIES

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is directed to the Minister of Transport. With the seizure of the assets of Carrier Insurance by authorities in the United States, the Canadian subsidiary, United Canada, is left with no reinsurance other than a $2 million trust fund. Since United Canada insures about 40 per cent of the Canadian trucking industry, can the Minister explain the insurance status of these trucking companies? Are their liability and accident policies still in effect and, more important, are they viable?

Hon. Barbara McDougall (Minister of State (Finance)): Yes, Mr. Speaker, those policies are still in effect. This has obviously been a problem for the trucking industry and I understand its concern. I will be meeting with representatives of the industry later this morning. I have been steadily in touch with the industry this morning to attempt to come up with a solution.

ROLE OF SUPERINTENDENT OF INSURANCE

Mr. Vic Althouse (Humboldt-Lake Centre): In recognition of the Government's obligation to the protection of the public in these instances, what instructions, if any, have been given to the Superintendent of Insurance in the event of a series of large liability claims due to a spill or other such expensive accident which would use up the reinsurance trust?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the company has assets of its own so there will continue to be coverage beyond that which has been indicated in the press. I will be exploring a number of options for solutions with the trucking people. The Superintendent of Insurance is steadily in touch with the industry and is developing solutions now.

* * *

AIR TRANSPORT

MERGER OF EPA AND CP AIR OPERATIONS

Mr. Howard Crosby (Halifax West): Mr. Speaker, my question is directed to the Minister of Transport. The Minister must be aware of the takeover of Eastern Provincial Airways by CP Air. The operations of EPA in Atlantic Canada will be merged with CP in 1986. There is a growing concern in Atlantic Canada that jobs will be lost in this merger.

Will the Minister examine the proposal for the merger of the operations of EPA and CP Air and take whatever steps he can to ensure that jobs maintained in Atlantic Canada with EPA, particularly at the Halifax International Airport?

• (1140)

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I appreciate the Hon. Member's concern. Currently there is some restructuring of the airline industry throughout Canada. I note that while there has been a rumour that Air Maritime is going to be closing its operations, nothing official has been received by the CTC.

I should point out to the Hon. Member that there are several other carriers that are willing and anxious to get involved in providing that service, namely, Air Atlantic and Air Nova. Both have already applied to provide that service. Of course there will be new jobs created by those companies which will engage in that service.

[*Translation*]

TOURISM

REQUEST FOR APPOINTMENT OF JOINT STUDY GROUP TO DETERMINE BEST ORGANIZATIONAL STRUCTURE

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, my question is for the Minister of State for Tourism, who has just returned from a federal provincial conference which I hope was successful.

My question concerns the National Tourism Conference held recently in Ottawa, where 350 members of the industry unanimously supported the following recommendation:

[*English*]

"We recommend that a joint industry-government task force be formed to determine an appropriate organizational structure for the tourism industry throughout Canada". Will the Minister act on this recommendation and, if so, when?

Hon. Jack Murta (Minister of State (Tourism)): Mr. Speaker, I thank the Hon. Member for his question. We have acted on that issue and, as the Member knows, shortly after Question Period I will be making a statement on the tourism conference.

We have agreed to set up a group to study advertising from a national point of view, both provincially and territorially, along with the industry. Hopefully it will be in operation within a month.

GOVERNMENT'S PLANS

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, the industry representatives recommended a task force to look at the organizational structure of tourism. Is the Minister saying that such a task force will be formed?

Hon. Jack Murta (Minister of State (Tourism)): Mr. Speaker, rather than setting up a task force to look at the whole question of the organizational structure of tourism, we are studying the tourist industry on a more specific basis. We have agreed to set up a working group who will look at the cultural aspects of tourism and how that can be promoted in a more beneficial way for the country. It will report back to the Governments involved and the people involved in multiculturalism and other cultural industries so that this asset which we believe is very beneficial to Canada can be given a greater profile in terms of advertising.

* * *

HEALTH

REPORTED APPROVAL OF DEPO-PROVERA AS CONTRACEPTIVE

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Women are concerned about the imminent approval of Depo-Provera as a contraceptive in Canada, by the Department of National Health and Welfare. They would like the Minister to intervene and hold public hearings into this matter.

Is the Minister prepared to do that, particularly in light of the fact that Depo-Provera has been refused approval as a contraceptive in the United States because of a lack of adequate research? Furthermore, does he see the irony of two men in the Department of National Health and Welfare advocating a contraceptive with which women would take the risk?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am well aware of the issue brought forward by the Hon. Member. Some of his points are valid but they are not all based on the actual case.

His concerns and the American example which he gave are valid. However, when he says that the decision is to be made shortly, or that additional information will not be required, I say that it will be some months yet. I remind him that a regulatory process takes place first.

REQUEST FOR PUBLIC HEARINGS

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, will the Minister be a little more clear? Will he approve public hearings before there is any contemplation of approval of Depo-Provera for use as a contraceptive in Canada? If not, does he agree with the spokesman for the Upjohn company that this is simply a private matter between the company and the Department of National Health and Welfare? When will the women have the opportunity to have their input with ragard to this decision which affects them?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, there is no question that the regulatory process, including clinical tests and trials and the work at the health protection branch, is designed for protection and safety. That principle remains in place and is operative.

With regard to his specific request for public hearings, I remind him that the requirement for information to make judgments is still in place.

If he read the article in the paper today, he should not draw conclusions that the article is accurate or that the timing indicated in the article is also indicative of the reality. That simply is not the case.

* * *

[*Translation*]

SHIPBUILDING

REQUEST FOR CLARIFICATION OF PROJECT TO BUILD SECOND CN MARINE FACTORY

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, my question is for the Minister of State for Transport. We are aware that the decision-making process related to the construction of a second ferry for CN Marine has been initiated. Can the Minister give us some information on when we might expect a decision?

Hon. Suzanne Blais-Grenier (Minister of State (Transport)): Mr. Speaker, I thank my hon. colleague for his question which I know to be very important for the workers in his constituency. We are now considering the matter and I shall be able to provide the answers he has requested within a few weeks.

* * *

[*English*]

HOUSING

PROPOSED SALE OF HABITAT 67 IN MONTREAL

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Acting Minister responsible for Housing. Montrealers are rightfully proud of an architectural landmark that was built by the federal Government as part of Expo 67. Of course, that is Habitat 67.

We now know that the Government has decided to put Habitat up for sale and has received five offers to purchase. Why is the Government refusing to negotiate with the tenants of Habitat who have submitted an offer that has the immense advantage of protecting the architectural integrity of Habitat 67?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, in the absence of the Minister responsible for Housing, I will certainly take the Hon. Member's representations to him. I would also assure him that the Minister is one of the ablest negotiators in the Government. I know that he will be prepared to carry out his responsibility in the most forthright manner.

[*Translation*]

REQUEST FOR CLARIFICATION CONCERNING CANADA MORTGAGE AND HOUSING CORPORATION

Mr. Jacques Guilbault (Saint-Jacques): I have a supplementary, Mr. Speaker. While the Minister is chatting with the Minister of Labour, could she ask him why the Canadian Mortgage and Housing Corporation in this case is violating its usual practice of first offering units for sale to their current tenants? And why it is considering letting a real estate promoter make a fast buck on the backs of the tenants? Would he be a Tory promoter?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I will be glad to see that the Minister responsible for the CMHC reads the Member's question and gives it all the consideration that it merits.

MINES AND MINING

FALCONBRIDGE MINES LIMITED—IMPORTATION OF SCRAP METAL CONTAINING URANIUM

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of State for Mines. I have given him notice of it.

Earlier this year Falconbridge Mines Limited was given a licence by the Atomic Energy Control Board to import 300,000 pounds of scrap metal. That metal contained 21,000 pounds of uranium. Falconbridge proceeded to smelt the scrap metal, thereby exposing the smelter workers to very elevated levels of radioactivity. Was Falconbridge given a licence to process uranium?

Hon. Bob Layton (Minister of State (Mines)): Mr. Speaker, I thank the Hon. Member for Copper Belt—

Some Hon. Members: Oh, oh!

Mr. Riis: It is Nickel Belt.

Mr. Layton: Nickel Belt, Mr. Speaker. The remark was only to credit my hon. friend for the fact that he constantly represents the safety of workers and I am proud to respond to his question.

First, I bring to the attention of the House that this was an incident that occurred in the spring of 1984, actually a full year and a half ago.

• (1150)

The importation of the scrap metal, including some uranium, was under licence from the Atomic Energy Control Board. Certainly there was no attempt on the part of the company to deceive the workers or anyone else. The barrels in which this material was contained, as it was imported, were clearly marked to show that radioactive material was included in very minor quantities.

Mr. Ouellet: Statements on motions.

Mr. Layton: It has been safely disposed of.

Mr. Speaker: Order, please.

Mr. Rodriguez: At least he did not call me the Hon. Member for Black Belt.

PROCESSING OF RADIOACTIVE MATERIAL

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my supplementary question is directed to the Minister. In view of the fact that that scrap metal contained 21,000 pounds of uranium, which is approximately 40 times higher than the ores of Elliot Lake contain, was Falconbridge given a licence to process material which was radioactive?

Hon. Bob Layton (Minister of State (Mines)): Mr. Speaker, the regulations governing the proper disposal and use of waste uranium materials are under discussion with the prov-

inces. I will be meeting with the Minister of the Environment of Ontario in the coming week to discuss it.

* * *

NATIONAL SECURITY

AIR INDIA CRASH—ALLEGED USE OF *AGENTS PROVOCATEURS* IN CANADA

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, my question today is directed to whomever is answering on behalf of the Solicitor General. Yesterday, *The Globe and Mail*, in a story dealing with the Air-India disaster, indicated:

RCMP investigators believe Indian Government agents to be responsible for the bombings—

Is there any truth to this extremely serious allegation?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, it is not a customary practice in the House, when a matter involving the security of the country is raised with security implications such as the one raised by the Hon. Member, to respond to it in the House. I can only assure him that—and I am aware of that article in *The Globe and Mail*—any consular activities of any country which might interfere with citizens and residents of Canada would be inappropriate. If there is anything of substance to it, the inappropriateness of that action would be so. However, in today's *Globe and Mail* I noticed that there was a denial of that story by the RCMP and other parts of the Government.

* * *

AIR TRANSPORT

AIR INDIA CRASH—INVESTIGATORS' VISIT TO TORONTO AIRPORT

Hon. André Ouellet (Papineau): Mr. Speaker, I have a question for the Minister of Transport. I would like to know if it is true that Canada has refused permission for a team of investigators from Air-India to come to the Toronto airport to continue its investigation. If it is true, I would like to know why. Would the Minister explain whether he is trying to hide an apparent security lapse which exists at the Toronto airport, as was substantiated recently by the Canadian Air Line Employees' Association?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I can assure the Hon. Member and all Hon. Members of the House that we are not attempting to hide anything. The fact of the matter is that the investigating team for the Indian authorities visited not only the Pearson International Airport, but Mirabel and Vancouver. They had the full co-operation and support of Transport Canada and other government officials.

I think the Hon. Member is referring to the incident which occurred on November 5, I believe, when legal representatives of Air-India showed up at the Pearson International Airport, unannounced, wanting to do an investigation without any prior knowledge at all. They were not doing an investigation on behalf of the Indian authorities. In that connection, the Government of Canada responded and co-operated fully with the Indian authorities to ensure that all aspects of the investigation could be carried out.

[*Translation*]

EFFICIENCY OF NEW SECURITY MEASURES

Hon. André Ouellet (Papineau): Mr. Speaker, is the Minister aware that a witness in his submission to the Standing Committee on Transport, which held hearings this week in Vancouver, stated that despite the announcements made by the Minister of a whole series of new security measures at airports, in fact these new—

Mr. Speaker: Order, please. Is there a question?

[*English*]

Mr. Ouellet: I guess I have the right to ask a question. Jesus!

Some Hon. Members: Oh, oh!

Mr. Ouellet: I was asking the question.

Some Hon. Members: Temper.

Mr. Speaker: If the Hon. Member had started his question and I did not hear him begin it, I apologize. However, I did not hear him begin the question, which is why I rose. Does the Hon. Member wish to repeat the question which he says he asked?

Mr. Ouellet: Yes. I prefaced my question by saying "est-ce que", which means in French: "does" the Minister—

Mr. Speaker: Order. The Hon. Member for Laurier.

* * *

[*Translation*]

NON-PROFIT ORGANIZATIONS

LIMITATION ON HIRING OF PERSONNEL—MINISTER'S POSITION

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Minister of Employment and Immigration.

The Minister is certainly aware of the significant contribution of the voluntary sector to our society.

Now, the survival of many community agencies in Quebec is being jeopardized by the rigid criteria set forth in her Employment Development Program.

My question to the Minister is this: Is she ready to change her program criteria to relieve community agencies from the requirement to hire only employees who have been unemployed for six months?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I regret that the Hon. Member was not in committee this morning when we had a very full discussion of this issue. The position was put very well by the Hon. Member for Montreal-Sainte-Marie. I was able to respond at that time that applications coming in under the Canadian Jobs Strategy from municipal Governments and from non-profit organizations indeed amounted to something like 80 per cent of the over-all applications. There is no exclusion of non-profit organizations from the Canadian Jobs Strategy.

SITUATION OF LONG-TERM UNEMPLOYED

Mr. David Berger (Laurier): Mr. Speaker, I am fully aware of the Minister's answers in committee this morning, and it is those answers which have many hundreds of organizations deeply concerned. How can the Minister help the long-term unemployed if there is no one to work with them or no one to train them? How can community organizations help people if they close their doors? Is this what the Minister really wants?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, applications come from a variety of organizations, including non-profit organizations. That is what the Hon. Member does not seem to understand. However, we ensure that the criteria which we are putting into effect are directed toward providing jobs for long-term unemployed people. What the Government wants to do is to help those who are most in need. That is why the criteria have been designed in the way they have. If one reads the newspaper this morning, one sees that in the Province of Quebec there is the largest number of long-term unemployed anywhere in the country. Those are the people whom we are trying to help most.

* * *

CANADIAN NATIONAL RAILWAYS

DEVELOPMENT PLAN FOR WINDSOR RIVERFRONT LANDS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the Minister of Transport. The City of Windsor is committed to full development of riverfront lands which are held by CN, and feels that CN and the Government have a past commitment to help in realizing this dream. Will the Minister do everything he can to co-operate in realizing this project and putting it forward as quickly as possible, for the future of our community?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I will certainly take the Hon. Member's representation and discuss it with CN officials. I will be meeting with them early next week. I will certainly make the feelings of the Hon. Member known to them.

PROPOSED TRADING OF LANDS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, since past Governments agreed to a trade of lands to assist this project, will the Government make a commitment of resources of similar magnitude and significance so that the project can be achieved, despite the fact that they have gone back on the commitment to a lands trade?

• (1200)

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am not sure to what significant commitment the Hon. Member is referring. I do know that CN has a vital interest in the development of the land in question in the Windsor area to which the Hon. Member referred. As I indicated, I will be very pleased to make sure his representations are made known to officials of CN as early as next week.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of three, presented by Hon. Members on Thursday, November 21, 1985, meet the requirements of the Standing Orders as to form.

Certain petitions presented by the Hon. Member for Nickel Belt (Mr. Rodriguez), the Hon. Member for Kenora-Rainy River (Mr. Parry) and the petition presented by the Hon. Member for Western Arctic (Mr. Nickerson) do not meet the requirements of the Standing Orders as to form.

* * *

POINTS OF ORDER

LANGUAGE USED IN COMMITTEE

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, you have often remarked on the desirability of all Members behaving in a mature and civil fashion toward one another, with which I totally concur. Would you draw these observations to the attention of the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen) and the Hon. Member for Fraser Valley West (Mr. Wenman) who this morning in a meeting of the Standing Committee on External Affairs—

Some Hon. Members: Order.

Mr. Speaker: Order, please. I take it that the Hon. Member is making a reference to something that occurred in a committee. She knows that it would be improper to raise a matter of committee activities here, whatever her views of the views of others might be.

ALLEGED USE OF UNPARLIAMENTARY LANGUAGE IN THE HOUSE—RULING OF MR. SPEAKER

Mr. Speaker: May I now say to the House—

[*Translation*]

—that yesterday, at the end of oral question period, the Minister of State for Youth (Mrs. Champagne) raised a point of order regarding the use of allegedly unparliamentary language by the Hon. Member for Shefford (Mr. Lapierre).

I have now had a chance to consult *Hansard*, and my conclusion is that the words of the Hon. Member for Shefford can be interpreted in various ways. The reaction of a number of Members to the language he used created some disruption during oral question period. Considering that reaction, it would have been preferable for the Hon. Member to use a different vocabulary. Because of the various possible interpretations, I have not concluded that the Hon. Member must withdraw what he said this time, but I feel I must inform him it was on the borderline.

The Chair has reminded all Members of this House a number of times that the use of vulgar and insulting language does not contribute anything to the proceedings of this House and in fact reflects very badly on the dignity and reputation of this Chamber.

[*English*]

I am in receipt of a notice of a question of privilege. The Hon. Member for Essex-Windsor (Mr. Langdon) has given me notice of his desire to raise a question of privilege at this time.

* * *

PRIVILEGE

ALLEGED RESTRICTION IN COMMITTEE TO AMENDING BILL C-66

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, the question of privilege that I want to raise is on behalf of the collective rights and functions of the House of Commons, which I believe have been restricted and undercut in the procedural activities of the Government concerning Bill C-66. Specifically, a share issue took place this past summer prior to any chance for this House to consider Bill C-66. The share issue took place not under existing law but under the terms put in the proposed new law, namely, Bill C-66.

Subsequently, when this Bill came before the Legislative committee to be considered, the fact of that earlier prior summer share issue was used as a threat and a barrier to our being able to consider fully and freely amendments made within the committee. I wish to give some specific evidence to that effect.

Mr. Hnatyshyn: What is the point of order?

An Hon. Member: It is a privilege question.

Mr. Hnatyshyn: It is not privilege.

Mr. Langdon: In particular, Mr. Speaker, I would point to discussions of the legislative committee on October 15—

Mr. Speaker: On a question of privilege that is being raised, I think the Hon. Member will know that before he can make the case with regard to whether a privilege was breached, he is supposed to put to me very quickly something on which I can make a decision as to whether there is *a priori* a matter the House should consider.

Therefore, I invite the Hon. Member to be as brief as possible.

Mr. Langdon: Mr. Speaker, as I see the question of privilege it is that the Government, by its actions in setting out a share issue prior to consideration of Bill C-66 under terms which assumed the complete and detailed adoption of the Bill as it presently stood, made it impossible, quite explicitly, by bringing to the legislative committee the fact that the Government could be sued for its share issue in the summertime—

Mr. Speaker: With great respect that may all be true. What is the question of privilege, please?

Mr. Langdon: If I could finish—

Mr. Speaker: Sorry. May I say with great respect that the Hon. Member has something he believes in very strongly, and I accept that. He is embarking upon debate about whether the Government should or should not have done something. He is presumably asking me to consider a question of his privileges being breached. Would the Hon. Member come immediately, please, to how his privileges have been breached?

Mr. Langdon: Mr. Speaker, it is not quite as easy a matter as points of privilege usually are. If you could give me a minute to draw the connections, please—

Mr. Speaker: With great respect, it may not be easy to draw, but the Hon. Member has yet to begin to tell me what is the question of privilege. He must, at least, tell me please what the evidence he wishes now to adduce is supposed to prove.

Mr. Langdon: If I could summarize it very briefly, Mr. Speaker, it is my contention that the action which the Government took in the summer was followed up in the legislative committee with suggestions from Government spokesmen that amendments could not be considered by that committee as a result of action which took place during the summertime, making it impossible for the committee to consider fully and freely amendments before it. Amendments would have resulted, we were told by the Government, in law suits against the Government on the basis of the share issue put out in the summer.

Mr. Speaker: May I ask the Hon. Member a question to help me? Is the Hon. Member saying that he was prevented from putting an amendment? Is he saying that something was done to prevent him from trying to put an amendment? I am trying to understand how he thinks his privileges have been breached.

Mr. Langdon: I make the point again, Mr. Speaker, that it is the collective privileges of the House I am raising which, I take it from Beauhesne, are something that can be brought forward as a question of privilege. The opportunity for the committee to give free consideration to all amendments that were put before it was restricted unduly by the actions the Government had taken. I can bring evidence to demonstrate that.

• (1210)

Mr. Speaker: I appreciate the argument, but on the face of it there is no question of privilege. As I understand what the Hon. Member said, a case was made in the committee that it would be wrong for the committee to do certain things and to adopt amendments. I take it that is the case he is making to me. However, he is not making to me a case that indicates that somehow the committee was prevented from amending the Bill. I presume it could have done so if the committee wished to do so. I take that from what the Hon. Member said. Therefore, with great respect, I think he is asking me to get into the areas of law or propriety. I think that is quite a different matter and goes well beyond the powers of the Speaker, who is restricted to dealing with questions of restrictions that relate to matters of privilege. I believe the Hon. Member is aware of that. Does the Hon. Member wish to add one more thing?

Mr. Langdon: Yes, Mr. Speaker. In point of practice, what I have described is more serious than you have interpreted it to be. It is that the capacity of the committee to consider amendments was severely and unduly restricted by the fact that the Government had taken prior action on this Bill in the summer which was subsequently brought back to the committee as a point of pressure against our considering such amendments. As I have said, I can demonstrate from the textual exchanges within the committee explicitly how this took place.

Mr. Speaker: I take it the Hon. Member thinks that the Government did something it should not have done from what he has told me. He wants me to find somehow that the committee could not have done what the committee wanted to do. I cannot find that from what he has told me. Therefore, I cannot find that there is a question of privilege. Presenting reports—

Mr. Langdon: Mr. Speaker—

Mr. Speaker: I think I have heard the Hon. Member four times.

Mr. Langdon: Mr. Speaker, I regret persisting but if the point is as you have raised it in your last comment that I have not been able to demonstrate that there is a case, I would say again that to demonstrate the case, I have to read the excerpts from what happened in committee, excerpts that will demonstrate the excessive pressure applied which restricted the ability of the committee to operate in a legislative function. The point I am making is that it was prevented and restricted from operating as a legislative forum. I will gladly read those points into the record if I am permitted to do so.

Mr. Speaker: With the greatest respect, I think that the Hon. Member is misunderstanding the question of privilege. If the Hon. Member is alleging that he or other members of the committee were threatened—I am now entering into what is called an *obiter dictum*—but he is not even doing that; he is saying that the Government behaved in a way that he thinks is improper. It is his privilege to think that. However, from what I have heard, I cannot find an argument that would sustain putting the matter to the House or suspending debate to put the matter to the House on the basis of what I have heard. Presenting reports—

Mr. Langdon: On a point of order, please, if I could Mr. Speaker.

Mr. Speaker: Order, please. Order.

Mr. Langdon: I am sorry, Mr. Speaker. I rise on a point of order.

Mr. Speaker: What is the Hon. Member's point of order?

Mr. Langdon: Mr. Speaker, my point of order is with respect to the points raised in your ruling and your comments—

Mr. Speaker: I think the Hon. Member knows that no such comment is allowed. The Hon. Member may also know that this matter was reported on October 17, a month ago.

ROUTINE PROCEEDINGS

[*Translation*]

FAMILY ALLOWANCES ACT, 1973

PRESENTATION OF LEGISLATIVE COMMITTEE REPORT

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, I have the honour of presenting the report of the Legislative Committee on Bill C-70, an Act to amend the Family Allowances Act, 1973.

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COMMUNICATIONS AND CULTURE

SECOND REPORT OF STANDING COMMITTEE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I have the honour of presenting, in both official languages, the second report of the Standing Committee on Communications and Culture.

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

[*English*]

TOURISM

FEDERAL-PROVINCIAL CONFERENCE IN VANCOUVER—STATEMENT OF MINISTER OF STATE (TOURISM)

Hon. Jack Murta (Minister of State (Tourism)): Mr. Speaker, knowing the interest in tourism of Hon. Members on both sides on the House of Commons, I am pleased to have the opportunity to report briefly on the results of the fortieth federal-provincial conference of Tourism Ministers held this past Tuesday and Wednesday in Vancouver. Hon. Members are undoubtedly aware that the meeting was the culmination of an extensive public discussion and consultation process which has taken over a year to conclude. That consultation process involved all the provincial and territorial Governments, all the major tourist associations and literally thousands upon thousands of Canadians.

The Government said from the outset that Canada's economic growth would be best achieved through a co-ordinated effort by the public and private sectors. The Vancouver meeting demonstrated a joint effort by all the levels of Government to respond to the advice that we received from the private sector. One result was a detailed statement of principles regarding the roles and responsibilities of the provinces, the Territories and the federal Government with respect to tourism.

By setting out their positions and views, Governments enabled the private sector to take directions in the full knowledge of the framework in which it operates. For our industry, this framework sets out the guiding principles for marketing and particularly consumer advertising and indicates that both orders of Government have a role to play.

The agreement also sets out specific actions for both orders of Government in research and the development of a Canadian product. It emphasizes that consultations among the various partners are essential and will take place. Finally, our agreement outlines government repsonsibilities in terms of the awareness of the general public and of visitor reception to this grand and glorious country of ours. Our agenda did not attempt to set out every action for every Government in Canada. What it did set out was a framework for doing business together in the future. That was but one accomplishment.

Knowing as I do the importance of the tourism industry to so many Canadians and indeed to so many Members of the House of Commons, I am pleased to say that the Government responded specifically and positively to the major recommendations put forward by the private sector over the consultation process. Those recommendations were for marketing, training, product development and research. Understandably, Canada's image abroad was the area of most interest throughout the consultations. We are all concerned of course about how others see us.

As Hon. Members will be aware, the Government has commissioned the largest tourism study ever carried out in the United States, our largest potential market. Its results are nearly all in and early next year, as I have assured my provincial and territorial counterparts, the information will be made broadly available not only to Governments but to industry and generally to any Canadian who would want it. The Government believes that one of our tasks is to ensure that accurate data is made available to our industries so that they can be best equipped to make the business decisions necessary to carry the industry forward.

• (1220)

At the Vancouver meeting Ministers also agreed that a more specific marketing campaign than those which have been held in the past is essential. The market-place is changing rapidly and dramatically and marketing programs have to respond to that reality. I assured my counter-parts that the federal campaign was developing along the lines suggested by them, which indicated a greater emphasis on destination and product-specific advertising which, of course, coincides with the research we have obtained over the past number of months.

Further, we agreed to consider how to involve the provinces and the Territories in the American launch of the federal marketing program which will commence in early 1986. Responding to the private sector's advice that a better co-ordinated marketing effort is needed in the international market-place, the Ministers agreed in principle to create an advertising council with both government, public and private sector members. The precise role and operations of the council will be developed over the next month or so; but the broad intent is to have Canada's major players who are involved in the international marketing of tourism to meet regularly in order to discuss their own plans and to comment on the plans of others. Hence, this will give us all a better understanding of the direction which we should be taking in terms of our international marketing. I believe this is a major step toward co-ordinating our efforts and perhaps in the long run toward integrating our various marketing campaigns.

Consultations suggested that the Canadian product line had to be improved and extended. In response, Ministers agreed that making more extensive use of Canada's cultural industries would be a major improvement. The rich mosaic of the country is one of Canada's most appealing qualities, both to the international traveller and buyer and to our own domestic consumers. Over the course of the next short period of time we will hold discussions with members of the arts and cultural communities across the country, with multicultural groups and, of course, with native cultural groups to ascertain how we can improve the role which we see as being important and how we can co-ordinate it. As has been mentioned, we will discuss setting the particular aspect of our unique land forward for our visitors to see.

I believe that the commitment to the tourism industry by the federal, provincial and territorial levels of Government has been made abundantly clear by the signing of subsidiary agreements valued at some $375 million. There can be no doubt that the Governments firmly believe in the economic potential of this industry, one which employs 600,000 Canadi-

ans and which generates economic benefit in the neighbourhood of $18 billion to $19 billion per year. I believe we have made significant progress over the past year in addressing the issues affecting the tourism industry.

I would like to take this opportunity to recognize the major efforts of my provincial and territorial colleagues, both in respect of their own jurisdictions and in support of federal efforts. The meeting was a good one. I can inform Members of the House that federalism in the country is alive and well. I have never seen a group of politicians from all poitical Parties work together as well as we did this past week.

Some Hon. Members: Hear, hear!

Mr. Murta: Finally, I would like to take this opportunity to thank the industry and the thousands of individual operators who gave of their time and efforts, in many cases at their own expense, to come to the point at which we find ourselves with respect to improving this major industrial sector. Their advice went well beyond narrow interests. We have completed the major phase of our work, which was set out in September of 1984 which, in some respects, was a redirection of our industry.

We are now well prepared to enter the second phase which is, of course, the implementation process. However, consultation is and will remain a cornerstone of how the Government operates. I can assure all Hon. Members, and through them the industry interests that each of them represents, that I will continue to seek counsel and advice from all corners of the House of Commons and from all parts of Canada. It can be said to all those involved in the past process that significant progress has been made, progress resulting from joint efforts of the public and the private sectors. Tourism is well on its way to becoming Canada's number one industry.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I am pleased to speak today on a matter of great interest to me, tourism. The report the Minister has just made does have positive aspects. What strikes me most is the Minister's intention to maintain consultations with the tourist industry. It would have been unthinkable to exclude the private sector from the decision-making process. In my estimation, the Minister's initiative as a whole is a step—I repeat, a step in the right direction, but I dare hope he will eventually go beyond the consultation stage and take action.

I should like to remind the Minister of his own remarks to the tourism conference delegates hardly a month ago.

[*English*]

This conference will achieve results. I expect you to give clear choices and make hard recommendations to me and my provincial colleagues . . . tourism's voice is really starting to be heard and this conference is a key opportunity for you to speak out before we convene in November to take the decisions that will give further direction to the industry. We will make the decisions that are needed.

I must say that hard decisions or hard recommendations were made at this conference but were not adhered to at the provincial-federal conference.

[*Translation*]

The Minister must wish he could take back his fine words which, in fact, did not cause much of a ripple in Vancouver. Truth to tell, I am disappointed but not surprised, for after all the Minister has the same shortcomings and feels the same pressures as his Conservative colleagues. One day they make tantalizing promises, the day after they conveniently forget them. It is a hazardous game which seldom fails to backfire. I have a telling example of that, Mr. Speaker, and I imagine that Members opposite still recall when they were on this side of the House. Be that as it may, we should not be overly concerned if some of them have a short memory, they will soon have an opportunity to sit across the way. It being so, I would like to remind them—and the Minister should indeed lend an ear—of the Progressive Conservative Party's position respecting tourism.

The present Minister of State for Fitness and Amateur Sport and Minister of State for Multiculturalism (Mr. Jelinek), who was in the House a few minutes ago, will certainly be familiar with his own statements. Here are some of them:

Unfortunately the Minister did not come to grips with the major problem of the Canadian tourist industry, namely excessive taxes on hotel and restaurant services as well as on gas and alcoholic beverages which are driving the industry to bankruptcy.

Here is another one:

By freezing at their current level all taxes which are harmful to tourism and seeking ways to reduce them in certain sectors . . . in our capacity as politicians we have to realize that we cannot raise taxes without first knowing what their impact will be. We must stop milking businessmen for all they are worth.

And a third:

By taking " . . . steps to tackle the bane of tourism—overtaxation."

Mr. Speaker, I have many more such quotations and I could go on putting them on the record.

And I will continue with a quote from the Party Leader, the Right Hon. Prime Minister (Mr. Mulroney), of course, who promised during the election campaign that he would:

Review taxes on gas, alcoholic beverages, food and accommodation that are making Canada's tourist industry less competitive.

Mr. Speaker, it is interesting to note how concerned the Conservatives were then about our tax system.

Those same Conservative Members have now made a sudden about-face. Today they are saying the exact opposite of what they said before, and worse, they are trying to evade the subject. This is not the way things are done, and the party now in power has no right to deal with the tax problem in this frivolous manner.

The Minister has repeated time and time again to the tourist industry that taxation is not a problem. Easy to say for him, but it just shows he refuses to face reality. Our taxes are too

high here in Canada, and that is a serious problem. There are no two ways about it. It is as plain as the nose in your face. I do not understand why the Minister keeps turning a blind eye to this fact. You advised the industry to submit recommendations before the minister's meeting in Vancouver. These recommendations included one that was repeated many times, and that was to restructure the tax system.

At this point I would like to quote the President of the Canadian Association of Restaurant and Food Services, Mr. Robert Degrâce, who, in concluding, warned the Minister at the national conference:

● (1230)

[*English*]

At this Conference I have heard that cost is not a significant competitive factor. I want to tell you that it is, Mr. Minister. When are we going to look at the tax structure in Canada and their impact on the price of tourism services?

[*Translation*]

The Minister will agree that the message was clear. In any case, one cannot deny reality. Canadian products are becoming less and less competitive with American products. Even with our devalued dollar, we are still losing. First of all, if we look at the price of gas, which costs from 25 to 30 per cent more in Canada than in the United States. And then—

Is there a time limit, Mr. Speaker?

Mr. Deputy Speaker: Order, please. Yes, the Hon. Member has the same amount of time as the Minister had to make his speech.

Mr. Robichaud: Mr. Speaker, I did not realize my time was limited. Well, I just wanted to mention the price of alcoholic beverages in Canada, which is very high, and I would like to go on to discuss the impact of prices on the competitive position of our industry. At the present time, the industry is in the red. In fact, during the first quarter of this year, the industry's deficit had increased compared with the situation last year, during the same period.

Mr. Speaker, I believe that the Minister certainly missed the boat at his conference in Vancouver, since they did not deal with the problem of overtaxing the tourist industry, and I am thinking especially about the excise tax on gas, on alcoholic beverages, and the latest tax on airports and airplane tickets. In fact, in this respect, Mr. Speaker, their timing in perfect. Expo 86 will be opening next spring, and they have now raised the ceiling on the tax on airplane tickets. So now the tax on a plane ticket for a flight from Montreal to Vancouver has gone up from $30 to $52. Perfect timing indeed.

Mr. Speaker, I want to thank you for this opportunity to speak in the House, but I would have liked to hear more concrete recommendations, and I would have liked very much to hear from the Minister that he was going to act on a recommendation to form a study group that would examine the whole structure of the tourist industry in Canada, a recommendation made by representatives of the industry.

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, as spokesman of the New Democratic Party for Tourism. I am pleased this afternoon to reply to the Hon. Minister of State for Tourism (Mr. Murta).

[*English*]

I would like to begin by saying, Mr. Speaker, that we appreciate the Minister's initiative in reporting to the House on this meeting with his provincial and territorial counterparts. The general direction of the Government's efforts in promoting tourism within Canada is, of course, one thing which, like motherhood and apple pie, is not very easy to question. The consultation process, indeed, has a great deal of potential in terms of unifying the efforts of different levels of Government and in moving the country's industry in a single direction, one which will, hopefully, benefit all parts of the country and all the Parties represented at such conferences.

Nevertheless, there are significant problems with the consultation and inter-ministerial process. These are problems which are worthy of remarking upon in this House. My understanding of the Accord is that it is largely a rewriting of the 1980 Accord which was signed in Saskatchewan, and while the consultation process, as I have said, has great potential, we must, of course, over the months and years to come, look for some realization of that potential and some achievement which can be directly traced to what after all is an expensive process in time and effort.

The Conference which was held here in Ottawa, I believe, last month, attracted considerable participation from the private sector. I would caution the Government that participation is not something which can ever be taken for granted. I am very glad to hear the Minister thanking the private sector for coming along in significant numbers and making a contribution. However, I caution the Government that unless there are results from such a process, the commitment of the private sector will diminish. The private sector, naturally, is looking for favourable results for the industry.

Frequent mention was made at that particular conference at which I attended several sessions—and I was grateful to the Minister for the invitation to do so—of the study which is presently being carried out in the United States, our largest market and presumably continuing to be so. The study was based on interviews and was done in considerable depth. The results will be shared throughout the industry and with our provincial partners. I think that such a study has great potential for revealing the reasons our American friends come to Canada in significant numbers, but it also has some potential pitfalls which I believe the Ministry would do well to review. I am afraid that when that size of a project is set in motion, it generates a sort of halo effect, an interest and receptiveness which might not necessarily be there when we come to the real life situation of making those hard choices and decisions as to where the holiday makers' earnings are going to be spent. For this reason I think the Ministry would do well to try to apply

some control to those interviews and to review whether or not the results obtained are somewhat coloured by the very intimate and attentive manner in which the basic data is being gathered.

● (1240)

Turning to advertising, I am glad to see the Government's commitment to advertising in the international market. The previous Minister of Tourism made some good points when he made a critical review of some of the previous advertising. However, my understanding is that the 1986 Budget has been almost totally committed to international advertising, and if there is a lesson to be learned from the geography of our country, surely it is that we cannot take it for granted that Canadians are aware of the full range of attractions in their own country. We cannot take it for granted that Canadians will automatically consider Canadian destinations which might very well fill the needs and values that they are looking for in their vacation experience. Increasingly, of course, with the lifting of the ceiling on airfare taxes and the rise in the gasoline tax, we cannot assume that Canadians can afford to visit other parts of their own country.

I am glad to see that the conference produced an emphasis on the potential of Canadian culture to attract visitors. As one who represents more Indian people and certainly more reserves and bands than any other Member of this House, I was also pleased to see the emphasis on the involvement of native Canadians in tourism and not simply on exploiting them. Much more important, we are ensuring their participation and a fair share for them in the benefits from the tourism industry. However, I feel there are a couple of cautions which have to be made here. I do not think the traditional values of Canadian tourism and its attractions can be discarded. They have to continue to be emphasized.

[*Translation*]

When we review the main tourist features of Canada, we notice that moose, red-coated police officers and mountains attract a great many visitors from the United States, as well as countries of Europe and the Far East.

[*English*]

These are factors which cannot be ignored and must continue to be emphasized. Therefore, as I said to the previous Minister of Tourism before he was appointed Minister of the Environment, it is important that there be considerable coordination between those two Ministries to ensure that our national parks continue to provide a refreshing and innovative recreational experience of quality at affordable prices, without excessive barriers involving fiscal or non-fiscal control such as the rationing of visitors to national parks. We have had a commitment from this Government to increase training in the industry. That is good but it has to be put into concrete terms through funding because, by and large, it is fair to say that as a large country we do not have that intense awareness of tourism which our European competitors do.

My colleague from Westmorland-Kent addressed the problem of taxation and it is a very considerable one. The Government has not put into motion any form of study to determine whether the tourism industry does, as has been alleged, bear a disproportionate tax burden in relation to the total economic activity in the industry. The barriers to tourism which we have are large. They are large by virtue of geography, awareness, and by virtue of the fact that this country presents very disparate and different images. Let us see a Ministry which ensures that those barriers are not increased by making Canadian tourism non-competitive from the point of view of price.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, the following question will be answered today: 350.

[*Text*]

OPERATING BUDGET OF CBC IN MONTREAL

Question No. 350—**Mr. Desrosiers:**

1. What is the 1985-86 operating budget of the Canadian Broadcasting Corporation for (*a*) security (*b*) entertainment (public relations) (*c*) support (*d*) the library (*e*) the record library (*f*) stage (*g*) stage designing services?

2. (*a*) How many employees are there in each service (*b*) what was the (i) 1983-84 (ii) 1984-85 budget of each service (*c*) how many employees were there in each service in (i) 1983-84 (ii) 1984-85?

Hon. Benoît Bouchard (Acting Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

1. It has not been customary to require the CBC to provide such details of its internal management and administration, as the budgets allocated to certain departments. The reason for this custom is explained in detail in the reply to question 2530, answered on November 6, 1975.

2. For the CBC in Montreal: (*a*) Security at Maison de Radio-Canada, the International Broadcast Centre, Cité-du-Havre and the Mont-Royal and Brossard transmitters, 88 including 80 guards from the Canadian Corps of Commissionaires. Guide service, 2; support, this department does not exist; library, 11; record library, 35; staging, 296; stage designing, 192.

(*b*) See answer to part 1.

(*c*) For the CBC in Montreal: (i) 1983-1984. Security at Maison de Radio-Canada, the International Broadcast Centre, Cité-du-Havre, and the Mont-Royal and Brossard transmitters, 109 including 100 guards from the Canadian Corps of Commissionaires. Guide service, 18 including seven temporary employees; support, this department does not exist; library, 13; record library, 40; staging, 316; stage designing, 198. (ii) 1984-1985. Security at Maison de Radio-Canada, the International Broadcast Centre, Cité-du-Havre, and the Mont-Royal and Brossard transmitters, 94 including 85 guards from the

Canadian Corps of Commissionaires. Guide service, 7; support, this department does not exist; library, 13; record library, 40; staging, 301; stage designing, 198.

[*Translation*]

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

Mr. Deputy Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand.

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA DEVELOPMENT CORPORATION REORGANIZATION ACT

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-66, an Act respecting the reorganization of the Canada Development Coporation, as reported (without amendment) from a legislative committee.

Mr. Deputy Speaker: I wish to inform the House that because of the ministerial statement, consideration of Governmenlt Orders will be extended by 29 minutes this day. Therefore, Private Members' hour will begin at 4.29 p.m.

There are four report stage motions on Bill C-66. Motions numbered 1 and 2 will be debated and voted on separately. Motions Nos. 3 and 4 will be grouped for debate and voted on separately.

Mr. Dingwall: On a point of order, Mr. Speaker, I think there has been a disposition, at least in my discussions with the Parliamentary Secretary to the Minister of Regional Industrial Expansion (Mrs. Tardif), to call it one o'clock.

Mr. Hnatyshyn: Mr. Speaker, I am prepared to give serious and affirmative consideration to this suggestion, knowing full well that we will make progress this afternoon. I am sure that was part of the discussions which took place with the Parliamentary Secretary. I see everyone nodding in the affirmative; I guess it is one o'clock, Mr. Speaker.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock this day.

At 12.50 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Canada Development Corporation

Mr. Deputy Speaker: We are now on Bill C-66 and we will deal first with Motion No. 1. Mr. Langdon, seconded by—no seconder?

Some Hon. Members: Out of order.

Mr. Deputy Speaker: If I do not have a seconder the motion will have to be dropped.

Some Hon. Members: Agreed. Drop it.

Mr. Deputy Speaker: Do I have a seconder for the motion?

Some Hon. Members: No.

Mr. Deputy Speaker: I must declare the motion dropped then. Still on Bill C-66, Motion No. 2, Mr. Langdon—

Mr. Hnatyshyn: Here is someone now. Let us go back and start again. Do you want to start again? On a point of order, Mr. Speaker, I believe we should go back and, by unanimous consent, start again with respect to Motion No. 1 now that we have a seconder in the House for the motion.

Mr. Deputy Speaker: Is that agreed?

Some Hon. Members: Agreed.

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 1

That Bill C-66, be amended in Clause 5 by striking out line 41 at page 2 and substituting the following therefor:

"attached more than ten percent of".

He said: Mr. Speaker, I appreciate the willingness of the House to recognize the difficulties of Friday lunches. We have here what appears to be, on the face of it, an innocent amendment which attempts to make a relatively small change in the existing Bill. It is a change which arises from the considerable difficulty which, I think it is fair to say, witnesses expressed throughout our hearings with regard to the logic of the 25 per cent rule. For Members of the House who have not been forced to dig into the arcane details of this Bill quite as deeply as I have myself and as has my hon. colleague, the Parliamentary Secretary opposite, the Bill seeks to set a restriction on how a private company can operate in this country, because CDC will be a private company in the future.

I must say, Mr. Speaker, that there were Conservative Members who quite properly asked whether it was sensible to have any restriction of this kind in a Bill. This restriction of 25 per cent means that no single corporate entity can purchase more than 25 per cent of the shares of the privatized CDC. There were Conservatives who said that if this is to be a private company it should follow completely the rules of the private enterprise market-place. In response to that, the Minister and other Conservatives replied that it is important to have some kind of safeguard of the future independence of this corporation and of the capacity of the organization to enjoy the benefits of the outside shareholders, but not to be coerced overwhelmingly by those outside shareholders.

● (1410)

If this clause passes in its present form in the Bill as it is reported from committee, we will have enshrined a precedent in how we treat certain private companies in this country. To my knowledge and the knowledge of the legislative committee, there is not a single other example of a 25 per cent limit in existence in any legislation concerning private sector companies in this country. Indeed it would be the first time that such a procedure would be put into effect.

We believe that rather than put this new precedent into the books, we should look at the cases where we presently restrict private companies in certain ways. For instance, the figure used for the banks is 10 per cent. No individual or corporate group can have a holding larger than 10 per cent of the over-all shareholding. Therefore, we have moved this amendment to achieve that same kind of limited corporate partnership entry into CDC.

We do this for a number of other reasons besides consistency. First, the President of the CDC himself indicated that this would be best for the company. Second, we are concerned with a process which has taken place by which close to 15 per cent of the shares in this company have already come under the control of the Brascan group which has clearly indicated from its past that it is interested in restricting competition in an arrangement with the Kidd Creek mine which CDC owns.

In addition, it is quite possible that a situation could develop with a 25 per cent shareholding. We in the committee asked our witnesses about this and they told us what could happen when a company had a 25 per cent shareholding. A company like Brascan—we should be aware that Brascan played a major role in the shaping of this legislation—would be able to establish such a paralysis within the company itself that CDC would be forced to sell off the Kidd Creek mining properties to Brascan, in which it has always had such interest, in order to placate a partner that was not prepared to co-operate.

A partner that has only 10 per cent of the shares can prove to be helpful when problems arise. It can provide an incentive or apply some pressure on management to perform. However, when such a company can have 25 per cent of the shares, that useful pressure can be translated into a dangerous threat. Therefore, I urge Members of the House to accept the argument, which was put to us by the President of the Canada Development Corporation, that it would make sense to accept the logic we have applied in the case of the banks with a 10 per cent shareholding and accept this constructive and straightforward amendment in the first block of amendments to be voted on.

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I also want to address a few remarks to this particular amendment. It should be noted that this amendment that was put forward by my colleague is his own amendment, unlike the others that will follow. They were really suggested by the President of the Canada Development Corporation while in committee.

The Hon. Member is correct in his analysis that the evidence which was adduced during the committee hearings with regard to the foreign investment factor in this particular Bill would lead one to conclude that a 10 per cent or perhaps 12 per cent or 14 per cent shareholding as would be more reasonable. The logic of the 10 per cent shareholding referred to by my colleague was echoed quite eloquently by the President of the Canada Development Corporation when we had an opportunity to cross-examine him before the legislative committee.

We also had an opportunity to cross-examine individuals of the divestiture committee of CDIC as well as officials of CDC and the Minister responsible. I believe that their arguments against the suggestion of foreign investment being less than 25 per cent—whether it is 10 per cent or the 14 per cent to which I alluded earlier—was practically null and void because on the subsequent day to the Minister's appearing before the committee, the President of CDC said that it was logical to live by the provisions of the Bank Act which provides for 10 per cent, and therefore why not provide for 10 per cent in this Bill?

While I rise to support the amendment, I also want to indicate my disappointment in the framework of the Legislative committees. I believe that those of us who have been in the Chamber for more than a year had hoped that legislative committees would function in such a way as to improve upon a Bill. However, when evidence was adduced from various sources in an attempt to improve the legislation, I say quite sincerely that we found to our dismay that Government Members were either under duress or some direction, which meant that the objective to improve legislation was not being achieved, notwithstanding that there had been a consensus about the new committee system of the House.

While we will support Motion No. 1, it was my hope that during our deliberations in the legislative committee there would have been a disposition by Members to recognize the benefits not only of the evidence which we put forward as Opposition Members but indeed of evidence put forward by individuals involved with CDC on a daily basis. They are the ones who have to live with this legislation in the market-place. Although they did not recommend it specifically, they found nothing inherently wrong with going to 10 per cent and felt that that perhaps would be the best way to proceed.

● (1420)

[*Translation*]

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Under the proposed amendment, Mr. Speaker, a Canadian investor might be barred from holding more than 10 per cent of the shares. The Bill as drafted sets the limit at 25 per cent. In my opinion, this has been the subject of lengthy debates in committee and we came to the conclusion that if a shareholder could not acquire more than a token CDC share he might find himself in a position where he would carry little weight with the board of

directors who would then run the risk of keeping to themselves in their ivory tower.

When we considered the advisability of lowering the limit from 25 to 10 per cent, the main argument was that a 25 per cent holding might enable the investor to cash in his investment at consolidation value, which is important, and the other advantage was that no shareholder would be able to acquire all the shares. So there was an advantage on both counts.

Concerning the objections raised by my colleague from Essex-Windsor (Mr. Langdon), I might remind him that the provisions of Clause 5(2) were mentioned on several occasions during committee proceedings, for they do establish mechanisms designed to stave off any prospective take-over by a group of shareholders. I would suggest that those clauses are good enough and would defeat any take-over attempt. With respect to the 10 per cent ceiling proposed under the amendment, I think the shareholders would be very hard pressed to participate fully in the activities of the CDC or convince management to steer a new course should it ever become advisable to do so. Therefore I am opposed to the amendment.

[*English*]

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I rise to say a few words about this particular motion. I listened with interest to the Hon. Member who just spoke, attempting to make a case for 25 per cent participation in CDC. Quite frankly, that debate has gone on in the House many times. I think the most obvious time that it occurred was in the last revision to the Bank Act. At that time witness after witness—and I cannot recall the exact number of witnesses who appeared before the Standing Committee on Finance, Trade and Economic Affairs—emphasized and re-emphasized the point that in something as critical as a bank, we needed at least a 10 per cent ownership rule. That simply ensures adequate participation so that there is not an overdue influence by any particular individual or group. I think 10 per cent is the general rule of thumb one would find not only in the Canadian banking system but generally around the world. It is considered to be a rate which provides for adequate participation in terms of corporate decision making and ensures a wide enough ownership base so that no individual, particular firm or particular group would have undue influence.

When the Government asks that this be 25 per cent, it goes against a trend with the new Government. The most obvious reflection of that trend was when the so-called Blenkarn report of the Finance Committee was presented. It was felt that all ownership provisions on financial institutions should be taken off; that if an Arab prince or an enterprising wealthy Hong Kong entrepreneur wanted to buy one of our major trust companies or banks, so be it; and that there was no concern about single domestic ownership, so much power in the hands of an individual, be he a Canadian or a foreigner. That betrays a rather interesting view of what is in the best interest of Canada and what is in the best interest of Canadian control of our financial institutions or other institutions.

It seems to me that there is a mind-set developing with the Government, saying that it has faith in the system, that if a single individual owns 25 per cent, that is fine; if a single individual owns the Bank of British Columbia, that is fine. Quite frankly, I do not think that is fine. I cannot imagine where one would find evidence to suggest that that is in the best national interest. Everything I have read, at least anything credible, would certainly indicate that that kind of concentrated financial, economic and therefore political power, seldom acts in the best interest of the country *per se*.

This is why the Hon. Member for Essex-Windsor (Mr. Langdon) has put forward a motion indicating that the 10 per cent rule should be followed in the case of CDC as well. I think we should give serious consideration to this particular proposal. If we really believe in building in a sense of fairness and equity into the corporate sector, this principle would be maintained by following the provisions of this particular motion.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I would like to make a few comments in support of the Hon. Member for Essex-Windsor (Mr. Langdon). The motion, as has been stated, would simply reduce the percentage of shares which could be held by any individual or group in the reorganized CDC from 25 per cent to 10 per cent.

The Bill is aimed at the privatization of the Canada Development Corporation. We have not seen any real justification for that, but presumably the Government would want to say that it is to lead to greater competition and to a possibility where more Canadians would have the opportunity to participate in one of the 10 largest corporations in Canada. This year, the corporation has total assets of some $7.8 billion. If we want to see that greater diversification, at the very least we should support a motion such as this one which would limit the total shares that can be owned by any individual or group to a maximum of 10 per cent. That is a very healthy amount which can be owned by any individual, group or corporation. Ten per cent seemed like a logical upper limit, a very generous upper limit, if we are concerned about reducing the amount of corporate concentration in Canada. I am not sure that is what members of the Conservative Party are interested in. If they look at the effects of the Bill, they will see that it will lead to greater corporate concentration.

We would at least like the same type of protection built into the Bill as is in the Bank Act, where any individual is limited to a total ownership of 10 per cent of the assets.

On that basis, I urge Hon. Members opposite to take very seriously the argument put forward by my hon. colleague and to support the motion.

Motion No. 1 (Mr. Langdon) negatived.

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 2

That Bill C-66, be amended in Clause 5

(*a*) by striking out lines 5 and 6 at page 4 and substituting the following therefor:

"forfeiture of dividends, the removal from or refusal of registration of securities and for the sale of securities held or beneficially owned in contravention of the constraints".

(*b*) by striking out line 5 at page 5 and substituting the following therefor:

"sons, owns more than 20 per cent of the".

● (1430)

He said: Mr. Speaker, the amendment that we have before us now is an amendment that comes to us directly from the board of directors of the Canada Development Corporation, which has reviewed this piece of legislation carefully. The board of directors appeared before the committee to give their judgment.

This is a privately, entrepreneurially run corporation, which will shape the future of that enterprise. The board recommended that we accept this amendment. They did so very specifically because they believe the Bill as it is presently drafted does not protect the independence of the CDC and the capacity of the CDC to do a job for the country as a whole.

The board talked to us in committee about various recommendations. I would like to quote to Members of the House from the testimony of the President of CDC, Tony Hampson dealing with this amendment. He said:

We also recommend that subclause 5.(2) be revised to provide CDC with authority to sell shares owned in continued contravention of the constraint provisions of this legislation.

I asked Members of the House to follow this very carefully. He went on:

Without CDC having power to enforce a sale—

This is on the legal advice that CDC received. He continued:

—it would be possible for a shareholder to exceed the limits on share ownership and achieve control even though the excess shares could not be voted. For example, as now proposed, a non-resident investor—

This is not me speaking, but the head of the private corporation with whose affairs we are dealing in this Bill. He said:

—who accumulated 90.1 per cent of CDC's voting shares would have everything above 10 per cent neutralized;

That is, the last 80 per cent they could not vote but neither could anybody else vote those shares. Let me continue. He went on to say:

—but the unaffected 10 per cent holding would still outvote the shares held by all the remaining shareholders.

In short, Mr. Speaker, we are talking here about an extremely dangerous loophole in the Bill pointed out to us forcefully and unanimously by the board of directors of the Canada Development Corporation. They said that if we do not close that loophole and if we do not make it possible for the board to force those shares to be sold, which are held in contravention of the 10 per cent and the 25 per cent limitations, then they can be held on to. They cannot be voted, but because the company holds this vast number of shares, which it cannot vote plus a number of shares which it can vote, more than the remaining shares in the operation, it becomes possible for a single powerful company, either a foreign company or a single Canadian company, to take over the enterprise, despite the fact that the enterprise is set up to serve the country widely, to meet employment needs across the country and to fill a great many different business needs.

CDC, as Members of the House know, is a holding company which has under its auspices such important businesses as Connaught Laboratories, producing insulin in Canada, Polysar, producing artificial rubber, Petrosar, producing specialized chemicals, and Kidd Creek Mines in northern Ontario, which has perhaps the richest concentration of lead zinc mines and smelters in the province. CDC is an important company. Yet the small technical loophole identified by the lawyers of the Canada Development Corporation leaves completely open the possibility that our purposes as a House in trying to build in some safeguards, safeguards that will keep this company Canadian controlled and will keep it subject to 25 per cent control, will be contravened.

This corporation could be subject to a back door raid which would take it out of the hands of people here in our country. It is not a loophole which would have jumped off the page to me as I read through the legislation, but it is a loophole which the corporate lawyers of CDC themselves take very, very seriously. It is a corporate loophole which the entire board of directors of Canada Development Corporation requested us as a Parliament to correct.

I hope that with that kind of support from the groups of people, who will hopefully make this company a success in the future, Members of the House will be prepared to accept the amendment which follows the wording proposed by the CDC board and will give CDC the protection which it requests from this kind of back door raiding practice.

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, the proposal as suggested by Mr. Hampson, President and Chief Executive Officer of the Canada Development Corporation, would ensure that no one, or several affiliated companies if the parent company holds less than a 50 per cent interest in each of the subsidiaries, would be able to take control of CDC.

Anyone with any background in business knows that one need not own 50 per cent of the stock to control a company. In that regard the 20 per cent restriction which the President of the CDC proposed was, in my view, a very wise move to ensure that CDC does not become a puppet of other corporations. That, of course, would reduce the chance of having monopoly situations arise.

● (1440)

Mr. Langdon: Mr. Speaker, I rise on a point of order. I believe it is actually Motion No. 2(*a*) with which we are presently dealing, or are we in fact dealing with (*a*) and (*b*)?

M. Hnatyshyn: Both. They are lumped together.

Mr. Langdon: I see.

Mr. Dingwall: I hope that will not be taken off my time.

Mr. Hnatyshyn: It won't be included because it was probably constructive.

Mr. Dingwall: As I said earlier, this particular amendment was suggested by the President and Chief Executive Officer of the Canada Development Corporation.

It was interesting to note that during the deliberations of the legislative committee, the President and Chief Executive Officer of the CDC came before the committee with the clear impression that it was his duty and moral obligation to present for committee members ideas and suggestions which he believed would improve upon the legislation without deviating from the Government's objectives. It was his clear understanding that he was to appear before the legislative committee to make suggestions and draw to the attention of members ways in which this Bill could be improved. He did make a number of suggestions and this is one of them.

Government Members, and particularly the Minister responsible, were of the view that if this amendment as suggested by the individuals who work on a daily basis with CDC was accepted, it would somehow interfere in a negative way with the prospectus which was offered earlier by CDC. That argument is a fairly substantive one. Government Members spoke of the right of rescission or damages if in fact there was an amendment made which would subsequently interfere with the prospectus. In that case, there is provision under the Ontario Securities Act for individuals to take action against the Government.

The President and the Vice President and General Counsel of the Canada Development Corporation came well equipped to the committee meetings. They retained the services of a very prominent and distinguished law firm by the name of Fasken and Calvin. This law firm spelled out very clearly that the amendments that were being sought by the officers who were entrusted with carrying on the activities of that corporation would in no way interfere with the prospectus, thereby giving right to individuals to activate the provisions of the Ontario Securities Act. A legal opinion was written by that very distinguished Canadian firm involved in the securities business. I quote from page 6 of this opinion which was filed for all committee members to read:

> The proposed change in the definition of "associate" in the Bill to trigger associate status at 20 per cent rather than 50 per cent ownership of a corporation would not, in our opinion, give rise to contractual rescission rights.

That is very clear. Not only do the Chief Executive Officer and the Vice President and General Counsel of the corporation say that, but a prestigious and distinguished law firm says that those amendments will in no way destroy, defeat, impair or inhibit the objectives of the Government. It is merely a provision designed to improve upon the legislation.

It surely was the intent of the McGrath committee when it established the new rules for legislative committees that individuals would come before Parliament in a non-partisan manner to make suggestions to improve upon legislation. In this case, we have three clear and unequivocal examples of support for a particular amendment designed to improve upon the legislation.

What happened in committee? I do not want to rehash for all Members what happened in committee. However, the amendment was defeated. We are now trying to bring it to the attention of Hon. Members that surely there must be a time for Parliament to put aside partisan politics and accept the recommendations and legal opinions of the experts who are trying to achieve something that will be for the betterment and not for the detriment of the Government.

I do not want to jump to the conclusion that some backroom discussions have taken place with certain individuals. However, there is evidence to allow one to conclude that perhaps something of that nature has taken place over a period of time. The amendment sought by the President and Chief Executive Officer of the CDC is clear. He has a legal opinion to back up his submissions. I think in the interest of Parliament and in the interest of improving legislation, which I believe all of us wish to do, we should accept this amendment which has been offered by members of the Canada Development Corporation.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I will keep my remarks regarding this particular motion very brief in order to allow us to deal with them all today. I will confine my remarks, by and large, to Motion No. 2(*b*). This motion contains quite an extraordinary suggestion, one made by senior representatives of the CDC in order to guard against a very peculiar takeover potential.

I appeal to my colleagues opposite, many of whom understand and are active participants in the business world and know full well that in business as it is practised in Canada today, the 20 per cent ownership rule is considered quite usual and acceptable. Based on that assumption, I have a question to ask. I have to ask what on earth would motivate government Members to introduce the 50 per cent rule unless they plan to open up a loophole that would allow for back-door takeovers or the concentration of power.

I see that my friend, the Hon. Member for Okanagan North (Mr. Dantzer), is laughing at my concern over increased financial and corporate power in Canada and the falling of more and more power into the hands of restricted numbers of individuals. The Hon. Member might think that that is funny. With all due respect, he might find that humorous. However, when businesses like Cadillac-Fairview start warning us that a number of these practices will result in increased corporate financial and political concentration of power in Canada, I do not find it to be a laughing matter. I do not find that humorous. I do not find it at all encouraging in terms of the direction in which the country appears to be moving.

● (1450)

Mr. Graham: Not like Russia at all.

Mr. Riis: No. I guess my friend across the way is a supporter of the Soviet Union's system of economics. I will allow him to take his turn and explain. In a sense, I suppose we are moving toward more and more control being placed into the hands of a single individual, whether it be an individual entrepreneur, an individual business or perhaps even the state. The Conservatives are taking us into an interesting development these days. I do not know what they are using for their

models, perhaps the Bronfman group, the Laurentian group or maybe the role of Conrad Black. Perhaps they are using as their model some of the state governments in Eastern Europe, or perhaps even the Soviet Union. I do not know but I find the development ironic.

I would like to explain step by step what is really going on here.

An Hon. Member: This is incredible!

Mr. Riis: My friend across the way says that this is incredible. I agree that it is unbelievable in terms of what the Government is attempting to do. At the present time we have a situation in which firms and associate firms together can own more than 25 per cent. In other words, there is a 25 per cent rule in place. The associated firm is usually limited to a 20 per cent participation. The Government now wants to increase the 20 per cent participation level to a 50 per cent participation level. The point I am trying to make is that Brascan, which now owns 26 per cent of Noranda, could purchase 25 per cent of the CDC and Noranda could purchase 25 per cent of the CDC. Brascan literally controls Noranda with a 36 per cent ownership. The point is that right now Brascan and Noranda together could control 50 per cent of the CDC. Brascan already controls Noranda. We are saying that, in a sense, with the present proposal before the House, Brascan could control 50 per cent of the CDC. It could own 50 per cent of the CDC.

I see my hon. friend shaking her head across the way. Perhaps she can explain where my logic is incorrect. If I am not incorrect and if the Government is saying it accepts the notion that Brascan can, should and may control 50 per cent of the CDC, then this is a dangerous signal to be sending out across the country. It concerns me very much.

Again, in its wisdom, management has suggested that we use the 20 per cent rule. I appeal to my business colleagues across the way to use the 20 per cent rule which is found in all aspects of prudent business practices in our country. Why is it that the 20 per cent rule is not being followed today? In a sense, a step is being taken which could quite easily and quite likely result in Brascan controlling 50 per cent and owning 50 per cent of the CDC. I have posed two or three questions to my hon. friend and I will sit down now and listen to her response.

[*Translation*]

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, first of all, I would like to answer my hon. friend's question about concentration of power.

In speaking to the first amending motion, I referred to Clause 5(2) which gives to the Corporation, and protects certain powers that an ordinary corporation would not have. I think that what is already in the Bill provides that the Corporation will be able to protect itself against this kind of activity.

Mr. Speaker, the motion now under consideration is divided into two parts, and I would like to say a few words about each one.

First of all, in the motion numbered 2(*a*), we see that if the clause were amended, this would enable the Board of the CDC to sell all shares held by shareholders who failed to comply with the ownership provisions and to strike these shareholders from the Corporation's records.

Mr. Speaker, the purpose of this Bill is to make the CDC a corporation under the Canada Business Corporations Act. I think that if we consider the amendments being requested, few businesses of this kind dispose of such powers of confiscation.

With this amendment, the CDC would be drawn even further away from the Canada Business Corporations Act.

As for the second half of the motion, its effect would be to create a partnership between two corporations if one of them, or the enterprises with which it is associated within the meaning of the definition provided in the same clause, own more than 20 per cent of the other corporation's voting shares. At the present time, the clause provides a ceiling of 50 per cent on ownership of shares of an associate corporation.

This proposal also has the same effect as the first part of the motion, namely that it goes against the purpose of the Bill which is to make the CDC as much as possible a corporation that would normally come under the provisions of the CBCA. Under this legislation, to control means to own more than 50 per cent of securities to which are attached votes that may ordinarily be cast to elect directors of the Corporation. This definition corresponds to what is provided in provincial legislation on corporations and securities and in the Bank Act.

Mr. Speaker, considering the fact that members of the Legislative Committee have had ample time to discuss this motion in committee and did not decide to adopt it, I cannot concur with this motion.

[*English*]

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, again, I wish to urge Members opposite to look closely at the amendments put forward by my colleague and to consider the process in which we are involved. I ask them to consider whether or not we are really concerned about seeing wider ownership of the corporation or if we want to see much more concentration in the Canada Development Corporation.

It is interesting to note that my colleague, the Hon. Member for Essex-Windsor (Mr. Langdon), pointed out in committee that four out of the seven members of the divestiture committee which was set up to look into the reorganization of the CDC were associated with Brascan. This gives weight to the questions which have been raised about the possibility of the Brascan group gaining control of the CDC.

It is important to remember that these amendments were first suggested by the board of directors of the CDC as an attempt to close a loophole which would permit one corporation, for example Brascan, to gain complete control of the CDC. This is quite apart from the present restrictions and what they are supposed to do. Under the loophole, one corporation can purchase more than 25 per cent of the shares even

though it would not be able to vote those shares. The amendment provides that the company would have the right to insist upon the sale of those shares held outside the restrictions which this Bill purports to impose.

The second part of the amendment would change the definition of an associate from one holding more than 50 per cent of the voting shares of the corporation to one holding more than 20 per cent of the voting shares of the other corporation. What we all recognize is that 50 per cent ownership is not needed for effective control of most corporations. Even 20 per cent gives control in many cases, particularly if other shares are widely held.

The Hon. Member for Ottawa Centre (Mr. Cassidy) asked the Minister a question in committee with respect to the situation regarding Brascan, Noranda and MacMillan Bloedel. I would like to quote from the proceedings of that committee where the Hon. Member said:

> Perhaps I could ask the Minister this question, to take a specific question. Forty-nine per cent of MacMillan Bloedel is held by Noranda Mines. It therefore does not come under paragraph (*f*) as an associated company. In your opinion, would MacMillan Bloedel be deemed to be associated under paragraph (*h*) and therefore prohibited from buying a big chunk of CDC in addition to the 15 per cent or 25 per cent that Noranda may have?

The Minister responded:

> Mr. Chairman, that is the type of thing I think if those circumstances arose . . . Clearly, if the company were concerned, they would have to go to their counsel and ask for an opinion. Now, you asked me in the situation you have outlined to give an opinion. I do not intend to give that type of opinion. You have the clause here. There are paragraphs (*a*) to (*h*) dealing with the interpretation of what associate is with respect to the whole associated status in the clause itself.

● (1500)

My colleague, the Hon. Member for Ottawa Centre (Mr. Cassidy), very properly pointed out that the Minister was in effect abdicating in saying they would have to go before the courts to determine what Parliament intended with this clause.

What we are trying to do with this amendment is to make it very clear that we do not want to see that kind of corporate concentration. We do not want to see CDC fall into the hands, or effective control, of only one corporation or one group of corporations. Hon. Members opposite are very concerned about what they would consider excess Government control of the CDC. I think they should be equally concerned about excessive corporate control by one corporation or one group of corporations. On that basis I urge those Hon. Members to look very seriously at these amendments and to support them.

Motion No. 2 (Mr. Langdon) negatived.

[*Translation*]

Mrs. Tardif: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Parliamentary Secretary, on a point of order.

Mrs. Tardif: Mr. Speaker, there has been consultation among the three parties, and I think that if you ask the House, you will find there is unanimous consent for the following motion:

> That, notwithstanding any Standing Orders of this House, when the House has completed its consideration at the report stage of Bill C-66, an Act respecting the reorganization of the Canada Development Corporation, provided that no divisions have been deferred pursuant to Standing Order 13(3), it shall proceed immediately to the consideration of the third reading stage of the said Bill.

Mr. Deputy Speaker: Is there unanimous consent to adopt this motion?

Some Hon. Members: Agreed.

Motion agreed to.

[*English*]

Mr. Deputy Speaker: We will now debate Motion No. 3 and Motion No. 4 together. They will be voted on separately.

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 3

That Bill C-66, be amended in Clause 8 by striking out line 9 at page 8 and substituting the following therefor:

"by-laws inconsistent with any such provision or continue the Corporation under the laws of any other jurisdiction."

Motion No. 4

That Bill C-66, be amended by adding immediately after line 9 at page 8 the following:

"9. The Corporation shall not sell, assign, transfer or deliver control of all or a substantial portion of its property other than

(*a*) in the ordinary course of business or as security for a bona fide loan or other financial assistance; or

(*b*) to an affiliate as defined in the *Canada Business Corporations Act*, of the Corporation and, if a sale, assignment, transfer or delivery of such control to an affiliate occurs, then such affiliate shall be bound by the provisions hereof."

He said: Mr. Speaker, the curious situation which leaves a New Democratic Member of Parliament acting as spokesperson for the Canada Development Corporation before the House is something which leaves me mildly embarrassed although, frankly, only mildly embarrassed because I think the CDC has, on balance, an excellent record in the contribution it has made to our development and to our independence. It has the capacity as well to withstand political pressure which was demonstrated so bravely during the past Government when the attempt was made to put Mr. Maurice Strong in as chairman of CDC and the present president of the CDC, Tony Hampson, fought that political incursion as energetically and as effectively as one could possibly hope to see from any private sector company worth its salt.

Therefore, I am actually one Canadian who is proud of the contribution which CDC has made to our country and I am one who looks forward to tremendous contributions from it in the future if it is safeguarded, its independence is protected and its management capacity to take risks, the long-term view and to look at our country as a place to grow in, is protected by us, the Parliamentarians of Canada.

With that in mind, I come to these last two amendments. So far we have been speaking about differences of opinion. We could have a 25 per cent limit or we could have a 10 per cent

limit. We have been speaking about the differences which might exist in defining an associate company and about the question of whether there is a loophole which exists in some of the existing wording, with some of us saying, yes, and some of us saying, no. Now we come to something which is far more crucial. It is a set of loopholes in the existing legislation which one could drive a rather large World War II blimp through. These are not loopholes you drive trucks through. These are massive loopholes. They are loopholes which open up the possibility that this whole Bill which we have painstakingly worked on could simply come to mean nothing to CDC because it is left open within the legislation that all of the CDCs assets could be transferred to another jurisdiction. At that point all of the safeguards which we have put into the Bill throughout our work in committee will simply disappear.

The Canada Development Corporation, perhaps, will be sold to South Carolina and the Carolina Development Corporation will from now on run Kidd Creek Mines, various chemical plants in Sarnia and the labs in Toronto which discovered insulin. It is possible that the assets could be sold into a different jurisdiction over which this whole Bill which faces us would no longer be applicable. Therefore we must have a clause inserted into the Bill to prevent that before it becomes law. The president of the Canada Development Corporation, speaking on behalf of the entire Board of Directors of the Canada Development Corporation, said that under the present wording of Bill C-66, the Council—that is the Council of Directors of CDC,—believes that there is nothing to prevent a future board of CDC, whether or not acting on behalf of a dominant domestic or foreign shareholder, from subsequently obtaining continuance in another jurisdiction but without the share constraints of Bill C-66, and that an amendment should thus be made to Subclause 8-2 to prevent CDC from being continued away from foreign jurisdiction.

● (1510)

I am not a lawyer, Mr. Speaker. I am not a businessman. I am not someone who regulates stock exchanges, thank God. However, I am someone who takes seriously the measured words of one of the most respected businessmen in this country when he says this Bill is not going to be worth a hill of beans if we do not close some of these loopholes. He even comes forward and says here is precisely how we can do it. He is giving us precise wording which will not benefit CDC itself, but will benefit us as parliamentarians in putting forward legislation which we would not want to see become the laughing-stock of this country. Therefore I plead with Members opposite, as part of a new approach to the analysis of legislation, to look very, very seriously at and accept this small amendment from the CDC board. Accept it not because it comes from us but because it comes from the CDC.

Further, I would argue that Motion No. 3 is complemented by Motion No. 4 which says that:

The corporation shall not sell, assign, transfer or deliver control of all or a substantial portion of its property—

Again, outside the country. This is very straightforward and I wish the committee had accepted it. I trust it would have accepted it had it not been for the unfair pressure by the Government saying that it had already put out a share issue and if we make changes in this Bill it will damage that share issue. It would make it possible, the Government said, for people to sue the Government because the details of the share issue are different from those of the legislation when it is passed. Therefore, I urge Conservative back-bench Members particularly to take seriously this message from one of the most prominent, indeed one of the best of the private corporations we will have in the future. I ask them to resist this blackmail message from the Government that we cannot change this legislation in even a tiny respect simply because the Government inappropriately, improperly and immorally placed a share issue on the market this summer before any of this had come before this House for discussion. I hope that those deeply persuasive arguments, based as they are in the tenets of firm Ontario Conservatism, will somehow have an effect on my fellow Members today.

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, again I rise to speak to these two motions which, although not consequential, are in many ways interrelated. The arguments we received in committee for rejection of the amendments put forward by the CDC were much in line with what I said regarding Motion No. 2: Somehow the amendments being put forward would interfere and give rise to civil actions under the Ontario Securities Act because a prospectus had already been issued and any changes or amendments to the Bill would be a material change and therefore the provisions of the OSA would be applicable. Unfortunately for the Government, a legal opinion obtained by senior members of the CDC disputed that statement regarding this particular measure. This amendment, if approved by the Government, would not, as the Minister of Regional Industrial Expansion (Mr. Stevens) said in giving evidence before the committee, be a material modification to the Bill.

It seems to be quite logical that this amendment falls in with the objectives the Government initially announced regarding this legislation. The Government is restricting ownership of the shares in that only 25 per cent can be held by foreign interests. There is a certain make-up or splitting of the shares. However, the Act is silent on the continuance of the corporation in another jurisdiction. It was interesting to read the testimony of the senior legal counsel for the CDC who said very clearly that in his view he was not seeking a major amendment. I think I am quoting him correctly and if I am not, I am sure Government Members will jump to his defence. This amendment just seems so logical given the objectives and thrust of the Bill. I assumed from our deliberations, when he made his comments and saw the amendment, that he thought it would follow and follow very quickly. Unfortunately, once again, we saw in the legislative committee a stonewalling by Government Members notwithstanding the judgment of outside legal counsel, the chief executive officer of the corporation, Opposition MPs and

researchers that we understood very clearly the logic of this amendment.

It does not make sense that under the Canada Business Corporation Act you have certain restrictions but when you give the corporation the opportunity to continue that legislation under another jurisdiction the provisions we have all talked about, the restrictions on the shares, no longer are applicable. It seems to me to be a fairly substantial loophole. I cannot understand it, particularly when we heard the Minister himself say what he hoped to achieve by way of the CDC. What he has argued for in this Bill goes out the window because the Government refuses to put in a clause regarding continuance under another jurisdiction.

● (1520)

My colleagues to the left who have mentioned various corporations could, perhaps, argue that a deal may be coming down of which we are not aware. However, Mr. Speaker, that is only speculation or, as your predecessor would say, *obiter dicta*. When you lack logic or reason, when you lack legal, expert, or business opinion which says that what the Government is doing is correct, it leads one to conclude that perhaps there is some justification for being really concerned as to where the Government is going with this particular piece of legislation. I think the Parliamentary Secretary has handled this particular piece of legislation fairly well. Surely she and her colleagues can see the merit of the amendment unless, of course, what we saw displayed at committee is, in fact, what is taking place within the boardroom and the administration of the CDC; that the left foot does not know what the right foot is doing and the Minister does not know what either foot is doing.

I have no hesitation in supporting this amendment but it surprises me greatly that the Government has chosen to act with some degree of irresponsibility with regard to the provisions for the continuance of this corporation in another jurisdiction.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, this is a particularly important amendment. I am sure that Government Members will support it once they have had a chance to clearly evaluate the motivation behind it. It was recommended by a number of witnesses who suggested that this was in fact the appropriate step to take. If we fail to accept this amendment, there is more possibility that the CDC could be transferred into a totally new and different jurisdiction. To put it bluntly, Mr. Speaker, with the present legislation the possibility does exist for CDC to find itself under the jurisdiction of a province or perhaps even a foreign government.

I remember my hon. friend, the Member for Crowfoot (Mr. Malone) speaking out for many, many years on the concern that is being raised by Hon. Members that we might lose the ability to benefit, through our own regulatory system, from these kinds of economic endeavours. I would expect him to have some words to say on this motion for sure.

One wonders what hesitation the Government has in accepting an amendment which keeps the CDC within the Canadian federal jurisdiction. As I understand the motion, it does nothing more than that. It is not that we assume that there are all sorts of bogeymen out there prepared to take immediate advantage of what may be a loophole, but, nevertheless, that possibility exists. People who understand the role that the CDC plays in the country and ought to be playing in the future are concerned that we close off the possibility of transferring the jurisdiction of a corporation so important to the development of Canada, even with its restricted powers. We must ensure that it remains within the federal jurisdiction, closing off the possibility for the control of power to be transferred to a provincial or even foreign jurisdiction. Once again, Mr. Speaker, I urge my Conservative colleagues to endorse this motion put forward by my friend, the Member for Essex-Windsor (Mr. Langdon).

[*Translation*]

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, I would first like to speak to the Motion No. 3, whose purpose is to prevent the federal Government from losing jurisdiction over the CDC.

Mr. Speaker, if we take a closer look at Bill C-66, we see that clause 5.1(*d*) already provides that the articles of continuance shall contain: "provisions respecting the enforcement of the constraints imposed pursuant to paragraphs (*a*) to (*c*); According to sub-clause 8(2), the Corporation "shall not amend any provision included in the articles of continuance in compliance with any of paragraphs 5(1)(*a*) to (*c*) or make any articles or by-laws inconsistent with any such provision."

Therefore, if the Corporation came under a provincial jurisdiction for instance, it would nevertheless have to meet the requirements concerning ownership already provided for under this Bill.

Motion No. 4 deals with the sale of assets under extraordinary circumstances as defined in the Canada Business Corporations Act which states that any sale that does not occur in the normal course of business must be authorized by a special resolution calling for at least a two-third majority vote.

The CDC is a holding corporation and its assets are made up of shares from other corporations. The normal activity of such a holding is to dispose of these shares from time to time.

The constraint as proposed could create a certain ambiguity concerning the powers of the CDC to administer assets and make it impossible for the Corporation to act in the best interests of its shareholders. Strictly applied, it could freeze the CDC in its present structure. This would go directly against the interest of the shareholders who are now interested in the CDC because it is involved in share investments and will improve and rationalize its portfolio to maximize its profitability.

In view of what is already provided for under the Act, Mr. Speaker, I must oppose the proposed amendment.

[*English*]

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I welcome the opportunity to speak on this amendment to the legislation before the House. It seems as though you were ready to ask the House to vote on this measure. Due to the importance of this measure, it is important that we give it more consideration and not sweep it through the House quickly.

My colleague proposed this amendment to the legislation in order to remove some of the glaring weaknesses in it. It is foolhardy and even tragic that the Government should seek to weaken and destroy the Canada Development Corporation which was originally founded in order to increase the control of the Canadian economy by Canadians. Since the major manufacturing industries of the country are owned by foreign investors it is important to have as many public policy tools as possible which enable us to strengthen Canadian control of the Canadian economy. Without Canadian control of the economy, Mr. Speaker, our political sovereignty is a hollow shell.

Canadians call upon Members of Parliament day after day to provide for their basic human needs, to remove the indignity of unemployment from the community. There is no way in which we can effectively respond to those appeals from Canadians for action without having control of our own economy. As long as the Canadian economy is controlled in New York in the headquarters of multinational corporations rather than on Canadian soil, there is no way in which we can effectively meet the needs of Canadians and respond to their cries for help. It is shameful that the Government is moving to weaken Canadian control of our economy at a time when we need to have control over it in order to provide for the needs of our people. The Conservative Government seems to have sold out the notion of Canadian control in the interest of worshipping the free market idol. It believes that if everything is left at the hands of the market-place and every decision is made by the private sector, the needs of Canadians will somehow be served.

• (1530)

Our Party recognizes that competition, in its proper place, can play a useful role and that the private sector has an important task to perform in the Canadian economy. However, the private sector with its private firms cannot serve its purpose in the Canadian community without being given direction by the Canadian people through the instrument of representative Government. Therefore, we hope that the Conservatives will abandon their ideological blinders and realize that if we are to have a genuine Canadian economy we must have control of Canadian industry.

It is important for us to have effective public policy instruments that will allow us to increase Canadian ownership of Canadian industry. Instead, the Government is weakening those instruments that will achieve Canadian control and is giving control of our economy to the private sector. It is handing the future of the Canadian economy to individual firms and multinationals and abandoning its responsibility for steering the Canadian economy in a direction that will provide employment and serve the interest of Canadians.

Large multinational firms have their own interests. They seek to make a profit and expand. While those interests sometimes serve our national interests, it is not always the case. Unfortunately, there is an assumption with the free market ideology that the interests of private firms will always be the interests of the community. That is simply not the case. It has been proven by the Canadian experience. We know that in an economy such as ours, with a large percentage of manufacturing owned by foreign investors, employment in Canada is exported to the parent firms in the United States when there is a downturn in the economy. It is no longer acceptable to Canadians to suffer the vagaries of economic downturns and to have a lack of control of the Canadian economy. That is why we support the Canada Development Corporation and have suggested amendments that would strengthen the legislation before us in order to allow ownership of the CDC to stay in Canadian hands and continue to be an instrument of public policy.

Why would the Government want to weaken the CDC? Why would it want to weaken an instrument it has to ensure Canadian control of the economy? I can only assume that the Government is blinded by its own ideology and belief that prosperity can only be achieved through the free market system. The free market system is important as long as it serves the community interests. However, in order to achieve this, we must have public policy instruments that will ensure that the private sector serves the public interest. That is why we have moved these amendments to strengthen this legislation. That is why it is important to increase Canadian control of the economy rather than abandon that objective.

Motion No. 3 (Mr. Langdon) negatived.

Mr. Steven W. Langdon (Essex-Windsor) moved:

Motion No. 4

That Bill C-66, an Act respecting the reorganization of the Canada Development Corporation, be amended by adding immediately after line 9 at page 8 the following:

"9. The corporation shall not sell, assign, transfer or deliver control of all or a substantial portion of its property other than

(*a*) in the ordinary course of business or as security for a bona fide loan or other financial assistance; or

(*b*) to an affiliate as defined in the Canada Business Corporations Act, of the corporation and, if a sale, assignment, transfer or delivery of such control to an affiliate occurs, then such affiliate shall be bound by the provisions hereof".

Motion No. 4 (Mr. Langdon) negatived.

Hon. Ray Hnatyshyn (for the Minister of Regional Industrial Expansion) moved that the Bill be concurred in.

Motion agreed to.

Mr. Deputy Speaker: When shall the Bill be read a third time? Now, by order passed earlier this day?

Mr. Baker: Mr. Speaker, I rise on a point of order. While the Speaker was reading the motion, the Member of the NDP stood to speak.

Mr. Deputy Speaker: It is my understanding that the Member of the NDP wishes to speak on third reading. We have moved concurrence.

[*Translation*]

Hon. Ray Hnatyshyn (for the Minister of Regional Industrial Expansion) moved: That Bill C-66, an Act respecting the reorganization of the Canada Development Corporation, be read the third time and passed.

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, I am privileged today to take part in the closing debate on Bill C-66 which will pave the way for the sale of the Government's Canada Development Corporation shares and the continuation of this privatization process.

Mr. Speaker, I am sure the Minister of Regional Industrial Expansion (Mr. Stevens) would have liked to have been here to express his own views on this Bill. Unfortunately, that was impossible.

Bill C-66 went through all stages quickly, but with proper consideration. This turn of events attests to the over-all support of the House as well as the efficient and stimulating manner in which it was dealt with. Most Hon. Members endorse the CDC privatization in principle, which happens to be a major element of the policy we announced in the May Budget.

Briefly I should like to go over the main provisions of the Bill. As I said, the first consideration is the transfer of federally-owned CDC shares to private interests. First and foremost the Canada Development Corporation is one of the major companies on our national market and it will now be able to operate on the same footing as other similar conglomerates. Under the existing CDC statute only Canadians may be shareholders, and no individual or group is allowed to own more than 3 per cent of the shares. Once the Bill becomes law, these restrictions will be more flexible and any Canadian citizen will be able to buy up to 25 per cent of the shares.

In the case of non-residents, 10 per cent will be the individual limit but such shareholders as a whole will not be permitted to own more than 25 per cent of CDC shares.

It has been suggested that a 25 per cent limit for Canadians is too high and would allow a single person to gain control of the CDC.

It has also been pointed out that there should not be a limit on the number of shares and that people should be able to buy and sell them like those of any other company. A ceiling of 25 per cent was chosen by the Government to reflect the balance needed to prevent a concentration of shares and to give certain shareholders the opportunity to play a more active role in the corporation. The conscientious debate we had on this issue in Committee confirmed the acceptability of the proposed limit.

In my opinion, Mr. Speaker, it was also important to allow the CDC access to foreign capital while preserving its Canadian nature. On this point also, opinions were sharply divided. The Government set this ceiling based on similar provisions in the Bank Act. The limits provided in this Bill as concerns the ratio of shares held by non-residents alone or as a group will enable us to limit at three to one the proportion of Canadian and foreign shareholders.

In summary, Mr. Speaker, what we are doing today is a very important part of the mandate of our Government since we are providing for the eventual privatization of a public corporation. I believe that Bill C-66 has now received the consideration it deserves, for which I am grateful to my colleagues on both sides of the House.

• (1540)

[*English*]

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, first I pay tribute to the Parliamentary Secretary who has shepherded this Bill carefully forward in the period since the Minister's illness. Today is her accomplishment in the House of Commons.

Some Hon. Members: Hear, hear!

Mr. Langdon: None of the criticisms which I will now go on to make are directed at her personally.

Mr. Hnatyshyn: Perhaps you should look at me when you are speaking.

Mr. Langdon: That is true. Let me start with the basic point at issue here. There are many ancillary points and side-issues, such as the procedures which the Government has followed, the question of Brascan and so on. I will talk about them, but they are side-issues.

At the heart of our concern about the piece of legislation has been a Canada Development Corporation which will be able to play a creative role in the future, similar to the creative role which it played in the past.

Many Hon. Members of the House were not Members when the Bill was first introduced. At that point, I had the privilege of being a member of the press gallery. I recall the sense of delight at seeing an initiative taken that would try to create something which, at that stage back in 1970, was absent in Canada—the creation of a highly entrepreneurial business-oriented corporation in an attempt to fill the gap that is so apparent to us.

Canadian capitalism has had its weaknesses historically. That is why 55 per cent of our manufacturing industry is foreign owned. It is not because foreigners have come here and preyed on us like some kind of creature from the deep. They have come here because we invited them, and we invited them

because we did not have powerful, risk-taking private companies which were able to push forward various developmental ideas across the country. It is partly because of that gap and partly because of that absence that I am a social democrat rather than a Conservative. In other countries and in other places I could as easily, with the kind of respect I have for the contribution whcih private sector enterprise can make, have been a Conservative. However, in Canada, with the weakness of our capitalist sector, we have required Government leadership and support to build strong agencies of development. Historically we have needed them, whether we are talking about our history of railway building, our history of building the broadcasting system or our history in the 1970s of building an entity in the private industrial sector like CDC which would become a dynamic, effective, independent private firm.

That independence is important because it is an independence which permits the company—and Tony Hampson has talked about this, and I give him respect for it—to take a longer view. It can take a view which says that we do not have to get back our profitable returns within five years, that we do not have to look at each project which comes before us as a possibility as something that will be a money spinner in five years or six years, and that we do not need high discount rates on projects which will permit us to launch investments. It can take a view which says that we are prepared to look at the long shot, that we are prepared to take some chances, that we are prepared to take some risk, and that we are prepared to believe in our country and in the capacity of our country.

That is something which Hon. members on all sides of the House have learned to respect about the CDC over the years. There was a time when the CDC might have looked like another Liberal creation to pension off some political hacks who could not make it elsewhere. However, Tony Hampson prevented that from happening. He said: "No matter how good Maurice Strong is, he is a political appointment; he is not a businessman, so I won't have him".

The consequence has been a business which has proved itself. It has not proved itself as a great money-maker. CDC will never be a high-flyer in the business world, because it believes in looking at the long run and at taking some risks. It believes in the future of the country and in building that future step by step.

We have to recognize that there are concerns now as a result of the piece of legislation that that contribution to the future of the country, that commitment to the long-term view and that willingness to take risks, will be threatened, reduced and perhaps ultimately eliminated.

● (1550)

The workers in the industry are concerned. I have a letter before me from the Energy and Chemical Workers Union which was written to the Minister of Regional Industrial Expansion (Mr. Stevens) in which the union says:

> The Energy and Chemical Workers Union is concerned about the possibility of the so called "privatization" of the Canadian Development Corporation and in particular its holdings in the Polysar Petrosar Development in Sarnia.
>
> We believe that Polysar has developed a viable, sensible and uniquely Canadian multinational Corporation which is of value to all of Canada and all Canadians.
>
> We believe that part of the reason for its development in the manner that has been achieved has been because of the support and approach taken by the Canadian Development Corporation. Polysar has developed into the world's largest synthetic rubber manufacturer and has a marketing network throughout the world that is second to none.
>
> We believe that you should not disturb the type of relationship that our country has with any artificial change such as the so-called "privatization" of the Canadian Development Corporation. We believe that Canadians have been well served by the Organization as it stands and we think it should be encouraged and fostered in its present structure and not permitted to be moved into a new and artificial relationship within the Canadian corporate structure.

Yet that is what is taking place, Mr. Speaker.

This past summer, the Canada Development Investment Corporation, CDIC, recommended specific ways in which CDC should be opened up more to the influence and control of other private sector companies, other corporate empires in Canada.

When a share issue was put before the market in conditional terms this past summer, almost 15 per cent of the shares of CDC ended up falling under the control of the Brascan group, a group which itself had before that approached CDC and asked CDC whether it would be willing to join into a partnership between the Kidd Creek Mine in northern Ontario and Brascan's Noranda mining interests. This would have resulted in a significant reduction in competition in Canada. That is all on record in the committee hearings.

CDC said: "No, we want to keep our independence and our operation, providing as many jobs and as much competition as possible in northern Ontario". Brascan Noranda as a group holds almost 15 per cent of the shares and there is the possibility by this Bill that the percentage of shares could be increased to 50 per cent, because Noranda is not considered an associate of Brascan by the definition in the Bill, despite the clear, clear evidence in the corporate world that Brascan does control Noranda. We could find CDC controlled very much by Brascan because it has been established under terms set down by the CDIC divestiture committee which itself is dominated by four of its seven members from the Brascan group.

It is a rather sad, tawdry example of conflict of interest, unfortunate to see staining this Bill before us here in the House of Commons but it is the reality.

Let us take a look at that CDIC divestiture committee. One member of that committee is Trevor Eaton, President and Chief Executive Officer of Brascan. He is also a member of the board of Noranda. I remind Members that the divestiture committee not just only sets the regulations for privatization but came to us and testified in contradiction to the CDC itself, putting its weight as a divestiture committee directly and powerfuly into the legislative process, despite the fact that it is dominated by the very enterprise that would benefit by these takeover provisions.

Our records indicate that Mr. Marshall, a second member of that CDIC divestiture committee is the President of Brascade, another subsidiary of Brascan, another member of the board of directors of Brascan and a member of the board of

Noranda. A third member of that CDIC divestiture is Pat Keenan who is also a director of Brascan. A fourth member, A. Turmel is a director of Noranda. We have four out of the seven people on this committee dominating that committee who come from the very set of companies which will benefit from the rules set up with respect to the privatization provisions of CDC. This is a stained and tawdry side to what could have been a straightford privatization that many of us would have supported.

What is worse is the process by which this Bill has been brought before the House of Commons, as I indicated to the speaker this morning, has been at best something that can be called improper by the people to whom we referred the Bill at the Library of the House of Commons. The process has been described as having followed improper procedure.

We have a Bill in which the Government, before the Bill had even been considered at all by the House of Commons, issued a prospectus which had the details not of the present law governing CDC but of this new law. The Government then used the fact, blackmail, that share instalments had been sold to tell us in committee that we could not fully and freely consider amendments that were brought forward, because any amendment which had any substance to it at all would have the effect of giving to those shareholders, who had bought in instalments, the right to sue the Government of Canada for misleading them during that summer period when the share instalments were originally issued. As a new Member of Parliament, to consider that I am creating legislation with that kind of axe hanging over my head, with that kind of unfair, undue and unjustified pressure facing the committee and with that kind of explicit point brought before us by Government lawyers and the Minister, I for one do not find this to be the way parliamentary consideration of legislation should take place. I for one was not elected by the voters of Essex-Windsor to simply rubber stamp legislation which the Government tells us we cannot change because it has already taken steps based on the proposals that are before the House. Governments should not act in that unfair manner.

● (1600)

To sum up my argument, there are serious threats to the independence of this company, an important company for the future of Canada. There are clear threats coming from Brascan and Noranda. There are threats coming from the companies that themselves dominated four out of seven positions on the CDIC divestiture committee which shaped the details of this Bill.

We in the House have not had a chance to consider these various detailed points without pressure and without being pushed by the Government because of its past improper action leading unfortunately to what I have to consider to be a shameful piece of legislation over which we in the House of Commons will hang our heads in the future. We could have done it better. We should have done it better. Canada and the CDC would have been far better off if we had done it properly rather than under the pressure of a Government that is acting in a far too high-handed manner for a Government yet so young.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I have a couple of words to say concerning this particular piece of legislation. I think everyone will agree that the Government of Canada is bringing in this legislation in this fashion because it has a philosophy which was proclaimed during the election campaign and re-established by the President of the Treasury Board (Mr. de Cotret), the Minister of Finance (Mr. Wilson) and the Prime Minister (Mr. Mulroney) and that philosophy revolves around getting rid of Crown corporations and having Crown corporations play a lesser role in the economy than they did previously. Of course, there have been contradictions to that philosophy.

The people of eastern Canada were somewhat surprised to see the Government announce recently that it would create a Crown corporation to run CN Marine. People wondered where the Government's philosophy went. They wondered why the Government was creating a Crown corporation when its policy was against the creation or existence of Crown corporations. The reason the Government created that Crown corporation was to save some $20 million through layoffs.

It is not so much the actual policy of the Government about which we are concerned but it is the way in which it carries out its policy. When doing away with the CDC, the way in which the Government does this has a lot to do with whether or not it accepts the doing away with that Crown corporation. For example, does the Government allow foreign investors to have shares valued at 25 per cent? That is one good question. Why would the Government sell the shares at a time when those shares would be valued at less than their proper value?

We are removing an instrument that existed within the system to assist Canadian industries that were in trouble at times. The Canada Development Corporation has stepped in many times over the years to be of assistance to certain sectors of our economy. Coming from eastern Canada, I think particularly of the fishing industry. As all Hon. Members know, the CDC played a very important role at various times in that particular industry. We have seen that situation change. The CBC was involved in financial problems of the fishing industry and then another Crown corporation called Fishery Products International, partially owned by both Governments and by the private sector, was created.

The Government's philosophy of carrying out its mandate by getting rid of Crown corporations just does not make sense in some cases. No matter which way we look at Crown corporations and the measures brought in by the Government, we are looking at layoffs. We are looking at layoffs at a time when layoffs should not be taking place.

We can take a look at the involvement of the CDC and the Government in the fishing industry. A recent announcement was made that the Government would put $100 million into Fishery Products International which operates on the East Coast of Canada. At the same time, the Government announced that it would close down 15 communities in which

there were fish plants. Why did the Government announce that?

This particular branch of the fishing industry had been invested in by the CDC. Then another Crown corporation was created in order to try to keep the fish plants open. The Government Crown corporation had a social responsibility to the people who lived in those communities, to the workers there and to the very existence of those communities. The Government came through with money, yes, $101 million, but then it agreed that 15 communities should lose their fish plants. In other words, the Government indicated in its press releases that it would get rid of the unprofitable fish plants and sell those to private enterprise. The Government said publicly that it would sell unprofitable operations to the private sector. Someone in the private sector would have to think twice before investing in something that is not profitable. The entire procedure that was used was absolutely ludicrous. Then the Government set a time limit of two or three years on some of the sales. Then the Minister rose in the House to say that we did not know if these fish plants would close because if they did it would be perhaps two or three years down the road.

I would like to congratulate a certain Member of the House who just happens to be a Progressive Conservative Member. I think that he deserves some credit in that he was able to salvage a fish plant that was due to be closed in his riding. I am speaking of an Hon. Member who sits opposite and represents the South Coast of Newfoundland. The philosophy of the Government of Canada is wrong. In saying that you will create a Crown corporation or allow it to continue as long as it saves money and as long as there are lay-offs, you can then turn around with the same philosophy and same standard and say: "All right. If you have a Crown corporation which is in trouble because of tariffs from another country we do not really want to get involved in that. That Crown corporation still has to break even".

• (1610)

I am thinking about the Canadian Saltfish Corporation having tariffs imposed against it. The Government could simply wipe its hands clean and say that that is the policy of the United States Government and the Canadian Saltfish Corporation will have to sink or swim. It must be realized that the Saltfish Corporation covers only a certain section of the coastline in the country, namely, the north shore of Quebec, all of Newfoundland and Labrador. In this case tariffs are imposed against a Crown corporation which competes against a private enterprise which does not have the same tariffs imposed against it. It is quite logical for one to see the inequity in that particular system. It surprises me that the Government would take that attitude since it is not only my riding affected but the riding of the Prime Minister.

The list goes on. We can consider the case of the CBC in this regard. The budget of that corporation was just cut. It was told that it would have to live within certain confines. It was told to make decisions now with respect to what it would close down and cut off in terms of its programming but it must live within certain guidelines.

I do not disagree with the philosophy of this piece of legislation. I do not disagree with it at all. However, I do disagree, as do members of my Party, with the way in which it was undertaken and the timing with which it was presented. I disagree with certain provisions of the Bill. We have all heard of the suggestions made by experts in the field who have suggested amendments. The Government has turned around and has said that it will ignore those amendments. Whereas I agree with the general principle of the Bill I will have to vote against it.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is my pleasure to rise and say a few final words with respect to this Bill. To make it perfectly clear to Hon. Members, I do not want to talk out the Bill. I believe there is an understanding that we will wrap up the proceedings this afternoon with respect to the Bill.

However, I do wish to put on the record a few final comments. We are dealing with Bill C-66, an Act respecting the reorganization of the Canada Development Corporation. We have heard a considerable amount of debate which was intended to point out why this particular move of the Government is an inappropriate one. I wish to back up for a few moments because people often ask: "What problems are we facing today?" They ask why it is that Canada seems to have such a difficult time not so much getting back on the track but simply on to a track. I do not think we want to go back on to the old track because that did not seem to be taking us any particular place. We want to get on to something new, a new track, a new development. We want to see the development of some new vision and the unfolding of new programs in order to get us there.

People often ask me what the problem is. They ask me: "Why is it that other countries seem to be able to do so much better? Why is it that other countries seem to be able to have an economy which thrives and develops as opposed to what has recently taken place with respect to the shoe industry in Canada?" The Government is cutting off the quotas with respect to shoes which means a few thousands workers will be put out on the street. What I am concerned about is that while we are simply cutting off workers in the shoe industry we have nothing to offer them in lieu of this abandonment. It seems to me that if the Government is phasing out quotas over a period of time that it would be more appropriate for it to phase in another program so those workers would have something to look forward to. They could be retrained in other areas. However, the Government is simply hacking off the quota system and saying: "That is the way it is. That is the invisible hand of the market-place about to play its role." That is really problematic.

Obviously, one has much to say about Bill C-66. I believe it would be appropriate to allow the Bill to continue on to its eventful demise, in terms of the progressive motions and amendments we have put forward. I will sit down and save my comments until another time.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is the following one. Mr. Hnatyshyn (for the Minister of Regional Industrial Expansion), seconded by Mr. Layton, moves that Bill C-66, an Act respecting the reorganization of the Canada Development Corporation, be now read a third time and do pass. Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 13(3) the recorded division stands deferred until 6.00 p.m. on Monday, November 25, 1985.

* * *

FINANCIAL INSTITUTIONS DEPOSITORS COMPENSATION ACT

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-79, an Act respecting the provision of compensation to depositors of Canadian Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect of uninsured deposits, as reported (without amendment) from a legislative committee.

Mr. Deputy Speaker: As Hon. Members are aware, on this day's Order Paper there are three motions in amendment at the report stage of Bill C-79.

Motion No. 1 seeks to impel the Government through the CDIC to make cash advances to the uninsured depositors of the financial institutions in a different manner than that which is envisaged by the Royal Recommendation attached to the Bill. It appears to the Chair that this is an imposition on the financial initiative of the Crown. In this regard, I would refer Hon. Members to Beauchesne's Fifth Edition, Citation No. 540.

Also, the Hon. Member's motion seeks to offer an alternative scheme to that contained in the clause, which cannot be done. I would refer Hon. Members once again to Beauchesne's Fifth Edition, Citation No. 773(9).

Motions Nos. 2 and 3 will be debated together and a vote on Motion No. 2 will dispose of Motion No. 3.

I see that the Hon. Member for Trinity (Miss Nicholson) is not in the House. Is there unanimous consent to have the Hon. Member for Gander-Twillingate (Mr. Baker) move the motion on her behalf?

Some Hon. Members: Agreed.

Mr. George Baker (for Miss Nicholson (Trinity)) moved:

Motion No. 2

That Bill C-79, be amended in Clause 12 by adding immediately after line 35 at page 6 the following:

"(3) Notwithstanding the Bank Act, the Minister shall cause to be published in this year's Public Accounts a list of all depositors to which a payment was made under this Act."

He said: Mr. Speaker, the reason for the introduction of this motion is pretty clear. It is that we do not know who will receive the funding which the Government proposes. In other words, we all know of the system which is in place in the country which will pay depositors when we have a situation such as that of a bank failure. People may be reimbursed for their deposits up to the sum of $60,000. Those people are insured under the provisions of the Canada Deposit Insurance Corporation. We know that system and that it is in place in this country. It is a safety mechanism so that Canadians can feel assured that when they do put their money into a financial institution they will be reimbursed if there should be financial problems with that particular institution. However, the Government of Canada is not only going to pay the amount of money which legally has to be paid under the Deposit Insurance Program, but those depositors who have money in the bank far above the limit will now also be reimbursed by the Government. We have to realize the difference between the first insurance program announced by the Government and the other insurance program which has always been in place. The difference is quite simple. In the first instance of the Deposit Insurance Corporation, a fee is paid by the bank on the amount of deposits which are held in that particular bank to the tune of a percentage of 1 per cent. That is how that fund is maintained. If the Deposit Insurance Corporation happens to get into financial difficulties and has to overdraw that account—in other words, if it is costing more than is being sustained by the payments through the banks—then, of course, there would be a deficit in the account. We all know there is a deficit there now, perhaps to the tune of just over $1 billion give or take $200 million or $300 million. Then, of course, the Government supplies the funds directly to the Deposit Insurance Corporation to make those payments. We have, therefore, a self-sustaining fund. The Minister will have to bring in a Bill increasing the percentage of pay-in by the banks because of the deficit position of the Deposit Insurance Program.

• (1620)

However, what we are talking about in the second insurance program is a decision by the Government of Canada to make enormous payments. In some cases these payments will be made to organizations which represent a lot of people and

everyone can see that that certainly is warranted. Also included in that list are individuals, foreign interests and people who perhaps put enormous amounts of money into the bank for a particular financial reason at a particular moment in time. Why, then, is the Government strapped into this? It is because the Government, through the Minister of State for Finance (Mrs. McDougall) and the Minister of Finance (Mr. Wilson), made a clear statement to the people of this country that there was no problem at all with the Canadian Commercial Bank. This Bill is before us because there was established a moral obligation on the part of the Government to bring in this particular Bill to pay off those depositors who had enormous amounts of money in that Bank. In other words, the Government brought in a Bill to bail out a bank saying that the Bill will do the job. Thereby, in its statement and its actions it morally committed itself to do what it is doing now.

Most people would agree with the pay-out which would go to certain organizations who represent a lot of people. However, who disagrees with releasing the names of those people who will receive the millions and millions of dollars? Surely, there is a principle involved here. This is the taxpayers' money. How can the Government hand out money in the form of a cheque without saying who it is giving the money to? What organization, credit union or group of people would say that they did not want their names released to the public?

The Minister of State for Finance and the Minister of Finance said that the reason they could not give us the names of those large depositors is because it violates the secrecy provision of the Bank Act. But where is the bank? Does the Bank Act cover the Canadian Commercial Bank right now? Will it cover the Canadian Commercial Bank in six months' time, in one year's time or in two years' time? When we have no bank in existence, how is the secrecy provision of the Bank Act an excuse for not releasing the names of those people, some of them multimillionaires, who will receive taxpayers' money from the Government? The Government turns around and says: "Oh, no. We are not going to let you know who these people are". However with the Freedom of Information Act, one can get the name of a fisherman who has been paid off for his salmon licence by this Government for $500. According to the Minister of Finance and the Minister of State for Finance, however, we cannot get the names of the people who will receive these large amounts of money.

That is basically the reason for the amendment which has been proposed by the Official Opposition critic on this particular matter. It is a simple matter of saying that if we are going to do an extraordinary act, we must justify it to the taxpayers of this country. It matters not why we had to do that act. We all know why the Government had to do it. It was because the Government made an error. It made a political judgment which was a tremendous error. I am not going to stand in this House and say that the error was the responsibility of the Minister of State for Finance. She was not present when the decision was made for the bail-out and therefore, she personally is not morally responsible to pay off all of the rich people, the foreign investors and all of the organizations which had money in that bank. Neither is the Minister of Finance morally responsible. He was not at any of the meetings when the decision was taken to bail out the banks thus committing the Government to that moral obligation. In fact, we do not know who was responsible for that decision. All we can do is guess. The person responsible for committing this Government to a moral obligation to pay off people who had more than $60,000 in this bank, we suspect, is the Prime Minister (Mr. Mulroney).

We suspect there was a phone call which went from someone in the Alberta Government to the Prime Minister and the decision was made against everyone's recommendation. It was made against the recommendation of the banks which participated because the bank representatives have said so. Everyone washed their hands of the decision. The decision was made, we suspect, by the Prime Minister, who made himself a moral obligation on behalf of the Government to pay off foreign investors, and multimillionnaires, using the taxpayers' money, without releasing those names to the taxpayers. That makes absolutely no sense whatsoever. My time has expired but perhaps I can continue this interesting discussion at the next sitting.

• (1630)

Mr. Deputy Speaker: Motions Nos. 2 and 3 should be debated together and, as I did not read Motion No. 3 before the debate, I will do it now.

Mr. Nelson A. Riis (Kamloops-Shuswap): moved:

Motion No. 3

That Bill C-79, be amended in Clause 12 by adding immediately after line 35 at page 6 the following:

"(3) Notwithstanding the Bank Act, the Minister shall cause to be published in this year's Public Accounts a list of all depositors to which a payment was made under this Act."

[*Translation*]

Mr. Deputy Speaker: It being 4.29 o'clock, the House will now proceed to the consideration of Private Members' business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

NATIONAL HERITAGE

NAMING OF BUILDINGS AND COMMITTEE ROOMS

Mr. Benno Friesen (Surrey-White Rock-North Delta) moved:

That, in the opinion of this House, the government should recognize the historical significance of former political leaders by adopting a policy of naming buildings and significant chambers or committee rooms after them, thereby recognizing their contribution to Canada.

He said: Mr. Speaker, I want to thank Members of the House for the interest they have shown in this motion. The idea for this actually began several months ago when I was taking part in Canada Day celebrations in White Rock when all of us at that meeting were expressing our appreciation for our heritage and the opportunity to foster an appreciation for that heritage.

Communities across Canada are light-years ahead of our national institutions in giving recognition to leaders in their communities who have contributed to the cultural and historical wealth of that community. I had to point out during those ceremonies the irregular way in which Parliament has handled the recognition of political leaders here in Ottawa with respect to the naming of buildings or erecting of monuments to their honour. I pointed out that we on Parliament Hill have used all of our imagination to name some of our buildings. There is one building we call the East Block. Isn't that great? Isn't that imagination? Then we went even further, and on the opposite side of Parliament Hill we named the building the West Block. There is imagination. Does that not tug at your heart-strings? When we bought the Wellington Building we reached deep into the soul of our nation and called it the South Block. All the while the tourists and school children come to Ottawa to visit Parliament Hill to see these institutions and what do they hear? East Block. West Block. South Block.

We tend to wonder why Canadians do not have an appreciation for their history. Our neighbours to the south are at times jingoistic or chauvinistic about their history but we are just the opposite. We tend to depersonalize our history at every turn. In our Charter of Rights and in much of our legislation we want to present ourselves as being interested in the individual, the human being. However, when we come to our history, we try to depersonalize it as much as possible. Therefore, I want to emphasize the fact that here on Parliament Hill we ought to be laying the cornerstone of appreciation for our heritage, our history and our traditions.

That is the background to the motion I have presented, Mr. Speaker. The fact is that our people have a textbook understanding and appreciation of our history. It is not a human understanding. What would it be like if school children visiting these buildings, instead of hearing East Block, West Block, Room 209, Room 269 or Room 371, they were to hear the names of historical leaders of our country who have contributed so much to our welfare and well-being today? I am not for the present trying to assign names to buildings or committee rooms, but I am asking the Government to take the initiative and assign the responsibility to a relevant group to make sure that we recognize those people in our history who ought to be remembered for their contribution and assign their names to the relevant buildings and committee rooms.

For example, on Parliament Hill we give no recognition, beyond perhaps a monument, to our first Prime Minister. Would it not be appropriate, for example—and I say only for example—that the East Block, which houses the original Cabinet Room and offices of the first Prime Minister, as well as the offices of Sir Wilfrid Laurier, to name that building the Sir John A. Macdonald building? Would it not be appropriate to name the West Block after Sir Wilfrid Laurier, our great Prime Minister from the turn of the century who really guided our country through 12 or 15 very important years for our nation? Would it not be appropriate that what we now call the South Block or the Wellington Building be called the Sir Leonard Tilley Building? He was one of the Fathers of Confederation who, incidentally, gave us our national motto. As a reward for that gift he has practically been forgotten.

An Hon. Member points out that off the Hill there are buildings named after historical figures. Is that not ironic? There are buildings named after key historical figures across Canada but on Parliament Hill we forget them. We have the Sir Guy Carleton Building downtown, as well as the C.D. Howe Building. But on Parliament Hill we ignore them. Why not name the room where the Standing Committee on Labour, Employment and Immigration meets, after Mr. Sifton who really changed the course of history by introducing imaginative immigration policies which opened up western Canada? Why not name the room where the Standing Committee on Health, Welfare and Social Affairs meets after Sister Marguerite Bourgeoys, that great pioneer of health care in the City of Montreal in the 1700s? She was a trail-blazer and the only place you can find Sister Bourgeoys is in the history books or if you go to the east end of Montreal. Would it not add something to the history of Canada if, as school students come up on the Hill, they hear that a committee room has been named after Sister Bourgeoys? They would ask why the room was so named and the guide would have an ample opportunity to go into the historical significance of and contribution by this great person. Why not name the room where the Standing Committee on Communications and Culture meets after George Brown who founded one of our great newspapers and added to the communications system of our country?

I do not want to take up much of the time of the House but I wanted to leave with the House an understanding of what we could do to personalize history by naming our buildings and many of our committee rooms after those historical figures who have contributed so much to our country. I believe that there is general agreement among the Parties to accept this motion as a direction for the Government. There may be other speakers who want to contribute to the debate but, if there are not, I would ask for the relevant motion to be put.

• (1640)

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I would like to respond to the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen). I certainly agree in principle with his motion. I do not think there is anyone in the House who could disagree with it in principle. In his speech he pointed out that the Americans have a much better sense of history than we have in Canada in that they have named their buildings after distinguished Americans. I would like to ask who the White House is named after. Maybe the Member can think about that.

Certainly we recognize that there are distinguished Members from all political Parties who could very properly receive recognition, either by having a building named after them or a room in one of the buildings. Perhaps some of the more difficult rooms to find in the West Block could be named after some of the Members who are seldom found in their seats in the House. Maybe they have been lost there all these years. It is hard to say.

I can think of a number of people whom I would like to see so honoured. I think of Agnes Macphail, J. S. Woodsworth, Tommy Douglas, David Lewis, Stanley Knowles and M. J. Coldwell as well as people from other Parties.

Mr. Keeper: How about Louis Riel?

Mr. Manly: Well, Louis Riel was a distinguished Member of this House. He did not distinguish himself in the House as much as he did outside, but he was certainly a distinguished Member of the House and I think he is generally recognized now as being a great Canadian. I would, however, like to ask the Hon. Member who would make the decision as to what building is going to be named after whom.

An Hon. Member: The Government in power.

Mr. Manly: Someone over there said "the Government in power", and that is the very concern that we have. There must be some kind of an arm's length procedure developed in order that this would not simply become the equivalent of a Senate appointment or another form of patronage. I think all Members would agree that the late Right Hon. Lester B. Pearson was a great Canadian and a worthy Canadian after which to name either a building or an airport. However, those of us who sat in the last Parliament remember the bad taste that was left in our mouths when the Toronto International Airport was named after Lester B. Pearson because it was done in such a way that its prime function seemed to be to enhance the fortunes of the Liberal Party in Toronto. Being a good Liberal, Mr. Pearson, perhaps looking down from Grit heaven, may not want to have it any other way. I do not know.

Mr. Keeper: You mean looking up.

Mr. Manly: I do not wish to get involved in a discussion of our three-story universe as our terminology obviously betrays us. I think it is very important, if we are going to name buildings after people, that we do not descend to the type of procedure which leaves people feeling other than good about the name that is used. We want the name to honour the building as well as the building to honour the name. We also want to have a sense of appropriateness. The Hon. Member who spoke before suggested some possible names. The John A. Macdonald Building for the East Block seems reasonable. Due to the number of Private Members' Bills presented by people who want to bring back the noose, I was wondering which of the present Tory Members might want to have a future gallows named after them.

On a more serious level, Mr. Speaker, I think we all recognize what the Hon. Member said about Canadians having a sense of history and wanting to have some public recognition of that. On that basis, I am very happy to support the motion and would urge that any provisions made to implement it would be at arm's length from the Government to avoid any hint of patronage.

Mr. Deputy Speaker: The Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen) on a point of order.

Mr. Friesen: Mr. Speaker, I think the Member for Cowichan-Malahat-The Islands (Mr. Manly) has brought up a very relevant point. The intent of the motion is certainly to enhance the appreciation of—

Mr. Deputy Speaker: Is this on a point of order? Is there unanimous consent for the Member to speak?

Some Hon. Members: Yes.

Mr. Deputy Speaker: Very well.

Mr. Friesen: I just wanted to answer the question that the Member put to me. I think he has raised a very relevant point. The naming should be done in a similar manner to that in which major residences in the Ottawa region are cared for. There is a group of eminent citizens whose job it is to look after the cultural heritage without considering political inferences. After all, that would have the result of destroying our appreciation of our heritage rather than enhancing it.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Deputy Speaker: The hour provided for the consideration of Private Members' Business is now expired.

It being 4.45 p.m., this House stands adjourned until Monday at eleven o'clock a.m., pursuant to Standing Order 3(1).

The House adjourned at 4.45 p.m.

HOUSE OF COMMONS

Monday, November 25, 1985

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 63—FOOTWEAR INDUSTRY—IMPORT QUOTAS

Mr. Alain Tardif (Richmond-Wolfe) moved:

That this House regrets that the Prime Minister has once again broken an election campaign promise, this time by failing to maintain quotas on imports of shoes and by compounding this betrayal by failing to make adequate provision for the thousands of workers whose jobs are adversely affected.

He said: Mr. Speaker, I welcome this opportunity to put this very important issue before the House of Commons, today on Monday, November 25, 1985, a few days after hearing an announcement that has practically lifted all quotas from shoe imports.

As the motion indicates, the Prime Minister went to the Eastern Townships in May 1984. We must understand that textiles, clothing and footwear are extremely important industries that are very job intensive and absolutely essential to the economy of the Eastern Townships.

Last week, when the decision was known, certain people close to the Prime Minister claimed that Mr. Mulroney had never made a commitment and that the Prime Minister had never promised he would maintain or extend the quotas. Therefore, with your leave, Mr. Speaker, I would like to refer to a document which I find very significant, very interesting and very revealing, concerning the announcement or commitment made by the Prime Minister at the time. I am going to quote from a newspaper article reporting on that commitment, and it says: "A Conservative Government would not lift import quotas set by this country with respect to footwear, textiles and clothing". The quota policy would remain as such, said Mr. Mulroney, who stated he was not in favour of free trade in these particular sectors. He added that he would not alter his position, despite possible pressures from Common Market countries and the United States to reduce quotas on footwear and textile products imported into Canada. He added: I will certainly say so to President Reagan when I meet him in Washington next month. I will see to it that our interests are protected at all times. Friendships like ours are worth something, he said. Neighbours like us are worth a lot, maintained the Conservative Leader.

Mr. Speaker, today, although there might be a case for saying that Mr. Mulroney, the Prime Minister, did not make a firm commitment specifically concerning the footwear industry and did not make a firm commitment on the issue of extending quotas, if we put his commitments and his statements in their proper context, bearing in mind that the footwear industry is a very important sector in the Eastern Townships, I do not think there can be any ambiguity or confusion: this was indeed a very formal commitment.

Therefore, Mr. Speaker, as indicated in the motion, we are still faced with a very serious situation where this Government has literally betrayed the trust it received from Canadian men and women on September 4, and it has done so in an area where the consequences will indeed be disastrous.

According to the most optimistic figures given last week by the Manufacturers' Association, in the very near future only about 4,000 out of 20,000 jobs in the footwear industry will be left. What is extremely discouraging and disheartening, along with the catastrophic reduction in the number of jobs in the footwear industry, is the fact that in a great many cases, these industries cannot expect to obtain any kind of substitution or solution or remedy, since most are located in areas away from the large urban centres, areas where it is extremely difficult and problematic to interest investors in investing in replacement industries, to make up for the jobs lost in the footwear sector.

Mr. Speaker, this forecast for the footwear industry seems much closer to reality than what the Government appears to be saying. We must understand that the previous Government set these quotas, which were renewed for three years at a time, and when this Government came to power, the quotas were to continue until the end of May, 1986. One of this Government's first decisions was to shorten very significantly the deadline for the quotas by making them end on November 30 of this year, which is this week.

The study used by the Government in making its decision, the anti-dumping report, was released last June. Therefore the antidumping report conclusions were known as early as last June. So why did the Government wait until the penultimate week of November to make its position public? Respectfully, Mr. Speaker, we maintain that its mind was set, that the decision had long since been made, but it waited until the last minute in the hope that consumers, workers and the industry

would not raise too much of a fuss about this totally catastrophic conclusion.

• (1110)

Government Members have two explanations to justify their decision. First they tell us that the most sweeping and comprehensive study in this field does recommend the outright abolition of quotas. That is their main argument, their first excuse to do away with quotas. Then they go on to maintain that, over the last eight years, Canadians have paid the astronomical amount of $400 million to $500 million more than it would have cost them had quotas not been in force.

In my estimation, Mr. Speaker, both arguments can easily be demolished in either case. First, concerning the antidumping report, the reader will be amazed at the findings if only he goes to the trouble of reading it very carefully page after page. I would even say that its conclusion flies in the face of logic with respect to the main thrust of the report. The best way to substantiate my views on the famous antidumping report is to quote parts of it.

This can be found on page 132: "If unrestricted and quota imports are added up, it becomes obvious that over-all imports soared by 10 million pairs since 1980, an increase of 23 per cent." One has to admit that imports rose considerably between 1980 and 1984 when they were subject to quotas. It being so, how can anybody conclude that imports will not go up if they are not restricted? To me that is a rather illogical statement.

Here is another passage of the antidumping report, from page 49 this time: "Since direct imports enable retailers to avoid paying the importer's margin, in all likelihood they would boost both their volume and share of imports if there were no quotas." Here again it does not quite jibe with the Government position.

A further quotation: "Net Government receipts would be higher after the removal of quotas, mainly as a result of more tariff levies due to rising imports."

One last extract from page 62 of the famous antidumping report goes like this: "It can be expected that quota removal—immediate, total, partial or gradual—will spur imports, and manufacturers might well decide to become importers since the different economic climate would pave the way for a new market approach".

Mr. Speaker, I could go on like this for half an hour or three quarters of an hour, quoting and repeating statements and findings which abound in the antidumping report, finally to conclude that they openly contradict the logical arguments from which they are derived. It seems to me this would have been a good reason for the Government to reject this study, for indeed it would not have been the first time a Government had turned down a study however complete and exhaustive it might have been. The interest of workers and their jobs was the issue, but the Government is hiding behind what is clearly an unacceptable report.

They do not hesitate to pick out only those parts of the report which seem to strengthen their case, going as far as to stress the second argument to the effect that consumers have shelled out $400 million to $500 million simply because of the quotas.

• (1115)

The anti-dumping report—and I think that the government should be honest enough to recognize it—mentions that this assessment is not at all scientific and is based solely on studies which have every chance not to be valid, and that it is an affirmation based on an approximation. On the one hand, there is nothing final, specific or especially scientific about this assessment.

On the other hand, let me tell you that according to a study or analysis made by an organization representing thousands of people in order to refute this argument, there will be some $3 billion in social cost over the next eight years following the Government's announcement. Canadian men and women will pay as much as $3 billion in unemployment insurance and welfare benefits over the next eight years following the measure which was announced last week and which will result in the very short run in a loss of several thousand jobs.

Mr. Speaker, there is another reason, as basic as the first for which I feel that the decision announced last week will not benefit consumers or serve their best interest.

One need only visit shopping centres to realize that almost everywhere people use Canadian products, Canadian footwear as points of reference.

I am sure that my hon. colleagues opposite have had that experience too: a pair of Canadian shoes is offered at a price of, say, $79.95. Right beside it is a pair of imported shoes with a price of $69.95. Consumers are therefore attracted by the imported product which is $10 cheaper than the Canadian product. I suggest that people who are not well informed will not see much difference between these two products. The Canadian man or woman who chooses the imported pair of shoes will feel he or she has saved $10.

However, what one should know, Mr. Speaker, is that the retailer who is asking $80 for the Canadian product paid approximately $40 for it. On the other hand, he is asking $69 for the imported product for which he has paid $15 or $16. The retailer, therefore, will do everything to try and convince consumers to choose imported goods.

Mr. Speaker, you certainly realize that, so far, the Canadian consumer in my example is clearly ahead, for he has saved $10. But what about the respecting quality of the two pairs of shoes? I suggest that the Canadian product is of much better quality than the imported product. I also feel that getting rid of this point of reference would be extremely dangerous, for as

soon as retailers will no longer use Canadian products for comparison, consumers will have to pay the price, and a very high one at that.

There is another angle to this situation. I would ask my Hon. colleagues of the fair sex to visit chain stores and to go shopping for a pair of women shoes. You will find out it is extremely difficult, extremely painful. Salespeople will even tell you that Canadian products have no style, that they do not keep up with the latest fashion. They will invoke all kinds of arguments that are simply not relevant. Only someone who does not know anything about that field could make such statements. The products we make here in Canada are equal or superior in quality to what the import market has to offer, and there is only one reason we cannot find Canadian women's shoes in the stores. It is purely and simply because the retailer does not get a mark-up comparable to the one he gets on imported shoes. It is due exclusively to the fact that on shoes made in Canada, his mark-up or profit margin is only 50 per cent while it is much lower on imported shoes.

• (1120)

On the other hand, we must also understand that this is a very special sector where retailing is virtually under the control of a few big companies. Independent retailers, even though they number more than 4,000 in Canada, did not have a say in that matter nor any chance of expressing their opinions and even at that level, the decision the Government announced last week will prove disastrous. We will see small independent retailers close their business in the next few months and weeks. They will be replaced by the big chains that import and control the retail market, and believe me, their main objective is not the interest of the consumers, but their own profit, first and foremost the improvement of their businesses' viability, at the expense of the ordinary consumer.

So, Mr. Speaker, this is a disastrous decision. On the other hand the only alternative indicated in the Minister's statement where three aspects of an already existing program are mentioned in a solution which is already available to my riding. I come from an asbestos-producing areas and in view of the difficult times experienced by the asbestos two or three years ago, we became a designated area which is to all practical purposes what the Minister is now offering the workers in the shoe industry. In conclusion I can tell you, Mr. Speaker, that those measures have not changed the situation a iota nor resulted in any permanent job creation because the problem is due to an economic slowdown in the asbestos sector. Now this is the alternative which is being offered to the Canadian industry shoe workers.

Mr. Speaker, as we shall learn about the closing of one or more plants in the months ahead, I hope that the Government, in all fairness will reverse its decision, and will come up with one based on the interests not of the importers but of the workers, male and female, from Quebec, Ontario and any shoe manufacturing area in Canada.

Mr. Speaker: Questions or comments. The Hon. Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Hudon).

Mr. Hudon: Mr. Speaker, I listened very carefully while the Hon. Member was speaking about this issue, and I believe that if he is so deeply concerned, it is because of the geographic location of his constituency. In his motion, he mentions an election campaign promise. I would like him to tell me what promise or what commitment the Liberal Party made regarding footwear import quotas during the campaign and where I can find it because, when I was preparing my intervention for today this week-end, I tried to find the commitment of the Liberal Party as concerns footwear quotas and I found nothing. I was trying to explain... May I continue with my question? I was trying to explain why, very often, Governments have a tendency to do such a thing as referring the issue to a tribunal when a difficult decision has to be made, and I would like to point out in passing that newspaper reports are generally quite favourable to this decision because the medias believe that it shows courage. We then have to ask this question: What was the commitment of the Liberal Party as regards footwear quotas during the last election campaign? I would like to know.

• (1125)

Mr. Tardif: I would like to thank the Hon. Member opposite for his interesting question. I shall simply tell him that the quotas were established, maintained and reinstated under the Liberal Government on the one hand. On the other, and I invite the Hon. Member to listen carefully to what I will tell him, when the quotas were about to be lifted the last time, the Government was under the same pressures as you were. The difference was, Mr. Speaker, that this political party, and I am speaking of course about the Liberal Party, included men and women who had the courage to protest strongly against the decision made by Cabinet at the time and to say: "If you put this forward, we shall not support it." This is easy to verify; it is on the public record. If you are in the least interested in this issue, you can check these facts by simply asking for the documents. You will then see that the Government reversed its decision and re-established the quotas for the industry. Moreover, I would like to remind you that there had been a demonstration on Parliament Hill involving 5,500 workers from Ontario and Quebec, as well as four Liberal Members of Parliament, even though their party was in power at the time. The demonstrations included myself and three of my colleagues, and even some of your own colleagues. Some of your colleagues were even saying at the time: "If the country had a Progressive Conservative Government, you would have not only quotas, but also a clear and precise policy. There would not be such loopholes as now exist under your Government."

I recognize that the previous Government established quotas. I recognize that these quotas were not perfect and that the situation was not what it should have been because of certain loopholes. As for you, you are getting rid of the quotas, and as for the few that remain their effectiveness is still limited by an obvious loophole, as big as the House of Commons. Here is a very simple example of what I mean: You say that girls' and women's footwear are subject to quotas. What about unisex footwear? It will naturally be classified under boys' or men's footwear and will evade the quotas. These quotas are therefore of no value and no interest to the manufacturers.

Mr. Speaker, in closing, I would like to invite those of you who are concerned about the shoe industry to do what we did ourselves and to oppose your Government if you want to protect the jobs in this industry.

Mr. Langdon: Mr. Speaker, I have a question on the same subject. We made, I believe, three main mistakes in the Canadian strategy regarding the shoe industry.

The first one was the removal, by the Liberal Government, of quotas on leather shoes between November 30, 1981 and July 9, 1982. Imports increased dramatically during that period.

The second, Mr. Speaker, mentioned in the report itself, is that before 1981 there was no restructuring in that industry. That is what the report says. It means that after four years of quotas, there has been no change whatsoever. Modernization, which should be at the centre of any effective strategy in this industry, did not take place.

The third mistake—and this is also mentioned in the report, I believe—is that the quota system set up after 1982 was too weak. We find that in the report. As a consequence, had a high level of imports despite the quotas. Given all these mistakes and difficulties, is it possible for a Liberal Member to say that it is a Conservative rather than a Liberal problem?

• (1130)

Mr. Tardif: This is a good question, Mr. Speaker, as it gives me the opportunity to make a short comment. New Democrats can say whatever they want because they will never be more than fifteen or twenty. But the answer to the question of the Hon. Member is yes.

Shoe manufacturers, Mr. Speaker, want 50 per cent of consumption. However, statistics show that they have, at this very moment, only 40 per cent, and the Government wants to reduce their share to 9 to 12 per cent. This is what is offered to the manufacturers. Under the Liberal Government they had between 48 and 40 per cent of consumption. It is a whole lot more than what is being offered to them now. Nobody is perfect. Personally, I would have preferred a 50 per cent share for a period of five years. Nevertheless, they had 40 per cent and they are now given only 10 per cent.

[*English*]

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the decision to abolish quotas in the shoe industry made by the Minister last Wednesday is a perfect symbol of everything which is wrong with the present Government. On the one hand, it reveals the insincerity of the Government in terms of promises which were made during the election campaign and, on the other hand, it reveals its insensitivity to Canada's working families. Finally, and perhaps ultimately most significantly, it reveals the incompetence of the Government when it comes to important economic decisions. I would like to comment on all three of these matters.

[*Translation*]

Mr. Speaker, this Government is not taking its promises seriously. On the contrary it makes no bones about breaking them. In Sherbrooke, last year, Mr. Mulroney, then Leader of the Opposition, had promised that a Tory Government would maintain quotas on footwear imports, that he would not give in despite pressures from the EEC and the United States. Mr. Mulroney had then understood that a committee set up by the Liberals could suggest the removal of quotas, but in spite of the promises made in Sherbrooke, in spite of a promise as a new Government, the Prime Minister is implementing the recommendations of the Liberal committee. In reaching such a decision, he has deceived Canadians, he has betrayed the workers in the Canadian footwear industry.

[*English*]

In sector after sector, promises made in a particular part of Canada to a particular group of Canadian workers during the election campaign, are now being broken. The most relevant and recent example is, of course, what we are debating here today, the promise made to men and women working in the shoe industry and related industries that quotas would be maintained. This promise, it appears, was rather cynically given before the election and cynically ignored afterwards.

I want to say, Mr. Speaker, that my Party takes election promises seriously.

Some Hon. Members: Oh, oh!

Mr. Broadbent: I see the snickering Tory to the left—physically in the House, of course—because his Party obviously does not take its promises seriously. I say to the Tories opposite, because they often like to accuse us of being big spenders, that I am proud to say that the New Democratic Party in 1984, in terms of the costs of its programs which were published before the election, probably came in at the lowest cost of all three Parties. We took care in what we had to say and I just wish that the Prime Minister of Canada (Mr. Mulroney) had taken care in what he had to say in 1984 and had carried it out in 1985.

I do not want to dwell on that particular point, but it is something I take very seriously indeed. If we are going to encourage constructive thinking about politics, if we are going to have serious debates on the future of our nation, politicians have an obligation to mean what they say, to say what they

mean, and if they are elected, to carry out what they promise the people of Canada.

I would like to turn to another aspect of this question of the performance of the Government which is revealed in this latest decision.

[*Translation*]

Such a decision shows insensitivity towards laid-off workers. According to the Shoe Manufacturers' Association of Canada and unions operating in that sector, the removal of quotas on shoes will result in the closure of many factories and ultimately in massive lay-offs. Mention has been made of the loss of some 10,000 jobs, 8,000 of which would be in Quebec and probably 5,000 or so in the Montreal area.

In addition to jobs directly related to the manufacture of footwear, the same percentage of jobs, that is 50 per cent, are also threatened in the related industries of tanning and supplies. The manpower in that sector recognized for its great stability is very concerned. Having worked during their lifetime in that sector, workers are worried because they may find it very difficult to find other jobs. They are right.

We should consider also the effects on the communities. For twenty years or so, the factories producing footwear and soles have left cities to relocate in smaller towns in Quebec as well as in other provinces. If those factories have to close, increased unemployment in those communities will reduce the purchasing power of residents which will directly affect the economy of those communities.

In short, we are forsaking that industry, those towns and those workers.

● (1140)

[*English*]

The report contains a little noted comment which I want to stress today. The Minister has not alluded to this very much since he made his decision. The report says: "The upheavals caused will certainly be significant for the industry and the workers affected". The people who made this report were well aware of the consequences for the men and women in the industry.

The decision is not only insensitive to workers in the communities affected, it is also economically foolish. The simplicity and insensitivity of the Government, I regret to say, is equal only to the simplicity and insensitivity of the commentators who have discussed the Government's decision. A frequently stated, sometimes unstated, assumption about the economic process we are now going through—and it directly pertains to this particular decision—is that the Government of Canada must come down, on the one hand, for completely free trade and, on the other, for some kind of permanent quota system. There seem to be, in this Government's mind as in that of previous Governments, Liberal and Conservative alike, only two industrial options. There is the passive industrial option which sees the future of Canada hiding behind high tariff barriers. That, more or less, has been tried in this country in the past. The other passive industrial option that this Government seems to be aiming towards is the removal of all barriers, to throw open our country to the winds, to use a delightful euphemism, which prevail in the world economy. I want to stress that both those options are essentially passive in nature. However, in my judgment, no nation in history has come to a position of significant economic prowess by following either of those options, not in the ancient world nor in the modern world. I say to the Minister that these two options are not the only ones open to Canada. There is a third option.

The Government of Canada can play an active, constructive, and imaginative role on a sector by sector basis with the private sector. Together they can work out a strategy for this country in its approach to the world economy which rejects the dual forms of passivity involved in hiding behind a protective mechanism for an indefinite period of time, or throwing caution to the winds and throwing open the doors to the forces of the world economy.

This decision illustrates the Government's tendency to head towards free trade, not having thought out the consequences. The Minister is right when he says, as he does, that the quotas have not really worked. We have had them in place for eight years and the Government's view is that if the quotas were going to work, they ought to have worked by now. Some facts are very pertinent to this argument. First of all, as the Minister knows, some $17 million was allocated under CIRB to this industry. He also knows that during the quota period a very small percentage of the money allocated for modernization has actually been used. In fact, if I remember correctly, only $2.2 million has been used. Therefore, the point is that the modernization process has just begun. Only a small percentage of the money has been used in the way it was intended to be used. However, what does the Government do when it is faced with this reality? It throws up its hands and says, "We have tried, it has not worked, so we will just stop the whole thing and throw the economy—that is these workers we are talking about, men and women and their families as well as their communities, I remind the Minister—to the whims of the market." This is a classic example of what the Liberals have done historically in this country.

Some Hon. Members: Oh, oh!

Mr. Broadbent: I welcome the participation of the Conservatives and Liberals in this debate.

Mr. Foster: We started it.

Mr. Broadbent: You started it, I agree. I say to my Liberal colleagues on my right that I want them to join in the debate. I know they moved the motion. I want them to talk about the issues. The reason I say that we have a typical Liberal solution here is that the Liberals historically threw money at a problem for a number of years and then, if it did not resolve the problem, they went on and did something else instead of trying to make it work. The key point I want to make is that instead of abandoning the program when we know a majority of the firms have just started to carry out the required moderniza-

tion, we should be encouraging the completion of this process. The Minister knows and the report shows that these firms are now spending the money allocated for modernization. If we do not encourage the completion of this process, we will just be wasting the money which has been spent so far. Beyond that, most significantly, we will be wasting the lives of the men and women who are going to be losing their jobs. We do not think that makes economic or social sense.

I cannot put too much emphasis on this point. We had in place a good model of industrial planning which ought to be applied to other sectors. I agree that the firms involved did not respond quickly enough over the past eight years. But, by God, we had begun to see a different approach in other industrial countries—Japan sure as hell, to put it bluntly, would not have thrown its workers out on the street. It would not have just abandoned money like this. We had a good process. The industry was slow in responding but it is doing so now and we should be completing the process to keep those jobs and make this industry competitive in the modern world. The option is really not the kind that the Minister and the Government want to give us. In the near future we want to have quotas in this industry abolished. We want to have the industrial modernization process which was started with this program carried through. Instead of doing that, the Minister is simply abandoning a good idea. In the traditional Liberal way he has thrown some money at it and when that did not produce results in the short run he has stopped it entirely. That is not good planning at all.

● (1150)

I will give one other example of the incompetence that is illustrated by this decision. I regret to say that it is my view that the decision of the Minister and the Government on this issue was shaped simply because of a failure to believe in industrial planning in a mixed economy which plays an important role. The other key factor was the process that is under way for negotiations with the United States on free trade. We are doing all the wrong things. One day we give up Canadian content in the automotive sector, losing Canadian jobs in the process because it does not seem to be compatible with the American model of a comprehensive free trade agreement. Another day we sacrifice Canadian shoeworkers on the altar of the wonderful free trade market. All of this fits into the American strategy but does not fit at all into the Canadian strategy.

While we are busy sacrificing sectors of Canadian workers, significant American figures are talking about getting a resolution of certain bilateral issues such as the importation of logs, pork, and so on. Before the talks commence in a serious way they would like to get the issues resolved. The Conservative Government is busy giving up the interests of Canadian workers in advance. All I can say is that this is no way to conduct major negotiations which go to the heart of the future of the country.

I conclude, Mr. Speaker, by saying that the decision taken last Wednesday was bad in both the short run and the long run for Canadian workers in the shoe industry. It was bad for what it says about the Government's view of industrial planning and bad in terms of revealing its attitude toward negotiations with the United States.

Some Hon. Members: Hear, hear!

Mr. Dorin: Mr. Speaker, I would like to ask a question of the Leader of the New Democratic Party (Mr. Broadbent). Does he have any concern for the consumers who have paid roughly $500 million because of these tariffs and would continue to pay that amount of money in the future?

Mr. Broadbent: Mr. Speaker, of course I have concern for the consumers. If the Member reads the report, as he has perhaps already done, he will notice that the report itself says that the Canadian producers did not increase their prices during the period of the quotas. Therefore, there certainly was not an increase in prices paid, which had a negotiative effect on consumers during this period.

It seems very clear to us in the New Democratic Party that in approaching the economy of Canada one has to look at it in terms of broad concerns, consumer concerns, worker concerns, employment concerns and community concerns. When we address that issue we are prepared to say that there may be some costs to a consumer in any part of Canada to maintain industry in the country. There are only one or two raw materials that we could not get cheaper elsewhere in the world. However, we made a decision a long time ago that a country is about creating opportunity for men and women to work and that is our priority.

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I am frankly amazed at what I have been hearing from the Opposition spokesmen on footwear. I am amazed and I am disappointed.

Mr. Boudria: How do you think we feel?

Mr. Kelleher: There seems to be a knee-jerk response on the other side to every positive action the Government takes. If we are for it, they are automatically against it, even if what we are doing was their policy when they were in office.

Mr. Riis: What about your minimum tax proposal?

Mr. Kelleher: Is this responsible opposition? I suggest it is not. Is this in the interest of the Canadian people? I suggest it is not. Is this the desperate attempt to grab headlines for their narrow, partisan interest? Now we are getting closer to the truth. They are suffering from footwear and mouth disease.

Mr. Boudria: Who wrote that?

Mr. Hees: He wrote it himself.

Mr. Keeper: Take the boot out of your mouth.

Mr. Kilgour: We listened to Ed without heckling.

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

Mr. Kelleher: Mr. Speaker, as I have listened to the debate on footwear over the past few days in this House two things have struck me: The opportunism of the Opposition, an opportunism extending to cynicism, and the lack of sensitivity of the Opposition. It is out of touch with Canadian consumers and Canadian life. Of course, that is nothing new. The other day the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) accused the Government of practising "abstract economic theology". The Government practices nothing of the kind. We deal in economic realities.

Mr. Boudria: That is a euphemism for selling out.

Mr. Kelleher: In this case we are dealing with a 223-page report by the Canadian Import Tribunal which heard 72 witnesses and received 39 written submissions. After the report came out we consulted on its findings with all parties concerned. Abstract economic theory is not our bag. That is what the previous Government practised from its oracle on "Mount Saint Elsewhere". What was the NEP but abstract theory? What was FIRA?

Of course, theory is not involved in the attacks that my hon. friends in the Opposition have been making on the Government's footwear policy. Here they have been forced to resort to smoke and mirrors and to plain political opportunism. Take the charge made by the Right Hon. Leader of the Opposition (Mr. Turner) that the Prime Minister (Mr. Mulroney) has broken an election promise made on May 4, 1984. Let us look at the facts.

On May 4 of last year the Liberals were in the middle of their leadership campaign. On May 4 elections were nowhere in sight.

Some Hon. Members: Oh, oh!

Mr. Kelleher: To continue the chronology, it was not until several weeks later, on June 14 of 1984, that the former Government called on the Canadian Import Tribunal to examine the state of the footwear industry and report its findings within one year. It was not until July 9 that the Right Hon. Leader of the Opposition, having just been sworn in as Prime Minister of Canada, dissolved Parliament—which he could not sit in anyway—and called the election that put the Government in office with the largest majority in the history of Canada.

Some Hon. Members: Hear, hear!

Mr. Kelleher: Now we skip nearly a year. On June 14 of this year the Canadian Import Tribunal, having conducted the most thorough study of the footwear industry ever carried out by any inquiring body, handed down its report. After a full year of study it found that most of the footwear industry no longer needed the protection of import quotas. Indeed, it could no longer benefit from quotas.

● (1200)

Had the tribunal found that import quotas were still desirable, I can assure you that the Government would have followed its recommendations and left them in force. That, incidentally, is more than what the previous Government did. In an earlier inquiry into footwear, the tribunal ruled in February, 1981, that the removal of quotas would be harmful to the Canadian footwear industry. Despite this finding, the then Government, in its wisdom, took the quotas off and then had to restore them in a few months. This was the Government that now sits as the Opposition, for very good reason, and whose international trade critic stood up the other day to accuse us—in his entirely unparliamentary word, as recorded on page 8637 of Hansard—of "treason".

By now Canadians are aware that what we have done on footwear is to put into force the recommendations of the Canadian Import Tribunal, a tribunal established and appointed by the previous Government. I would point out that its studies of the footwear industry were exhaustive and that its recommendations were specific and clear. Under the circumstances, I find it extremely difficult to understand how the Liberal Party can adopt a position of opposition on this measure. I suspect some of its own Members may be as confused by its stance as I am.

In light of the fact that the tribunal found that four of the five categories of footwear producers are now able to stand up to foreign competition, is it the Liberal Party's position that we should ignore the tribunal's recommendations and continue quotas that have cost the consumers of Canada up to half a billion dollars in the past eight years? Is that what the Opposition is saying?

I am also surprised by the stance taken by speakers representing the New Democratic Party. This is the Party that says it represents the "little guy". It is the "little guy" who will benefit most from the removal of quotas. Their shoes will cost less and they will find a greater selection to choose from, particularly a greater selection of lower cost footwear because the quotas had the effect of keeping out lower cost shoes.

Perhaps it is the confusion of the two opposition Parties that has led their members to be so intricate and selective in their attacks on the Government's footwear policy. Whatever the cause, their selectivity has been exquisite. I know that they have read the tribunal's report, because they keep citing it with what sounds like approval. However, what they pick out are brief passages—a sentence here, a phrase there—that, taken out of context, would make it appear that the tribunal agreed with them. It did not.

Let me cite one example of this superselectivity. The other day the Hon. Member for Essex-Windsor (Mr. Langdon) cited a passage from the tribunal's conclusions to support his concern for the workers in the footwear industry. I certainly do not object to the Hon. Member being concerned, as I too am always concerned for workers in the industry. However, the passage that he cited was a sentence in the middle of page 57. It reads as follows:

> The producers who have been identified as particularly vulnerable are smaller producers located principally in Montreal, although smaller producers in Quebec outside Montreal and perhaps also in "Ontario" may equally be at risk.

That is where he stopped. But let me read the next sentence in the report. It is as follows:

The distributions of employment by size of firm indicate that the number of workers represented by these producers is not large.

The next sentence reads:

The individual and social costs arising from loss of employment have been examined, and, in the case of Quebec, the net benefits to workers from leaving the industry are all positive.

Positive? How could that be? The tribunal offers some explanation in the Appendix section, which nobody of course has quoted. It points out that wages are low in the footwear industry, and that few workers stay at their jobs very long. Turnover is extremely high. It ranges from 56 per cent a year at the low end up to 230 per cent at the high. Two hundred and thirty per cent means that the average worker is on the job less than five months before he leaves.

In the tribunal's opinion, in other words, footwear workers taking advantage of Government programs to find new employment and upgrade their skills would be better off than they are now. That is what we intend to do for them.

The Opposition, of course, has ignored most of the tribunal's findings. It does not mention that the entire industry is still protected by 23 per cent tariffs on imported footwear, which is more than double the tariff in the United States and nearly triple that of western Europe. The Opposition cites only brief selected passages from the report, and only to try to add authority to its own curious case. I suggest that this is not proper opposition.

For the record, let me cite the tribunal's main findings. They start on page 56 of the report. The tribunal has concluded that certain sectors of the footwear industry, in the absence of special measures of protection—that is, quotas—are capable of competing successfully against imports, namely men's/boys', children's/infants', slippers/house footwear, special purpose footwear and skates. The tribunal has also concluded that women's/girls' footwear production remains vulnerable to injury from imports. The tribunal does not believe that the more vulnerable producers could expect to survive by virtue of a complex phase-out formula if they cannot compete in conditions created by a simple and straightforward process of lifting quota constraints. Accordingly, the tribunal proposes that the quotas allocations bearing upon the women's footwear sector be increased by 10 per cent per year in each of the next three years.

Hon. Members will appreciate that the Government gave the women's/girls' footwear producers, which account for roughly half of the industry's production value, more protection than the tribunal recommended. Instead of raising quotas 10 per cent a year, we are doing it more gradually, by 6 per cent the first year, 8 per cent in the second and 10 per cent in the third.

Let me stress that the Government is committed to preserving and creating jobs for Canadians. We are committed to doing this in the footwear sector and in all sectors of the economy. One of the most effective ways of creating jobs is by improving our trade performance. As I have reported to the House, the Government is involved in a great many actions to do just that.

I suggest that the Opposition should be reminded that trade is a two-way street. We cannot expect other countries to buy our goods if we will not buy theirs. I would point out that the Opposition is carefully ignoring the fact that our trading partners are not at all happy at our decision to keep import quotas on ladies' and girls' shoes. The European Economic Community has already signalled its intention to invoke its own right to retaliate against another three years of quota by imposing restrictions on goods we export to them. I have already heard from some companies in industries that have nothing to do with footwear that they are afraid of losing their markets in Europe. If they do, they will have to lay off workers in turn.

We in Canada have been through this before. As I pointed out last week, at the time the present footwear quotas were extended to November, 1985, the European Economic Community threatened to retaliate. It threatened to raise tariffs to prohibitive levels on Canadian petrochemicals, steel products, kraft paper, furs and other products. This could have cost us $150 million a year in sales to Europe. Is the opposition saying that they are not concerned with the jobs of Canadians who work in these sectors? Do they really not care about steel workers and petrochemical workers, for example? The message is really very simple. If you provide too much protection for one industry, you will pay for it in others.

• (1210)

Some Hon. Members: Hear, hear!

Mr. Kelleher: This is a message that the Opposition does not seem to understand, but it is a fact of life. The Opposition, however, is having trouble relating to the everyday life of Canada or to the aspirations of Canadians. On this footwear issue, the Opposition has become irrelevant to Canada. It is, to put it in footwear terms, out on a limb.

The nation's press keeps up, however, and for the edification of some members of the Opposition, let me quote what some of the newspapers are reporting.

In Montreal, a *La Presse* editorial of November 21 read:

Ottawa has finally decided to save the Canadian footwear industry. Import quotas had created an unreal world in which the Canadian producer somehow managed to sell his production. The consumer had limited choice and high prices. The end of quotas is to the consumers' advantage and promises a new horizon for producers who can turn out quality shoes—Ottawa has taken a decision that is in the interest of the country as a whole.

What about this article from the November 22 Ottawa *Citizen*? it reads:

It took some nerve for the Government to drop barriers to footwear imports. The domestic industry, with visible political muscle, had been lobbying hard against the move for months. But abolishing footwear import quotas will benefit consumers—and the industry itself.

Also on November 22, Don McGillivray, the economist columnist for Southam Press, wrote:

The Tory Government has done the right thing—and a brave thing—in deciding to phase out shoe import quotas.

The Government has dared to provoke the wrath of a small, well organized and vocal section of the country to do the right thing on behalf of the consumers.

And so on, Mr. Speaker.

There has been a lot of loose talk in this House about broken promises.

Mr. Broadbent: There certainly has.

Mr. Kelleher: Let me conclude by talking a bit about promises kept, Mr. Speaker. The Government promised to get the Canadian economy moving again, and the figures speak for themselves.

Some Hon. Members: Hear, hear!

Mr. Kelleher: In the 14 months we have been in office, we have created one-third of a million jobs, and unemployment has dropped from 11.6 per cent to 10.3 per cent.

When we came into office, the prime lending rate was 13 per cent. It has now dropped to 10 per cent, making it much easier and more attractive for business to invest in its future, and for Canadians to get mortgages and personal loans.

To get things moving again, we also concluded two oil agreements, the Eastern and Western Accords, replacing the destructive national energy policy of the previous Government. We did away with the Foreign Investment Review Agency, replacing it with Investment Canada. As a result, we are already beginning to get healthy doses of new foreign investment that will create jobs in Canada.

Mr. Broadbent: That is not true. Investment is down, not up.

Mr. Kelleher: We promised to put an end to the system of Government by *fiat* and introduce an era of national reconciliation, of consultation with all Canadians. We have done that.

Mr. Foster: Wait until Friday.

Mr. Kelleher: Mr. Speaker, I have every respect for the fact that the Opposition cannot automatically be expected to approve everything that we do in Government. I wish the Opposition would, but I know it will not.

Mr. Foster: Go down to the Maritimes to witness the First Ministers' Conference.

Mr. Kelleher: I have little respect for an Opposition that attacks everything the Government does automatically and without question. It is too late to ask opposition Members to modify their stance on the footwear issue. They are already committed to it, but it may not be too late to ask them to think a bit more carefully in the future for their good as well as for the good of the country.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, I would like to ask the Minister a question. I preface it by saying that his quoting of a couple of editorialists and an economic writer simply confirms my opinion of both those people and of the Government. It is hardly a persuasive argument to take one very traditional voice to support another traditional voice.

I want to ask the Minister to deal with one matter that I raised in my speech. No doubt it was an oversight on his part that he did not deal with it in his comments.

I pointed out that the industrial restructuring program involved in this sector had, in terms of usage of funds, used only about one-seventh of the money allocated, and that, although late in starting—and that has to be noted—the vast majority of firms now have a sort of three year modernization program under way. Since the Government was committed to the modernization of the industry and since the industry has now just started to implement these modernization programs, would it not have made much more sense for the Government to ensure that funds were spent and the industry modernized instead of, in effect, just abolishing the program now and hoping for the best?

Mr. Kelleher: Mr. Speaker, I did not ignore what the Hon. Leader of the New Democratic Party said in his speech. I heard him, but perhaps he is right, I should have answered earlier. I am glad now I have the opportunity to do so because I do not agree with him.

With the greatest respect, I feel he is wrong and what I am saying is backed up by the finding of the tribunal itself. You have to understand, Mr. Speaker, that the tribunal found in four of the five categories that restructuring had, in fact, been done. It had been completed and the industry in those sectors was able to compete. That is why the tribunal said quotas were no longer required in those sectors and should, therefore, be removed. The move was not premature.

The tribunal said that quotas had been given their chance to operate and had operated so well and so effectively in those sectors that protection was no longer needed. The tribunal said that they should be abolished, them, and we have concurred.

The tribunal found that the womens' and girl's shoes sectors were not ready yet to compete, and that restructuring had not been completed. I agree with my hon. friend that in some areas restructuring had not been completed. I agree with my hon. friend that in some areas restructuring had not been completed and that is what the tribunal found. It said that those quotas have to be kept on for another three years, exactly what the Government is doing.

I would point out that in those areas where there may be some disruption—and I say it will be minimal because the tribunal feels that these sectors will be able to compete—the Government, together with the assistance of my hon. colleague, the Minister of Employment and Immigration (Miss MacDonald), who is in the House this morning, has put together an excellent package of support programs not only for the workers in the industry but for the companies themselves, and now, through a new initiative of my colleague's Department, for the community itself. This is very beneficial.

In some small towns the shoe industry is the only industry. The former Government did not seem to be concerned about

what could be done for those communities, but our Government has been concerned and we have implemented programs. Indeed all three, the workers, the community and the companies, will be taken care of by the package we are proposing.

[*Translation*]

Mr. Tardif: I listened with great interest to the remarks of the Hon. Minister. Maybe he was not in politics in May 1984 but I remind you, Mr. Speaker, that it happened by chance in your own riding.

The Prime Minister was very clear. Now, I did not know that there was a difference in the meaning of statements depending on where they are made: if you say something in a given place, it does not mean the same as when it is said some place else.

That being said, Mr. Speaker, the Minister is doing exactly what he blames us for, namely he is referring to specific sections of the Anti-dumping Tribunal's report. He takes press clippings and quotes some statements as they suit him.

But there is a constant element in the whole matter. Without quoting, because it would take too long, I remind you that on pages 52, 54, 67, 50 of the anti-dumping report, there is the unequivocal statement that thousands of jobs will be lost because of the decision you have made.

Therefore, I want to ask the Minister the following question: How many jobs will be lost because of your decision? You seem to say on one hand that there will be none. On the other hand, you say that your colleague, the Minister of Employment and Immigration (Miss MacDonald), has put together an execellent package. Therefore, will there be any jobs lost or not? If there are, how many lay-offs are anticipated? What are you going to do about the extremely painful situation in which those families who are faced with the prospect of losing their jobs in the near future find themselves?

● (1220)

[*English*]

Mr. Kelleher: Mr. Speaker, I know the Opposition does not like this, but I have to keep referring back to the tribunal's decision. That inquiry took over a year, with over 72 witnesses appearing and more than 39 written briefs submitted.

An Hon. Member: You said that already.

Mr. Kelleher: That tribunal, as a result of its inquiry, said that quotas should remain on ladies' and girls' footwear. Again, Mr. Speaker, I remind my hon. friend that the production of women's and girls' shoes represents approximately 50 per cent of all shoes in Canada, with over 50 per cent of that particular production being carried on in the Province of Quebec. Given that quotas are continued on that production, there obviously is not going to be a loss of jobs in that segment of the industry.

With respect to the other sectors—and again I know you do not like to hear this—the tribunal found that no quotas were needed. It was found that those sectors of the industry did not need production; that they could withstand the rigours of competition. Those other sectors of the industry had restructured and updated themselves and, therefore, any disruption which would occur in those sectors, sectors in which quotas had in fact been removed, would indeed be minimal.

This Government has a concern for workers, communities and companies. Every job is precious to the person holding it, and we agree with that. Therefore, this Government wishes to put into a place a package to assist those people.

Surely to goodness you are not standing up and being critical of this Government for putting in place a package to assist people and communities and companies in the event that lay-offs do occur?

That assistance is something that this Government is proud of, and you should applaud our actions in this regard.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Tardif: Mr. Speaker, does the Minister recognize that the Government had the legal capacity to dismiss the recommendations of the Anti-dumping Tribunal? And where is the logic of his argument? I do not understand your logic. You say: We are competitive enough to face the international market. On the other hand, you say: We will face the consequences. I hardly understand your logic and I would like to hear your comments in that regard.

[*English*]

Mr. Kelleher: Mr. Speaker, I am glad the Hon. Member raises this point about our having had the legal right not to accept the recommendation of the tribunal.

Mr. Speaker, I categorically disagree with him on that point, with great respect. The Ministry of Justice has given us a very firm opinion in that regard, and it is that, in the absence of a finding of inquiry—I repeat, in the absence of a finding of injury—under the legislation now in existence, we cannot legally impose quotas. I again remind the hon. gentleman that in four of the five categories involved, the tribunal found no injury. Therefore, in respect of those categories, we could not legally impose quotas.

I further point out to him that the legal opinion goes on to state that even in those cases where we can impose quotas, it is only for a maximum of three years.

So, not only have we done what is correct legally, we have done what is correct economically and what is in the best interests of the consumers of this country.

Some Hon. Members: Hear, hear!

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, we are dealing here with a very major issue as it affects the constituents of the riding of Glengarry-Prescott-Russell.There are some 400 jobs in the constituency I represent in this particular industry.

I had a conversation this morning with both shoe factories in my riding, and I am particularly concerned for the situation of the employees and management of the Alexandria Footwear factory.

Alexandria Footwear is a company owned by Rosita Shoes, and the products from that factory are most commonly known as Adidas Shoes, Adidas being, if not the best, one of the best shoes made in this country in the category of athletic footwear, and the same is true of the other shoes produced by that factory as well. Adidas shoes have gained a good reputation among all Canadian consumers.

Mr. Speaker, we are living in hard economic times. Conditions are difficult. Notwithstanding the fact that the consumers are aware that Adidas shoes are the best, they are at times faced with the hard reality, because of the economic times, of having to opt for a less expensive product. Because of the hard economic times, the consumer will often opt for the imported product, a product which is manufactured at a lower cost outside of this country.

Mr. Speaker, as of 1983 there were 172 shoe manufacturers in this country, 41 per cent of whom were located in the Province of Quebec, 56 per cent in the Province of Ontario, with the remaining 3 per cent being located in other parts of Canada.

In that year, there were in this country some 3,500 jobs in the tannery industry and some 16,000 jobs in the shoe industry.

So, close to 20,000 jobs are at stake in this industry in our country. We produce some 35 million, 36 million pair of shoes, at an estimated value of close to $1 billion.

As one can see, this industry isn't small potatoes. It is a very important industry for our country, or at least it is for those of us in the Liberal Party. Quite obviously, the Members opposite think otherwise.

Mr. Speaker, this debate today is, in large part, about truth and honesty, and one's ability to keep one's promises.

Let me remind you, Mr. Speaker—and I am sure you are aware of this—of the promises that the Tories made last year. You are aware, of course, Mr. Speaker, that I listed these promises in a little booklet called *338 Tory Promises*, copies of which I will gladly give to any Hon. Member or any member of the public who writes to me. I will gladly send out a copy of this book listing the 338 Tory promises, most of which have been broken by now. Those that have not yet been broken will probably be broken in a very short time.

• (1230)

Miss MacDonald: You'd know all about it.

Mr. Boudria: The Minister of Employment and Immigration (Miss MacDonald) is listening very attentively. She was probably at the meeting in Quebec on July 26, 1984. If she was at that meeting of the Quebec caucus, she would know that a press release entitled *Progressive Conservative Agenda for Government* was released that day. Perhaps the Hon. Member for Dollar (Mr. Weiner) recalls that day. This press release deals with policy area in the textile and apparel industries. That does not directly involve the footwear industry but an interesting promise was made regarding this area. Promise number one was fair trade but not free trade.

Miss MacDonald: Hear, hear!

Mr. Boudria: I repeat, fair trade but not free trade. That promise was made on July 26. Today the Tories are selling off our shoe industry because it is hindering the free trade negotiations undertaken by the Tory Government.

The second promise contained within the press release deals with stability through the rigorous enforcement of our existing international rights and obligations, including if necessary the establishment of global quotas and a controlled increase in import volumes. What is so controlled about the dismantling of the system that now exists? Opening the flood gates hardly constitutes control in my book.

What have the Tories done since they came into office? They have broken just about every promise they made. Of course, I cannot say in the House that the Prime Minister (Mr. Mulroney) is a liar because you would not allow that, Mr. Speaker. However, I will say that the promises that were made—

The Acting Speaker (Mr. Charest): Order. I am sorry, but neither could I allow an Hon. Member to do indirectly what he is not permitted to do directly. I would therefore ask the Hon. Member, knowing that he knows the rules full well, to respond.

Mr. Boudria: Thank you, Mr. Speaker. I withdraw that remark, but I will continue in my remarks to doubt the sincerity of the promises that were made. If the Prime Minister were Pinocchio, his nose would be a foot long and I will leave it at that. The promises that were made have certainly not been kept to the satisfaction of my constituents.

If any cabinet Minister thinks otherwise, let him or her come to Alexandria with me tomorrow to speak to those workers. I challenge any cabinet Minister to go there first thing tomorrow morning. I will even drive any cabinet Minister there. It is only an hour's drive from the national capital. Of course, no one will take me up on that offer, I am quite sure.

Miss MacDonald: It's the threat of driving with you.

Mr. Boudria: I note the remark of the Minister of Employment and Immigration. She has an expensive limousine at her service. She can cause the undue expense of having two cars drive to Alexandria rather than one. After all, the Prime Minister uses two jets to fly around. Perhaps, if the Minister wants a repeat performance, she could use two cars to drive to Alexandria to speak to the workers. Whether we go in one car or two, I am still willing to go to Alexandria to speak to the people accompanied by any cabinet Minister who wishes to take the opposing view by telling us why those jobs in Alex-

andria should be lost. I make that challenge to any cabinet Minister.

[*Translation*]

I was saying earlier that I questioned the honesty of the promises made by the Prime Minister during the election campaign. I would like to read a few words taken from the Sherbrooke newspaper *La Tribune*, and I am sure that you are familiar with this quote, Mr. Speaker: "The quota policy would remain as it is, guaranteed Mr. Mulroney, who said that he was not in favour of free trade in this sector of activity."

The interview has to do with the footwear industry. This promise was made in Sherbrooke by the leader of the Progressive Conservative Party who is now Prime Minister of Canada.

Mr. Speaker, I would like to read from another Canadian Press report and also from another article published in *La Presse* of March 25, 1985, in which the Minister of Regional Industrial Expansion apparently stated that the Canadian textile, clothing and footwear industry should probably be guaranteed a share of the local market for a long period. This was last March, and I am now wondering whether a long period means six months in the mind of the Minister of Regional Industrial Expansion. I do not think so, Mr. Speaker. If it was deemed necessary, according to this interview with the Minister last March, to guarantee these jobs for a long period, why did he, also, break another promise made to the Canadian people?

[*English*]

Some Hon. Members have mentioned today that public opinion was not behind an extension of these quotas. I would like to disagree with those who have said that for the following reasons.

[*Translation*]

A survey was carried out from September 16 to 20, 1985, by the Decima Research Firm of Toronto. I would like to read a few findings of this survey. The question was asked as follows: "According to some people, the Government should make use of quotas to protect the Canadian industry against foreign competition because it is important to protect jobs in Canada." People were then asked to choose one two alternatives, namely to protect jobs for Canadians or to provide greater access to less expensive products. Of the people surveyed, 66 per cent told Decima that they favoured the protection of jobs for Canadians. This means that two-thirds of Canadians do not agree with this decision made by the Conservative Party.

The following question was also asked and I quote: I would like now to ask you a few questions about the Canadian footwear industry. How important is the Canadian footwear industry to the Canadian economy and to employment in Canada. Is it very important, rather important, not very important, or not important at all? Taken together, the answers "very important" and "rather important" accounted for 84 p. 100 of all answers to that particular question.

And further on the following question was asked: In your opinion, how important is it for Canada to have its own footwear industry? Once again, 86 p. 100 of the people surveyed answered that it was very important and rather important that Canada should have its own footwear industry. And this Government is suggesting that it was sensitive to public opinion.

I heard the Hon. Minister make such a statement a while ago. If he is so sensitive to public opinion, why is he going against it?

[*English*]

I think the Government is trying to impose a death sentence on this industry, an industry that is very important to my constituents and many others. I know which Conservative Members represent ridings which contain shoe factories. Most of them have not spoken today. I know that I cannot say that some Hon. Members are not present in the House, but I will just say that some of them will have difficulty speaking on this issue this morning.

The Minister for International Trade (Mr. Kelleher), in reading from his speech earlier this morning, said that the decision of the tribunal was that on which he was hanging his hat. The tribunal had decided that we did not need quotas for four-fifths of the industry and that we needed to retain quotas for the other one-fifth of the industry. The Minister said that because the tribunal said it did not need quotas the Government would remove them. He has also said that for the sectors in which they are needed the Government has decided to increase them. On the one hand he is saying that where the tribunal has said no, he is agreeing with them. On the other hand he has said that where the tribunal says yes, he begs to differ with the tribunal and advocates something different. There are inconsistencies in the answers of the Minister.

● (1240)

The Minister also stated that no jobs would be lost and that his colleague, the Minister of Employment and Immigration, has all types of programs to accommodate people who will be losing their jobs. If no jobs are to be lost, then why would the people who are losing their jobs need to be accommodated?

In another contradictory statement the Minister said that people who lose their jobs in the shoe industry are better off elsewhere. Since when does it pay more to be on unemployment insurance than to be working? I would like the Minister to answer that question later. Since when it is more beneficial to be without a job than to be with one? That is voodoo economics from the Tory Party. Perhaps I should tell every one of my constituents who is about to lose his or her job that they should place their names on the Tory patronage list since that seems to be the only fruitful job-creation program the Government has created thus far. Many people have found jobs that way. In fact, more people have found jobs in that way than under all the other government programs combined.

The Hon. Member for Edmonton West (Mr. Dorin) put it very well when he asked his question earlier this morning. He spoke about the cost to the consumer. I do not think that the

cost to the consumer was a big factor in this issue. Even if it was and is a big factor Canadians have known for quite some time that it costs more to be a Canadian than to be an American. Having had the opportunity to move to the United States at some time in the past, many of us have chosen to remain in the country knowing that it costs more to stay. For my constituents and I, and on behalf of my Party, I would like to say that even though it does cost more, it is a price worth paying to be in this country.

The Government has dragged its feet for too long on this issue. Today in the Minister's response it was obvious that he had foot-in-mouth disease. It is obvious that the Tories will be given the boot over this issue.

The Acting Speaker (Mr. Charest): Are there questions or comments? The Hon. Member for Nanaimo-Alberni (Mr. Schellenberg).

[*Translation*]

Mr. Schellenberg: Mr. Speaker, in his speech, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) discussed—

[*English*]

—truth, honesty and the ability to keep promises. Can the Hon. Member explain what type of truth and honesty was involved with his Party and its ability to keep promises when we consider the situation of the implementation of wage and price controls in 1974? The Liberal Government promised it would not bring them in. In the 1970s the Liberals promised that they would wrestle inflation to the ground. In 1979 they promised that the price of gasoline would never be more than 18 cents a gallon.

[*Translation*]

The Acting Speaker (Mr. Charest): Order! The Hon. Member for Bourassa (Mr. Rossi), on a point of order.

Mr. Rossi: Mr. Speaker, the Hon. Member's comments are not relevant to the motion before us today.

[*English*]

Mr. Schellenberg: I am coming to the point, Mr. Speaker. I thought that I might as well make a bit of a preamble since members of the Opposition seem to enjoy preambles.

The final point I wish to make is with respect to the promise made in 1980 to build a pipeline to Vancouver Island, which never saw the light of day under the previous Government. The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) has just returned from the West. I am sure there was truth, honesty and promises discussed in Vancouver over the week-end. When we speak about countervailing duties and the possibility of the threat of lumber quotas being imposed by the Americans against our own forestry products, how can the Hon. Member ask the Americans not to do that if we continue to prop up Canadian industries with quotas of our own? How can the Hon. Member explain that to the citizens of western Canada and, indeed, to all Canadians?

Mr. Boudria: Mr. Speaker, it may come as a surprise to the Hon. Member that, in large part, the shoes we import do not come from the United States.

Mr. Langdon: Mr. Speaker, I would like to pose the same questions to the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) as those I posed to the Hon. Member from his Party who spoke before him. I ask the Hon. Member if he agrees with what I have to say. The three major problems which have put the footwear industry into the difficult position which it now faces are as a result of, first, the decision of the Liberal Government in 1981 to abolish entirely quotas on leather shoes. This was a decision which was in effect for eight months and which led to massive increases in importations into the country. It hurt a great many firms. Second, I deal with the failure of the policy with respect to the industry to push ahead restructuring of the footwear companies involved during the first period of quota protection from 1977 to 1981. Third, the fact is that the new system of quotas put into effect in 1982 did not cover many of the most dangerous and difficult imports which have to be faced by our footwear producers in the country. Is it not the case that the serious crisis which the footwear industry faces is very much the creation of Liberal government policy and Liberal Government mistakes?

Mr. Boudria: Mr. Speaker, I was wondering whether the Hon. Member was on the side of the Tories or on the side of the workers in the shoe industry. I am still uncertain as to which side he is on. However, I would like to answer his questions in any event. He asks if I am satisfied with the fact that quotas were removed in the past. The answer is obviously not. That is why we placed them on again.

Some Hon. Members: Oh, oh!

Mr. Boudria: That was obviously unsatisfactory. In this respect I hope that the Tories will have the same sense as we had, although one cannot equate Liberal common sense with Tory common sense. Needless to say, I wish they would have the same sense.

The Hon. Member asks whether or not the measures which were instituted with respect to modernizing the industry were successful. He asked whether or not it was complete and so on. No, it is not complete. The CIRB program was a rather successful one. It is interesting that at the time when the industry needs it the most the Government has abolished it. In the near future the Government will disband CIRB. In that respect what the Tories have done is doubly wrong.

With respect to the loopholes in the present legislation, yes, there are loopholes. I have advocated tightening them up, as have others, but we still have 40 per cent of the market and not 12 per cent which could very well come to pass under the present Tory policies. If the quotas were so bad, the industry would not want them to be retained. In those terms they were obviously successful. However, they could have been made even better. I say to the Hon. Member from the New Democratic Party that 40 per cent is better than 12 per cent, but I would like to see 50 per cent.

[*Translation*]

The Acting Speaker (Mr. Charest): The Hon. Member for Richmond-Wolfe (Mr. Tardif), for questions and comments.

Mr. Tardif: Mr. Speaker, first of all, I would like to congratulate the Hon. Member on his excellent speech and inform the House that if all Members showed the same courage in defending the interests of Canadian workers, wherever there are shoe factories in this country, we might get a better decision from the government than we have now.

My question is as follows: I assume you have had a chance to meet with your constituents who work in the footwear industry. In the light of the Minister's comments, in which he seemed to be saying that people working in the footwear industry were cheap labour working for very low wages, do you feel that the people working in this sector are satisfied with the kind of wages they are getting, and do they look to the future with confidence, as a result of the promised measures that are supposed to provide solutions to all their problems?

● (1250)

Mr. Boudria: Mr. Speaker, I would like to thank my hon. colleague for his very apt question. First of all, regarding the working conditions in the shoe industry in my riding, and the level of satisfaction or dissatisfaction of those who work there, I have had three meetings with workers from my riding in the last three months, and I also tabled in the House a petition signed by 1,000 constituents, requesting that the quotas be maintained, and most of them were workers in the industry. So that is what the workers in my riding want.

As for wage conditions, there have been no strikes in this industry in my riding for quite a long time, Mr. Speaker, and although like people anywhere else, workers would like to earn more, they would have been quite happy to keep their jobs, a possibility if the Conservative Government had not taken this particular action. It is too bad that with all the information the Government is getting from Opposition Members who have factories in their ridings, it has not bothered to ask Government Members for information, because there are a number who also have general factories in their ridings. If the Government had done so, the story would have been quite different.

The Acting Speaker (Mr. Charest): Questions or comments. The Hon. Member for Ottawa West (Mr. Daubney).

[*English*]

Mr. Daubney: Mr. Speaker, the Hon. Member for Prescott very kindly offered to drive one of our Ministers to his riding to meet with some of the workers. May I ask the Hon. Member, whose concern for Canadian workers is so touchingly expressed, whether the car in which he would drive the Minister is Canadian made and whether the shoes on his feet are made in Canada? He should know the answer to that because those shoes are in his mouth so often.

Mr. Boudria: Mr. Speaker, I am pleased to answer the maiden question of the Hon. Member for Ottawa West (Mr. Daubney) who had such difficulty in being recognized because he has never aksed a question before. I want to tell the Hon. Member that, yes, my car was made in Canada. It is an Acadian. It was made in Ste. Thérese, Quebec. It is not one of those expensive American limousines which are driven by cabinet Ministers. And the name of my riding is Glengarry-Prescott-Russell, not Prescott. And my shoes are Canadian made.

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, the Minister for International Trade (Mr. Kelleher) announced last Wednesday the new footwear policy adopted by the Government. This policy represents a major step forward in the implementation of the agenda for the economic renewal of Canada which was made public a year ago. I would like to address today some of the most important elements of the new footwear import policy which have a direct bearing on the mandate of my Ministry.

As a Minister responsible for consumer interests and competition policy, I have a keen interest in trade policy, since such policy can greatly influence the state of competition in Canada and the welfare of Canadian consumers. From this perspective, I am supportive of trade liberalization measures which contribute to increase the choice of products available to Canadians and foster a healthier state of competition in the Canadian economy. On the other hand, I am generally opposed to the imposition or extension of trade barriers such as global quotas which impose heavy costs on consumers and stifle competitive forces.

I have been particularly interested in the formulation of the Government policy on footwear because it is an important question for all Canadians and because it illustrates so well the difficult choices which Canadians will have to face in the years to come. What I would like to do today is to explain to the House why I believe the Government's decision on the footwear sector import policy is the right policy. In what follows I shall focus my attention on the effects of the prior global quota regime and contrast them with those which the new Government policy are expected to have on consumers, retailers and the footwear manufacturing industry.

The consideration of the relative costs and benefits of global quotas, particularly as analysed by the report of the Canadian Import Tribunal, has been a major factor in the formulation of the policy adopted by the Government. Before I turn to these questions, I would like to point out that the previous Government, which assigned the Canadian Import Tribunal to review the industry's positiion, was clearly aware of, and concerned with, the costs associated with the adverse affects of a global quota policy when it directed the tribunal to take, and I quote:

—into account the various elements that affect the retail price of footwear in Canada, examine what impact the import quotas on footwear have had on the operations and levels of activity of importers, wholesalers and retailers of these products in Canada and on the prices paid for footwear by Canadian consumers—

To emphasize its recognition of the seriousness of these costs, the former Government went on to conclude its instructions to the tribunal in the following terms, and again I quote:

—in the event of a determination of injury or threat thereof, recommend a formula by which the special measures of protection could be phased out through a progressive liberalization process covering a period of not more than three years, by which time the Canadian industry would be required to face international competition without special measures of protection.

I believe that the previous Government was receptive in setting these terms of reference. The new policy we have adopted, which is based on the findings of the tribunal, is consistent with the analysis behind these instructions.

[*Translation*]

As Minister of Consumer and Corporate Affairs, Mr. Speaker, I am particularly interested in the impact of quotas on Canadian consumers.

Though it is widely acknowledged that over-all quotas might protect the industry to a certain extent, they do have unfavourable effects on consumers by forcing them to pay more for goods which do not necessarily meet their needs and tastes. Shoe import quotas are not an exception to this general rule.

Evidence adduced during public hearings held by the tribunal clearly shows that quotas were responsible for higher prices for both imported and Canadian-made shoes. By restricting the supply of imported shoes, quotas make them more expensive and consumers are encouraged to buy domestically produced shoes which are relatively less costly. Stronger demand for Canadian shoes is the signal our manufacturers need to boost production and increase prices.

But quotas have a more subtle and pernicious effect than a simple across-the-board price increase: they create an artificial shortage of imported shoes, and import permit holders benefit from a shortage premium whcih amounts to an additional income. This is reflected in the difference between the price which the permit holder is able to buy his footwear on the national and world markets, and the price which he can sell them to Canadian wholesalers and retailers.

The quota system having thus given import permits a financial value, it is understandable that the holders, who have obtained these permits on the basis of their purchases over the preceding years, are unwilling to use them to purchase cheap footwear.

The Acting Speaker (Mr. Charest): I must regretfully interrupt the Hon. Minister, but it being 1 p.m., I do now leave the chair until 2 p.m.

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

AFTER RECESS

The House resumed at 2 p.m.

S.O. 22

STATEMENTS PURSUANT TO S.O. 22

[*English*]

SPORTS

B.C. LIONS TRIUMPH IN GREY CUP FOOTBALL CHAMPIONSHIP

Mrs. Mary Collins (Capilano): Mr. Speaker, 21 years often implies a coming of age, so yesterday, in Montreal, the B.C. Lions, who roared in 1964, finally came alive again in 1985. After 21 years they have returned the Grey Cup to British Columbia.

Some Hon. Members: Hear, hear!

Mrs. Collins: All British Columbians who sat in the stands yesterday, or watched the game on television, felt a surge of western pride rising once again. As politicians know only so well, you cannot beat winning. Even our Liberal friends, if they were here, those who participated in that PR junket to B.C. on the weekend, would now probably be more aware of what a frosty Friday is like in Vancouver. They, too, I am sure, felt overwhelmed by the enthusiasm and pride which spread through British Columbia yesterday when our Lions ate the Hamilton Cats for brunch and we could truthfully say once more: we are the best.

Tomorrow a victory parade in Vancouver will provide a second opportunity for residents of Vancouver and the Lower Mainland to show their support of and gratitude to the B.C. Lions and this special all-Canadian sports competition in which the Canadian Football League enables us all to participate.

I was impressed, too, by the very special sportsmanlike behaviour of Canadians from across the land who attended yesterday's game. As I left the stadium surrounded by orange—

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

* * *

ADMINISTRATION OF JUSTICE

ABSENCE OF COMPANY CHARGED IN PCB HIGHWAY SPILL

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, a trial is now taking place in the town of Kenora where the defendants have not even bothered to show up. The trial involves the spill of polychlorinated byphenols along the Trans-Canada Highway last spring by a company which has since ceased operations and apparently vanished. Among the charges brought against this company, four involve the offence of unlawfully permitting the discharge of materials contrary to the Ontario Water Resources Act. These charges contain a provision for fines and jail sentences if the defendant is found guilty. If, however, the defendant is not to be found in court on the day of the trial, something is clearly wrong.

S.O. 22

The spill of PCBs along the Trans-Canada Highway last spring illustrated for all of Canada the need for thorough and enforceable environmental protection legislation. The fact that those responsible for that spill did not come to court to answer the charges is an affront to the people of northwestern Ontario and the people of the country. It is an affront to all who have had to put up with this irresponsible activity, and to the laws of this country and the Province of Ontario. It clearly illustrates the need for tighter registration and bonding of carriers of dangerous goods.

* * *

POLITICAL PARTIES

NEW DEMOCRATIC PARTY—EMPLOYMENT OF UNITED STATES POLLING COMPANY

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, last Friday I was shocked, as I know all Canadians who read the Canadian Press report were, to learn that the NDP, the supposed defenders of Canadian jobs, have been employing a U.S. pollster for the last 18 months when there are Canadian firms that can do the job.

Mr. Blaikie: What's the matter? Are you anti-American?

Mr. Pennock: This comment is according to their own Party's secretary in British Columbia.

Mr. Blaikie: They are our best friends.

Mr. Pennock: Is this the same Party that sits here, day in and day out, accusing the Government and the Prime Minister of selling out to the United States or allowing Americans to take away Canadian jobs? What hypocrisy!

Mr. Blaikie: You are anti-American.

Mr. Pennock: While the NDP has been blowing hot air, we in the Government has been creating jobs for ordinary Canadians; 333,000 of them since the election.

Mr. Blaikie: I want it on the record that he is anti-American.

Mr. Pennock: On the two major obstacles to economic recovery we have achieved signifcant results since the election. Unemployment has fallen from 11.6 per cent to 10.3 per cent, and for the first time in four years the federal deficit is showing signs of shrinking rather than expanding. If the NDP strives to be a credible Opposition, it should at least be consistent in its own hiring and practise what it preaches.

CANADIAN BROADCASTING CORPORATION

CALL FOR RESTORATION OF CALGARY AFTERNOON RADIO PROGRAM

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, a matter has been brought to my attention concerning a change in afternoon programming on the CBC AM radio in Calgary. The former 2 p.m. to 4 p.m. time slot was looked on as an oasis of relaxation, with a solid core of easy listening and interestingly varied music which was interspaced with quiet comments by a knowledgeable host. The change has been dramatic! Unhappy callers refer to music that is ear-splitting and raucus, and to a hostess who constantly interrupts with personal opinions. Most of the callers are from households which have been long-time supporters of the CBC, and they feel these changes have taken away the core of their pleasure in CBC listening.

[*Translation*]

I strongly urge the Minister to raise the matter with the President of the CBC in order to restore the afternoon programming to comply with the tastes of its listeners.

* * *

[*English*]

PUBLIC SERVICE

DEPARTMENT OF VETERANS AFFAIRS—EFFECT OF CUT-BACKS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have received a number of letters from people in the country and I would like to read one of them to you. It concerns Public Service cut-backs. It says:

Dear Sir,

I wish to strongly voice my opposition to the recently announced cut-backs, lay-offs and contracting out in Veterans' Affairs.

In the *House of Commons Debates* for October 17, 1985, page 7754 on "Public Service—Career Planning for Employees Facing Layoffs (B) Job Security", Mr. Doug Lewis (Parliamentary Secretary to President of Treasury Board) is quoted as saying:

> "We appreciate that this is a delicate matter but there does not appear to be long lines of people pounding at our doors saying that they have been mistreated."

Consider me in line, pounding at your door! Service to veterans is why Veterans Affairs exists. Any cut-backs reduces that service.

This letter is signed by Mrs. Jeanne M. Bowles. I have similar letters from Mrs. Magaret Taylor, Sandra Messer, Agnes Marquis, Patricia Lamb, Louise Bolduc, and Gail Robertson, all employees of the Department in the area of Saint John, New Brunswick.

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CANADIAN NATIONAL RAILWAYS

CUTTING OF AUXILIARY SERVICE AT GILLAM, MAN.

Mr. Rod Murphy (Churchill): Mr. Speaker, last weekend Canadian National announced that it would be cutting auxilary service at Gillam, Manitoba. The auxilary is an emergen-

cy response train which goes out to deal with derailments and other emergency situations. Under CN directives an auxilary unit must be ready to leave its site within one hour. However, by removing the auxilary unit in Gillam, the nearest auxilary unit is something like 48 hours away. In other words, if there is a derailment on the major line—the only line into Churchill, Manitoba—during the grain season, it is quite possible that that line could be shut down for over a week.

The Government was notified on October 11 that this was a possibility, that CN was contemplating this move, and yet it did nothing. At the very time when we are looking for a method to ensure that grain can leave the country, all three ports of exit are in a situation in which they can be closed down. I think it is time that the Government acted seriously with CN, the Seaway, and all companies involved in exporting our grain to make sure that we have the ability to export our grain in the fastest and most efficient manner.

* * *

• (1410)

CANADA COUNCIL

FUNDING OF CULTURAL INSTITUTIONS

Mr. Jim Edwards (Edmonton South): Mr. Speaker, I rise today to discuss a matter of grave importance to our cultural community. The new funding method of the Canada Council, which was adopted earlier this year, threatens the Cultural independence of our museums and galleries.

[*Translation*]

For more than twenty years, those institutions who have proven themselves have been receiving annual grants from the Canada Council. There is now a new four-part application process to obtain financial assistance. Therefore, from now on, the Canada Council will be the one to decide what exhibitions the public should see.

[*English*]

The effect of this new method is devastating. The museum community has found it to be more costly, and more difficult to plan its budgets and programs. For example, the Edmonton Art Gallery has already been forced to postpone many important exhibits because of Canada Council's unexplained refusal to fund them. The Gallery will incur a deficit of up to $130,000 in 1985, in large part as a direct result of Canada Council's new funding policy for major museums.

The Edmonton Art Gallery is not alone. The future remains bleak for all museums in Canada because the Council has recently stated that it will not review its new policy for two years.

I ask the House, should an appointed body such as the Canada Council have such discretionary power over the cultural make-up of our museums and galleries? It should not be up to the Canada Council to decide what exhibition is or is not worthy of funding. I say that our local art and museum patrons should make this decision.

S.O. 22

THE ECONOMY

PUBLIC SUPPORT FOR SMALL AND MEDIUM-SIZED BUSINESSES

Mr. Don Ravis (Saskatoon East): Mr. Speaker, I am prompted to rise in the House today by more good news on the economic front. A recent Gallup poll commissioned by the Canadian Manufacturers' Association proves that Canadians share the Government's conviction that the private sector is the key to economic recovery and sustained growth.

The poll results show that since 1982 the number of Canadians who believe that business is the key player in an improved economy has tripled. In addition, the number of Canadians who believe that only Government can provide the solution to economic problems has dropped by 20 per cent in the same three years.

Evidently, Canadians support our Government's policy of providing encouragement and incentives to small and medium-sized businesses. There is good reason for that support. Since September, 1984, 333,000 new jobs have been created in Canada. Unemployment is down by 1.3 per cent since the 1984 election. The response of small and medium sized businesses to the Challenge '85 program was overwhelming. Working together with provincial and federal Governments, these businesses created 100,000 jobs for Canadian students, 14,000 more than 1984's summer program.

The May 23, 1985, Budget contained many measures designed to encourage small and medium businesses. Those measures were greeted enthusiastically by the private sector then, and now Canadians across the country believe that 100,000 smaller businesses hold the key to our future prosperity.

Smaller businesses are the key to Canada's economic prosperity. Together, they and our Government will ensure our future security.

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

* * *

NATIONAL ENERGY BOARD

NECESSITY TO PROTECT SECURITY OF NATURAL GAS SUPPLIES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, last week in Calgary, Douglas Fenton, president of Alberta and Southern Gas Co. Ltd., told the National Energy Board that it should abolish the requirement that Canadian natural gas consumers should be guaranteed a 25-year supply before exports can occur. He believes that Canada should increase its exports substantially, forget the guarantees of security to Canadian consumers, and provide unlimited exports of natural gas to the United States market.

It seems strange that a Canadian company would advocate unlimited sales to the United States and have little regard for the security of Canadian consumers. However, what the president of Alberta and Southern Gas Co. did not make public at

the National Energy Board hearings was that his company is 100 per cent owned by Pacific Gas and Electric Co. of San Francisco. His gas company is a subsidiary of the U.S. gas company. He was really being a mouthpiece for the U.S. parent company, saying to forget Canadians, their future and energy security, and sell Americans as much natural gas as possible, as cheaply as possible.

It may call itself an Alberta gas company, but it really is a U.S. gas company. When the president of the company calls for more exports to the United States, I trust that the National Energy Board will recognize just who is doing in the talking.

ORAL QUESTION PERIOD

[*English*]

TERRORISM

TRAGIC END TO HIJACKING OF EYPTIAN AIRLINER—LOSS OF CANADIAN LIVES

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I wish to direct my question to the Secretary of State for External Affairs. Canadians were shocked and saddened to learn today that two Canadians were killed by terrorists who hijacked an Egyptian airliner and forced it to land in Malta. The Official Opposition and, I am sure, all Members of this House wish to express sincere condolences to the Leonard family. I would like to express the hope that the Government will do everything possible to assist the family in their time of sorrow.

Is it the intention of the Government to make sure that the family will be assisted in every form possible to help them in these very difficult circumstances?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think that all Members of this House and everyone in the country share the sense of outrage and regret at the events in Malta and the death of two innocent Canadians.

Today both the Prime Minister and I were in touch by telephone with the parents and grandparents of the two Canadian victims and have, as the Hon. Member has suggested, indicated to them all of the co-operation of the Government of Canada and, indeed, all of the support of the Parliament and the people of Canada would be with them.

[*Translation*]

INQUIRY IF GOVERNMENT HAS MADE REPRESENTATIONS TO GOVERNMENT OF GREECE CONCERNING ATHENS AIRPORT

Hon. Jean Chrétien (Saint-Maurice): A supplementary question, Mr. Speaker. I want to thank the Secretary of State for External Affairs for his statement. I would like to ask him a question on one of the problems which has led to this tragic situation.

As Hon. Members know, the Athens airport has been the site of several such attacks. I would like to know whether the Government has already made representations to the Greek Government authorities so they will make sure this airport will not be used again for similar highjacking attempts. Tragic incidents have occurred in recent months and it is with deep sadness that we were witness to a repeat of similar incidents over the weekend. Had the Government already made representations concerning the safety of Canadian travellers who use the Athens airport?

Right Hon. Joe Clark (Secretary of State for External Affairs): Along with the other countries of the world, Mr. Speaker, we are trying to find out exactly where the terrorists boarded the aircraft. At this moment it is not at all certain that it was in Greece.

INQUIRY IF CANADIAN GOVERNMENT WAS CONSULTED AND CONSENTED TO ASSAULT ON AIRCRAFT

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I should like to ask a supplementary question to the Secretary of State for External Affairs. According to the information I was given, the Canadian Government knew that Canadian passengers were on the Egyptian aircraft before it was stormed? Was the Canadian Government consulted before the Egyptian commandos stormed the aircraft and did it agree to this attempt to free the hostages?

Right Hon. Joe Clark (Secretary of State for External Affairs): Under the circumstances, Mr. Speaker, there was no time for further consultation. Consultations were held only between the Egyptian forces and the Maltese authorities. There were no other consultations.

[*English*]

I should simply say in addition, Mr. Speaker, that all of us naturally deeply regret the loss of life. All of us know that terrorism and hijacking have to be stopped.

A very difficult decision was taken by Egyptian authorities on the ground, under pressure, on the basis of the best information available to them in the circumstances. I do not think it serves anyone's interest for us to try to second guess the wisdom of that decision.

Some Hon. Members: Hear, hear!

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ABORIGINAL RIGHTS

OWNERSHIP OF QUEEN CHARLOTTE ISLANDS—OFFER OF MEDIATION

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I have a question for the Prime Minister. It has been reported today that the Government of British Columbia has turned down the offer made by the Minister of the Environment and

the Minister of Indian Affairs and Northern Development to mediate in the South Moresby-Lyell Island dispute. What proposal can the Prime Minister put forward now that would resolve this tragic and troublesome dispute in British Columbia?

● (1420)

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Perhaps, Mr. Speaker, I might be allowed to respond to the question of my hon. friend by saying that the process which was initiated a few days ago is still in train. There have been some discussions with all parties, and I will be maintaining my contact with those parties. I am hopeful we will be able to arrive at an opportunity for a meeting to bring about some process of mediation.

REQUEST THAT PRIME MINISTER INTERVENE

Mr. Keith Penner (Cochrane-Superior): I should like to come back to the Prime Minister. Last week the Prime Minister was asked on several occasions to intervene personally. It seems that we have reached an impasse, and I am wondering whether the Prime Minister would agree, when he meets with the Premier of British Columbia, to take up this matter with him personally, before the situation gets entirely out of hand and becomes even more tragic than it is at this very moment.

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Prime Minister, as it is my responsibility, asked me to participate in this matter, and I suggest that before people rush to the judgment that we have reached an impasse, they allow the process which is currently in train to proceed, in the hope that it will yield some results.

ATTENDANCE AT PROPOSED MEETING

Mr. Jim Fulton (Skeena): My question is for the Minister of Indian Affairs and Northern Development.

I think all Members of this House were very pleased with the Minister's decision last Thursday night to begin negotiations on the comprehensive claim of the Haida people to the Queen Charlotte Islands, particularly in relation to Lyell Island and the South Moresby conflict.

But, to use the Minister's own words, as of Thursday night the situation was dangerous. As I am sure he is aware, a few moments ago another 19 Haida Indians were arrested.

I am wondering whether the Minister can bring us up to date, in relation to tomorrow's proposed meeting, in terms of whether or not any of the players involved—Western Forest Products Limited, the Haida Indians, or the B.C. Government—have agreed to come to such a meeting in Vancouver or Victoria tomorrow?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I think the only thing I can do at this time which might be useful is to tell the Hon. Member that the people who are concerned with this have asked me, along with the Minister of the Environment, to continue the process toward a meeting which could begin a process of mediation.

I was in communication just prior to Question Period with members of the Haida Indian Band, and as well there was communication earlier today with the Government of British Columbia. Also, two other parties have indicated an interest in such a meeting.

I think it is far too early to arrive at any conclusions. I am hoping to have another day or two in order to arrive at a situation in which the opportunities may become more clear.

ARREST OF ELDERLY INDIANS

Mr. Jim Fulton (Skeena): Mr. Speaker, the situation, as I know the Minister knows, is extremely urgent. I am wondering whether he can tell the House whether there are any additional administrative or constitutional powers, given the special relationship that this House of Commons has with the Haida people, that he might be able to make use of in this situation.

As we know now, 35 Haida Indians have been arrested in recent days, some as old as 80 years of age.

I am wondering whether there are some powers or initiatives, aside from the negotiation process, that the Minister might be able to use during this very crucial period so as to assist the Haida people in this very urgent situation.

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, at this point I think everyone would agree that the most important thing to be achieved is a meeting of the parties. If there is some further power or substantive support that I might need from the Members of this House, I know that I can call on it and receive it. But I think at this point the single most important step we can take is to have all Members bend their efforts to achieving the meeting of the parties involved.

Some Hon. Members: Hear, hear!

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TRADE

EXPORTS OF LUMBER TO UNITED STATES

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is for the Secretary of State for External Affairs.

Reports out of Washington indicate that the U.S. senior trade representative, Mr. Yeutter, is going to his Cabinet tomorrow to discuss a whole set of new proposals to reopen negotiations with Canada on the lumber trade, including the discussion of stumpage fees, and that this is a prior condition to Congress being asked for approval to proceed with the general trade negotiation.

Have we indicated to the Americans our agreement to a new round of negotiations, including the discussion of such subjects as stumpage fees?

And given that it is a matter clearly within the provincial jurisdiction, have we gained the approval of the provincial Governments that such negotiations can proceed at this time?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Government of Canada, of course, is deeply concerned about the threat to the Canadian forestry industry that emanates from the United States. We have made it clear to the Americans, as they have made it clear to us, that there is no linkage at all between the resolution of that question and any negotiations on trade that might be entered into between the two countries.

STATEMENTS ATTRIBUTED TO UNITED STATES TRADE REPRESENTATIVE

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): The American chief trade representative, Mr. Yeutter, has already stated that the matter of Prentice-Hall, the matter of patents on pharmaceuticals, and the lumber trade must all be resolved before the U.S. side will undertake to go to Congress for approval to start negotiations with Canada on a trade agreement.

I ask the Minister again: are we agreeing to such negotiations on lumber, on Prentice-Hall, on pharmaceuticals? And do we consider that to be an unfair representation as a condition for getting into the trade talks which this Government has proposed?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we have made a proposal to the United States with regard to discussing trade rules and trade negotiations. In so far as this Government is concerned, there will be no conditions involved from the American side that we will be accepting on those negotiations. I think it may be that the Hon. Member, without intending to do so, misread the intent of Mr. Yeutter's remarks.

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ABORIGINAL RIGHTS

LOGGING ON LYELL ISLAND—ARREST OF HAIDA PEOPLE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister. I would like to preface my question by commending the Minister of Indian Affairs and Northern Development for the commendable initiatives he took prior to the weekend regarding the difficult situation which affects the Haida people and others on the West Coast. More than 19 Haidas were arrested this morning. These particular people are well known for their peacefulness, and many of the people who are being arrested are elderly. Considering that, and considering the fact that the Minister of Indian Affairs and Northern Development just said that we should all be making our best efforts to get negotiations under way, would the Prime Minister consider phoning directly to the Premier of British Columbia to ask for his Government's participation in these important negotiations?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thank my hon. friend for his question. It is a troubling situation and we are doing our utmost to resolve it in an appropriate manner. The Minister has handled this situation with sensitivity thus far and I would hope the House would allow him to pursue his initiative in that sense.

PRIME MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I am sensitive to the Prime Minister's choice of words and to the delicacy of the situation. Given the urgency of this matter for the Haida people and for the others involved, if the Minister's efforts with other Ministers in the British Columbia Government, efforts which have already been considerable, do not bear fruit by tomorrow, will the Prime Minister at that point consider contacting the Premier directly?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as I think my hon. friend would allow, the question is hypothetical. I will be guided by the good counsel of the Minister of Indian Affairs and Northern Development and we shall not hesitate to assume the responsibilities incumbent upon the Government and Parliament of Canada.

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UNEMPLOYMENT INSURANCE

NEWFOUNDLAND FISHERMAN'S LOSS OF BENEFITS

Mr. George Baker (Gander-Twillingate): Mr. Speaker, on November 8, a 31-year-old fisherman from Newfoundland, Harvey Hawkins, travelled to the Toronto Hospital for Sick Children to donate one of his kidneys to save the life of a 14-year-old girl, his younger sister. Because he did that, the Unemployment Insurance Commission cut off his unemployment insurance payments.

My question is directed to the Minister of Employment and Immigration who has received notice of this question and has had time to consult her officials. Will the Minister exercise her ministerial discretion by reinstating Mr. Hawkins' unemployment insurance benefits, the only income he receives which allows him to pay his bills and support his family?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I too have concern and sympathy for the case that has been raised by the Hon. Member. As he knows, the Unemployment Insurance Act makes no provision for special and deserving cases of this kind, and neither do I as Minister under the Act have any discretion to act in these cases. However, that is one of the reasons why a case like this must be directed to the Commission of Inquiry on the Unem-

ployment Insurance Commission which may see to it that such discrepancies do not exist in the future.

In the meantime I can tell the Hon. Member that we are taking two steps. One is to ensure that the provinces concerned offer social security payments to Mr. Hawkins during the time he is in hospital. The second is to ensure Mr. Hawkins that, on his return to Newfoundland, he will be guaranteed work under the Canadians Jobs Strategy.

Some Hon. Members: Hear, hear!

REQUEST FOR REINSTATEMENT OF BENEFITS

Mr. George Baker (Gander-Twillingate): Mr. Speaker, it is difficult to figure out what is going on here. If a man rushed into a burning building to save a child, he would receive the Governor General's Medal for bravery. This man does not want a medal. He wants the income back which he rightfully deserves. Given the fact that there was a problem with the operation and it is now Mr. Hawkins who is on the kidney dialysis machine in the General Hospital in Toronto, will the Minister use whatever discretion is required, either through Cabinet or not, to reinstate this man's benefits for the sake of compassion? Has the Government no compassion for the invidivual any more? What is going on? We want an answer and we want it now. This man is worried about his bills. He is worried about supporting his family now. He cannot get the $620 from welfare.

● (1430)

Some Hon. Members: Hear, hear!

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I do not need any lessons in compassion from the Hon. Member.

Some Hon. Members: Hear, hear!

Miss MacDonald: I say to the Hon. Member that the discretion which I am denied as a Minister under the Act is because his Government, when in office—

Some Hon. Members: Oh, oh!

Miss MacDonald: —took away that type of discretion. I do not have it.

Some Hon. Members: Hear, hear!

Miss MacDonald: I also say to him that we will take steps to ensure that there is support for Mr. Hawkins, and work for him. I am not sure that when the Hon. Member's Party was in Government that it would have taken those steps.

Some Hon. Members: Hear, hear!

Oral Questions

TRADE

ELIMINATION OF FOOTWEAR IMPORT QUOTAS

Mr. Dan Heap (Spadina): Mr. Speaker, my question is directed to the Prime Minister. Doe she remember the promise he made in Sherbrooke on May 4, 1984, when he was campaigning for election in which he said that a Conservative Government would not abolish the import quotas in the footwear and textile industries? Now that the Minister of International Trade has announced that the great majority of the affected quotas will be abolished, will the Prime Minister tell us why he has failed to keep the promise that he made when he was looking for the votes of the workers in the footwear industry?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, as I have previously advised the House, there were no broken promises. We are not a Party of broken promises.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Kelleher: Where and when quotas are required for the protection of the industry, we will keep them in place. That is exactly what we did. The tribunal said that they were required for children's and women's footwear and we kept them in place. The tribunal said that they were not required for the other classes of footwear and we took them off. Is the Hon. Member suggesting that where they are not required we should add another $500 million cost to the consumers of the country? I say no.

Some Hon. Members: Hear, hear!

Mr. Heap: Mr. Speaker, I hope to reply later to the Hon. Minister's question at a more appropriate time.

PRIME MINISTER'S POSITION

Mr. Dan Heap (Spadina): Mr. Speaker, I have a further question for the Prime Minister as to whether he has abandoned another of his Ministers who happens to be away on sick leave. I am referring to the Hon. Minister of Regional Industrial Expansion who said on this subject only in June of this year—

Some Hon. Members: Question.

Mr. Heap: —that what you were talking about then was saying—and he was referring to the removal of the quotas—there will be no footwear industry—

Mr. Speaker: Order, please. I am in some difficulty because this is becoming quite a long preamble to the Hon. Member's supplementary question. Is there a question?

Mr. Heap: My question is: As well as abandoning the policy of his Minister of Regional Industrial Expansion, has he also abandoned the absent Minister?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, no and no.

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EXTERNAL AFFAIRS

STATIONING OF TECHNOLOGY DEVELOPMENT OFFICERS IN EMBASSIES AND CONSULATES

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, my question is for the Secretary of State for External Affairs. Noting that technology development and transfer must be a cornerstone of an industrial policy, can the Minister tell the House if our Government is putting technology development officers in place in our consulates to assist in the exchange of transfers of technology? If so, when will this plan be in place?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we are indeed doing that as a means of encouraging Canada's ability to take our place of leadership again in the international markets. There have already been six technology development officers designated for embassies or consulates around the world designed particularly to try to help Canada's small and medium-sized businesses which we want to help encourage to become part of international trade and international markets.

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GOVERNMENT EXPENDITURES

PRIME MINISTER'S TRAVELS—USE OF AIRCRAFT

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is for the Prime Minister. In August a member of the Prime Minister's staff assured the Canadian media and the people of Canada that the practice of flying two jets to bring the Prime Minister to a destination—

Some Hon. Members: Oh, oh!

Mr. Boudria: —would be cancelled and that the procedure was never authorized by the Prime Minister in the first place. Can the Prime Minister tell the House whether on his last trip to Florida he was personally aware that his aircraft was followed by another jet belonging to the Government of Canada? What does the Prime Minister intend to do about this practice?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, since the matter falls within my jurisdiction perhaps the Hon. Member would be enlightened, as the journalist and others who followed that line were not when they wrote this story, that a flight was neither authorized nor requested but was pursued in the normal course of meeting training requirements.

Some Hon. Members: Oh, oh!

Mr. Nielsen: The laughter of Members opposite just—

Mr. Blackburn (Brant): It just happened to go to West Palm Beach.

Mr. Nielsen: —illustrates their complete ignorance of the subject matter with which we are dealing. The fact of the matter is that the flights which have been made by members of this Government this year as compared with the last year of the Liberal administration are down almost 40 per cent.

Some Hon. Members: Hear, hear!

[*Translation*]

REQUEST THAT INQUIRY BE INSTITUTED INTO USE OF TWO JET PLANES FOR TRANSPORTATION OF ONE PERSON

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, could the Minister of National Defence personally give this House the assurance that he will enquire into this matter, a coincidence that cost the Canadian taxpayer $11,000 to have two jets for one person?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I do not have to conduct an inquiry to inform the hon. gentleman that training flights are conducted by our Armed Forces with the whole range of its aircraft throughout the world, not just in the United States and Canada. This was a regular training mission which was in that part of the country. I do not know why the hon. gentleman does not do a little homework and bone up on these things so that he can become familiar with them.

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[*Translation*]

FOOTWEAR INDUSTRY

INQUIRY IF PRIME MINISTER REGRETS PROMISE MADE AT SHERBROOKE CONCERNING QUOTAS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I have a question for the Prime Minister. After his extensive reply, any Canadian would want a frank and forthright Government in this country. After the decision made last week regarding quotas in the footwear industry, is the Prime Minister going to say he regrets the promise he made on May 4 of last year, in Sherbrooke? Does the Prime Minister regret his promise?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, on May 4, 1984, we made a statement which was an accurate reflection of our philosophy and our policies. On June 14, a few weeks later, the Liberal Government instructed the Canadian Import Tribunal to review an agency whose members were appointed by the Liberal Government, and instruc-

tions were given to review this matter. A year later, the Tribunal appointed by the Liberals submitted a report that formed the basis for this decision. So there has been no change in policy, and there is this new and important dimension that was added by the Canadian Import Tribunal. Nevertheless, the Government's policies are aimed at improving conditions and providing more assistance for these advanced technology industries in creating jobs not just in the Eastern Townships but across the country.

● (1440)

[*English*]

Mr. Langdon: What the Prime Minister in fact is saying is that he is pleased to implement a Liberal policy initiative. I think he should regret that.

TEXTILE IMPORT QUOTAS

Mr. Steven W. Langdon (Essex-Windsor): Does following a course behind a Liberal policy in that case also mean that the Prime Minister's promise to maintain textile quotas will be similarly abandoned as a result of Liberal moves which were put in motion to review that policy? Is that promise made to the voters of Quebec also to be abandoned?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, the textile industry, and the policy with respect to that industry, is presently being reviewed by the Government and several members of Cabinet. I can tell the Hon. Member that we are well aware of the concerns of the industry and of the workers employed in that industry. We are deliberating on the matter very carefully and I hope that within the next while we will be able to announce a decision to this House on what our policy will be with respect to that industry.

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EXTERNAL AFFAIRS

SOUTH AFRICA—NEWS MEDIA RESTRICTIONS

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, my question is directed tothe Secretary of State for External Affairs. At the beginning of November the Government of South Africa imposed restrictions on the news media which seriously curtail the flow of information about the violence in that country. Would the Minister tell the House what impact this ban is having on our ability to be kept well informed on the internal situation in South Africa?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think that the Government and the people of Canada continue to have the capacity to be well informed on events in South Africa.

I want to take this opportunity to say that this Government deplores the continued erosion of civil rights in South Africa as was indicated most recently by the ban upon the freedom of journalists. The way to have the truth be known is not to try to control the media. What the Government of South Africa should do if it is concerned about world opinion is change the basis of its policy rather than try to restrict the people who report it.

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ENERGY

PRICE OF NATURAL GAS IN ONTARIO

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my questions directed to the Minister of Energy, Mines and Resources. Last June the Minister promised a fair deal for natural gas consumers. It seems that this fair deal meant freezing the price even though the world price for natural gas is going down everywhere else. Will the Minister listen to the Deputy Minister of Energy for Ontario and allow distributors to reopen negotiations so that consumers can look forward to a greater savings than the measley $9 a year which they will be saving on their heating bills this year?

Hon. Pat Carney (Minister of Energy, Mines and Resources): I am afraid the Hon. Member is misinformed. I did listen to the Minister to whom he refers, and I gave him exactly what he asked for, which was the kind of service he felt that Ontario would benefit from. What we need now is for the Government of Ontario to meet its commitment to change its legislation and its regulatory framework in order to allow those benefits, which are now available, to be passed on to the consumers. That is something the Government of Ontario has yet to do.

MINISTER'S POSITION

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, the Minister is not dealing with the question. The fact is she didn't give consumers a fair price and she didn't reduce the price. Will the Minister go back to the drawing board, reduce the price of natural gas to consumers, and give them a fair price as she promised in June?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, we are not interventionists like the Liberals before us. We are trying to get Government away from the drawing board and that is what we have successfully done. In terms of benefits to the consumers, as of last November 1 there have been benefits available to consumers through direct sales as soon as the Governments of Ontario and Quebec make the appropriate changes to their legislation and regulations.

Oral Questions

NUCLEAR ARMAMENTS

REQUEST THAT PARLIAMENTARY SECRETARY BE REPLACED

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is directed to the Prime Minister. Is the Prime Minister aware that at the very time he was in Brussels hearing from the President of the United States about new efforts at the Summit to reach international understanding, stability and peace, two of his caucus colleagues were displaying arrogance and scorn toward the Physicians for Social Responsibility and other Canadian groups—

Some Hon. Members: Oh, oh!

Mr. Crosbie: Nonsense.

Ms. Jewett: —engaged in the same search? Will the Prime Minister ask his colleagues to refrain from destroying legitimate public input and, indeed, his own commitment to the search—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. I believe the Hon. Member is raising again a matter which occurred in committee. I think she knows that that is really not a matter which should be raised here. Does the Hon. Member have a question of policy?

Ms. Jewett: Yes, Mr. Speaker.

May I preface my supplementary question by saying—

Some Hon. Members: Oh, oh!

Ms. Jewett: —that this is based on newspaper accounts—

Mr. Speaker: Order, please. That does not help, either. I invite the Hon. Member to put a question.

Ms. Jewett: Would the Prime Minister at least consider replacing the Parliamentary Secretary to the Minister of National Defence with someone who is prepared to listen to Canadians' views about vital defence issues such as the prevention of nuclear war?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my hon. friend would probably agree with me—because we have been criticized for it—that there has probably never been a Government which has listened so carefully and so thoughtfully to Canadians, and that includes listening to the Hon. Members of the House. But particularly in the area of foreign affairs, with commitees travelling across the country, with White Papers being presented, we have actively sought for, and obtained, the input of Canadians on this matter and we will continue to do so.

Ms. Jewett: Try your colleagues.

Mr. Mulroney: I think my colleagues on this side of the House require no lessons from members of the NDP.

Ms. Jewett: Well, it won't happen again, I hope.

Mr. Crosbie: Stop breaking the rules.

Mr. McKenzie: There's no place for communists in here.

An Hon. Member: Why don't you go back to South Africa where you belong?

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THE ECONOMY

ANNUAL OECD REPORT

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, my question is directed to the Minister of Finance and concerns the annual report of the OECD. The organization for Economic Co-operation and Development based in Paris conducts ongoing economic research and does analysis between and assessments of the economic performance of various countries in the world. At this time, generally, an annual report is forthcoming. Has the Minister received such a report? And if he has, how does Canada rate in the assessment of the OECD?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member is quite right. At this time of year there is a report which is done by the OECD on the policy direction which the country as followed, as well as the economic prospects looking a year ahead. While I am not able to release this report at this point in time, I have seen a preliminary draft and I can assure the Hon. Member that the preliminary views expressed by the OECD are extremely positive as far as Canada is concerned. It has confirmed that the policy direction which we set out on November 8 last year in the Economic Agenda Paper is the right policy, and that it is producing tremendous results for Canada.

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AGRICULTURE

FARM DEBT—GOVERNMENT POSITION

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. A week ago Saturday, 800 farmers demonstrated in front of the Minister's constituency office in St. Thomas to protest the lack of action on the farm debt crisis. Can the Minister say when the Government is going to take action as demanded by the seven responsible farm groups, on a comprehensive farm debt moratorium and farm credit arrangements legislation?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the representation made by the Hon. Member on the subject. He will know that we have taken to this point in time a long list of initiatives to benefit the agri-food industry and we are quite prepared to take further steps very shortly.

● (1450)

FARM GROUPS' DEMAND

Mr. Maurice Foster (Algoma): Mr. Speaker, seven responsible farm groups demanded action within a week. Why has the Minister failed to meet the legitimate demands and deadline which the farmers put before him at that meeting?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, if the Hon. Member had any memory at all he might be aware of the answer. The simple fact is that that was done on a Saturday, the four o'clock Friday deadline, and it just so happened that the House did not sit that week.

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FINANCE

GENSTAR TAX RULING—MINISTER'S POSITION

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Minister of Finance. He will recall moving very quickly once the research and development loophole was brought to his attention, but only after it cost the federal Government many hundreds of millions of dollars. After considering the Genstar tax ruling and recognizing that it will cost the taxpayers hundreds of millions of dollars as other companies take advantage of that ruling, does the Minister support that new loophole? If so, why? If not, what action is he taking to close it?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I read the media reports on this particular transaction and I have requested information from the Department. There is an in-depth review going on right now and I hope to make some comment in due course.

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ENVIRONMENTAL AFFAIRS

CHEMICAL SUBSTANCES—REQUEST FOR ESTABLISHMENT OF STANDARDS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is for the Minister of the Environment. Chemical substances are now being developed for which there are no national standards. As this is an urgent matter, will he direct his Department to establish these standards for the protection of the health of the people who take their water from the St. Clair River and the Great Lakes?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member's question has perhaps been prompted by certain observations made by the Law Reform Commission in this regard. My colleague, the Minister of Health, and I have established a high-level task force which met several times in September and October and will be meeting again on December 17. We hope that very early in the new year we will have recommendations from that task force which we can bring to Cabinet for early changes to the Environmental Contaminants Act.

ST. CLAIR RIVER POLLUTION—INVESTIGATION OF INDUSTRIAL PLANTS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in view of the understandable preoccupation of communities which take their water from the St. Clair River, is the Minister willing to say whether he will also launch an investigation into the activities of industrial plants along that river in Sarnia which are upstream to the communities taking their water from this river?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I always welcome thoughtful observations from the Hon. Member and others on all sides. This one is no exception. However, I urge him to make it clear in all his public statements, including here in the House, that the drinking water from the St. Clair River meets all of the vigorous and rigorous international standards laid down by the World Health Organization. The responsibility for testing the quality of drinking water as opposed to the St. Clair River water in general rests with the Ontario Government. However, I am working hand in glove with my Ontario counterpart to make sure that high standard is met on an ongoing basis well into the future.

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CONSUMER AFFAIRS

TAX REBATE DISCOUNTERS—RATE OF INTEREST CHARGED TO TAXPAYERS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. On Friday he said, in connection with his proposals to deal with tax discounting, that they would put this form of loan sharking entirely within the limits allowed under the Criminal Code. Surely the Minister knows that the average refund is just over $700. Tax discounters using his formula will be able to charge $65 to process the refund. Since the Department now says that the refunds go out in a month, these people are really charging an interest rate of over 100 per cent. Is the Minister satisfied with that?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I believe that last week we announced a decision, following consultations that were very thorough and that were also instrumental in correcting certain discrepancies in a system that was inadequate to start with, a decision that has also helped to reduce costs, if we consider the Tax Rebate Discounting Act, for all Canadians and especially those on low incomes.

[*English*]

POSITION OF CONSUMERS' ASSOCIATIONS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the Minister says he had intensive consultations with various groups. Did any group such as the Consumers Association or the National Anti Poverty Organization, any group except the tax discounters, tell him they were satisfied with the proposal he made?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): I think there are many associations that have stated their satisfaction with the Government's decision, because it introduces measures that will provide for freedom of choice and at the same time discourage this practice, to a certain extent.

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FOOTWEAR INDUSTRY

INQUIRY WHETHER LAY-OFF STUDIES MADE BEFORE DECISION TAKEN ON QUOTAS

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, my question is directed to the Minister for International Trade.

Before breaking his election promise and betraying working men and women in the footwear industry, could the Minister advise the House whether his Department had carried out studies to determine the number of people who would be laid-off as a result of last week announcement?

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, once again I reiterate that in no way have we betrayed any employees of the footwear industry. Indeed, we are very cognizant of their concerns and their jobs. The tribunal looked into this whole question fully. They found there would be no loss of jobs because the industry could now meet the competition. Any loss would indeed be minimal. As you know, my hon. colleague, Flora MacDonald, has already announced and put in place—

Some Hon. Members: Oh, oh!

Mr. Blackburn (Brant): Name dropper.

Mr. Kelleher: I am sorry. She has put in place many programs which will assist these workers in the rare event it is required.

[*Translation*]

REQUEST FOR CLARIFICATION ON SUBJECT OF SHOES FOR WOMEN AND GIRLS

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I have a supplementary question. The new policy provides for a meek protection concerning shoes for women and girls.

I should like to know what the Minister intends to do to avoid the loopholes following his last week decision. What is he planning to do in order to block any loophole in this area of activity of the Canadian footwear industry?

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I am not aware of any loopholes in the tribunal's decision. They found that the women's and girls' shoes category needed protection. They asked that quotas be retained for another three years. We agreed to do that. Not only that, we agreed to phase quotas out much more slowly than the tribunal recommended. Obviously we have their concerns at heart.

* * *

[*Translation*]

ENERGY

GULF REFINERY IN MONTREAL—GOVERNMENT PLANS TO STOP CLOSURE

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. I was recently in Montreal in connection with the Grey Cup Game which incidentally we—I mean, British Columbia—have won and to meet the workers of the Gulf refinery in Montreal East.

What is the Minister going to do now to keep the Gulf refinery in operation, in view of the promise she made to the Gulf workers? What is the Minister planning to do now to keep this refinery in operation?

[*English*]

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I am glad to join with the Hon. Member in expressing our great satisfaction with the fact that British Columbia won the Grey Cup.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: The vote was fifty-fifty in Cabinet.

Some Hon. Members: Oh, oh!

Miss Carney: I am sure he will agree with me that it is a great start to our year of Expo '86 in Vancouver.

As to the Gulf refinery, the Hon. Member already knows that it is at my request that Gulf is keeping the refinery open so that potential buyers can emerge and commercial transactions can be considered.

CONSUMER AFFAIRS

REQUEST THAT TAX REBATE DISCOUNTING BE BANNED

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Income tax discounting, lending money against the borrower's expected tax refund, cost Canadian taxpayers $41 million last year. In view of that fact, will the Minister agree that attempts to regulate this practice are not working and it is time to bring it to an end?

• (1500)

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I think I have already answered this question on a previous occasion. We have made this decision following consultations in the best interest of taxpayers, especially those with a small income.

[*English*]

IMPACT OF DISCOUNTING ON LOW-INCOME TAXPAYERS

Miss Aideen Nicholson (Trinity): The Minister's proposal to allow discounters to keep 15 per cent of the refund on the first $300 means the tax preparers will continue to make their money mainly from the poor. Will the Minister not reconsider that decision, especially since 15 per cent over four to five weeks, annualized, is a rate above what the Criminal Code allows?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I believe we have established a policy which has sensibly and substantially reduced the cost of income tax refund discounting. We allow discounting services, but we continue nevertheless to protect consumers against abuses.

* * *

[*English*]

PRIVILEGE

NOTICE OF QUESTION RESPECTING INTERJECTION OF MR. McKENZIE

Mr. Speaker: The Hon. Member for New Westminster-Coquitlam (Ms. Jewett) on a question of privilege.

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, there was an interjection which I believe denied the privileges of every Member of this House. I would like to give notice of a question of privilege on the interjection of the Hon. Member for Winnipeg-Assiniboia and will raise the question of privilege tomorrow after we have all had a chance to read the "blues".

Mr. McKenzie: Mr. Speaker, my riding is Winnipeg-Assiniboine.

Mr. Broadbent: How did you know whom she was talking about?

Mr. Foster: We all heard you, Dan.

Mr. Axworthy: We don't have to read the "blues" now.

Ms. Jewett: Maybe I don't have to wait.

Mr. Speaker: Order, please. I am not quite sure what the Member is proposing to raise later of which she is giving notice. If it is a question of order or a question of language, I may have missed something but—

Mr. Axworthy: We all heard it.

Mr. Gauthier: We all heard it.

Mr. Speaker: —I am perfectly happy to let her bring her case before the House tomorrow.

Ms. Jewett: That is fine, Mr. Speaker.

Mr. Speaker: She will realize that it may not be a question of privilege, but may in fact be a question of order that should have been brought today.

Mr. Blackburn (Brant): Oh, it is a question of privilege.

ROUTINE PROCEEDINGS

[*English*]

TERRORISM

EGYPTIAN AIRLINER HIJACKING—DEATHS OF CANADIANS MOTHER AND SON—STATEMENT OF SECRETARY OF STATE FOR EXTERNAL AFFAIRS

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I rise to make a statement—

Mr. Speaker: Order! I regret to interrupt the Minister, but I ask Members of the House to have their conversations elsewhere, please, including those who are having them behind the curtains who cannot hear me because they are talking.

Mr. Clark (Yellowhead): Mr. Speaker, I rise to make a statement on the tragic deaths of a young Canadian mother and her infant son. Although we are awaiting formal identification by the husband and father, our information is that Mrs. Valinda Leonard and her infant son, Andrew, of Beiseker, Alberta, were killed in the hijacking of the Egyptian airliner to Malta. I wish to express my own deepest condolences and those of the Government and of the people of Canada to her family. I also, Sir, want to pay tribute to the manner in which the family has responded to the stress and tragedy of this weekend.

No nation is immune to the scourge of terrorism. Two innocent Canadians now join the list of victims of this international brutality. The Government of Canada condemns the hijacking of the Egyptian airliner and profoundly regrets the tragic loss of life which ensued. This most recent incident again demonstrates the urgent need for concerted international action to combat acts of terrorism. The Prime Minister (Mr. Mulroney) raised this issue before the United Nations General Assembly. The Minister of Transport (Mr. Mazankowski) has proposed changes affecting international air travel.

With our friends and allies Canada is pursuing other concrete measures to combat terrorism. Senior officials of my Department will be meeting in Bonn on December 10 and 11 to continue consultations with our Summit Seven partners. We will continue to pursue vigorously all available means to eliminate the scourge of terrorism and to bring to justice the perpetrators of these brutal acts.

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I wish to join the Secretary of State for External Affairs (Mr. Clark) in offering, as I already said during oral question period, my sincere condolences to the bereaved family.

I agree with the Secretary of State for External Affairs that this is a phenomenon that is becoming increasingly widespread, and we can no longer consider ourselves immune to this kind of occurrence. Here in Canada, we thought we were entirely immune to this kind of violence, but not long ago, the airport in Toronto was used in what increasingly appears to have been a similar act of violence, when an Air India jet crashed in the North Atlantic and another similar tragedy occurred at the airport in Tokyo, in connection with a plane coming in from Vancouver. This is not just an international problem, and I agree with the Secretary of State for External Affairs that it is a very difficult question and one that is becoming more and more apparent, even in Canada.

I am glad to see that the Minister of Transport (Mr. Mazankowski) is listening with the Secretary of State for External Affairs, because two Canadian lives were lost on the island of Malta on the week-end. However, only a few months ago, a very large number of Canadians lost their lives in the North Atlantic. The impression now seems to be that the disaster was even worse than a hijacking, since there were ammunition and explosives on board the Air India plane.

Of course, international action is extremely important. We must pursue the policy of refusing to offer asylum to persons who resort to this kind of violence.

[*English*]

I think it is extremely important that asylum not be given to any of these people. When I was Minister of Finance and attended the Bonn Summit, we were already discussing this matter. We had a full session on international terrorism. I think we have succeeded somewhat in that there are now very few countries, if any, which will welcome hijackers and give them asylum. It is of fundamental importance that people who get involved in these tragic events know that there is no place they can land safely anymore. I hope the lesson of last weekend will help to deter some people.

However, we must ensure that these people cannot get on planes anymore. I think that was the problem in Athens last weekend. That airport has been subject to many such incidents. I think we should put pressure on the Greek Government. Over the weekend some people in France were advocating that we should cut transportation to these airports by Canadian planes if Canadian citizens are to be safe. However, we cannot give lessons to anyone else if we are faced with the same problem in Canada. I know that the Government of Canada and the Minister of Transport (Mr. Mazankowski) will be dedicated to curing this problem which does exist in Canada. The other day there were some—

Mr. Speaker: Order, please. I do this with great regret, but I think the Hon. Member knows that responses are to be approximately the same length as the original statement. I am going to ask the Hon. Member for Saint-Maurice (Mr. Chrétien) if he could conclude briefly.

Mr. Chrétien: Yes, I will conclude. I have made my point and everyone understood where I was going. I just want to say that this is a very serious problem. This is the type of issue on which we should work together, because loss of life should not lead to political confrontation. Therefore, let us find a solution in Canada as quickly as possible.

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, on behalf of the New Democratic Party I wish to join the Secretary of State for External Affairs (Mr. Clark) in expressing our very deep sympathy to the family and friends of Mrs. Leonard and her infant son who lost their lives in this very great tragedy. As the Secretary of State for External Affairs (Mr. Clark) said earlier today, we cannot second guess the wisdom of the Egyptian decision, nor should we now assume that all the blame should rest on the Athens airport. There is nothing conclusive about that and I was distressed to hear such a suggestion.

• (1510)

At the same time, as the Minister has noted, we must make an urgent and concerted international effort to find solutions to this horrendous problem of international terrorism. At the close of his statement, the Minister said that we will be acting with our friends and allies. Since I do not know how broad that phrase is, I hope he also means that we will be acting with all members of the United Nations who are concerned about the very great growth in international terrorism.

I will discuss with my colleagues the possibility of striking a subcommittee of the Standing Committee on External Affairs and National Defence to assist the Minister in this matter in any possible way.

INDIAN AFFAIRS

MERCURY POLLUTION IN WABIGOON AND ENGLISH RIVERS—CLAIMS SETTLEMENT—STATEMENT OF MINISTER OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am pleased to advise the House that an agreement has been reached to settle finally the mercury pollution claims of the Grassy Narrows and Islington Bands in northern Ontario. I am sure that all Members will be as delighted as I am that today, 15 years after the discovery of the mercury pollution in the Wabigoon and English Rivers, this Government, the Province of Ontario, Great Lakes Forest Products Limited, Reed Incorporated and the two Indian communities can all say that we have achieved a settlement that is fair and honourable.

Sixteen million six hundred and sixty-seven thousand dollars will be provided in compensation to the two bands. Of this amount, Canada will provide $2.75 million, Ontario will contribute $1.66 million, $6 million will come from Great Lakes Forest Products Limited and $5.75 million from Reed.

This money will be transferred to the bands, to be used for purposes of social and economic reconstruction. Two million dollars of the total will be paid into a special fund to compensate individuals with health problems attribuable to mercury poisoning. This fund will be administered by a board appointed by Canada, Ontario and the two bands.

Many individuals, representing all the parties, have played an important part in hammering out this agreement. However, let me pay special tribute to my own representative, the Hon. Justice Emmett Hall. When I appointed him to act as my special representative in this matter, negotiations were at an impasse. Justice Hall shouldered an immense burden and acted with complete conviction to work out an agreement acceptable to all parties. I say this, not to detract from the role of the other negotiators, but to indicate my own personal profound gratitude to Emmett Hall, who, at the age of 87, has now yet another accomplishment to add to his distinguished career.

Finally, I want to say to the Indian people in those communities that we know the hardship and despair that they have experienced during the past 15 years. I and many Canadians have felt shame that situations like these could develop in our midst. We do not forget those 15 years, but we do celebrate a new beginning, a new future for these, our first citizens.

Some Hon. Members: Hear, hear!

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, it was in the period from 1963 to 1970 that approximately 10 tons of mercury were dumped into the Wabigoon-English-Winnipeg river system from a chlor-alkalai plant, part of a paper-mill complex at Dryden, Ontario.

This mercury was absorbed into the biota of the river system, rendering fish in the river system unfit for human consumption. The Indian people at Whitedog and Grassy Narrows who had worked as fishermen and tourist outfitters lost their jobs.

Grassy Narrows, an Ojibway Indian village, had to be relocated. A traditional community was transformed into one which was programmed to self-destruct.

Joblessness and pollution led to horrendous economic and social disintegration and health problems. The communities of Grassy Narrows and Whitedog became pathological places with alcohol and drug induced violence, child abuse and a large number of children who were taken into care by the Children's Aid Society.

It is essential to note that the horror and death were not the tragic norms before the river was poisoned. It happened after.

As far back as 1977, the Grassy Narrows and Islington Bands initiated legal action seeking $25 million in damages. The settlement which has been announced today will probably be accepted and I certainly want to commend the Minister and his special negotiator for the work they have done. Of course, it has yet to be ratified by the band members of Grassy Narrows and Islington, but I think all Members and the Minister himself will agree that this money can never replace all that has been lost.

Is $16 million really fair compensation to a people who have been deprived of their livelihoods, their pride, their self-determination and their self-sufficiency? The compensation package will certainly help to alleviate much of the pain, but can it restore the loss of hope? That remains to be seen.

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I and I am sure all Members of the House and the vast majority of Canadians join the Minister in welcoming the settlement which he has announced today. Yet the overwhelming sentiment with which I am left is one of amazement that an injustice of such proportions and such devastating effect was allowed to persist for such a period of time.

The fact that it took 15 years to reach a settlement with the bands for the injuries done to their people, of whom scarcely a family or person was left untouched, is something which will remain as a stain on Canada's record both in environmental and human terms. I am saddened to see today that these bands are not clear of further threats from the environment. They are not clear from the threat of possible PCB pollution from the possible siting of a PCB storage dump near to the water course that brought them the original tribulation of mercury pollution.

I am glad to see the Minister of the Environment (Mr. McMillan), in a speech only last week, recognized that corporate polluters will continue to try to get away with activity in Canada that would not be permitted in other jurisdictions.

The nature of the injustice done to the people of the Islington and Grassy Narrows communities was cataclysmic. It was poisoning that led to a complete disintegration of the social fabric of those communities. This has been well documented in a couple of books which many Members of the House will have read. The relocation, the social fragmentation

and the break up of the clans are well documented. The social and human losses were further aggravated by the economic losses which the bands suffered.

As the Hon. Member for Cochrane-Superior (Mr. Penner) points out, money cannot bring back the way of life that those people enjoyed before this pollution took its terrible toll. I believe money is best left uncommented upon because only time will tell if the compensation has been in any way adequate. However, I should note that the figures provided to the Minister do not add up. There is half a million dollars unaccounted for.

As I said, the health problems were enormous and I am glad to learn that the Province of Ontario has given its commitment to top up the original fund of $2 million, once it has been depleted by claims of residents of those communities for the injury done to their health.

● (1520)

I would be remiss if I did not recognize John Olthuis and Bruce Crofts who worked on behalf of these bands for many long dedicated years and who put so much of themselves into this final solution, as we hope to see it.

I would also recognize Chief Arnold Pelly of Grassy Narrows and his many predecessors, particularly Simon and Steve Fobister, as well as Chief Roy MacDonald and his predecessors of the Islington Band at White Dog Falls for the efforts they have made. Above all I should recognize them for keeping the coherent efforts and commitments of their communities in working toward a solution when the frustration and exasperation which they felt might so easily have deteriorated into action against society and against those who inflicted injustice on them. I am glad to see that we are taking the first steps to correct this historic injustice.

I am sad to see that in many ways the Indian people continue to have second-class treatment from our society, though I do not allege it is on the level of what was inflicted upon the two bands.

When we see communities without the services which all of us take for granted, a community such as that of Lubicon Lake which does not have a land base, and communities such as Shoal Lake where economic development is stymied by the failure of the Government to live up to the previous Government's commitments, then we must acknowledge that there is still work to be done.

I am glad, therefore, to recognize this settlement and to add my Party's support of it.

Some Hon. Members: Hear, hear!

* * *

PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCE

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have petitions here signed by residents of Ottawa and also signed by some public health nurses working in my riding in Toronto. These people are calling for the withdrawal of the deindexation of family allowances. The nurses point out that for many of the welfare families with whom they deal, family allowance money provides food for the last one and one-half weeks of the months.

Mr. Derek Blackburn (Brant): Mr. Speaker, I have two petitions, one from the University Women's Club of St. Catharines and another one signed by several persons in southwestern Ontario. The operative sentence in the petitions is "wherefore, the undersigned, your Petitioners, humbly pray and call upon the House of Commons to reinstate full indexation of universal family allowance and to rescind the unfair tax increases".

CALL FOR INQUIRY INTO USE OF TEST RANGE AT NANOOSE BAY

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I have petitions from residents of the Nanaimo-Alberni riding concerned about the Canadian Forces maritime experimental and test range at Nanoose Bay, concerned about the United States of America's policy of neither confirming nor denying the presence of nuclear weapons on board U.S. vessels and urging that there be a full public inquiry before the present agreement is renegotiated.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I have petitions from residents of Cowichan-Malahat-The Islands who are concerned about the family allowance deindexing proposal of the federal Government. They point out that this places an unfair burden upon low-income families, especially when coupled with the tax increases, and the unfairness of this is compounded when it is put side by side with the tax benefits made available to corporations and wealthy people. The petitioners call upon the House of Commons to reinstate full indexation of universal family allowance and to rescind the unfair tax increases.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is my pleasure to present a petition on behalf of a number of residents who are concerned about the deindexing of family allowance, particularly when you put it on top of the sales tax increases, the increase in excise tax and other stiff income tax increases. They are asking the House of Commons, particularly the Government of Canada, to reinstate full indexation of universal family allowance and to rescind the unfair tax increases introduced in the last Budget.

MAIL DELIVERY IN SWIFT CURRENT, SASKATCHEWAN

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, I have a petition from a number of residents of the Trail subdivision in the City of Swift Current, Saskatchewan.

They protest the lack of door to door mail delivery to their area and ask this House to address their concerns.

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I have petitions from senior citizens clubs in LeRoy, Lanigan and Spalding protesting the effort by the Government to deindex the family allowance similar to what the Government tried to do to senior citizens pensions some time ago. They point out that the cut-backs are inequitable and unbearable in the face of budget hand-outs, such as half a million dollars in tax free capital gains taxes, greater RRSP deductions for high income recipients, millions in hand-outs to oil companies and billions of dollars in bail-outs to the banks.

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Mr. Speaker: May I inform the House at this time that because of the ministerial statements, consideration of Government Orders will be extended by 19 minutes today.

* * *

CONFLICT OF INTEREST

ESTABLISHMENT OF MEMBERS' INTERESTS REGISTER

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been the usual consultations between the Parties. I think you will find a disposition at this time, by unanimous consent and without debate, to allow passage of the item of business under Government Order No. 60 standing in my name. I move:

That the Standing Committee on Management and Members' Services consider matters related to the establishment of a Register of Members' Interests, and report on these and any other matters relating to registration of Members' interests, including the form and content of such a register, considering among other matters relating to the registration of Members' interests, the following:

(*a*) remunerated directorships of companies, public or private;

(*b*) other remunerated positions or offices;

(*c*) remunerated trades, professions or vocations;

(*d*) the names of clients when the interests referred to above include personal services by the Member which arise out of or are related in any manner to his or her membership in the House;

(*e*) any payments or any material benefits or advantages received from or on behalf of foreign Governments, organizations or persons;

(*f*) land and property of substantial value or from which a substantial income is derived; and

(*g*) the names of companies or other bodies in which the Member has, to his or her knowledge, either himself or herself or with or on behalf of his or her spouse or dependents, any beneficial interest including—among others, shareholderings—of a nominal value greater than one-hundredth of the total capital assets of the company or other body;

and that it report on the form and content of such a Register not later than December 31, 1985; and

Provided, that notwithstanding the usual practices of this House, if the House is not sitting when the final report of the Committee is completed, the Committee shall report its findings by depositing the said report with the Clerk of the House and it shall thereupon be deemed to have been laid upon the Table.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 266.

[*Text*]

REPORT OF THE CANADIAN COUNCIL ON SOCIAL DEVELOPMENT

Question No. 266—**Mr. Young:**

1. Did the Minister of National Health and Welfare receive a report from the Canadian Council on Social Development with respect to a study on the cost effectiveness of providing alternatives to the institutionalization of mentally disabled persons and, if so, was there a dissenting opinion to the majority report and what was the nature of that opinion?

2. Does the Minister intend to initiate a pilot project to determine the cost effectiveness of providing comprehensive services to assist mentally disabled individuals to participate fully in their communities and, if so, in which community or communities will such projects be initiated and what will be the commencement and completion dates?

Hon. Jake Epp (Minister of National Health and Welfare): 1. The Canadian Council on Social Development (CCSD) has submitted to the Minister of National Health and Welfare its report on a cost effectiveness study of providing alternatives to the institutionalization of mentally disabled persons and a dissenting opinion to the report was not submitted.

2. No decision has yet been taken with respect to pilot projects.

[*Translation*]

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

Mr. Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

Supply

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 63—FOOTWEAR INDUSTRY—IMPORT QUOTAS

The House resumed consideration of the Motion of Mr. Tardif (Richmond-Wolfe):

That this House regrets that the Prime Minister has once again broken an election campaign promise, this time by failing to maintain quotas on imports of shoes and by compounding this betrayal by failing to make adequate provision for the thousands of workers whose jobs are adversely affected.

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I resume my remarks where I left off this morning when I was talking about the impact of quotas on Canadian consumers. As I was saying, since quotas have given a monetary value to import permits, one can easily understand why those who have obtained such permits on the basis of their purchases in previous years would rather not use them to buy cheaper shoes. They will prefer to buy more expensive shoes to take full advantage of their limited number of import permits.

Undeniably this strategy serves the interest of importers, but it has a significant and undesirable social effect on the price of various categories of imported shoes. Since high-priced imported shoes bring in a higher shortage premium to begin with, importers have a tendency to buy more of them. They cannot do that unless they buy smaller quantities of cheaper shoes, because their import quotas are limited. In turn this reduced supply for buyers of cheaper shoes leads to higher prices on the domestic market.

Therefore the result of quotas is to lower the supply of cheaper shoes imported into Canada and increase their prices as compared with those of other categories of imported shoes. It is particularly detrimental to poorer consumers who are least able to afford them.

While it is hard to determine exactly the total costs of quotas to consumers, the research conducted on behalf of the tribunal shows how substantial they are. According to those reviews, since 1968, consumers have paid out between $450 and $500 million more than they would have had there been no such quotas.

Mr. Speaker, the quota system not only increases the price of shoes, both imported and Canadian, but also lessens the choice for consumers. Indeed, retailers cannot buy freely abroad because of those quotas and Canadian manufacturers are unable to offer items comparable with foreign production in all styles of footwear. In addition, price increases and restrictions in the variety and availability of shoes have probably helped reduce the total demand of shoes by almost 12 per cent since 1978.

This Government's new policy on quotas will phase out the costs incurred by Canadian consumers. This policy furthers their interests especially where low-income consumers are concerned.

• (1530)

[*English*]

Although some larger retailers benefited from the global quota regime, the retail sector as a whole was hurt by that policy, with the greatest competitive harm having been experienced by the small independent retail business segment.

To understand the impact of the global quota regime on the retail sector, one must keep in mind that quotas create product scarcity. Quota allocation is costly to obtain, and a quota regime introduces rigidity in the characteristics of product supplies. Because the cost of acquiring quota allocation is independent of the volume of imports, it represents a heavier burden for the small independent retailer and weakens his ability to compete. Because quotas create product scarcity, they force smaller retailers to offer a narrower product range than their customers wish, thus reducing the retailer's ability to compete and thereby diminishing the value of his investment. Because quotas introduce rigidity in the supply of imported product, retailers are unable to respond to changes in customer demand, thus reducing the competitiveness of both the retail and manufacturing sectors.

Because quota permits have been allocated mainly on the basis of historical import performance, new entry into the retail business has been discouraged artificially. Quota limitation also has a dampening effect on the ability of existing business to expand. Without the freedom to enter and expand or exit and contract, competitive forces do not work—

The Acting Speaker (Mr. Paproski): On a point of order, the Hon. Member for Kamloops-Shuswap (Mr. Riis).

Mr. Riis: Mr. Speaker, I hesitate to interrupt my colleague halfway through his reading, but we have been here in the House in excess of a year and this is an opposition debate that is taking place. We have heard the Minister for International Trade (Mr. Kelleher) read a statement, and we are now hearing another Minister read a statement. There is a place for that. My recollection of the rules—

The Acting Speaker (Mr. Paproski): The Hon. Member has been in this House for a long time and should know that his is not a point of order. If he would like to bring that matter up at another sitting, that is fine; but not at this time.

Mr. Côté (Langelier): Thank you, Mr. Speaker. Over-all, the net effect of quotas has been to increase the concentration in the retail sector and to reduce competition. Quotas have also had an adverse effect on employment in the retail sector. Restricted supply means fewer sales—and at higher prices, of course—and fewer sales means retailers need fewer stores and fewer employees.

The new policy combines some special measures of protection so that Canada will continue to incur some of these costs at the retail level. However, the new policy adds protection for about half the industry, and we can expect to achieve improved levels of competition and some expansion in the retail sector, particularly by smaller retailers.

Moreover, to further improve the competitiveness of this sector, the new policy will reduce the restraints on entry and expansion by allocating, wherever possible, new quota resources to those who do not enjoy quota rights.

[*Translation*]

Mr. Speaker, I should like, if you would allow me, to consider in greater detail the consequence of our decision on the footwear industry and show you why we believe that our policy will be beneficial.

In view of the state of this industry and of the substantial costs of the quotas for the consumer and the distribution sector, three basic questions arise: What were the reasons originally for imposing quotas in this sector? Have these quotas had the expected effect on the industry? Is extension of the quotas desirable? In other words, do the benefits for the industry justify the substantial costs for consumers and the rest of the economy? These are the three questions which I now want to discuss, Mr. Speaker, because I believe that they go to the heart of the matter.

As indicated this morning by my colleague, the Minister for International Trade (Mr. Kelleher), footwear import quotas were first imposed in 1977 under Clause 19 of the GATT. This clause provides that a signatory country may, in an emergency, impose comprehensive quotas on the import of certain items when these imports cause or threaten to cause serious prejudice to a national industry. It is generally agreed that this protective measure must be temporary and not last any longer than necessary to enable the national industry to adjust to international competitive forces. At no time is it provided that the quotas can become a permanent protective measure. It is generally estimated that the adjustment process should normally last three years. As you are aware, Mr. Speaker, the footwear industry has already enjoyed eight years of protection, and some of the Members opposite would like this protection to be extended for at least five more years. In view of the considerable costs of such a protection for consumers and the Canadian economy as a whole, we have to ask ourselves, as we have in fact done, Mr. Speaker, whether it would truly be in the interests of all Canada to extend these measures, which risk becoming a crutch for the industry. If this industry has adapted to market conditions, protection is no longer necessary. If it has not yet adapted after eight years, we have to wonder whether it will ever adjust or whether quotas really are the appropriate remedy.

In the light of testimonies given during the public hearings held by the tribunal and of the conclusions of its analyses, the answer is clear. The industry has indeed adjusted, but it has done so in spite, rather than because of the quotas.

My time is getting short, Mr. Speaker. To conclude, I first want to summarize the main findings on which the policy of our Government is based. First, we noticed that the extended quota period which the industry has been enjoying since 1977 imposed considerable costs both on the Canadian consumer and on the Canadian economy as a whole. Secondly, it is clear that the quotas brought only meagre benefits to the Canadian consumer and that they slowed down the necessary restructuration in the industry instead of making it easier. Finally, there is no doubt that the extension of the quotas could only perpetuate those costs and delay all the more the required adjustments.

The conclusion to be drawn from these findings is clear, Mr. Speaker. Even without considering our international obligations and the substantial cost of the retaliation measures our partners threatened to use, it is clearly in the interests of the country as a whole to eliminate as quickly as possible the present quota system. This is both a matter of economic sense and of social justice.

Mr. Speaker, our decision on this question is an essential element of the Agenda for Economic Renewal of the Government. It illustrates our determination to adopt a structural adjustment policy taking fully into account the crucial role of international trade in the Canadian economy and the interest for Canada to work together with its trading partners to gradually eliminate tariff and non tariff barriers which hamper international trade and penalize the most dynamic elements in our economy.

The Acting Speaker (Mr. Paproski): Questions or comments; the Hon. Member for Richmond-Wolfe (Mr. Tardif).

• (1540)

Mr. Tardif: Mr. Speaker, first of all, I would like to draw the attention of the House on the most unusual fact, I believe, that the two Ministers, in speaking on behalf of the Government, made almost identical speeches. I have reached the conclusion that both statements had probably been written by the same civil servant.

Having said this, I would like to come to my question: The Minister's speech, as well as his colleagues, has an amazingly ambiguous flavour. You seem to be saying, and you are indeed saying in a way that there won't be any adverse effect as the industry is now able to face the competition. This is a point of your argument which you rest on and supposedly confirm through the antidumping report. On the other hand, you say that should there be adverse effects . . . Listen, it could happen, should there be adverse effects, support measures will be taken to help the men and women who will lose their jobs. Am I to understand that you made that decision without knowing, without assessing, without quantifying its impact in terms of

employment? And here is one last question: If within a year it appeared that your decision caused thousands and thousands of people to be laid off, would you agree to review that decision on the basis of the fact that it had indeed a very severe impact on the workers and industry in Canada?

Mr. Côté (Langelier): First of all, Mr. Speaker, I should like to reply to my hon. friend that we felt there was indeed a possible injury to Canadian consumers. I should like also to indicate to him that this economic tribunal which was created a year ago has received over 72 reports, heard over 39 appeals and representations and come to the conclusion that there exists a part of the industry which has been fully renewed and which has adapted to international competition, but that another part of the industry still needed protection. Mr. Speaker, Hon. Members are aware that under the GATT agreements, no protection can be granted to an area of activity unless there is evidence that there exists a need for protection; otherwise, we would be faced with absolutely devastating consequences.

So the Government has decided to accept the recommendations of the economic tribunal again in the best interest of Canadian consumers, and that is what I tried to establish in my remarks by emphasizing the benefits for Canadian consumers.

Mr. Speaker, I suggest that on the whole and in the future, this decision and its impact will clearly benefit Canadian consumers who, because of the quota system, had been in the past at the mercy of rising prices, and who will from now on have access to a wider variety of shoes of better quality at a lower price. Because we should not overlook the fact that the cost which these quotas represent for importers is passed on to Canadian consumers in a sector of higher priced shoes. Canadian consumers, therefore, could not buy the cheaper shoes because, not being imported, they were not available on the Canadian market. It has been established and I think that studies have clearly demonstrated that these quotas had a yearly impact of between $80 and $85 million on Canadian consumers. As a Conservative Government, we feel that these measures must be changed again for the benefit of Canadian consumers.

[*English*]

Mr. Langdon: Mr. Speaker, both this Minister and the Minister who spoke this morning put forward an argument which suggested that quotas were being kept for those parts of the industry that had not yet modernized or received Government help for restructuring and that the quotas were being eliminated for those parts of the industry which had received such restructuring help. I would like to make a brief comment before I come to my question and point out that first, the tribunal report itself does not talk in those terms at all. Its reasons for making the exception for women's and girls' shoes have nothing to do with the question of whether or not modernization has taken place. The tribunal makes it quite clear that the substitutability factor is of greater significance in that case.

I would also like to note that we have been able to receive data from all the Quebec firms in the footwear sector which have received assistance from the Canadian Industrial Renewal Board up to the end of 1984. There is a total of 10 such Quebec companies. Four of those companies are exclusive producers of women's shoes. The other five companies produce combinations of men's and women's shoes. The suggestion that somehow the industry had been helped with respect to men's and boys' shoes but not with respect to women's and girls' shoes and therefore the distinction was kept is simply not accurate. In fact, the Government has made a decision which has abandoned the shoe sector, parts of it a little faster than others, because of a commitment to ideological purity rather than to economic common sense.

In making this decision, did the Cabinet and in particular the Minister who has just spoken look with any kind of seriousness at the paragraph contained in the report of the import tribunal which tells of what took place in the United States when quotas were removed from shoes in that country? I would quote from page 33 of the report of the tribunal as follows:

> The U.S. experience following the removal of orderly marketing arrangements in 1981 shows that manufacturers, in the absence of important restraints, have greatly expanded their imports. This might have happened in Canada as well if quotas had not been imposed. Thus the benefits of quotas to domestic production may be underestimated if quotas have, in fact, prevented a major shift towards imports.

I put it to the Minister and the House that that is what we in Canada will face. We will face a massive explosion which will force the Government into ignominious retreat in six, eight or ten months' time. It will force the Government to impose these quotas again. I simply hope that the red faces and the sense of shame that will be apparent at that point will somehow make up a little bit for the thousands of lives which will have been damaged in the intervening period.

Mr. Côté (Langelier): Mr. Speaker, we did not create that tribunal, the former Government created it and gave it a special mandate. Let me quote a part of that mandate which reads as follows:

> —in the event of a determination of injury or threat thereof, recommend a formula by which the special measures of protection could be phased out through a progressive liberalization process covering a period of not more than three years, by which time the Canadian industry would be required to face international competition without special measures of protection.

● (1550)

They were temporary measures which were put in place eight years ago. The tribunal made its recommendation by stating that a sector of the industry has been able to come to a point where it could meet the competition but that only part of it need be protected. As the tribunal says, this protection could not go beyond three years. Obviously, we gave all benefit of the doubt to this sector. We hope that it will come to a point where it will be in a position to compete on an international basis in three years.

[*Translation*]

The Acting Speaker (Mr. Paproski): Order, please! The time allocated for questions and comments is now over.

I now recognize the Hon. Member for Spadina (Mr. Heap).

[*English*]

Mr. Dan Heap (Spadina): Mr. Speaker, I am pleased to have an opportunity to support this motion from the Liberal Party which is condemning the Government for breaking the promise of the Prime Minister (Mr. Mulroney) when he promised shortly before the last election that he would not take off the quotas on the footwear industry. The Government chooses to get into an argument about whether it was really the previous Liberal Government that caused the problem or not. I am not interested in trying to sort out how much each of those two Governments was responsible for.

What I am concerned about, Mr. Speaker, is that the decision of this Government, which was a free decision, it was not in any way compelled or constrained, they had their options, as all other Governments do, including the Governments of countries like Taiwan, which sells shoes here but forbid us to sell shoes there, they had their options and they chose to cut off most of the quotas and thereby they chose to cut off an unknown number of jobs. It has been estimated that as many as 10,000 jobs will be lost. We don't know certainly, but we do know that when the previous Liberal Government four years ago cut the quotas off, within three or four months 3,000 jobs were lost. I remember the present Minister of Public Works (Mr. La Salle) when he sat on this side of the House making that very complaint. I wonder how he is going to feel now when thousands of jobs are lost by the action of a Government of which he is a member.

We have heard an estimate that the quotas have cost the consumers $500 million. That is an estimate. There is another estimate that removing the quotas will cost the consumers $800 million in lost jobs and benefits because most of them were not top-paid workers but reasonably well-paid workers. Unemployment insurance, welfare payments and, of course, lost taxes will represent a great loss than is estimated for the cost of having the quotas on. They are both only guesses, Mr. Speaker. What is at stake here, as my colleague has said, is really the doctrinaire conviction of this Government that it should give all the benefits to the entrepreneurs at the expense of those who have to live by their wages and salaries.

The injury has already begun. We have people saying there is no injury expected to the industry but the injury has begun. I pointed out two or three weeks ago that several thousands jobs have already been lost in this industry in Ontario and Quebec because buyers have held off buying in anticipation of this decision by the Government. Therefore, we have already lost jobs and we will lose more jobs now.

The tribunal report is quoted and yet the tribunal report acknowledges on page 42 that the decrease in domestic production in the face of increased import competition—they already said there would be a surge—may be expected to be significant. Farther down they say the dislocation associated with this process of adjustment will be severe in the case of those enterprises and those employees directly affected. There are many other places in which the tribunal acknowledges that there is going to be injury. It is therefore frivolous of the tribunal report to say in its recommendations there will not be and of the Cabinet, the Government, to say there will not be.

The tribunal report also shows something else quite interesting, that is that the quotas were so mishandled and so misconceived under the previous and present administrations that they benefited the large importers and some of the large retailers chains such as F. W. Woolworth under the name of Kinney more than they benefited the producers they were intended to benefit.

This will continue, Mr. Speaker, even without the quotas. What happens is that the importers may mark up 100 per cent a pair of shoes that cost $15 to make in Canada. They may be sold for $30, the mark-up going to the trade, the commercial end. However, on a pair of shoes made abroad for $7 and also sold for $30, there is an extortionate mark-up, a mark-up of $23 instead of $8. That is where the consumers may be losing. In fact, Mr. Speaker, the tribunal report shows that the footwear industry has done better than average of Canadian industry of keeping its manufacturing costs down. Between 1974 and 1983, the total economy moved from an index of 132 to 290, whereas the footwear productivity and prices moved from 133 to only 262. The footwear producers were more efficient than the total economy of Canada and more efficient than manufacturing. That went up to 298. Whereas they started at 132, 138 and 133, the total economy went to 290. Manufacturers went to 299 and footwear went only to 272. Therefore, it is not the manufacturers who have been gouging the consumers, it is the importers, the very ones who are holleryng for the end of the quotas. The recommendations of the tribunal and the decisions of the Cabinet simply do not fit the facts that even the tribunal admitted.

I want to go into a much more serious matter, one that the tribunal seemed to take no interest in whatsoever. Three-quarters of the imports into Canada last year came from five countries. Out of 53 million pairs, Taiwan sent 17 million; Italy, nearly six million; South Korea, over 11 million; Hong Kong, over three million; and Brazil, over three million. That is three-quarters of the imports. We are told we have to be competitive and this is where the tunnel vision, the dogmatism of this Government, is disastrous for Canadians.

Taiwan is a country in which the Government is ferociously anti-labour. When I visited there two years ago I talked with clergy who had been in jail several times for the crime of trying to help workers organize unions. Taiwan is a low wage country. Hong Kong is another low wage country, not as low as some others in the Pacific but still relatively low. Brazil is a low wage country. In many of these countries, Mr. Speaker,

the average wage for producing shoes is about 70 cents, one-tenth of the average wage in Canada. Seven dollars, the average wage in the footwear manufacturing industry, is not an extortionate amount of money. If the worker brings in $14,000 a year gross, he is not living high off the hog but he might be above the poverty level. To cut him to one tenth of that, 70 cents, which is the Government's idea of competition, would ruin not only those workers but much more of Canada.

● (1600)

I have not mentioned Italy. I have referred to the bad labour conditions in many of the countries in the West Pacific. Italy, of course, is a European country and we may suppose that, therefore, the labour conditions there are comparable to the labour conditions in Canada. They are not. I quote from the Anti-Slavery Society for the Protection of Human Rights in its report for 1980 to the United Nations Working Group of Experts on Slavery. In its opening statement it states:

When you buy your next pair of shoes stamped "Made in Italy" spare a thought for the thousand of child workers of Aversa, near Naples who most likely helped stitch, glue and finish them, in conditions which would have been entirely familiar to Charles Dickens.

Child labour is a growing trend, according to this document. It is fundamental to the organization of production and profits within the contemporary Italian economy. The children who were interviewed by representatives of this society started working from the age of 10 and up. Most children were working a six-hour day although in some cases they worked more than nine hours. All children worked a six-day week and all were poorly paid. The children's weekly earnings ranged from 7,000 lire to 15,000 lire per week, and thus always fell far short of the basic legal minimum wage paid to adults which is 75,000 lire per week.

It is reported that as adult unemployment rises in Italy, the employment of children at a small fraction of adult wages is also rising. The conditions of work are very severe and health hazardous. The society quotes one of the child workers as saying:

The place where 25 of us worked was 10 metres by 2.5 metres high and it was impossible to breathe because of the glue fumes. Our cloakroom was a tiny room in which the gum and solvents were also stored; when work was over and we went to get changed, we would find our clothes damp, cold and reeking of gum.

Italy is a civilized country. We have to ask ourselves, are there no laws? The answer is, of course, that there are laws. The report of the society states, and I quote:

—the enforcement of the legislation protecting children is in the hands of the Labour Inspectorate; its effectiveness is handicapped, for it is understaffed and overburdened with work. According to Dr. F. Coppola (Departmental Head of the Provincial Inspectorate of Labour, Naples) in Naples up to 1975, four officials were allocated exclusively to the child labour sector.

The report continues:

—the position is summarized by Neapolitan journalist Eleanora Puntillo: "In my opinion there is no point in talking about legislation. When the law is so systematically and widely infringed, it is as if it did not exist".

What about the international labour organization and its conventions? The fact is that Italy has not yet ratified the ILO Convention No. 138 on the Minimum Age for Admission to Employment.

We are talking about competitiveness. We are not talking about a Third World country coming out of starvation. One of the oldest developed countries in Europe, Italy, is using the labour of children for as much as six hours or more per day, six days a week, paying about one fifth of the minimum wage for adults. It is using these children in conditions which none of us would want to see our children endure even if we were willing to take them out of school at the age of 10 to send them into the factories. Some of these conditions are deadly. I quote again from the report of the Anti-Slavery Society:

—the extensive use of poisonous glues in the cramped conditions of the leather workshops is a major health hazard and liable to cause glue polyneuritis. This is a disease caused by poisoning from toxic substances within glue vapour; it affects the nervous system causing paralysis of the joints, disability and muscular pains accompanied by cramp and swelling. Untreated, the disease can result in death. Over 25 per cent of the workers affected are under fourteen and although there have been several cases of glue polyneuritis over the last five years, it is still not treated as an industrial disease.

Those are the competitive conditions which this Government is asking us to match of a country where the police smash and jail trade union organizers such as in South Korea, of a country where 10-year-old children are forced to leave school in poisonous atmospheres so that it can sell cheap shoes abroad. If our Government wants Canadians to take their children out of school, not just to do work at home because that is already happening in Spadina and in some parts of Montreal, but to go into the factories and into the sweat-shops, as happened 200 years ago in Britain, then the Government will find itself alone in Canada because Canadians do not want that. Canadians are willing to pay a decent price to get a decent wage.

Recently, the Ontario Federation of Labour sent a telegram to the Prime Minister saying: "As the representative of 800,000 Ontario workers who are also consumers, the Ontario Federation of Labour opposes strongly the removal of import quotas for shoes and footwear. To remove the quotas is not only to jeopardize thousands of Canadian jobs but to subject consumers to the whim of foreign producers. Canada needs its own footwear industry." Very few of those 800,000 workers in Ontario work in the footwear factories of Spadina and Guelph and the other cities of Ontario. All the other workers agree, as workers and consumers, that we need to have our own footwear industry where we, as Canadians, can be responsible for the health conditions, for the wages and for the minimum age at which people can be economically compelled to go to work. The issue is much wider than Ontario. A few weeks ago there was a poll by Decima. One of our colleagues today was concerned about polling being done by an American firm. This, I believe, is a polling outfit which is used by the Government and I trust it is Canadian. The Decima poll finds

that 80 per cent of Canadians are willing to pay the prices for shoes necessary to enable the Canadian industry to survive. It was a multi-question poll. For example, a total of 66 per cent consider that import competition is a very serious threat to the Canadian footwear industry. Sixty-six per cent say that the Government should protect Canadian jobs with quotas. The numbers vary throughout between 66 per cent and 80 per cent. That is a poll which represents not Ontario only, not Quebec only, but all of Canada.

A phoney crisis has been created by the shoe importers with their extortionate mark-ups of 300 per cent or more. It is the same in the garment industry. I have gone to a store to buy a sweater and on the same rack there are sweaters from Taiwan, Canada, Germany, United States and other European countries. They are identical and they all sell for the identical price. They are now trying to blame that on the manufacturers. The same sort of situation exists in the footwear industry. In effect what they are saying is: Cut wages. I visited Chile this summer where the Government did the very same thing. Our ambassador told us that the Chilean Government was right to cut the wages of the Chilean people so they could compete, and that Canada must do the same thing. Their competition has been so successful that Chilean workers must now produce three tonnes of copper in order to earn as much money as they did for one tonne of copper five years ago. We do not prosper by cutting our wages so as to force other countries to do the same thing. Therefore, I ask the Government to seriously reconsider the disastrous road it is going down, look at what is happening in Chile, Italy, Taiwan, South Korea and Brazil, and stay away from wage cutting which is what this quota cut really means.

● (1610)

[*Translation*]

Mr. Jean J. Charest (Sherbrooke): Mr. Speaker, I rise in the House today to speak to the Opposition motion because it deals with a matter that is very important to the region I represent and to my particular riding.

In the Eastern Townships there are many industries in the so-called traditional sectors—textiles, clothing and footwear—and these have existed for a number of years.

Since these industries were first established, we have experienced a number of disruptions in our economy, culminating in the 1981-82 recession which had an absolutely devastating impact on this region.

At the time, the parties concerned ordered a study by the Gaucher-Pringle company, which reached the conclusion, after a survey of the region's economy, that although the industrial base was more or less diversified, the number of jobs in the traditional sectors—textiles, clothing and footwear—tended to outnumber those in other industries, in other words, although there was a range of various types of industries, jobs tended to be concentrated in the traditional sectors. Needless to say, the shoe quota issue and the whole matter of import quotas for textiles and clothing has always been a matter of concern in the Eastern Townships, and especially in Sherbrooke and the surrounding area.

That is why I am making an exception today, because, as Hon. Members are aware, as a rule I do not rise in the House, out of deference to the Chair, to you, Mr. Speaker, and to all the Members of this House, and I am making this exception because the question before the House today is so important that I feel I must rise to speak on behalf of those who elected me as their representative here in Ottawa.

Mr. Speaker, I shall, if I may, give a short history of the quota system, as many others have done before, but I shall be very brief. We in the Eastern Townships, like other regions in Canada, have had shoe quotas since 1977, except for a period of eight months when they were suspended by the previous Liberal Government, and these quotas will be in effect until November 30 of this year. I would like to emphasize that point because I think it is important. Earlier this morning my colleague from Richmond-Wolfe (Mr. Tardif) referred to that situation and said he was proud of the fact that he and some of his colleagues had openly defied their own Government. Well, there is one thing he forgot to say this morning, as someone has already pointed out, and I would like to refresh his memory once again. The fact is that the then Liberal Government had lifted the quotas despite a favourable decision of the Canadian Import Tribunal, unlike the situation at this time. It was the other way around: the tribunal had ruled in favour of maintaining quotas, but the then Liberal Government went right ahead and abolished them. In that context, I would suggest that the Hon. Member for Richmond-Wolfe and those of his colleagues who had the courage to face the facts did the only thing they could do as representatives of their regions. Considering how unfair the situation was, I think they probably took the best course under the circumstances. In any case the Government changed its mind after eight months and finally adopted a quota policy.

Since then, Mr. Speaker, the man who was Leader of the Opposition at the time came to Sherbrooke in May and had to say clearly where he stood with respect to footwear and textile quotas. His position was that his Government would not tamper with quotas.

Eventually, in June 1984, the previous Liberal Government once again asked the Canadian Import Tribunal for a study and, in June 1985, the CIT made its recommendations and then the Government took action.

I believe that, in this context, it is essential to re-evaluate or re-examine the motion introduced by the Hon. Member for Richmond-Wolfe. To be even more specific, Mr. Speaker, we must not forget that most of the workers in this industry—I have the feeling that I am repeating myself, but I think that this should be repeated if we really want to understand the problem—are older than the average and the majority of them

are women, in most cases with little education, often because they did not have the opportunity to attend school very long. In the Eastern Townships, we often see people aged 42 or 43 in these industries because they have had to start working very young to support their family. In view of the situation, it is silly to concentrate on a single aspect of the problem when we are speaking about these issues, whether we are dealing with the footwear, the textile or the clothing industry. All aspects should always be considered if we sincerely and honestly want to solve the problems which exist in these traditional sectors. We must never forget that this issue involves our regional development policy. The issue also has an extremely important social aspect in the case of the workers whom I have already described. There is also the whole context of international competition from imports.

Mr. Speaker, to come back to what the Gaucher-Pringle report said at the time, it was necessary to get out of these sectors, to diversify into much stronger industries, and the situation is the same here as elsewhere. The report also mentioned high technology and the fact that something had to be done to stop the region as a whole from depending completely on traditional employment sector.

Mr. Speaker, as most Members of this House, I believe, I was fascinated by the reaction which followed the decision made by the Government, and I would like to examine this reaction briefly. The Manufacturers Association squarely stated that it would mean the death of the industry. As for the Retailers Association, its members agree with the decision, they approve of it and some of them even go further. Even after the announcement of the decision made by the Government, certain retailers believe that the Government will do more, and I would like to quote from an article in *The Globe and Mail* of Thursday, November 21, 1985:

[*English*]

A spokesman for the Canadian Importers Association said he is afraid that the Government may have a hidden agenda that will see the inevitable surge in imports following the end of quotas used as an excuse to slap them on once again.

[*Translation*]

The Consumers' Association of Canada, on its part, agrees with the decision. If we look at our trading partners, we see that the Americans who supply only 4 per cent of the shoes consumed in Canada and the European Economic Community which accounts for 60 per cent of our imports of ladies and girls shoes, indicated that they intend to retaliate. In this context, Mr. Speaker, the motion of my hon. colleague and the reaction of the Official Opposition did not surprise me. On this side of the House, we are used since September, since November 1985, since we are sitting, to seeing the opposition Parties systematically take views opposed to ours. Frankly, we are sorry to see them contribute so little to this debate. Today's situation is not uncommon. They are only doing what they have always done. In this regard, Mr. Speaker, I would like to draw your attention on the reaction of editorialists, because it is even more interesting.

Frédéric Wagnière, in the Thursday, November 21 issue of *La Presse*, says:

Finally, Ottawa has decided to save the Canadian shoe industry.

And he concludes:

Ottawa is only taking a decision which is in the interest of the whole country and it is now up to the shoe industry to stand up on its own without any help from the Government or the consumers.

In the Friday, November 22 issue of *The Gazette*, we read:

● (1620)

[*English*]

But the government made the right decision, hard though it was.

[*Translation*]

Also in *The Gazette* dated November 22, Don McGillivray, political analyst for Southam News, was writing:

[*English*]

The Tory government has done the right thing—and a brave thing—in deciding to phase out shoe import quotas.

[*Translation*]

In *The Ottawa Citizen* dated November 22, it was stated:

[*English*]

But abolishing footwear import quotas will benefit consumers—and the industry itself.

[*Translation*]

In *The Gazette* dated November 23, Marie-Josée Drouin, a respected and well-known economist, also wrote that the Government has made a sound decision.

Mr. Speaker, I respectfully summit that there must be something unusual because the Canadian Manufacturers' Association has said publicly: This will be the death of the industry. Consumers think that we have made a fine decision. On the one hand, all the editorials which we have read until now say that it is a good decision. On the other hand, the unions say that it is a bad decision which will kill the industry.

I think that all the Members of this House, under these circumstances, should ask themselves serious questions. How is it that on one single issue, people can hold so divergent views? I for one, Mr. Speaker, do not pretend to know everything from instinct, but I will honestly and sincerely say that the decision made by the Government, if I only consider the interests of my riding and its residents, is not exactly what I would have liked myself. When we have such immediate interests, Mr. Speaker, it is difficult to take the opposite view. With that in mind, I promised during the election campaign and subsequently to meet with the people and to tell them I would uphold their views with the decision-makers. On that point, Mr. Speaker, I will say that I am not going to wait until this coming December 4 to meet with the footwear employees who will come to Ottawa. Contrary to others, I have met with

them during the election campaign and several times afterwards. I promised them as their representative that I would uphold their views. Now, today, considering what newspaper editors have to say, what the Manufacturers' Association and the Opposition are telling us, what will are we to do about that decision? Mr. Speaker, I will tell you that even though it does not suit me, there is justification for that decision which was made by a Minister who has assumed his responsibilities, who, and I witnessed that personnally, has listened carefully to all those concerned with the sector, and who is saying: Now, 55 per cent of Quebec's production, for instance, consists in women's and girls' shoes. Approximately 50 per cent of Canada's production consists of women's and girls' shoes. The quota which have been in place for a number of years do not seem to work, or they have worked to the extend that the Canadian Import Tribunal, after having conducted a study . . . it was not commissioned by us but by the previous Government. The results of the study commissioned by the previous Government have been submitted. In that context, the Tribunal is telling us that manufacturers should be able to compete in four categories.

Moreover, we have had regional development programs which were successful. I have in mind among others the CIRB, the Canadian Industrial Renewal Board, in which this Government has reinvested $63 million to allow it to fulfil its mandate as promised. However, Mr. Speaker, to return to more immediate concerns, those of my area, I repeat I am not totally satisfied with that decision, but, good grief, one is seldom totally satisfied with any decision, even less so in this House.

The Santana factory, in my area, which I consider as one of the best makers of footwear and winter boots, makes shoes for women and girls. Ninety per cent of its production is in that category of products. It will, therefore, get a protection for a period of three years.

The Fanec Company, with some fifty employees, also makes women's and girls' shoes and will also get the protection. The same is true for Becwith-Bemis and American Biltrite which make components.

Which means that in my own area, if I consider my immediate interest, some 90 per cent of the production is made of women's and girls' shoes.

What is more important, Mr. Speaker, the Minister has demonstrated both wisdom and vision by announcing at the same time that, to improvise as little as possible and because it is concerned about workers' interests, the Government had set up adaptation programs. That is a major aspect of its decision.

Moreover, Mr. Speaker, we should not overlook the fact that there remains a 23 per cent custom tariff on footwear generally. We can appreciate this tariff when we realize that the average for the manufacturing industry in Canada is approximately 9 per cent. I think that the average is 9 or 10 per cent both in the United States and the European Common Market.

Mr. Speaker, what disappoints me most in this debate is the lack of straightforwardness on the part of Opposition Members on such an important issue and constant harping about jobs. I think for instance of my hon. colleague, and I should be quite surprised if all Members of the Official Opposition agreed with this motion which was moved today and cast their votes on this motion. I need only think of the Hon. Member for Shefford (Mr. Lapierre) who, in 1981-82, was openly against a quota system for the footwear industry, just as he was against a great many other things. Now that he is in the Opposition, things have changed. They have come to realize that. It is like for the workers in the textile and clothing industry. They never mentioned them at the time; now, they have just discovered them. Well, between 1974 and 1984, 35,500 jobs were lost in Canada in the textile and clothing industry. Yet, not a word. All these jobs disappeared, and they never raised a finger. But now that they are in the Opposition, they suddenly wake up and realize the situation, when they have no responsibility . . . It is easy to blame the Government without ever offering any alternative solution. They suddenly discover that there are workers in the textile, clothing and footwear industries.

I doubt whether the footwear workers will ever forget that in 1981 the Member for Shefford was not on their side when he was in a position to make decisions but refused to do so. I also think that the footwear workers should also know that the Members of the Official Opposition cannot all be in agreement. It is impossible.

This morning, I was sent a speech made by the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) in Vancouver where people are generally in favour of free trade. He said:

[*English*]

I made a personal submission to the Macdonald Commission at the time I was Minister of Economic and Regional Development and Science and Technology in the Trudeau Cabinet. In it I said:

[*Translation*]

And then the former Minister referred to the facts, he spoke about free trade and our trade exchanges with the United States and other countries. And God knows this is at the core of today's issue! Well let us hear what he said to those people in Vancouver, to the Vancouver Board of Trade as recently as on November 22:

[*English*]

One of the most basic choices facing Canadians is whether to remain an outward looking trading nation fully participating in the international economy, or to go in the direction of self-sufficiency and protectionism.

[*Translation*]

And this is what we are discussing today.

[*English*]

I have no difficulty with this choice nor do I think that Canadians have much doubt where their longer-run interests lie. The benefits of international trade are simply too apparent and outweight the cost of adjustments to change in world markets. What I believed then I believe now. Macdonald has corroborated that view.

That is what the Hon. Member for Saint Henri-Westmount (Mr. Johnston) said last Friday in Vancouver speaking against protectionism to the Vancouver Board of Trade while on

Monday in this House his Party has presented a motion that goes completely the other way. I will be happy to see him get up in the House and vote for this motion today. If they are sincere, for once they can put their money where their mouths are.

● (1630)

[*Translation*]

The Acting Speaker (Mr. Paproski): Questions and comments. The Hon. Member for Calgary East (Mr. Kindy).

Mr. Kindy: Mr. Speaker, I would like to congratulate the Hon. Member for Sherbrooke (Mr. Charest) on his eloquence. I think that he is quite able to defend the interests of the people in the Eastern Townships. He is quite sincere. He also knows that you cannot have commercial relations without some free trade. You cannot live under constant protection.

I would like to ask him one question: Does he believe that it was in the interests of the population in general and the people in the Eastern Townships that we acted as we did in providing certain quotas for women's and girls' footwear?

Mr. Charest: Mr. Speaker, I would like to thank my hon. colleague for his question.

I mentioned earlier that I was not entirely satisfied with the decision because there are many textile workers in our region and I would have liked more to be done for them. I say so quite frankly.

I think that the Minister said certain things on which we should concentrate more, including the need to implement retraining programs if there are problems. Second, the Minister and the Government plan to ask importers to be careful about what they will do in the next few months, otherwise I imagine that the issue of quotas might be reassessed.

Based on the success achieved by a similar program for the automobile industry, I think it fair to say that, if we can judge the future by the past, we can hope for a number of things to come out of the notice given to these importing countries by the Government.

Generally, I find the situation difficult, and, to be frank, the people in general and the footwear workers of the Eastern townships were expecting more. However, to be fair, an editorial published today in *La Tribune* of Sherbrooke, the newspaper which serves my own constituency and that of my colleagues for Richmond-Wolfe and Shefford, says the following:

"In deciding to phase out import quotas in the footwear industry, the Federal Government is going in the right direction, but without enough precautions." When the author speaks about precautions, he is referring to the situation of workers and to retraining programs. I believe that today's editorial describes fairly well the concerns of the workers. However, there is one thing that I would like to make clear, namely that, in the future as in the past, I shall look after them and monitor closely, as it is my duty to do, what is going on in the industry to ensure that the quotas will be applied fairly and equitably in the interests of the men and women employed in the footwear industry.

Mr. Tardif: Mr. Speaker, I would like first of all to congratulate the Hon. Member for Sherbrooke on his fine speech. It will allow the Hon. Member both to support his Government and tell his constituents: "I have, indeed, stood up to denounce the decision." That kind of performance, Mr. Speaker, reflects very well this Government, which is quite able to say yes to those who want to hear yes, and no to the others if that is what they want to hear.

I would have just one question to ask to the Hon. Member for Sherbrooke, if I may, Mr. Speaker. The promises made by the Prime Minister were made in Sherbrooke before *La Tribune*.

Will the Hon. Member for Sherbrooke tell this House whether his Government has made any promises to men and women working in the shoe industry?

Mr. Charest: As you very well know, when this statement was made by the then leader of the Opposition, your Government had not yet ordered a report, or requested a decision by the Canadian Import Tribunal. One month later, your Government ordered that report, and the tribunal rendered its decision.

Those are the circumstances surrounding that statement and in all fairness, would the hon. member not recognize that quotas were not abolished in the Sherbrooke area, that 90 per 100 of the production has been maintained? Under those circumstances, the leader of the opposition, now Prime Minister, was right when he made such a statement. He kept his word. And his statement could very well be interpreted that way.

But both the Hon. Member and I wish to be a frank as possible in the course of the present debate. I do recognize that we expected more. But he must view the global picture on that matter and the situation of all our workers as well as those in his riding, at the Brown Shoe Company, which has received many contracts from the federal government to manufacture army boots. That plant was awarded many contracts from the government since September and contracts are more profitable than quotas.

I suggest that workers in this area have been granted a fair deal under the circumstances. We were and we still are interested in granting some measure of justice to that industry as a whole, and particularly in the allocation of quotas. Both the hon. member and I know the problem and want to remind the House as well as the minister that it is not only a matter of having quotas as such but a matter of allocation. That is where the problem arises. Since those quotas have been maintained, I

think that we must see to it, the Minister and both of us, that they be fairly allocated in those sectors.

The Acting Speaker (Mr. Paproski): The Hon. Member for Richmond-Wolfe (Mr. Tardif) on a supplementary question.

Mr. Tardif: Mr. Speaker, this morning the Minister mentioned the fact that the Government was not in a legal position to overrule the recommendation of the Anti-dumping Tribunal. I know that the Hon. Member for Sherbrooke (Mr. Charest) is a prominent lawyer, and I have in front of me a number of legal opinions stating unanimously that the Government was indeed legally entitled to overrule the recommendations of the Anti-dumping Tribunal, and I would like to know, in the light of his statement a few moments ago to the effect that if conditions change, it will always be possible to backtrack and review the decision, how he reconciles his own assertion, his own statement, with a statement by the minister this morning in which he said that in this matter the Government was not legally empowered to overrule the recommendations of the Anti-dumping Tribunal?

Mr. Charest: I do not think people should be misled either. There is nothing cast in concrete forever, and since there was a decision by the Tribunal, since it was given that mandate once, I presume it could be done another time. You have done it as a government. So why should we prevent it from doing so another time in another context? If the Minister does come to the conclusion that it has to be done, I suppose that at that time the legal problem you mentioned will easily be overcome.

But before concluding, I would like to tell you just one thing. By drafting your motion as you did, and I feel this is unfortunate, you, as a lawyer too, missed a golden opportunity to rally a number of members who would have supported it if you had drafted it in a way that would have allowed many of them to support it. Even the whole Government might have supported you indeed if you had introduced a motion that really was in favour of footwear workers. But you chose differently, you decided to be downright partisan—without being concerned with workers, and in just taking into account your own political assets and your own interests, as the drafting of the motion eloquently illustrates in saying that this House regrets that the Prime Minister has once again failed to maintain quotas and broken . . . Once again it is the old Opposition rhetoric.

Well, let me give you a good piece of advice, my good friend, three years is a short time. You may think that it is by yelling and doing what you are doing that you will be reelected, but in spite of whatever may happen in this House, it would come as a big surprise to me if people in the eastern townships were to vote for people who have nothing else to do but whine around because times have changed, and I think they will continue for a long time to cast a conservative vote. And I for one shall vote against that motion.

The Acting Speaker (Mr. Paproski): Order. Questions and comments are now over.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Broadview-Greenwood (Ms. McDonald)—Health (a) Request for ban on cigarette advertising. (b) Anti-smoking advertising contract; the Hon. Member for Davenport (Mr. Caccia)—Environmental Affairs (a) St. Clair River—Control of industrial pollution. (b) Provincial environmental security fund.

• (1640)

[*English*]

Mr. Gauthier: Mr. Speaker, I rise on a point of order. You have just announced the adjournment debate. In my experience when there is an opposition day and a vote follows, we have, I thought, always suspended the adjournment debate. You have though just told us there would be an adjournment debate tonight.

Would you look at the rules and can you reconcile for us Standing Order 19(4) and Standing Order 46(7). We need to understand clearly that on an opposition day with a vote that we should not expect the adjournment debate.

The Acting Speaker (Mr. Paproski): The Hon. Member has been here for quite a few years. He realizes that Standing Order 19(4) and Standing Order 46(7) are new rules that have been implemented for the last period of time.

I am sure this point is being considered under the new rules to come into effect after we recess. I think the Hon. Member should bring it to the attention of people in the House who are responsible for the changes to the rules. I agree with the Hon. Member. I hope he gets the ear of other people in the Chamber.

Supply

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 63—FOOTWEAR INDUSTRY—IMPORT QUOTAS

The House resumed consideration of the motion of Mr. Tardif (Richmond-Wolfe):

That this House regrets that the Prime Minister has once again broken an election campaign promise, this time by failing to maintain quotas on imports on shoes and by compounding this betrayal by failing to make adequate provision for the thousands of workers whose jobs are adversely affected.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, first let me express my deep condolences and sympathy to the Hon. Member for Sherbrooke (Mr. Charest) on his funeral speech. It is always a sad occasion when a Member who thought he had such a bright and promising political career has had it prematurely brought to an end by the actions of his own Government. Those of us in the House who have seen this happen on occasions from time to time can only express our deep understanding of the predicament of the Hon. Member and others who have built their careers on the untimely and unwise foundation of relying upon the Prime Minister (Mr. Mulroney) to say what he intends and to follow through on that. Surely by now many Canadians are worrying that that is a very slim and unreliable reed upon which to build any sense of expectation of the future. We can only say we admire the way in which the Hon. Member for Sherbrooke has gone down with his sinking ship with brave words flying and his facts totally out of whack.

This is an important debate, Mr. Speaker. It is an opportunity for us to come to grips with some of the most important issues facing Canada. In one unfortunate way the shoe industry is serving as the example which should give warning to all other industrial sectors on what to expect from the Government when it comes to the crucial issue of how they will be treated when it comes to matters dealing with an effective trade policy.

The fundamental defence that we have heard in the House from the Minister and others reminds one of what certain people used to say. When the then Leader of the Opposition made his famous statement, his declaration of Sherbrooke, that under no circumstances, under no possible conceivable future circumstances would he ever change his mind, he said: "We did not know that the Liberals at the time were going to start a study."

Anyone who had known anything about the industry at that time would have known there were a series of inquiries concerning the competitiveness of the footwear and textiles industries which proceeded on an almost periodic basis to assess the current state of those industries. No one says that one has to listen to the recommendations of a study. I know the Minister has made some sort of legal argument about it, but it is absolutely fallacious. There is no requirement to agree with recommendations. The Government simply takes studies as good advice if it so desires.

What I find interesting is that the Government did not take the advice of the import tribunal. It took part of the advice. It took the advice which said to get rid of the quotas. The Government totally ignored all of the advice and all of the recommendations which said what measures the Government should take to assist the shoe industry to modernize and to assist workers to gain some protection.

I think the Minister is an honourable man as are all Members in this House. He should cease and desist trying to use that explanation. If he is going to stand in this House, as he did in Question Period and during this debate and say that the import tribunal made him do it, that he was compelled by the logic of its argument, then I want to know why the Minister left out so much of the tribunal's conclusions and recommendations. Why has the Minister and his Government so totally ignored the proposals made for development of a proprer industrial program, and to provide alternatives for the workers? Why did the Government leave out the kind of major labour market-place programs that are required to deal with workers' needs? Why did the Government, in effect, eliminate a substantial part of the findings of the report and simply go to chopping quotas?

I think we know the answers. The one side of those recommendations fits with the Government's peculiar ideology and with the necessity of satisfying pressures from the Americans and the Europeans. We have come to understand that about the Government. We know what stimulates its sense of action and direction. When the President of the United States says jump, the immediate response is to ask "How high?".

When it comes to the question of dealing with the responsibility of a federal Government to respond to industrial or economic problems and to use the resources, the planning and the facilities of the federal Government to assist and facilitate adjustment, the Government relies on the "market-place theology". The Government starts to say: "My goodness, we cannot have the Government intervene", unless it happens to be Domtar, Petromont or Hyundai. All of a sudden the Government finds some convenient excuse to forget those principles in the market-place and immediately comes up with the cash, the bail-outs and the big grants. I say that because some of the Members at least used to have a great time when in opposition with self-righteous indignation at our Government's attempt to help industry. There is only one difference, Mr. Speaker, ours worked. Theirs do not seem to. We had the example of Chrysler. The Government has the example of the Canadian Commercial Bank. One succeeded in preserving jobs. The other has succeeded in almost bringing the banking industry to its knees. Of course, we can make comparisons in other areas.

The fact is the Government is dissembling very seriously on this issue and that is the reason for today's debate. That is why it is important for us to consider what is the responsibility of a Government when it says it is removing a form of protection from industry. What responsibility does the Government have to assist that industrial sector and the workers in it to meet competition?

Last week when the statement was made, we heard a number of protestations, some even from Members of the New Democratic Party who have that wonderful capacity to have nothing but the best answers because they have never had to implement them.

Mr. Riis: Just wait.

Mr. Axworthy: I want to talk for a moment about the Canadian Industrial Renewal Board. In some ways that is at the crux of this debate. It was brought into effect after the application of the quotas in 1980 as a joint initiative by the private sector and the Government of Canada to provide for a series of supports to industry to facilitate its modernization. It was an interesting model, one which has been examined and followed by many other countries.

For those former professors who have lectured on questions of industrial readjustment, they might want to go back and read some of the reviews of those examinations that have appeared in a number of fairly learned journals in Great Britain, Europe and in the United States. That particular Canadian Industrial Renewal Board was a co-operative partnership between members of the industry, some very senior business people, along with key federal departments who were to start planning the development and the reorganization of industries facing competition of low labour industries from offshore.

● (1650)

We recognized at the time that it was a problem, and at the time our position was that there should be a two-pronged approach: to continue protection and at the same time, and running parallel, to put into place the type of co-operative assistance that would allow the industries to reach a certain stage of maturity and self-sufficiency and strength such that they could meet the competition.

We recognized that in some according to old industrial standards they could not meet the competition, but that, through a combination of new design and marketing initiatives, Canadian industry, whether it be the textile industry or footwear, could find niches in the global market; that it could find certain areas in which, through the input of information and the input of intelligence and the input of highly skilled manpower, it would be able to fashion services and commodities and products that would have sales appeal. But, Mr. Speaker, that takes time. It is not something that happens overnight.

The Hon. Member for Windsor-Walkerville (Mr. Langdon) says: "Well, it can be done in two years and we can wrap it up and all go home". The fact is, it is something that takes a period of time to achieve. The Canadian Industrial Renewal Board was established to allow the time for those industries, in conjunction with that private sector/government agency, to intervene, to invest, and to develop.

This Government has now had 14 months in office. It knew it was going to have to make a decision on the quotas at some point in time. It has had 14 months to take the Canadian Industrial Renewal Board and improve upon it, to augment it and change it, as recommended in this report, a report in which the Canadian Import Tribunal states that the Canadian Industrial Renewal Board should have its funds increased and its powers augmented. The Government has now had 14 months to either act on that recommendation or to come up with its own industrial plan for the shoe industry.

Why is this Government now talking about planning? Why is it now saying that it will give grants of $100,000 for industrial adjustment services? Having been responsible for that program, I can tell you that this grant system is nothing more than a placebo. It is a way of simply bringing workers together to find a temporary solution to their unemployment.

The Government has had 14 months to prepare for its decision with regard to the alternative to take in respect of this industry, a decision which should have, as its central objective, the capacity and the ability of this industry to survive in terms of the international competititon it faces. Absolutely nothing has been done. There has been no planning; there has been no preparation. Indeed, this Government went one step beyond in getting rid of the Canadian Industrial Renewal Board. This Government got elected because they were so much smarter than we were. That being so, why didn't they—

An Hon. Member: You said it!

Mr. Axworthy: —why didn't they replace the Canadian Industrial Renewal Board with something that was better?

An Hon. Member: You said it!

Mr. Axworthy: I am simply repeating what you have said. What I want to know is, where is the proof of it? Where is the proof of your ingenuity and your innovation? Where is the new industrial strategy for shoes and for textiles? Where in the process is the Minister of DRIE in terms of the development of an effective industrial strategy for these so-called sunset industries?

He doesn't have one. The Government doesn't have one. It now comes to a point where it imposes this kind of a Draconian decision on that industry and then leaves that whole sector hanging out to dry, just as it has left the Hon. Member for Sherbrooke hanging out to dry. Neither the industry nor the Member for Sherbrooke will survive. The workers will remember. They know when they have been had. They know when they have been had by this Prime Minister.

There would have been a higher level of tolerance and understanding had this Government at least tried to help. When the shoe manufacturers came to the Minister several months ago with a proposal for a new investment of $70 million in new plant and production methods—and investment that would have led to the creation of new jobs and the creation of new products—did the Government of the day take up that offer and agree to sit down to discuss it? Did it say: "We know that we have a lot of pressure from the Americans and from the Europeans and that we have to come to an answer. We realize that there has to be some modernization of

plant, so let's sit down and work something out. If you are prepared to put your money up, maybe we can match it".

Was there that type of consultation with the industry? Was there any attempt to work out a plan of survival, a plan of new development? Again, nothing happened. So, why should it come as a surprise that there is indignation? Why should it come as a surprise when we have been treated to 14 months of inaction, 14 months of a lack of preparation and planning? Of course, this is something that is happening in the entire area of trade. Where are the advisory committees that we were promised seven or eight months ago, whether they be related to textiles, or lumber, or steel? Where are the meetings we were promised in these sectors?

I have met with representatives from these sectors and on asking how the meetings were going, I have been told that they have not yet been invited to any meetings. They do not know what is going on. Because they have not been consulted, they cannot say what the negotiations are going to be like.

Consultation was promised. Advisory committees were promised. Instead, what we got was a temporary, part-time, partially loyal negotiator, an individual who says he will do the job "after four" once he has taken care of his other interests.

In the meantime, as we heard from the statements earlier today, the Americans are already proposing a whole series of very serious negotiations in respect of lumber and publishing. The Americans want to get down to the hard facts. Contrary to what the Secretary of State for External Affairs (Mr. Clark) said earlier, they are putting forth the resolution of the disputes in these areas as a precondition to there being any general discussions on trade. I have rechecked the statements from the Washington news reports, and certainly the American trade representative is saying that these issues have to be resolved before the general talks begin.

Mr. Clark (Yellowhead): That is not—

Mr. Axworthy: I will send you the quotes. I hope the Secretary of State for External Affairs will take a lesson in speed reading so that he will be able to keep abreast of all of the dispatches coming in. I am sure he must be behind.

The fact of the matter is that the Government is not coming to grips with the needs of our domestic industries. Our industries are apprehensive. They do not know what investment plans to make. I have spoken to several major industrial groups, all of whom say that they are being left in limbo.

The brewery industry employs tens of thousands of people across this country, and it is an industry that has invested some $3 billion to $4 billion in plants in the last several years. That industry has now stopped absolutely all of its investment plans. It recognizes that in the event that there is a free trade agreement entered into, it will be virtually wiped out right across the country. As a result, it has put a halt to its investment plans. Because it simply does not know what will happen, hundreds of millions of dollars are being held back from investment.

That is the kind of problem we are facing. This Government has designed a communications strategy to make sure that Canadians do not know what is going on. Its aim is to keep people in the dark. The strategy is: "Don't let on what we are up to".

I want to come back to how the example of the shoe industry argues against that approach. We have kept the shoe workers and the shoe manufacturers in the dark for 14 months. They made their offer; they made their proposal. They said: "We want to get to the table to see whether or not something can be worked out". However, they were given no assistance in doing that. Now we are faced with the spectre of having the same kind of indifference being applied to countless other industrial sectors across Canada as we get into the serious negotiation on free trade.

The Minister has used the report of the Canadian Import Tribunal as his defence. Did he read the supplementary report that was prepared as part of that report by the Employment and Immigration Commission, a report which points out that the prospect for the re-employment of many of the workers in that industry is virtually nil given an unemployment rate of 10 per cent or better?

At present we have an unemployment rate of 10.3, 10.6 per cent. It was the view of that commission that the only prospect for the re-employment of the thousands of workers in that industry would be in the situation where the unemployment rate was somewhere around the level of 7 per cent or 8 per cent. Well, I would say to the Hon. Member for Sherbrooke, who quickly scooted out of the House—he is so deeply interested in this debate that he didn't hang around—that the fact of the matter is that the responsibility for reinvestment in that sector, in that region, rests with the Government.

Even if it had been the position of the Government that it no longer wished to protect the shoe industry, it should have at least sat down with the people involved to help them plan for alternative employment. The unemployment rates in many of those regions are not in the range of 10 per cent, the national average, but more in the range of 15 per cent or 20 per cent. We will place a number of workers into a larger pool of unemployed in which their chances of survival are negligible.

• (1700)

What does the Government have to offer? What is its response to this? What was the benificent contribution it made to that sector? It said it would give the workers industrial adjustment services. It said that civil servants from Employment and Immigration would open offices in the regions and talk to the people about how they can get early retirement or how they can leave the regions and perhaps find employment elsewhere. That was the answer of the Government. That is simply not good enough. It is not good enough for the shoe workers and it is not good enough for the hundreds of thousands of workers who will be affected by proposed trade negotiations. Surely we must be able to learn at least one lesson from this. Surely we must learn that it is time the Government got busy and did its job.

Mr. Langdon: Mr. Speaker, I have three sets of comments to make and questions to ask the Hon. Member. The Hon. Member was absolutely correct in identifying the Canadian Industrial Renewal Board and its work with the industry as being the crux of the issue. However, I think there is a question which must be posed first and that is why did it take from 1977 when shoe quotas were first imposed until 1982 for the CIRB to effectively begin to play a significant role in helping the industry to modernize? Why did it take so long for the previous Government to act? In fact, why did it take so long for previous Governments to act? The Right Hon. Secretary of State for External Affairs (Mr. Clark) led a Government during that period of time as well. Why did it take so long for it to be recognized that the future for workers in those industries required active, direct intervention by Government in close co-operation with the private sector?

Second, why was it that the quota system which was put into effect in 1981-82 was itself so faulty? The Canadian Import Tribunal Report is absolutely damning in its clear indication that the vast majority of benefits from that quota system did not go to the manufacturing companies that were expected to gain the benefit in order to invest and produce more and to recover and become a key part of Canada's industrial structure. Why is it that when the Canada Import Tribunal did an analysis, it found that something like 20 per cent at maximum of the benefit of those quotas actually went to the manufacturing companies with the great bulk of the rest of the benefit going to the retailers and the importers? Surely that was not what we wanted.

Finally, why was it that the lessons of worker adjustment experiences of which the Member has spoken so eloquently today as they affected the footwear industry were not creatively applied across the country? For instance, why was ILAP, the program of industrial labour adjustment benefits for older workers of my community, eliminated as of March 1984? Why was there no establishment of a comprehensive system of industrial adjustment assistance for older workers which would cover everyone affected by job loss in major industries throughout the country? Why did that not become a centrepiece of the attempt to make our industrial economy a more efficient, effective and humane part of Canadian society?

Mr. Axworthy: Mr. Speaker, I appreciate the Hon. Member's questions. I believe they are proper and I welcome the chance to respond to them because I think it is useful to look at the answers to those questions.

Let me deal first with the question regarding the application of an industrial adjustment program in 1982 as opposed to immediately in 1977. In 1977, when the quotas were brought in for reasons about which we all know, the assumption was that the industry itself would undertake its own modernization. That was the premise upon which the initial quotas were established. As it was discovered in the practice of that particular exercise, many of the industries did not have the capital base upon which they could get the kind of assistance they needed. They did not have the equity leverage and in many cases did not have the planning capacity. Many of these were small firms which existed in a fairly limited industrial system. They did not have the capacity to anticipate or deal with modernization.

When the quotas were re-examined in 1980, it became clear that Government would have to play a stronger role. We spent several months, as I know because I was involved in the negotiations, with both industrial and labour representatives to come up with what was considered to be the most effective kind of a system. It was out of that that the Canadian Industrial Renewal Board was born. It was brought into effect by 1981, members were appointed to the board and Mr. Desmarais was made the chairman.

The idea at the time, as the Hon. Member probably knows, was that we were trying two different models at the same time, the Industrial Renewal Board and ILAP. One was a community-based initiative that was Government directed and the other, through CIRB, was more private-sector directed. We learned from the experiences of 1977 and on that we could not rely upon the self-renewal of the industry but that we had to give it a helping hand from a new kind of agency. That was the reason for the change-over. I think we can still learn from the model of CIRB. Had we been re-elected, there were things about it that we would have improved upon substantially as well.

Regarding the question of the impact of the quotas themselves, I agree fully with the Hon. Member's assessment. They were not nearly as effective as they could have been. My own judgment at the time was and still is that part of our problem is the fragmentation in the administration of trade policy. Regulatory agencies are responsible to one Minister, National Revenue implements the customs duties and the Department of Finance has its own form of macabre intervention in these matters. Now the Minister for International Trade (Mr. Kelleher) reports to yet another Minister. I think there is a problem in implementation with having a Department like National Revenue which has a somewhat different orientation than a Department which would try to use import-export policy as part of a larger industrial package. The Department of National Revenue sees it as more of a revenue-gaining exercise and does not apply it very effectively.

A very important study which the Hon. Member may have read was done by the Institute for Research and Public Policy. That study examined that problem and pointed in particular to the solution to the problem of import quotas being a more coherent administration of the entire program.

The third question was why we did not build upon the ILAP experience. Under the reorganization of the Department of Industrial Economic Expansion, the Government brought in the IRDP program and the IRDA Program, programs which had very different funding bases and provided the industrial grant-loan system that could be used for ILAP. Because they were much more varied and richer than ILAP, they were seen as a replacement for it. The labour-adjustment side was maintained but the instructions to the Departments involved were that where there was a case of major adjustment required, they would combine the programs under the IRDP program

with the labour-adjustment programs administered by the Employment and Immigration and Labour Departments. In effect, there was a continuing level. However, as we well know, at this point in time it is impossible to implement that because under the changes brought about in last November's statement many of the positive parts of the IRDP which would allow a community to reinvest into industry or to carry out the type of work which was envisioned under the original IRDP were eliminated.

● (1710)

I thank the Hon. Member. I know that my time has expired. Not only did the Government get rid of the CIRB program but it totally emasculated the IRDP, which could have been used as part of an industrial adjustment system in communities where it was needed. In a sense, the Government took two programs and put them out of commission. This left the federal Government totally without any type of arsenal of weapons to bring to bear on the type of changes about which we are talking.

Mr. Charest: Mr. Speaker, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) mentioned that I was out of the House. I had to leave on an urgent matter. However, I caught a glimpse of the Hon. Member on television while he was mentioning that if we wanted to recycle these workers the level of unemployment would have to be around 7 per cent or 8 per cent. I find that to be a pertinent point. In the riding of Sherbrooke it was always around 12 per cent and 15 per cent before the election and for a couple of years prior. However, since September of 1984 I wish to give the Hon. Member the good news. It is 8 per cent now.

Some Hon. Members: Hear, hear!

Mr. Charest: The bad news is that it had nothing to do with the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy).

The Acting Speaker (Mr. Paproski): Order, please. If the Hon. Member for Winnipeg-Fort Garry would like to respond I will give him the 30 seconds which remain.

Mr. Axworthy: Mr. Speaker, I would be more than delighted to respond. I think the Hon. Member for Sherbrooke needs one small lesson in economics. It is called time lag.

Some Hon. Members: Oh, oh!

Mr. Axworthy: The Conservatives laugh. That is because they simply show their ignorance. The fact of the matter is that in any form of an economic cycle the type of momentum and force bringing about changes starts many months before. I agree that at this point in time the Hon. Member for Sherbrooke and his constituency may be finally gaining the results of the type of good investments made by the previous Liberal Government.

The Acting Speaker (Mr. Paproski): I regret that the time allotted for questions and coments has now terminated.

[*Translation*]

Mr. Rossi: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Paproski): The Hon. Member for Bourassa (Mr. Rossi) on a point of order.

Mr. Rossi: Mr. Speaker, the Hon. Member for Sherbrooke (Mr. Charest) said he was anxious to see if members would be here to vote tonight. I am glad he said that he had to leave on an urgent matter. He was alluding to the possibility that some members might not be here to vote according to waht they said. That's what he meant. But, Mr. Speaker, this is rather important, because if there are members who are not here to vote, it is because they have to, like him, to be elsewhere.

[*English*]

The Acting Speaker (Mr. Paproski): I appreciate the Hon. Member's comments. On debate, the Hon. Member for Broadview-Greenwood (Ms. McDonald).

[*Translation*]

Ms. Lynn McDonald (Broadview-Greenwood): Today, Mr. Speaker, we are considering the question of shoe imports and the decision of the Conservative Government to do away with quotas in that industry, which is tantamount to dropping that important industry itself.

First of all, it is a question of the credibility of the Government and the Prime Minister (Mr. Mulroney). When he was in Sherbrooke he promised he would maintain quotas in the footwear, textile and clothing industries. In so many words, the Prime Minister said he was not in favour of free trade in those sectors. Now he claims he did not make a firm commitment respecting footwear, but that is not true. He did make promises concerning shoes, textiles and clothing.

Earlier today his Minister said in the debate that the promise had been made before the elections were called. So he went on to suggest that those were not election promises. Mr. Speaker, I would counter that, as far as everybody is concerned, it is altogether unreasonable that a promise made before the election would indeed be broken by the Prime Minister himself. It is a promise and the voters, men and women alike, expect the Government to live up to it.

The problem in this industry is more acute in Montreal and in my Toronto riding of Broadview-Greenwood but it exists throughout Canada.

When a plant loses its customers and shuts down, there is no easy solution. It is a tragedy for all workers because most of them simply cannot find other jobs. For management it is not easy to transform a factory, particularly a shoe factory, into some other kind of manufacture.

When the Government announced its policy designed to end quotas it assured us that consumers would stand to benefit. Well, that is not clear because, under abstract conditions, one

is hard pressed to figure out how prices will fluctuate in any sector.

In any event we can always question the morality of dumping. When a country sells its products below cost, that is called dumping. When it pays its workers very low wages like about $1 per day, when it bans all unions and does not insist on healthy working conditions, this is immoral. And Canadian workers cannot compete with such conditions.

We have to maintain and improve our quota system. We in the NDP, are convinced that the quotas can help the industry giving it time to modernize so as to be able to compete on the international market. To achieve that modernization the industry needs time. The restructuration and modernization process has already started. Unfortunately, things have progressed slowly. The Government's support for this industry before 1981 was very limited, about $2.7 millions. As of 1981, the Canadian Import Tribunal allocated more money, that is $14.1 millions. But, of this amount, only $2.2 millions have been paid. This shows that the companies are at the beginning of the modernization process and that to restructure the industry will require more time.

The quota system is not problem free. The Canadian Import Tribunal notices that only 6 per cent of the benefits go to the manufacturers. The quotas were mainly to the benefit of importers and big retailers to the detriment of small retailers.

There is no quotas for plastic shoes which have been imported in extremely large quantities.

In general, imports have increased by 23 per cent between 1980 and 1984, because of the loopholes. We have to plug these loopholes and improve the quota system to make sure that the benefits go to the manufacturers and the retailers which sell Canadian shoes.

If we simply lift the quotas, the industry will be destroyed and the workers will lose their jobs. Moreover, we will waste the initial investment. We should not abandon this industry but promote the modernization process, and especially we must make sure that the workers male and female, and their families keep their jobs.

[*English*]

This morning the Minister suggested that the program of quotas had actually worked and that that was why it was being discontinued. He suggested that in the area of men's footwear, where the program is being discontinued, the quotas had had an effect and modernization had taken place. He said that they were able to compete and that the problem existed only in the area of women's and children's footwear. However, a closer look at the figures suggests otherwise. Of the nine companies receiving grants under the support program, seven were grants to companies producing women's and children's footwear and a couple of them were for women's footwear only. If the Minister's contentions were correct, then this list would have been of companies producing men's footwear. It would have been these worthy companies which got the grants, the grants which helped them to do the modernization necessary and were no longer needed. The logic is certainly very attractive. It just happens that the facts do not match up to the logic.

• (1720)

The report of the Canadian Import Tribunal itself, which is supposed to have been the basis for the Government's policy, in fact supports the argument that the New Democratic Party makes. The Tribunal has noted that there was no indication that a major restructuring had taken place. It shows how imports in the United States have zoomed up with the dropping of quotas. The job loss in Canada would have been very much worse than it has been—and it has been bad all over Canada—where there is an industry of this sort. It certainly has happened in my riding and I know our colleagues in Quebec are very concerned about job loss there.

There is a lesson, I believe, in the failure of the program to do the job. It is a lesson on how to approach job creation. The Liberal approach was obviously not adequate. It had a program of throwing money at the companies but obviously the money was not properly spent. Most of it was not spent at all. Modernization did not start. Simply introducing a program and hoping for the best is not enough. It has to be a rational program. It has to be worked at. There has to be adequate time. Other countries which have done this kind of economic planning have put their money where it could be used, into modernization, and have had far better results than this program. A very modest program it was, but even so, it has simply not been used the way it could be.

The Conservative solution of simply giving up, of being prepared not to have any domestic industry at all, I feel is unacceptable. It is a solution the Conservatives like because it suits an abstract political philosophy. It is deregulation. It is free trade. It suits the Conservatives political ideology but it is not good for the people of Canada and it is certainly going to be very disheartening for people who have lost jobs and those who risk losing the jobs they have. We say that political philosophy is not important. It must serve the people and must not be a principle upon which everything else can be ignored. The lives of families, of communities, of people, should not be ignored for the sake of this abstract principle. It is hard to judge other people's motives, but it is very much a matter of concern in this period in which free trade is being discussed. The country's willingness to take all of these risks for the sake of a political principle, its willingness to go along with the United States on free trade, is something which is of very great concern to us.

We say there is a far better solution. It is not to give up and abandon people, their families and communities. It is to make the program work. It is to encourage modernization, to plan carefully and to keep the protection going as long as it is needed while this modernization does take place. We are confident our people can cope and compete. There is no reason why Canadians cannot make footwear which competes in the world markets. There is no reason why we cannot have a

decent textile industry. We believe it should and can be done. We call upon the Government to bring in a decent program which will put people and jobs first, a program which will work for all Canadians.

The Acting Speaker (Mr. Paproski): There are no questions or comments.

Pursuant to Standing Order 13(3) it would be my duty to interrupt the House proceedings at six o'clock in order to dispose of the deferred division of Friday last on Bill C-66. However, in view of the short extension of this day's sitting due to ministerial statements, I would propose to the House to continue debate on the opposition motion until 6.04 p.m., at which time the House would proceed to the division on the said motion, followed by the deferred division on Bill C-66. Is it agreed?

Mr. Gauthier: Mr. Speaker, I take it we are not creating a precedent here because the symbolic four minutes which were added to today's orders could be 40 minutes or, for that matter, an hour. I just want to make sure we protect our position that statements in the House which are added to our time will not in the future be added in this same manner.

Mr. Hnatyshyn: Mr. Speaker, I just happened to catch the proceedings on television so I rushed in to the Chamber to say with respect to the proposal for today, it seems to be sensible. We have a procedural situation and it strikes me that your approach, Mr. Speaker, has the great advantage of logic and reason to it so I think we would accept that suggestion.

With respect to the comment made by the Hon. Member for Ottawa-Vanier (Mr. Gauthier) with respect to the proceedings at the end of the day, or the Adjournment Debate, so called, I will be glad to discuss the matter with the Hon. Member for Ottawa-Vanier.

If you will recall, Mr. Speaker, the point of the provision in the rules was that we wanted to ensure that there was no diminution of private Members' rights with respect to the Adjournment Debate, particularly in those circumstances where there are ministerial statements. We bent over backwards procedurally to ensure that whenever there are statements, they would not in any way negatively impact upon the right of the private Member to ask for an elaboration on Question Period answers about which they were not satisfied. That was the genesis of the present rule. That is why we have the late night show situation in this particular set of circumstances. But we will, of course, continue to consult and I will be glad to receive the recommendations of the Hon. Member. We agree to your proposal, Mr. Speaker, with respect to the votes today and I will continue my discussions with the distinguished Hon. Member for Ottawa-Vanier with respect to late night shows.

The Acting Speaker (Mr. Paproski): The unanimous consent is only for today's business, then. Is it agreed?

Some Hon. Members: Agreed.

Mr. Gerry Weiner (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I am glad to be able to join in the debate today which so greatly affects all Canadians. Jobs are really what we are all after and it is ironic hearing my hon. friend, the Hon. Member for Broadview-Greenwood (Ms. McDonald), speak of how the quotas have not adversely affected Canadians. I would like to recount that in an eight-year period there was an additional cost of some $500 million which the average consumer had to spend. So there is a dramatic effect.

I think we should also want to reflect that if our trading partners exercise their legally recognized rights of retaliation under the GATT, there will be job loss in a lot of sectors. The impact of import quotas on footwear cannot be considered in complete isolation of the impact they have on other sectors of the economy. The fact is, as the Minister for International Trade (Mr. Kelleher) said in the House, continuation of import quotas on all types of footwear would have seriously affected Canadian interest and Canadian jobs in other sectors unrelated to the footwear industry. If there are any doubts about this, ask the petrochemical producers in Ontario and Alberta, craft paper companies in British Columbia, steel producers in southern Ontario or companies producing sewing machine needles and car radios in both Quebec and Ontario. If there are any further doubts, ask the many highly successful companies producing fur garments in Montreal and elsewhere in Canada, along with the thousands of people across this country whose main source of income is tied directly to the fur industry. All of these companies have at least two things in common. First, they have been very successful in exporting their products outside of Canada, including to the European Economic Community. Second, earlier this year the European Economic Community threatened to withdraw concessions or, in more blunt terms, to retaliate against up to $150 million worth of exports of their products. The EEC threatened to raise tariffs to prohibitive levels on Canadian petrochemical products, steel products, craft paper, fur garments, sewing machine needles and car radios.

We managed to stave off this threat of retaliation only by agreeing to forego duties on a wide range of products imported from Europe. This agreement, which was concluded only a few days before the EEC was about to implement its threat of retaliation, cost the Treasury some $12 million. However, this was not the first compensation agreement concluded with the EEC. Two other agreements were concluded in response to earlier measures taken on footwear imports to Canada. In total, over $13 million in duty were foregone on products from the EEC and over $25 million globally have been paid in compensation in response to import quotas on footwear. In other words, the opposition Parties are attempting to ignore the fact that in order to benefit from exports to other countries, Canada must permit imports from those countries. The Opposition is also attempting to ignore the fact that quotas in one sector can cost jobs in other sectors. This attempt to ignore the facts will be recognized for what it is by the Canadian people.

• (1730)

For the past eight years Canada has justified the imposition of footwear import quotas internationally under the safeguard provisions of the General Agreement on Tariffs and Trade. These provisions enable Canada to take quota action or other safeguard measures in situations where imports are causing or threatening serious injury to domestic producers. Under the GATT provisions these measures are intended to be temporary in nature for the extent and time necessary to prevent or remedy injury. Since footwear quotas were first imposed eight years ago our trading partners have alleged that eight years of footwear quotas are not temporary in nature and that such lengthy imposition of quotas is contrary to Canada's obligations under GATT. As well, in the absence of a finding by the Canadian Import tribunal of injury or threat of injury caused by imports in four of five sectors of the footwear industry, we would be hard put to convince our trading partners that any extension of quotas in these categories would be justified under the provisions of GATT.

The Opposition appears to ignore the fact that exporting countries also have rights under GATT. It enables our trading partners with substantial interests as exporters, affected by safeguard action, to either claim compensation for impairment of access or, in the event a satisfactory agreement and compensation cannot be concluded, to take retaliatory action. In requesting compensation from Canada, therefore, the European Economic Community has been operating within its rights under GATT. The EEC has not been alone, however, in condemning the length of time that import quotas have been placed on footwear and the negative impact of quotas on their exports to Canada. Import quotas on footwear have been a serious irritant with many of our friends in the less industrialized world who have found it difficult to expand their sales to Canada. The issue of footwear import quotas has come up frequently in our discussions with other countries. Countries such as South Korea, Brazil, India and many others have identified footwear import quotas as an irritant in our bilateral trade relations with these countries. Although the Liberals and NDP profess to be concerned about the plight of Third World countries, I note that today they are attempting to ignore the impact quotas have on the development prospects in lesser developed countries. I will stress, however, that Canada will vigorously defend internationally its right to extend import quotas on those classes of footwear on which the tribunal found injury or threat of injury in the absence of special measures of protection. We will point out to them that the tribunal has just completed its most comprehensive inquiry to date into the footwear industry. We will also note that the tribunal received extensive submissions and held public hearings so that all parties could make their points of view known. As a result of this comprehensive review, first initiated in Junme of 1984, the tribunal concluded that women's and girls' footwear production remains vulnerable to injury from imports. We will note that the tribunal recommended that import quotas be maintained only with respect to this one sector of the industry.

In talking with our trading partners we have the tribunal's very detailed rationale for extending footwear quotas on Women's and girls' footwear. The tribunal believes that producers of women's footwear remain vulnerable and that many of these producers could not compete successfully in the absence of special measures of protection. In the case of women's footwear the substitutability factor is of great significance. While women's leather fashion and comfort footwear produced in Canada are, in the view of the tribunal, able to compete with imports of leather product, principally coming from Europe, the fact that non-leather product is, in the view of the final purchaser, largely substitutable for leather creates a degree of competition from non-leather imports which the domestic producer of leather product may not be altogether able to meet. There is, moreover, significant production of women's non-leather as well as leather in Canada. Because of this substitutability, the impact of the removal of quotas on the women's footwear sector as a whole would be unfavourable. However, it is not clear that it would be universally adverse. The analysis regarding optimum size and regarding profitability by size and location bear upon this point. Some parts of the sector would be vulnerable. Some may experience difficulties. The rest are capable of competing successfully.

I say once again that we will vigorously defend our right to extend quotas on women's and girls' footwear, pointing to the tribunal's inquiry. Nevertheless, as I indicated earlier, our trading partners have rights under GATT. We anticipate difficult negotiations ahead once again with the European Economic Community. However, we are confident that, backed with the findings of the tribunal, the steps Canada has taken to lift the quotas on four out of five sectors on Novemebr 30, 1985, along with the phase-out provisions for the quotas on women's and girls' footwear, that a satisfactory solution can be reached with the EEC.

Quotas are only one of several factors which affect the competitiveness of the domestic footwear industry. Other factors include the level of import tariffs, forign exchange rates, and the impact of disruptive imports caused by dumping or subsidization practices. Let's look at the tariff protection the entire footwear industry will continue to receive. The bulk of footwear enters into Canada at a rate of duty of slightly over 23 per cent. There are no general preferential tariffs applied on the bulk of footwear imports into Canada. The average tariff applied by Canada on imports of manufactured goods is 9 per cent. Internationally, the EEC applies an average tariff of 8 per cent on footwear imports, whereas in the United States it is 10 per cent. Therefore, the Candian industry receives a lot of protection under the Canadian tariff, both in relative and absolute terms. The tribunal also notes that the competitiveness of Canadian footwear with imports is affected both by the lvel of exchange rate and the level of inflation in Canada compared with that in the major footwear exporting countries. Since 1980 the tribunal notes that Canadian footwear has declined in competitiveness with imports from some countries, while at the same time increasing its competitiveness against imports from other countries. In particular it notes

that the Canadian product appears to have increased its competitiveness agaisnt imports from Hong Kong and Brazil based on exchange rate changes and rates of inflation. The industry will continue to have recourse to the Special Import Measures Act with respect to subsidized or dumped imports of goods into Canada. In fact, the tribunal notes in its report:

> During the course of this inquiry the tribunal became aware of a variety of government assistance programs made available to producers in a number of exporting countries.

They go on to say they are fully confident that the provisions of the Special Import Measures Act are fully adequate to address any future problems which may arise where dumping or subsidization appears to exist. This is an important point. To the extent that the Canadian industry is concerned about disruptive imports of footwear into Canada, it is important that it seeks recourse through the legally established measures provided under the Special Import Measures Act. The Canadian industry will therefore continue to benefit from a lot of protection against imports. Quotas will apply for the next three years on women's and girls' footwear. Tariff rates of around 23 per cent will prevail on the bulk of footwear coming into Canada, and the industry will continue to have recourse to the provisions of the Special Import Measures Act. The Government recognizes, however, that the lifting of quotas will give rise to a moderate surge of imports but the market should stabilize within 12 to 18 months. Some of the surge will be due to pent up demand for lower priced shoes. Some of it will be due to the fact that there will be a number of new importers. Some of it will be caused by what we expect will be an inclination by retailers to experiment by importing new items. To mitigate any effects the sruge may have, we will be conducting consultations with the countries which are Canada's principal footwear suppliers. As the Minister for International Trade said in the House, we will put them on notice that their long-term interest in the Canadian market would best be served by a prudent and gradual approach to sales. Canadian importers who have been known to bring in footwear for the sole purpose of establishing a high base for the allocation of import quotas will be made aware that such practices will not be rewarded in the future.

● (1740)

Let us look at the significance of abolition of footwear quotas from the perspective of the Third World. Canada has, in good times and bad, under all recent governments, avowed to help the Third World face the great challenges it does, to help Third World countries help themselves and to become more self-reliant in the world of today. While Canada has been generous in the provision of official development assistance, such assistance alone is not enough to enable these countries to survive in the world, to grow, and to become more self-reliant. These countries must receive private capital to develop their industries and be given trade opportunities to allow these industries to grow and realize their full potential. It is only if industrial development and exports from the Third World are encouraged today that these countries will have a chance to join the trading nations of the world and be future partners for Canada in the world of tomorrow.

Footwear manufacturing is a growing area of potential exports from the Third World to the north. According to *UNIDO Industry and Development Global Report 1985* the south's exports of footwear to the north—Canada included—increased from $.5 billion (U.S.) in 1970 to $1.5 billion (U.S.) in 1979 but then began to face import restrictions of various kinds.

Canada and other donors have provided billions of dollars of official development assistance as well as generous export credits to help Third World countries. Does it make sense, when the results of such assistance begin to emerge, to cut these short? Over the years since Canada began its international development assistance program it has, for example, provided more than $7 million to south Korea, more than $43 million to Brazil, more than $23 million to the Philippines, more than $46 million to Malaysia, and more than $68 million to Thailand, not to mention the more than $1.5 billion to India.

It is purely a coincidence that these are some of the countries that are emerging from the shadow of desperation in their recent pasts to become our potential, if not actual, markets of the future. Is it not a little short-sighted to consider, perhaps unwittingly, that we should retain footwear quotas that can only but alienate countries such as these which are also now the leading footwear producers in the Third World?

In conclusion, Mr. Speaker, the Government has concluded that the further granting of import relief to the entire footwear industry would be in neither the industry's nor the country's economic interest. If we are to export we must also import. It has become abundantly clear that import quotas can threaten jobs through retaliatory measures on the part of our trading partners. The international costs associated with the imposition of import quotas, however, is only one dimension of this issue. There are many others. However, it should be kept in mind that the Government's decision is consistent with the findings of the Canadian Import Tribunal which has conducted its most comprehensive inquiry to date into this industry. The tribunal is an independent body that has considerable expertise in conducting inquiries into imports into Canada. It is particularly familiar with the footwear industry, having conducted three previous inquiries into this industry. This was the fourth and, by far, the most comprehensive inquiry that the tribunal has undertaken to date.

I, therefore, am somewhat surprised that the Liberals, who appointed the members of the tribunal, set its terms of reference and have cited, with approval, extracts of the tribunal's report, are now attempting to ignore the tribunal's recommendations and conclusions. I am also rather surprised, Mr. Speaker, that members of the New Democratic Party are not prepared to take fully into consideration the interests of 25 million Canadian consumers, particularly low-income earners, in maintaining a viable and competitive Canadian footwear industry.

[*Translation*]

The Acting Speaker (Mr. Paproski): Questions and comments. The Hon. Member for Richmond-Wolfe (Mr. Tardif).

Mr. Tardif: Mr. Speaker, I listened with much interest and attention to the very academic and philosophical speech of my colleague across the floor. I must admit, Mr. Speaker, that I would probably have appreciated the meaning and content of his presentation had it been made in a university environment.

But that is not the problem, Mr. Speaker. The problem is that women and men who have been working for 10, 15 or 20 years in the footwear industry will lose their jobs in the months ahead. That is the problem, Mr. Speaker. And none of the speakers across the aisle has really explained how those so-called avant-garde measures will be implemented.

How would those people get another job and if they did, in what areas? My colleague opposite said a moment ago that the Liberal Government itself had commissioned this tribunal to study the situation but I will remind him, Mr. Speaker, that under the previous Government, the same tribunal made recommendations at one time and the Liberal Government of the day had the courage to make a decision not on the basis of philosophical or economic interests, but taking into account what Canada needs at the present time, namely jobs. I want to ask you this: What do you tell those men and women who, because of this devasting move, will lose their jobs—

Mr. La Salle: It has not been proven yet.

Mr. Tardif: —in about a year or a year and a half? The Hon. Member for Joliette (Mr. La Salle) has a word to say. I believed him to be a strong supporter of the footwear industry. I am surprised that he does not have more to say in this regard. Answer my question.

The Acting Speaker (Mr. Paproski): The Hon. Member for Dollard (Mr. Weiner).

[*English*]

Mr. Weiner: I will tell you how I will respond to my constituents and the citizens of Quebec and Canada. Three hundred thousand new jobs have been created this year and over 51,000 are in Quebec. Retail sales are up 8 per cent. New manufacturing orders are up 10 per cent. Look at the confidence in the country. Consumer spending is up. Retail sales in August were up 13 per cent as compared to a year ago. Motor vehicle sales are up 27 per cent. In my own community, Dollard des Ormeaux, building permits are going like hotcakes. In the first seven months of 1985 the value of building permits was up by 17 per cent, manufacturing orders were way up and planned capital investment in manufacturing was up.

That is what I am prepared to say. The Government is going to continue creating jobs and ensuring that we put Canadians back to work.

Mr. Orlikow: Mr. Speaker, I would like to direct a question to the Hon. Member. During his comments he lectured members of my Party suggesting that we are not interested in the consumers because we asked questions about what the Government is proposing to do and that we are not interested in the welfare of people in Third World countries. Nothing could be further from the truth, Mr. Speaker. Our Party has always—

Mr. Clark (Yellowhead): Been on every side of every question.

Mr. Orlikow: —supported programs to help people in the underdeveloped countries. We are, of course, aware of the extra cost to consumers.

I could support what the Government is proposing if I did not know what is actually happening in the real world. In the real world in all of the industrialized countries the shoe, clothing, and textile industries have been partially destroyed by increasing exports from countries in which the wage rates are a fraction of what they have been in the industrialized countries. The process of destroying those industries in continuing.

It may be, in a very theoretical way, that that is something which we cannot stop. However, if there is going to be a marked reduction in the number of people in Canada working in the shoe, clothing, and textile industries, I want to remind the Hon. Member that a substantial majority of the people who will lose their jobs live and work in his Province of Quebec. They are not all in Montreal. Many of them live and work in towns and cities in Quebec in which the shoe, clothing or textile industry is the only industry. What I have indicated to the Member for Dollard (Mr. Weiner) has been happening and will continue to happen. A city like Montreal, which the Hon. Member represents, or a city like Winnipeg which I represent, have a variety of industries to which people can move when a particular industry fails.

• (1750)

I am sure that in the next year we will be dealing with the same problems in the clothing industry and textile industry. What plans does the Government have for new industries for those companies which will have to shut down because they cannot compete with imports from low-wage countries? What plans does it have for new companies or for retraining workers?

If the Government could show us that it has an industrial strategy that will deal with these problems, then we would not need this debate and could agree with what the Government is proposing.

Mr. Weiner: Mr. Speaker, I have had the honour and privilege to serve as Parliamentary Secretary to the Secretary of State for External Affairs. For much of this year we have been concerned with Canadians who were threatened by protectionist measures in the United States. We heard from berry producers, the steel industry, the lumber industry and hog producers. Jobs in those industries were being threatened in

Canada and in each instance we ran to Washington to beg for special measures.

If we are to be logical and rational, we must do something that will open those markets rather than close them. If those protectionist measures are implemented there, tens of thousands of jbos will be lost in this country. While we are asking for freer access to a market that we consider critical, it would be illogical to close ourselves to the rest of the world.

A plan has been put into effect to ease any suffering in one industry towns. That plan is contained in the report and the Minister for International Trade and the Minister of Employment and Immigration (Miss MacDonald) have alluded to it. That plan will be effective and continue to produce employment in our communities.

[*Translation*]

The Acting Speaker (Mr. Paproski): Questions or comments. The Hon. Member for Winnipeg North has the floor.

Mr. Gagliano: At the beginning of his remarks, the Hon. Member for Dollard (Mr. Weiner) mentioned that the Conservative Government had almost given in to the threats of the United States or the European Economic Community, or was afraid of them, and that it was for this reason among others that it had failed to maintain these quotas. I would like to know what the Member has to say about the fact that in this same promise that several Members read today, the Right Hon. Prime Minister (Mr. Mulroney) said that he would not give in to the pressures of the Common Market and the United States to reduce the quotas on imports of shoes and textile products in Canada. Also, the Hon. Member mentioned that he was very concerned about under-developed countries and that this action to remove the quotas on imports of shoes here in Canada would have helped these countries. Does he have as priority to safeguard the jobs of Canadians instead of the jobs abroad?

The Acting Speaker (Mr. Paproski): The period for questions and comments is now over. Resuming debate. The Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano).

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, since I did not get an answer to my question, I will continue debate on this very important motion. I certainly do not intend to read the Prime Minister's promise, as I think we have already done so on a number of occasions, but I would like to draw the attention of the House to the fact that the people of the riding of Saint-Léonard-Anjou are asking themselves today, after this about-face of the Prime Minister, and they are asking me: Is the Prime Minister a man of his word? On May 4, he said he was not going to remove the quotas, and now a year later, he is lifting them. It is not the first time he has made an about-face, Mr. Speaker. We saw this at the very beginning of his term, when he challenged the universality of social programs. He had said it was "a sacred trust", but nevertheless, he decided to challenge universality.

The House will recall the Budget brought down in May 1985, and the demonstration held by senior citizens. We had to bring our senior citizens here to Ottawa to make the Government understand that it should not de-index their pensions.

Mr. Speaker, I wonder whether, during the summer of 1984, when the Government promised Canadians the moon and whatever else it could promise them, it really intended to keep its promises. I think Canadians have been duped by all these promises.

Mr. Speaker, another promise was made when the Prime Minister said that once he had formed his Government, he was going to cut the paper burden that Canadian businesses had to deal with. And right away, in his first message on the state of the economy, the Minister of Finance (Mr. Wilson) said he intended to look into the added value tax system. In fact, it is systems like these that have at least tripled our bureaucracy and the amount of paperwork that has to be done.

Mr. Speaker, if we look at Europe, we see that over there, the system penalizes not just small businesses but all other businesses as well. It is a very complex system, a system that also tends to take money out of the pockets of the low- and middle-income consumer. However, the Government is not concerned about its promises, and according to some businessmen, some pressure groups are convinced that in time, the Minister of Finance will be announcing his new tax system.

Today, Mr. Speaker, we must ask ourselves: If footwear quotas are lifted, what is going to happen to the textile industry? The problem is exactly the same! Nevertheless, questions have been asked and the matter is being considered. Only today, the Minister for International Trade (Mr. Kelleher) said they were looking into all this and that they would be making a decision. Considering the decision they made on the shoe industry, after giving us the same story, it is pretty obvious they will make the same decision to lift quotas, this time on textiles.

Mr. Speaker, thousands of jobs are at stake. We are not just talking about shoes and textiles but about jobs, and especially in the province of Quebec. We have a problem with Montreal East and now we will add other areas in Quebec which are affected by this decision on quotas in the footwear industry, and later we will add those in the textile industry, What is going to happen? Quebec will be completely shut down in the same way as the Prime Minister (Mr. Mulroney) shut down Shefferville.

An Hon. Member: No, no.

Mr. Gagliano: But that is what will happen. My hon. colleague does not like it. But this is reality. The Parliamentary Secretary said earlier that 302,000 jobs were created.

How come then that we lose 5,000 jobs in Montreal East? How come that 20,000 jobs are in jeopardy in the footwear

industry and that 40,000 jobs will also be in jeopardy in the textile industry? Are you going to tell us the same old story?

Nobody believes you when you say that. The proof is there. According to the polls published last week, 52 per cent of the Canadian people do not trust the present government. Why? After only one year. What will they say after four years?

Mr. Speaker, during Question Period we saw the Prime Minister hide behind the Antidumping Tribunal. He said: we have not changed, I did not break my promise. We had a report from the Antidumping Tribunal and we implemented their recommendations. But it is ridiculous to see a government let an antidumping tribunal tell it what to do. The Government did not have the courage to make its own decisions and to say after having analyzed the situation: Are we going to maintain quotas or are we going to remove them because we think this is what we should do? Of course not. The Prime Minister defends himself saying: I did not deny anything. I kept my word. I hid behind a report.

One only has to read the report to realize that it contains various options and that the quota system could indeed have been maintained.

Because I have a few minutes left, Mr. Speaker, I should like to read a letter which several Hon. Members have received also. I would like everybody to know the tragedy which Canadians, Quebecers especially, are going through because of this decision by a Conservative Government. It is a letter from the Shoe Manufacturers' Association of Canada.

Dear Mr. Gagliano,

As you know, before the end of November 1985—

This letter was written before the Government announced its decision.

—the Government will make a decision which will mean the life or death of the footwear industry in Canada.

If the Canadian Government decided to extend the quota system for a minimum period of five years, thereby ensuring the industry only 50 per cent of the Canadian market, it would get the support—

—of most members of the three federal parties;
—of the Quebec and Ontario Governments;
—of workers and trade unions;
—of manufacturers, tanners and suppliers;
—of the vast majority of the 4,500 small independent retailers;

Because, Mr. Speaker, these quotas do not affect only footwear manufacturers, but also retailers and even importers as well. Because, beginning December 1, there will be war, once these quotas are lifted.

—and especially—

I continue reading, Mr. Speaker.

—of 8 out of 10 Canadians (National Survey—Decima Research).

This decision which the Government is legally empowered to make would not only protect existing jobs but create 6,000 new ones, as well as encourage investment in the new technology.

If, unfortunately, the Government accepted the contradictory and unrealistic findings of the tribunal and followed the ill-advised recommendations of International Trade officials, it would mean the death of our industry and 20,000 lost jobs.

20,000 families are anxiously waiting for the Federal Government to make a decision concerning the footwear import quotas.

We are counting on your full support to convince the Government.

It is too late, Mr. Speaker, the Government has made its decision and, as the letter said, has signed the death sentence of the footwear industry in Canada as well as decreed the laying-off of 20,000 Canadian workers.

● (1800)

[*English*]

Mr. Clark (Yellowhead): Mr. Speaker, I noticed that the Hon. Member proposed that we should ignore the report of the tribunal which his Party established.

Mr. Allmand: Like you with the Abella Report.

Mr. Clark (Yellowhead): Would the Hon. Member tell us why the Liberals set up that tribunal if they intended to ignore it. Who were they trying to fool?

[*Translation*]

Mr. Gagliano: Mr. Speaker, the Right Hon. the Secretary of State for External Affairs is saying that we ignored the report. Of course we are not telling you to ignore the report, but there were two versions in that report. If he were to read it closely he would know there was the version of the manufacturers, but it was more difficult to find the version of the importers.

As a Government you have to ask yourselves some questions. Why did some of the interested parties in the industry—importers, exporters, retailers—not even bother to appear before the tribunal and state their case? How is it that after reading the whole report one reaches the logical conclusion that quotas should be maintained? All of a sudden—

[*English*]

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member.

It being 6.04 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the business of Supply in accordance with Standing Order 63(9).

The question is the following one: Mr. Tardif (Richmond-Wolfe), seconded by Mr. Gauthier moved that this House regrets that the Prime Minister has once again broken an election campaign promise, this time by failing to maintain quotas on imports of shoes and by compounding this betrayal by failing to make adequate provision for the thousands of workers whose jobs are adversely affected. Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members haven risen:

The Acting Speaker (Mr. Paproski): Call in the Members.

The House divided on the motion (Mr. Tardif, Richmond-Wolfe) which was negatived on the following division:

(Division No. 133)

YEAS

Members

Allmand	Gagliano	Nicholson (Trinity)
Althouse	Gauthier	Orlikow
Axworthy	Gray (Windsor West)	Parry
Blackburn (Brant)	Guilbault (Saint-Jacques)	Penner
Blaikie	Henderson	Prud'homme
Boudria	Hovdebo	Riis
Broadbent	Keeper	Robichaud
Caccia	Langdon	Robinson
de Corneille	MacLellan	Rossi
Epp (Thunder Bay-Nipigon)	Manly	Skelly
Finestone	McDonald (Broadview-Greenwood)	Tardif (Richmond-Wolfe)
Foster	Murphy	Young—38.
Frith		
Fulton		

NAYS

Members

Andre	Fretz	Mitges
Bertrand	Friesen	Nicholson (Niagara Falls)
Bissonnette	Gass	Nickerson
Blais	Graham	Nielsen
Blais-Grenier	Gravel	Oberle
Blenkarn	Greenaway	Paproski
Bouchard	Halliday	Pennock
Bourgault	Hamilton	Peterson
Brightwell	Harvey	Price
Brisco	Hawkes	Ravis
Cadieux	Hnatyshyn	Reid
Charest	Horner	St. Germain
Clark (Yellowhead)	Hudon	Schellenberg (Nanaimo-Alberni)
Clark (Brandon-Souris)	James	Scowen
Collins	Jourdenais	Sparrow
Comeau	Kelleher	Stewart
Cooper	Kindy	Tardif (Charlesbourg)
Cossitt	King	Thacker
Crofton	Landry	Towers
Crombie	La Salle	Tremblay (Québec-Est)
Crosbie (St. John's West)	Lesick	Turner (Ottawa-Carleton)
Crouse	Lopez	Valcourt
Darling	MacDonald (Kingston and the Islands)	Vankoughnet
Daubney	MacKay	Vincent
de Cotret	Mailly	Weiner
Della Noce	Malone	Wilson (Swift Current-Maple Creek)
Desjardins	Mazankowski	Wilson (Etobicoke Centre)
Dick	McCain	Winegard
Domm	McCrossan	Wise—102.
Dorin	McInnes	
Duplessis	McKenzie	
Edwards	McKinnon	
Ellis	McKnight	
Fennell	McLean	
Ferland	McMillan	
Fraleigh	Merrithew	
	Minaker	

[*Translation*]

Mr. Speaker: I declare the motion defeated.

* * *

[*English*]

CANADA DEVELOPMENT CORPORATION REORGANIZATION ACT

MEASURE TO ENACT

The House resumed from Friday, November 22, consideration of the motion of Mr. Hnatyshyn (for the Minister of Regional Industrial Expansion) that Bill C-66, an Act respecting the reorganization of the Canada Development Corporation, be read the third time and passed.

Hon. Herb Gray (Windsor West): Mr. Speaker, I rise on a point of order. I wonder if there could be a disposition on the part of the House today to have the vote just taken with respect to the Supply Motion apply to the third reading of the Bill in question, although I suppose if I do not say this my hon. friend will insist the result be reversed.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, if that is acceptable, I would like to declare my interest in abstaining with respect to the vote.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, the same applies for me. If the vote were to be taken I would abstain because I have a declared interest in the Bill.

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

(Division No. 134)

YEAS

Members

Andre	Domm	MacDonald (Kingston and the Islands)
Bertrand	Dorin	MacKay
Bissonnette	Duplessis	Mailly
Blais	Edwards	Malone
Blais-Grenier	Ellis	Mazankowski
Blenkarn	Fennell	McCain
Bouchard	Ferland	McCrossan
Bourgault	Fraleigh	McInnes
Brightwell	Fretz	McKenzie
Brisco	Friesen	McKinnon
Cadieux	Gass	McKnight
Charest	Graham	McLean
Clark (Yellowhead)	Gravel	McMillan
Clark (Brandon-Souris)	Greenaway	Merrithew
Collins	Halliday	Minaker
Comeau	Hamilton	Mitges
Cooper	Harvey	Nicholson (Niagara Falls)
Cossitt	Hawkes	Nickerson
Crofton	Hnatyshyn	Nielsen
Crombie	Horner	Oberle
Crosbie (St. John's West)	Hudon	Paproski
Crouse	James	Pennock
Darling	Jourdenais	Peterson
Daubney	Kelleher	Price
de Cotret	Kindy	Ravis
Della Noce	King	Reid
Desjardins	Landry	St. Germain
Dick	La Salle	
	Lesick	
	Lopez	

Members

Schellenberg (Nanaimo-Alberni)	Towers	Weiner
Scowen	Tremblay (Québec-Est)	Wilson (Swift Current-Maple Creek)
Sparrow	Turner (Ottawa-Carleton)	Wilson (Etobicoke Centre)
Stewart	Valcourt	Winegard
Tardif (Charlesbourg)	Vankoughnet	Wise—102.
Thacker	Vincent	

NAYS

Members

Allmand	Fulton	Murphy
Althouse	Gagliano	Nicholson (Trinity)
Axworthy	Gray (Windsor West)	Orlikow
Blackburn (Brant)	Guilbault (Saint-Jacques)	Parry
Blaikie	Henderson	Prud'homme
Boudria	Hovdebo	Riis
Broadbent	Keeper	Robichaud
Caccia	Langdon	Robinson
de Corneille	MacLellan	Rossi
Epp (Thunder Bay-Nipigon)	Manly	Skelly
Finestone	McDonald (Broadview-Greenwood)	Tardif (Richmond-Wolfe)
Foster		Young—36.
Frith		

Mr. Speaker: I declare the motion carried with two abstensions recorded as indicated by the Hon. Members.

Bill read the third time and passed.

● (1830)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

HEALTH—REQUEST FOR BAN ON CIGARETTE ADVERTISING. (B) ANTI-SMOKING ADVERTISING CONTRACT

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, the questions I have raised which we are dealing with today—

Mr. Speaker: Order, please. Apparently, I have received a notice of a question of privilege. The Hon. Member for Saint-Jacques (Mr. Guilbault). Is it relating to the vote?

[*Translation*]

Mr. Guilbault (Saint-Jacques): No, Mr. Speaker, the question of privilege I want to raise relates to an incident which occurred in the House today, and I would like to give notice to the Chair that, if need be, I intend to raise a question of privilege tomorrow. The matter I want to draw to the attention of the Chair is that, during the debate this afternoon, the Hon. Member for Sherbrooke (Mr. Charest), the Deputy Chairman of Committees of the Whole House, took the floor on the motion under consideration by the House. I would ask the Chair to ensure whether that was in keeping with the current practice established here—

[*English*]

Mr. Speaker: I appreciate the Hon. Member's point. I am in two difficulties. First, because the moment the vote was taken we were in fact after six o'clock and therefore in the Adjournment Debate. Therefore, I am in some technical difficulty in recognizing the Hon. Member on a question of privilege, although I did. Second, in a matter such as this I think the correct procedure is for the Hon. Member to give me notice in writing of his question of privilege. We will deal with it in that manner.

Ms. McDonald: Mr. Speaker, the House seldom has the opportunity to deal with a life and death issue such as the one I have been raising, that is the matter of 35,000 Canadians who die every year as a result of tobacco smoking, the opportunity we have to reduce the problem, if not eliminate it, and the very particular question as to what we are doing as a society to encourage tobacco smoking through advertising.

The two questions I raised on November 19 dealt with the issue of cigarette advertising. First, I raised the general issue of policy, that is, the advisibility of advertising at all a product which is dangerous, as dangerous as tobacco cigarettes are. In reply to my question the Minister referred to other options to consider as well. He said:

> I want to assure the Hon. Member that other policies on convincing Canadians that smoking is detrimental to their health will be forthcoming.

I wonder how vigorous these policies are with a Government which has been so backward in dealing with this issue. I should add that preceding Liberal Governments have been exceedingly backward as well.

Let us look at the facts. The Government has come up with a $1 million counter-advertising program to encourage young people not to start smoking. At the same time the manufacturers are spending at least $90 million to encourage young people, in particular, to smoke. Of that $90 million, we are paying half as taxpayers. That is $45 million of the taxpayers' money in foregone tax revenues going to promote a product which is dangerous to health.

● (1835)

What does this advertising do? Most of it is lifestyle advertising, if not all of it. It associates smoking with fresh air, health, success, friends and popularity. It preys on young people's uncertainties and anxieties. It offers easy solutions to the questions of acceptance and personality. Yet 35,000 Canadian die every year and, among them, 5,000 who are not even smokers themselves but who are passive smokers. We are not acting to protect these people.

The issue of advertising also raises the question of sponsorships because, increasingly, the advertising companies are trying to associate the arts and sports with their diabolical product. Let me point to one instance. On the weekend I attended at the Royal Ontario Museum for an extremely

important exhibition on the Jewish legacy, the cultural artifacts of Jewish culture in Czechoslovakia which were gathered together by the Nazis. This exhibition is a memorial to the Holocaust. It was sponsored by a tobacco company, Phillip Morris. The film which announced and presented this extremely important material about a very disastrous period of human history was announced by the Phillip Morris Company. Yet the tobacco companies have been responsible for more deaths than the Nazis killed Jews during World War II. This is the terrible irony. The tobacco companies are trying to use culture to make their product seem to be one of life and vitality. It is unconscionable that companies which promote death and illness should be allowed to get away with that. What hypocrisy it is that the sports and the arts should be used in this fashion.

I would like to refer to the more particular question of the ad agency, McKim Advertising, which has received the Government's contract to do the English advertising in its counter-smoking campaign. This is the same company which does the advertising for Imperial Tobacco. This, in short, is the same company which makes far more of its money promoting and encouraging young people to take up smoking.

The Minister came up with the rather sheepish excuse that the choice of the company had been made on the advice of six civil servants in his Department. He did not mention that the list from which those six civil servants made their selection consisted only of accepted Conservative advertising firms and that that particular advertising firm has had the Conservative business in the province of Manitoba. So we have a clear conflict of interest situation and the Minister's response to that is totally inadequate.

Studies show that smoking among children is still on the increase. Yet in other countries which have banned advertising, smoking among children is decreasing. Norway has a particularly good program, on which we might look at. It has a total ban on advertising of smoking and there has been a real decrease in the number of young people who take up smoking. I regret to say that there has not been a decrease in the number of adult smokers. But the rate there is roughly half the rate of Canadian smokers.

Canadians would do well to realize how important this problem is. We have the highest rate of smokers in the industrial world. We are the fourth highest in smokers in the world. That means we have a proportionate amount of illness, disease and death as the result of smoking.

I, therefore, call upon the Government to be realistic and come forward with a strong program to counter tobacco smoking. I particularly urge the Government to institute a ban on cigarette advertising which could be phased in over a two-year period and then to get rid of it absolutely.

[*Translation*]

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare): The Government of Canada, the Provinces and the Territories, supported by seven non-governmental health organizations, have just approved a national program to fight tobacco smoking, to try and convince Canadians to stop or not to start smoking.

In January of this year, a federal-provincial task force was set up to develop a new national program. An invitation was also sent to non-governmental agencies that had come out against tobacco smoking. A national steering committee was formed, whose mandate included the three following objectives: First, to protect the health and rights of non-smokers; second, to help non-smokers remain so; and third, to encourage and help smokers to drop the habit.

To achieve these objectives, the committee adopted a nine-point strategy: To actively pursue the advertising campaign against smoking among the young; to promote actively health education in the schools and encourage students not to start smoking; to act through the community to show young people that the non-smoker is in; to provide effective and on-going programs to help smokers who want to stop smoking; to support the creation of special programs for high-risk groups; to make group programs more accessible to smokers who need a more sustained form of assistance; to support all available means to promote the advisory role of health professionals in dealing with smokers; to encourage the voluntary adoption of guidelines against tobacco smoking in public establishments, buildings and places; and to set up a follow-up mechamism for projecting and measuring results.

• (1840)

The program was inaugurated on October 22 of this year, in Ottawa and in the provincial and territorial capitals, by launching a series of televised messages addressed to young people.

The advertising portion of the campaign was designed by two advertising agencies: McKim for the English language campaign and Le groupe Marketel for the French campaign.

McKim Advertising in Winnipeg was chosen from a group of four advertising agencies designated by the Cabinet Committee on Communications. A jury of six public servants, including four from the Department, made the selection. The jury responsible for selecting the agency was aware of the fact that McKim's office in Montreal had the Imperial Tobacco account, worth about $2 million, and that there might be a conflict of interests. The jury asked for, and received from McKim the assurance, that their office operated entirely independently and autonomously, and that no conflict of interest existed.

McKim should be congragulated on having accepted this anti-smoking campaign contract in view of the potential risks as far as its well-paid contract with Imperial Tobacco is concerned.

I believe that McKim is doing an excellent job in this campaign. The Department has received favourable comments from professional groups, non-government organizations, the

medias and the Departments of Health of the provinces and territories.

[*English*]

ENVIRONMENTAL AFFAIRS—ST. CLAIR RIVER—CONTROL OF INDUSTRIAL POLLUTION. (B) PROVINCIAL ENVIRONMENTAL SECURITY FUND

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, you will recall that on November 18 I asked a couple of questions of the Minister of the Environment (Mr. McMillan) concerning pollution in the St. Clair River which, as we all know, is of enormous concern to the people all the way down to Windsor who take their water from that river. It is also of enormous concern to my colleague from Windsor West.

Tonight I seek from the Government some assurance that it will not pursue a policy of believing that pollution can be resolved by diluting or dissolving the substances in our rivers and lakes, but that it will take a position which will go to the root of the problem for the sake of millions of Canadians and Americans whose health depends on the quality of water.

● (1845)

For too long, Mr. Speaker, we have depended on the hope that nature would somehow take care of the substances we are discharging into our waterways and that dissolution would be the answer. For decades we have relied on that principle only to discover, in recent years, that it does not work. In fact, substances find their way into rivers and beds of rivers and lakes, and eventually through evaporation of water bodies or other processes the chemical substances find their way into our food chain and endanger our health.

In the case of the St. Clair River we have heard abou the spill at Dow Chemicals. I want to ensure that the Government knows that that is not the only company operating along that river. There are some 15 plants located adjacent to the river including companies like Suncor, Esso and Petrosar. It is my understanding, Mr. Speaker, that some of these companies have direct sewer discharges into the St. Clair River. That means there is no intermittent discharging location such as a pond or other controlled area where the waters which are discharged by the plants can be analyzed before they are finally discharged into the river. Therefore, there is potential for pollution of the river which must be corrected.

In Sarnia and other places we must put into place preventive measures which will ensure that whatever is discharged into the river, whether or not by way of accident, is not toxic to the health of humans and the habitat. In order to do that we must improve our treatment and pretreatment of substances that are to be discharged. We are presently doing that only partially and only on certain sites where the industry is very modern and of recent construction.

I would feel much better, as I am sure every individual in Canada would, if we were to adopt a practice of anticipation and prevention of damage by ensuring that what is discharged into our waters and the air have no toxic or negative effects on our health. I submit, Mr. Speaker, that the time has come to change our attitude toward the environment. The experience in Sarnia is one which teaches us that we must make this change in our way of thinking. The fact remains, Mr. Speaker, that the toxic substances which we discharge do not disappear into water and air. They become part of the habitat and have long-term effects which we may regret a generation later.

Tonight I seek from the Government an assurance that rather than continuing to search for answers in the nature of curing and reacting to the damage after the fact, it will, jointly with industries and the communities affected, put into place measures which will anticipate and prevent spills of this nature from happening in the future for the protection of the health of large numbers of people whose water quality depends on that of the Great Lakes. I hope that the Parliamentary Secretary is in a position to give us this reassurance.

● (1850)

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the recent spill of perchloroethylene into the St. Clair River and the subsequent public attention it has engendered on the pollution of that river underscores the importance that citizens place on environmental protection. It is that same public concern which stimulated governments to sign the 1972 and 1978 Canada-U.S. Great Lakes Water Quality Agreements. Under those agreements successive administrations of federal and provincial governments have striven to strenghten pollution control measures with measureable results.

But it is recognized that much remains to be done, especially with regard to the control of toxic substances. In recognition of this need, governments around the Great Lakes are focussing attention on the "hot spots"; those problem areas in which environmental quality is degraded and requires special remedial action. Currently the International Joint Commission has identified 21 such areas in the United States; 12 in Canada, in addition to the 5 interconnecting channels including the St. Clair River.

In 1983 Canada and Ontario decided to join the U.S. agencies in undertaking a detailed study of the Detroit, St. Clair and St. Marys Rivers. The intent of the massive interagency study is to detail environmental conditions and pollution sources, to provide the scientific and technical basis for the development of specific remedial action plans for these areas. These plans are to be submitted to the International Joint Commission for review and the Commission will monitor the rate and effectiveness of the measures implemented under the plan. This action is currently under way at a total cost of some $8 million and will continue and be accelerated as required.

In addition to this major initiative, on November 1, the Minister of the Environment (Mr. McMillan) directed Environment Canada to undertake a short-term investigation to detail the extent and probable sources of the tarry substance, which is the current focus of public concern. That investigation is also underway and its results will be announced shortly, probably in mid-December. To the extent that further immedi-

ate action can be taken, such measures will be implemented. The nature of these cannot be determined until the results of the study are in hand.

As is well known, pollution control is just as essential as it is costly. But it would be foolhardy to discuss cost before the immediate extent and sources of pollution are known and documented.

[*Translation*]

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

The House adjourned at 6.53 p.m.

HOUSE OF COMMONS

Tuesday, November 26, 1985

The House met at 11 a.m.

● (1105)

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

INCOME TAX ACT AND RELATED ACTS

Hon. Ray Hnatyshyn (for the Minister of Finance) moved that a Ways and Means motion to amend the Income Tax Act and related statutes and amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act, be concurred in.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Call in the Members.

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

(*Division No. 135*)

YEAS

Members

Andre	Bouchard	Collins
Attewell	Bourgault	Comeau
Beatty	Brightwell	Cooper
Bernier	Brisco	Corbett
Binns	Cadieux	Cossitt
Bissonnette	Carney	Côté
Blackburn	Charest	(Lac-Saint-Jean)
(Jonquière)	Clark	Côté
Blais	(Yellowhead)	(Langelier)
Blais-Grenier	Clark	Crofton
Blenkarn	(Brandon-Souris)	

Crosbie	Joncas	Oberle
(St. John's West)	Jourdenais	O'Neil
Crouse	Kempling	Paproski
Darling	Kilgour	Pennock
Daubney	King	Peterson
Della Noce	Landry	Pietz
Desjardins	Lanthier	Price
Domm	La Salle	Ravis
Dorin	Layton	Redway
Duplessis	Lesick	Reid
Edwards	Lewis	Ricard
Ellis	MacDonald	Schellenberg
Elzinga	(Kingston and	(Nanaimo-Alberni)
Epp	the Islands)	Scowen
(Provencher)	MacDougall	Shields
Fennell	(Timiskaming)	Sparrow
Fontaine	MacKay	Speyer
Fraleigh	Mailly	Stewart
Fretz	Malone	Tardif
Friesen	Mayer	(Charlesbourg)
Gass	Mazankowski	Thacker
Girard	McCain	Towers
Gormley	McCrossan	Tremblay
Gottselig	McCuish	(Québec-Est)
Graham	McDermid	Tupper
Gravel	McDougall	Turner
Greenaway	(St. Paul's)	(Ottawa-Carleton)
Hamelin	McInnes	Valcourt
Hamilton	McKenzie	Vincent
Harvey	McKinnon	Weiner
Hawkes	McKnight	Wenman
Hees	Merrithew	Wilson
Hicks	Minaker	(Swift Current-
Hnatyshyn	Mitges	Maple Creek)
Hockin	Mulroney	Wilson
Holtmann	Nicholson	(Etobicoke Centre)
Horner	(Niagara Falls)	Winegard
Hudon	Nickerson	Wise
James	Nielsen	Witer—131.
Jelinek		

NAYS

Members

Allmand	Gray	McDonald
Althouse	(Windsor West)	(Broadview-Greenwood)
Berger	Guilbault	Murphy
Blaikie	(Saint-Jacques)	Nicholson
Boudria	Heap	(Trinity)
Caccia	Henderson	Orlikow
Copps	Hovdebo	Penner
Deans	Isabelle	Pépin
de Corneille	Johnston	Prud'homme
Dingwall	(Saint-Henri-Westmount)	Riis
Epp	Kaplan	Robichaud
(Thunder Bay-Nipigon)	Keeper	Rodriguez
Finestone	Langdon	Rossi
Foster	MacLellan	Skelly
Frith	Manly	Tardif
Fulton	Marchi	(Richmond-Wolfe)
Gagliano	McCurdy	Waddell—45.
Gauthier		

Mr. Speaker: I declare the motion carried.

Hon. Michael Wilson (Minister of Finance) moved that Bill C-84, an Act to amend the Income Tax Act and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act, be read the first time and be printed.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

● (1140)

REPRESENTATION ACT, 1985

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-74, an Act to amend the Constitution Act, 1867 and the Electoral Boundaries Readjustment Act and to provide for certain matters in relation to the 1981 decennial census, as reported (without amendment) from the Standing Committee on Privileges and Elections.

Mr. Murphy: On a point of order, Mr. Speaker, before we consider Bill C-74 I would like to inform the House that I do not intend to move Motions Nos. 1 and 7 standing in my name since the Government has now introduced amendments fulfilling the needs which I expressed in committee.

Mr. Speaker: Accordingly, there were seven motions, but there are now five at the report stage of Bill C-74 on the Order Paper. I have looked at them all and have found that some are out of order for various reasons. Motions Nos. 1 and 7 standing in the name of the Hon. Member for Churchill (Mr. Murphy) have now been withdrawn, therefore I need make no comment with regard to them. Motions Nos. 2 and 3 are in order and will be debated and voted on separately.

Motion No. 4 standing in the name of the Hon. Member for Nickel Belt (Mr. Rodriguez) and Motion No. 5 standing in the name of the Hon. Member for Algoma (Mr. Foster) give the Chair some procedural difficulty in that they appear to go beyond the scope of the Bill. It is my intention, however, to hear procedural arguments as to their acceptability when they are called. Motion No. 6 is in order and will be debated and voted on separately. Accordingly, I now propose to go to Motion No. 2.

Hon. Ray Hnatyshyn (President of the Privy Council) moved:

Motion No. 2

That Bill C-74, be amended in Clause 2

(*a*) by striking out lines 10 to 13 at page 2 and substituting the following therefor:

"number assigned to that province on the date of coming into force of this subsection, there shall be".

(*b*) by striking out lines 17 to 34 at page 2 and substituting the following therefor:

"number of members as were assigned on that date."

Mr. Gauthier: On a point of order, Mr. Speaker, I just want to clarify something. I take it that Motions Nos. 1 and 7 have been withdrawn by unanimous consent, or is it required?

Mr. Hnatyshyn: He ruled them out of order.

Mr. Speaker: In fact, the Hon. Member in whose name they stood on the Order Paper has indicated that he has no intention of moving them. There is then no way for them to come before the House because he has chosen not to move them. Does that deal with the point of order of the Hon. Member for Ottawa-Vanier (Mr. Gauthier)?

Mr. Gauthier: Yes.

Mr. Hnatyshyn: Mr. Speaker, I would like to make a few remarks with respect to this particular amendment. At the outset I would like to say that I appreciate very much the position taken by the Hon. Member for Churchill (Mr. Murphy). He is always vigilant and always prepared to pursue his particular point of view. I would just like to remind the House that at the outset of the clause-by-clause discussions I had, on the basis of the evidence that had been presented to the committee and on the basis of representations received from members of the committee, given my undertaking to make certain amendments to this legislation which I thought would respond to some of the concerns that had been expressed. Due to the fact that there was an element of expenditure involved, it was necessary to obtain a Royal recommendation which is the reason this is being dealt with at report stage as opposed to having been dealt with in committee.

As I indicated, Mr. Speaker, I undertook to propose an amendment at report stage and told Members at that time that I would give serious consideration to adopting the wording proposed by the Hon. Member for Churchill. Motion No. 2 fulfills the undertaking which I gave to the committee. The motion, if adopted, would ensure that no province would lose any seats from its present representation in the House. At the same time it eliminates Rule 3 from Clause 2 which provided for growing provinces to receive only one-half of the increase in the number of seats to which they would otherwise have been entitled.

I believe, Mr. Speaker, you have dealt with Motion No. 3 in the name of the Hon. Member for Algoma (Mr. Foster) which seeks to accomplish essentially the same goal as Motion No. 2. However, it leaves out an important safeguard which I think is essential if we are to ensure fair representation in the future. In view of the fact that there are transitory migration patterns within a province or between provinces, it seems only reasonable to ensure that, in removing the cap on the growth of representation, we allow a mechanism for such transitory shifts to have only a temporary effect on the representation. I do not anticipate that the provisions of Rule 2 will very often operate to reduce the number of seats given to any province, however, it seems to me to be an essential safeguard.

I may say, in closing, that the effect of deleting Rule 3 and the changes proposed in Clause 6 of the Bill will, in large measure, provide the commissions with the tools to carry out the intentions of the two motions previously ruled out of order by the Chair concerning the interests of northern Ontario constituencies. In Ontario the average population per riding in 1988 will be 87,122. The application of 25 per cent will allow

that number to decrease to 65,342. The average population of northern Ontario ridings in 1981 was 70,109.

Therefore, within this new framework the amendment that I am proposing will, in effect, accomplish the objectives that people in Ontario would want to have accomplished. That is to say, it will increase, to the full extent, the number of seats that Ontario will have according to population growth. There will be no limit on that. There is also a new provision which will mandate commissions to pay attention to the issue of manageable geographic size. There are two elements which will ensure, in remote northern areas, that there is a fair opportunity for constituencies of geographically manageable sized. Of course, this applies in northern Quebec, northern Ontario and the northern parts of the western provinces as well.

As I indicated earlier, Mr. Speaker, during the committee's consideration of the Bill I undertook to obtain expert legislation drafting advice with respect to a motion which the committee endorsed but which I felt was defective as to form. I received such advice and Motion No. 6 is the result. I might add that this amendment imposes, for the first time, a duty upon the commissions to consider "community of interest or community of identity" as well as "the geographic size of large, rural or northern districts". I am indebted to my colleague, the Hon. Member for Oxford (Mr. Halliday), who participated in the committee debates and supported the concept which is now included in this legislation. The commissions may not evade their responsibility to take such factors into account in redrawing the boundaries.

This is a new and powerful instrument by which Parliament is, in effect, saying that there are very important matters to consider in establishing new constituency boundaries other than those which relate strictly to representation by population within each of the provinces.

We will all watch with great interest, because we are all affected in one way or another, the way in which the commissions carry out their important new duty. I suggest to Hon. Members that, with the help of suggestions from Members on all sides of the House, we have taken a balanced and reasonable approach through which we will accomplish the objectives of limiting the extent of growth of the House of Commons to keep it within a reasonable size. Yet, through the provisions of this Bill we have allowed for full consideration to be given to provinces in which there is growth. For the first time we have addressed, in a very reasonable way, the question of obligating the commissions to consider "community of interest or community of identity". We also addressed the question of manageable geographic size for constituencies in our country, without departing in any substantial way from the currently understood concept of representation by population. This was one concern that was expressed and I believe we have been able to derive creative ways to deal with it, through amendments to this legislation, with the assistance of the committee.

● (1150)

Let me conclude by thanking the members of the committee for the way they conducted themselves in the hearings and for the interest which they brought to this particular legislation. I should point out that in dealing with this Bill we used the mechanism for consulting Members of Parliament as much as possible on two different occasions. First, we presented the draft legislation to the Standing Committee on Privileges and Elections last June to allow the committee members in the preliminary opportunity to consider the legislation before the principle of the Bill was debated. I hope we will continue to use that mechanism with other legislation after we proceed with the amendments to our Standing Orders as a result of reform of the House of Commons.

I hope that device will be used more often to allow parliamentarians from all sides of the House to address the early stages of legislation rather than having to deal with the principle of completed legislation before going to the committee stage. In many cases it is not possible to have an initial study of legislation, but in this case I thought it was appropriate. It is the kind of legislation that certainly recommended itself to study before being brought in in its final form. Again, I thank Hon. Members for their assistance in this pursuit and commend the amendments standing in my name for unanimous acceptance by the House.

Mr. Maurice Foster (Algoma): Mr. Speaker, the Minister's statement today illustrated some of the problems with the original Bill. Many witnesses who appeared before the Standing Committee indicated that Rule 3 was unacceptable and would face many court challenges. That rule would put a cap on the number of seats for provinces like Ontario, Alberta and British Columbia and would only entitle them to half the additional Members to which they would be entitled pursuant to straight representation by population.

I commend the Minister's decision to remove Rule 3 in Clause 2 of the Bill since it would have been subject to court challenges. Essentially, Motion No. 3 standing in my name would have removed Rule 3.

Incidentally, the Speaker did not rule against Motion No. 5 standing in my name. He wanted to hear arguments about it, and unless the President of the Privy Council (Mr. Hnatyshyn) knows something that we do not, Motion No. 5 has not been ruled out of order by the Speaker.

The President of the Privy Council is aware that this procedure, which will require the establishment of new commissions, a total redistribution commission hearing, and advertising and reprocessing through the House, will cost the country some $5 million or $6 million. However, all that is required to complete the existing redistribution is a couple of hours of debate to hear the objections to the existing redistribution program.

Furthermore, we do not know the effective date of this Bill. It is like shooting an arrow into the air and wondering where it will fall. It is likely that this redistribution will come into effect in the summer of 1988. If an election is called for the spring of 1988, it will be held according to the existing boundaries. If it is called in the fall of 1988, it will take into account the new boundaries. How does the House Leader

propose to remedy this undesirable situation in which the boundaries could be changed during the summer months when people are on holidays? According to the timetable set out by the Chief Electoral Officer, this Bill, if it is approved by the House of Commons and the Senate, will result in a change of boundaries during the summer months of 1988. If the Government so dares, that is the most likely year for a general election.

Whereas there would have been an increase of 10 seats for the Province of Ontario according to the existing redistribution plan, if Motion No. 1 is carried there will be an increase of four seats. Of course, that has the effect of reducing the number of seats by six from the number in the existing redistribution law and will have a devastating impact on northern Ontario since it could well result in the loss of one or two seats.

In 1977 the Commission removed one seat from northern Ontario which covers 88 per cent of the land mass of the Province of Ontario. The Minister will recall that there was long litigation in which tens of thousands of dollars were spent by the municipalities in northwestern Ontario in an attempt to stop that redistribution and the loss of representation. The Minister for International Trade (Mr. Kelleher), on a recent visit to Elliott Lake, said that he wanted to see greater representation from northern Ontario. The impact of this Bill is that we will lose at least one seat and perhaps two seats, depending on how the commission makes its decision. That is why I introduced Motion No. 5. Basically, it describes the geographical area of northern Ontario and asks that it continue to be represented by 11 seats, which would come out of Ontario's allocation of the proposed 99 seats. That is a very fair and equitable arrangement because Ontario is a geographically distinct region representing 88 per cent of the land mass of Canada. Assigning 11 seats in the Ontario allocation does not harm other provinces and will give that distinct geographical location more adequate representation.

• (1200)

With regard to the principle that we are applying to Saskatchewan, Manitoba and Newfoundland where we are providing a floor based on the amount of representation in the thirty-third Parliament, the Hon. Member for Saskatoon sees that as a fair and equitable arrangement for provinces like Saskatchewan and Manitoba. Thus, I am sure, in his sense of equity and fairness he will want to support Motion No. 5 when we get to that motion later this day.

I would like to question the President of the Privy Council. In Motion No. 2 he uses the words "coming into force of this subsection". Whether or not the Government will make a commitment that that subsection will be proclaimed simultaneously with the rest of the Bill because if that subsection were not to be proclaimed, as I understand the legislation, you would end up without the grandfather clause relating to minimum representation.

The Acting Speaker (Mr. Charest): Order, please. I am sorry but I must interrupt the Hon. Member for Algoma (Mr. Foster). I will now recognize the Hon. Member for Churchill (Mr. Murphy).

Mr. Rod Murphy (Churchill): Mr. Speaker, I would like to thank the President of the Privy Council, the Government House Leader (Mr. Hnatyshyn) for making the amendments he has. I made similar amendments both in committee and I was ready to make the same type of amendments at report stage, but he has gone along with the direction that I and the New Democratic Party caucus believe is necessary to improve the legislation. In his kind words, the Government House Leader said that I was diligent in my work. I am not sure other committee members would use that same word in describing my work, but I appreciate the kind words.

Despite the fact that we support the two amendments before us in the name of the President of the Privy Council, we still have some concerns for the Bill.

First, I want to talk about some of the things with which we do agree. I think there is some need to be concerned about the actual size of the House and the costs that will accrue to the House as a result. At the same time, in recognition of our Constitution we have at present and our history, a certain number of seats are guaranteed to some of the less populated provinces. The formula with which the Government originally came up put a very heavy penalty on growing provinces. The Government devised a formula according to which, after a quotient of the average seat population in the country was taken, the provinces with growing populations would be entitled to only half of the increase to which they would be entitled by dividing the population of that province by the quotient. This was blatantly unfair. It created a situation where Alberta, Ontario and B.C. would have larger and larger populations in each of their ridings with the passage of time, which would not be the case in other provinces. In other words, the brunt of the Government restraint action was falling on the three provinces with the fastest growing population.

By making the amendment before us at the present time in Motion No. 2, we go a long way toward solving that problem, especially with regard to the commissions and the new redistribution that will take place based on 1981 populations. For example, British Columbia, which would have received five new seats under the legislation passed in 1974, will now receive four seats. That provides adequate protection for people in B.C. as far as any new boundaries that come up as a result of the 1981 census are concerned.

In the long run, in terms of what might happen after the 1991 census, the 2001 census and the 2011 census, that same fairness will be diminished. That is a problem I see with the legislation. However, I do recognize what happens in this House. Almost every new Government has brought in a piece of legislation to change the distribution of seats in the House of Commons. We passed legislation in 1974 and we are passing legislation now to do that. If there are problems in the future, whichever Party forms the Government after 1988-89 will recognize them as being the result of the legislation before us presently.

I will not deal with Motion No. 6 now but will do so when we come to it, Mr. Speaker.

One of the main arguments the Government used in saying that we did not want to see the membership of the House increased to 310 seats in 1981, to 343 in 1991 and to 369 as a result of the census in 2001 was the need to control the costs of the House of Commons.

In making his presentation before committee, the Government House Leader indicated that it would be better if we looked at the McGrath committee's report, the committee which reported on the reform of the House of Commons. He said that a better utilization of the resources we had for the House which would have to be used to pay for the increased costs as a result of a larger House, would be to give it to the present as well as the new Members of the House who would be here as a result of redistribution. In other words, present Members of the House would be given better resources to do their jobs. This is in line with the recommendations of the McGrath committee, which I support, but I am not sure that that is what will happen.

The new Government has been sitting for over a year now and we are still waiting for some increase in our principal budgets. We are still waiting for some indication that the resources will be available to Members of Parliament to take on the ever-growing responsibilities that we are being given as we move into a system which I think is the system we want. Members of Parliament will be more responsible and will be in a situation to make amendments in committees which will be accepted by the Government. Members of Parliament will be more responsible in terms of dealing with government expenditures, something about which the Auditor General reminded us so effectively in the last few weeks.

I would like to see, along with the passage of this legislation, that we have some commitment from the Government that the resources for the House of Commons are not spent on increasing enormously the number of Members in the House. Those resources should be spent on existing Members to make it possible for us to do a better job in terms of research, looking at the statement of the Auditor General, looking at the expenses of Parliament, proposing legislation ourselves and investigating and amending government legislation. Those resources should actually come, not just be talked about in a general way.

● (1210)

In summary, the amendments of the Government have helped improve the legislation in many ways. Actually, it is much stronger than the legislation which was passed in 1974, in terms of looking after the problems of community of interest and of ridings of large geographic size. However, I cannot fully support it because in the long run, based on the 1991 census and following ones, we run the risk of not protecting the interests of provinces with fast growing populations.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, is the President of the Privy Council (Mr. Hnatyshyn) in a position to give a commitment whereby—

The Acting Speaker (Mr. Charest): Before the Hon. Member for Davenport (Mr. Caccia) goes any further, I should like to remind him that this is not a question and answer period. If the Hon. Member for Davenport has a question which he would like to put to the President of the Privy Council (Mr. Hnatyshyn), perhaps he could mention it and the President of the Privy Council, if he wishes, could answer the question when he addresses another motion.

Mr. Caccia: I will abide by your ruling, Mr. Speaker, and put it in the form of a concern, to which eventually the President of the Privy Council could respond at the right moment.

I should like to express some thoughts with regard to Clause 2. I fully subscribe to the principles which are being applied in northern Ontario and the importance of defending the democratic process, taking into account distances and sparsely populated areas. At the same time, when it comes to Metropolitan Toronto, we have the opposite situation where we have high densities in smaller areas. In addition, we have an ongoing dynamic of a population which includes people who are not citizens but are in the process of becoming Canadian citizens, therefore increasing the numbers of electors.

I express more than just the hope that the increase in seats in Ontario will mean an increase in Metro Toronto, so as to take into account the population, as well as the dynamic to which I have referred, as part of a feature which is typical of a large metropolitan area, as is the case in Metro Toronto. I suspect that the same would apply to Montreal, Winnipeg and Vancouver.

I am sure the President of the Privy Council is aware of these facts, but I wanted to ensure that they were on the record. I look forward to his comments at the appropriate moment.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I come from a region of the country where there are considerable distances between communities. My part of the country in northern Ontario is experiencing, at the moment, a declining population. I suggest to the Government that we do not need less representation from northern Ontario. Because of its many problems, we need to ensure that we maintain the present level of representation.

I know that the argument will be that Ontario's representation in the House is being increased by four Members. When they get through with the readjustment in Ontario, it may very well be that northern Ontario could lose up to two seats. In fact, not only would there be a loss of two seats, but the realignment of the remaining population would increase the geographic distances even more.

When the last Electoral Boundaries Readjustment Commission undertook a study, lo and behold, it came into the Sudbury basin and moved communities like Garson and

Wanapitei into the riding of Timiskaming, and yet the distance between the centre of the Timiskaming riding and Garson was over 150 miles.

I have no problem with southern Ontario getting more seats, but surely any Member from Toronto can stand on the tallest building there and literally see all his constituents. That cannot be done in northern Ontario. In just the same way as the Government is guaranteeing that provinces will not have fewer seats, I hope that it addresses the whole anomaly within regions which are clearly defined. Northern Ontario is clearly defined; it is all those parts of Ontario which are called "districts". The Government should ensure that those particular areas do not get any fewer seats than they already have.

The problems facing northern Ontario are very serious and grave ones. It is built upon a hinterland economy. It is in decline in mining and lumber. It does not need fewer voices in the House of Commons. It needs at least the same number to make arguments for the correction of its problems. God knows that electing more Tories in northern Ontario will not resolve the problem.

Mrs. McDougall: Yes, it will.

Mr. Rodriguez: No, it will not. It never has. It has never resolved any of the problems in the provinces, and it certainly will not resolve the problems in northern Ontario. I hope the Government and its House Leader will listen to the reasonable amendment in Motion No. 4, standing in my name. I hope it is allowed to go through and the Bill amended accordingly.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I appreciate the opportunity to say a few words in the debate on the redistribution Bill. I speak, as did the Hon. Member for Nickel Belt (Mr. Rodriguez), ultimately on behalf of constituents, as well as the Members who will be representing those constituents in northern Ontario. I echo the earlier comments of the Hon. member for Churchill (Mr. Murphy) who appreciated the work of the committee and the motions the Minister brought forward which provided some recognition of regional factors and of the necessity of thinking about more than just the absolute number of people who are resident in an area.

My seat in Thunder Bay-Nipigon is one of several in northwestern Ontario. The Hon. Member for Nickel Belt speaks with close experience of the situation in northeastern Ontario. We in northwestern Ontario have our own experience of distance.

I should like to take a few moments to travel some of those roads with Hon. Members as a way of underscoring the importance of ensuring that it is possible for Hon. Members to be in touch with their constituents and, in an even more important way, for constituents to have ready access to their Members when the sizes of ridings grow. My riding includes small communities which can only be reached by road in any feasible or economic way. One could try flying into some of them, but if the Exchequer of the country had to pay for my chartered flights, all of us would be unhappy about the way in which public funds were being spent. If, however, I make trips to small communities like Armstrong and Aroland by car, I have to spend hours on the road to do so. I will see very few people in relation to the amount of time I have spent on the road.

• (1220)

The people who are resident in these communities have the same difficulties with travelling and even greater difficulties in financing trips to have direct access to me as their Members of Parliament. That is an indication of the kinds of costs that can be imposed even with the existing system of representation. If we face loss of seats in northern Ontario, and I hesitate even to say that, we are going to find ourselves with longer distances to travel, greater costs to be borne and still more limited access to our constituents.

More and more Members will be facing the kinds of difficulties faced by my colleague, the Hon. Member for Kenora-Rainy River (Mr. Parry). He represents an enormous riding that has to be reached in good part by air. Only by getting around in that way can he hope to see his constituents. For that matter, on the provincial scene, the Member of the provincial legislature for Lake Nipigon presently faces such a situation. The motion, which emphasizes the importance of recognizing community of interest, community of identity and a manageable geographic size, Motion No. 6 in the name of the President of the Privy Council (Mr. Hnatyshyn), is of enormous importance in helping us to deal with those situations and in empowering boundaries commissions to recognize these things.

My provincial colleague who represents Lake Nipigon has a great deal of difficulty in getting around his riding, a riding which stretches from 150 miles west of the City of Thunder Bay through the city to communities on highways west of the City of Thunder Bay and up the Trans-Canada Highway. His riding includes all kinds of communities to the north of the City of Thunder Bay and of course the heartland of the riding is centred around Lake Nipigon itself and to the north and northeast of Manitouwadge. When contemplating the time he spends on the road and the thousands of kilometres he puts on his automobile yearly in order to get around his riding, I must admire his pluck in having run for the position and his success in winning it. I wish him well. I trust that he will do as well in representing his riding as did Jim Stokes, once Speaker of the provincial House and the present Member's predecessor in that riding. However, the last thing I would ever want to have to undertake is the kind of travelling that Jim Pouliot now has as his lot as Member of the provincial legislature for Lake Nipigon.

That kind of situation really underscores the necessity of recognizing community of interest, community of identity and manageable geographic area. In geographic area, northern Ontario encompasses 88 per cent of the province. If we maintain 11 seats in a province that will be allotted 99 seats in the Canadian Parliament, more than four-fifths of the geographic area of the province will be represented by only

one-eleventh of the province's Members. It seems to me that that is a reasonable proportion, recognizing the geographical challenges that we face.

As my friend, the Hon. Member for Nickel Belt, said, a Member of Parliament representing a riding in Toronto may have a great many constituents, but that Member, if he or she could see through walls, would be able to see all of his or her constituents. Certainly such a Member could cast his or her eye about and see well beyond the boundaries of the constituency. It is easy to get about in those circumstances. One could surely walk across one's constituency without even having to take advantage of the Toronto public transit system. That offers opportunities for contact and a very limited loss of time in travelling from office to constituents. Those are factors which make the task of the urban Member of Parliament, even if his or her riding is growing rapidly, a more manageable challenge than the challenge we who represent this very large part of the Province of Ontario face.

I am very grateful for the efforts the committee has made. I appreciate the work of my friend, the Hon. Member for Churchill, on the committee. I appreciate the responsiveness of the committee membership and of the President of the Privy Council in bringing forward these motions. I look forward to the sensitivity and care with which the boundaries commission for Ontario will consider the question of how the people of northern Ontario may be properly represented in the Canadian Parliament.

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, let me begin by indicating that I am in the rather fortunate position of being the only Member of Parliament from northern Ontario who represents an urban riding. While I heard the very eloquent speeches made by my colleagues from northern Ontario who are members both of the NDP and of the Liberal Party, I must confess that I am fortunate in the sense that I do not have to deal with all the problems they do in order to represent my constituents properly. However, I will say that as a resident of northern Ontario, I feel very strongly about the intent of the amendment put forward by the Hon. Member for Nickel Belt (Mr. Rodriguez) and the amendment put forward by the Hon. Member for Algoma (Mr. Foster). Frankly, neither Member would care to make debating points here on the floor of the House of Commons as long as the Government listens to the intent of both amendments; namely, to make sure that, when the electoral boundaries are changed and the number of seats in the House of Commons is increased, 11 seats remain for the geographic area known as northern Ontario.

The Hon. Member for Algoma, the Hon. Member for Nickel Belt and the Hon. Member for Thunder Bay-Nipigon (Mr. Epp) have indicated the difficulty they face in getting around their ridings in northern Ontario. I can speak from experience in that when I had the fortune to represent the regional municipality of Sudbury as the chairman of that larger centre, I often travelled to Toronto to indicate to the provincial Government the necessity of making sure that we retained the same number of MLAs. The Province of Ontario has guaranteed that the numbers will remain, and I see no reason why the federal Government should not indicate its support for the basic principle that there is more than representation by population at stake in this issue.

I have often said that northern Ontario has 10 per cent of the population of the province but 80 per cent of the land mass. If a Member is to serve his constituents properly, the rule of thumb of representation by population must have some flexibility. Otherwise the Members who represent northern Ontario are not going to be effective in representing their constituents' interests.

I recall very well the debate which occurred during the previous Parliament. At that time, the Government wished to change some of the boundaries for the ridings in northern Ontario. One of the astounding proposals made by the commission was that the Town of Nickel Centre which sat in the middle of the riding of Nickel Belt was to be taken from that riding and given to the riding of Timiskaming. Everyone in the House knows that that would have meant that the Member of Parliament for Timiskaming would visit the Town of Nickel Centre, a town with a population of 10,000 or 11,000, perhaps only once every two years. The only ridings in this country which would be comparable in terms of area to those in northern Ontario would be those in northern Quebec and the Territories.

In addition, all of us, whether we are of Conservative, Liberal or NDP persuasion, have cried foul for many years about the way in which the national air carriers and railway services have been delivered into the northern parts of Ontario. Therefore, it is even more important, given the track record of Governments and their failures, to commit themselves to a reasonable standard of service with respect to transportation facilities in northern Ontario. It is more important for the Government to recognize the fundamental right to maintain 11 electoral districts in northern Ontario. If the Government does not maintain them then the people who will suffer under this type of change will be the people who live in the North.

• (1230)

I do not make my remarks to take away from some of the arguments which have been made in the House with respect to the need for additional representation in southern Ontario. That has abolutely nothing to do with the argument. The Hon. Member for Nickel Belt said it well when he indicated that it is one thing for a Member of Parliament to fly from Ottawa in one hour, land at Pearson International Airport and in a very concentrated way service a riding such as Scarborough which has approximately 155,000 to 175,000 constituents. I do not take away from the workload of that Member of Parliament. However, it is a far cry from the physical necessity of the Hon. Member for Nickel Belt, or for the Hon. Member for Algoma to fly from Ottawa via Toronto, land in his home constituency of Sudbury or Sault Ste Marie and then start off in an automobile trek to cover up to several thousand square miles in order to service his constituents properly.

I make this impassioned plea to the Government to listen well to the words of all three political Parties which represent northern Ontario to ensure that we are guaranteed these 11 seats. If that can be done, then I say with honesty that the people of northern Ontario will applaud the Government regardless of its political stripe.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I would like to make some comments with respect to the question of representation in the context with which the amendments have been laid out. My comments are to reinforce the comments made with respect to the necessity of recognizing special cases for remote and northern areas. The coast of British Columbia, northern British Columbia, the Northwest Territories, the Yukon and Atlantic Canada are all areas of the country in which it is extremely important for representation to have an impact on the Government of Canada. In this regard I ask Hon. Members to consider the question of fisheries. In Canada, the bulk of our fisheries is conducted in two areas of the country which a small number of Members of Parliament represent when compared with central Canada. It is something in the order of 20 Members of Parliament versus 210. In order for important issues in the country to make an impact, the question of protecting representation in rural and remote areas is extremely important.

The second point with which I would like to deal is the question of Schedule III ridings. I take my own riding as an example, but certainly I could use as an example the ridings of other Members of Parliament who are faced with this task. The riding of Comox-Powell River which I represent consists of 30,000 square miles of the coast of British Columbia. There are more than 120,000 people in the riding. My riding, compared with Prince Edward Island, is five times bigger with virtually the same population. While Prince Edward Island is guaranteed four Members of Parliament and ministerial representation in Cabinet, the Comox-Powell River area has one Member of Parliament. There are no government offices to speak of in my riding. They are in the major centres but, in my cases, they may be 300 miles away from the people who need them. Contact is impossible. If a constituent is dealing with a regional or district office it will be seen that they are located only in Vancouver or Victoria and are only accessible by long distance telephone calls. They are impossible for constituents to visit. The upshot of all this is that the Member of Parliament becomes the key point of contact for the federal Government. The task is extremely difficult.

The riding of Vancouver Quadra, which is represented by the Leader of the Official Opposition, is 30 square blocks of Vancouver in which one constituency assistant in one office can handle the bulk of the work. The difficulty facing those who represent large Schedule III ridings is that it is impossible to obtain government services in a reasonable manner for constituents. It is difficult for a single Member of Parliament to try to handle a large population and a difficult piece of geography. Again, there are no highways, no regular air service and no regular and effective marine transportation. The Government has to consider special measures in terms of obtaining fair and effective representation for the people who live in those areas and the issues which affect their lives.

Another aspect of this complex problem is that if one takes the 30 square blocks of Vancouver Quadra one will see that there are not complex issues such as those dealing with search and rescue along 300 miles of the coast of British Columbia. That riding does not have a large number of native bands in remote areas which face extremely difficult problems. The fishing industry is not carried on in that particular area. Again, marine and air transportation are not major factors in the day-to-day lives of the people who live in Vancouver Quadra when compared with the lives of those who live in the ridings of Skeena, the Northwest Territories, the Yukon or, for that matter, Comox-Powell River. It is extremely important for those people to have adequate representation. Again, I use the comparison of Comox-Powell River and Prince Edward Island where we are looking at a ratio of four to one with all the anciliary services which are provided to a Member of Parliament.

The last point I would like to make is with respect to my concern that aboriginal people are not guaranteed representation in the House of Commons. The area I represent, the riding of Skeena and many of the Schedule III ridings in the northern parts of our country, have large representations of aboriginal people. They are not guaranteed seats in the House of Commons. Their perspective of viewing the nation, its development and the major issues which face it are unique and extremely important. They are becoming more and more important each day. We may not have been faced with the crises of Lyell Island, Meares Island and those which continue in different geographic locations if we had been able to guarantee and at least address the problem. It is a problem. There has to be a guarantee with respect to representation of aboriginal people in the House of Commons.

With that final comment I will conclude my remarks. I hope that some of the suggestions made here and the problems outlined do not fall upon deaf ears.

[*Translation*]

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I would also like to make a few comments on Bill C-74.

Not long ago, I represented a riding that came very close to disappearing from the electoral map, as a result of a decision to realign the boundaries of electoral districts.

I think that basically, in a debate like the one we are having today, we should ask ourselves exactly what kind of role a Member of Parliament is supposed to play. What are a Member's responsibilities?

A Member of Parliament is of course a legislator, but a Member is also a liaison officer and a communicator. I think we must not lose sight of this very fundamental role the Member is expected to play. I think that if we accept the premise that a Member's role lies in liaison and in communicating, legislating changes in electoral boundaries would

appear to be very unfair or at least create an imbalance which I find totally unacceptable.

Take my riding, for instance. I represent a district located between the urban areas of Drummondville, Sherbrooke, Victoriaville and Thetford Mines. Although the population density is very low, the surface area of this district is quite large. And there are the usual daily problems. People are having trouble with the system, with unemployment insurance, and they wonder which office is going to be able to solve their problem. In many cases, people are not quite sure whether they should go to the office in Thetford or Sherbrooke or Victoriaville.

Here, Mr. Speaker, the Member has a responsibility to provide information and act as a guide in order to show people how to access all the services offered by the Government, and heaven knows there are a lot.

• (1240)

The purpose of the legislation as such, and in fact any measures aimed at reducing expenditures, would appear to be both acceptable and praiseworthy, and I think that as the elected representatives of our constituents, we ought to support and encourage such measures.

On the other hand, Mr. Speaker, we must not forget that the Government through its departments spends several hundred million dollars annually to get its message across to Canadians and to be as close to the people of this country as it possibly can. Unfortunately, every day we are forced to admit that this superhuman effort that is costing us millions and billions of dollars is missing the mark and failing to produce the expected results. Now, under our democratic system, the opportunity is there to use as liaison officers our Members of Parliament who have a genuine role to play in informing their constituents about the Government apparatus.

Mr. Speaker, I submit, with respect, that the Bill before the House today, or rather the amendments, appear to place constraints on this vital and fundamental role of the Member of Paliament, and it does so in the following way, and I will give an example. Technically speaking, in large cities with what could be called a homogeneous population, we could have 200,000, 250,000 or even 300,000 people represented by a single Member, who would be able to perform his duties as a Member to the satisfaction of all concerned because the problems of these constituents are comparable and similar, so that the information they need does not have to be extremely diverse, and so the Member would be able to perform his duties quite adequately. However, there are ridings where because of the vast territory involved and many different problems that may arise, depending where one lives in the riding, a very small constituency nevertheless requires that a Member work full time if he takes his responsibilities seriously.

Mr. Speaker, as a country reaches a certain stage and under a democratic system, I believe there is a cost we must be prepared to pay. I think that we cannot have a real democracy unless we are going to pay that cost, whatever it may be, and I think an exercise like this one should be considered not just in the light of economics but also in the light of the democratic system we have in this country, and our basic emphasis, our basic motivation should in this case be the fact that Canadian citizens deserve adequate representation instead of the consideration that this might cost us an astronomical sum of money.

Mr. Speaker, I would remind you that under a previous proposition the Province of Quebec would have been represented by 79 Members. Had things been left as they were Quebec would have elected 79 Members of Parliament. If the Bill under consideration were to be enforced as is, the end result would be that Quebec would only have 74 Members. Since existing rules provide that a province may not have fewer Members than it already has, the number of representatives looking after the interests of Quebecers would remain at 75. However acceptable it may be, the population will keep increasing and it would be better to have 79 Members, that is four more. With four more Members, Quebecers would have easier access to the Government process and would be able to contact more Members to obtain various information.

In conclusion, Mr. Speaker, I think we should lend a sympathetic ear to those who advocate savings. Still I want to reemphasize a significant aspect, namely the fact that every year the Government spends hundreds of millions of dollars to communicate with the Canadian public, yet we have right here an institution or a system which enables us to feel the pulse of Canadians through Hon. Members who were elected in full confidence and who are in a better position than anybody else to appreciate the problems facing their constituents. Not only should we enlarge the representation, but we should also make sure it is an ongoing process Mr. Speaker, consideration must be given to saving taxpayers' dollars and to improving communications through Members of Parliament. Given the choice, I would be in favour of electing more Members so that the lines of communication between Canadian men and women and their government would be more open than they are now.

To my mind, the kind of savings that might result from this measure are not really worthwhile because the various departments already spend a lot of money to achieve similar objectives.

That is the contribution I wanted to make in this debate.

[*English*]

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I want to take a few moments to give my observations on what I have been listening to the better part of the debate this morning. What I think the speakers are simply saying is that their constituencies are unique. I would be the first to agree with

them that every constituency in Canada is unique in its size, population, travel route or whatever. I am not persuaded, however, by the last speaker who said that if he had more representation he would be able to give better representation to the province of Quebec. The Hon. Member for Churchil (Mr. Murphy) talked about northern Manitoba and northern Ontario, claiming that greater representation in numbers would lead to better representation. I would submit that a fundamental question is being lost in the debate. What Members of Parliament ought to be considering is not how many of us there are or whether or not we should grow every 10 years according to the census, but rather what is the appropriate size for the best decision making?

The course we have followed in the history of the Parliament of Canada is that after every census the size of the House of Commons becomes larger. I am one who believes that that route will ultimately destroy Parliament. It means that we will have more and more government by Cabinet and less and less government persuaded by parliamentarians who are private Members. By increasing the size of the House of Commons, we do not increase the length of the day or the week and, therefore, each Hon. Member's opportunity to participate in questions or in speeches is diminished. If we add more Members on the basis that more Members give better representation, I think we deceive ourselves and denude Parliament. Each Member has less opportunity, not more. What our regions, districts and constituencies need is effective, powerful Members who can come here and have a fair chance to do their work.

● (1250)

We have heard today about the difficulties involved in big constituencies. No one knows those difficulties more than I do. My riding is 220 miles by 180 miles and contains 113 individual communities. I run the wheels off a vehicle every two years. But I would not give up that constituency for one in the City of Toronto which is six blocks by 10 blocks. The reason is the stability of the population in a rural ranching riding. When a rancher and his wife retire, their sons and daughters take over. That is stability. As well, urban constituencies have to take ethnic considerations into account. I know of one constituency which has to have translation facilities in order to communicate with some 13 different ethnic groups. Therefore, the first principle we need to accept is that every riding is unique. To say that we need a larger House of Commons is the wrong way to go because I do not believe it leads to better representation. What we as Members of Parliament need is a budget which will allow us to serve us the ethnic needs, if that is the problem in the riding; transportation costs, when that is the problem in the riding; or translation services, if that is the problem, whatever the case might be.

I sat beside the Hon. Member from Mississauga one day when he was signing books and books of certificates for new Canadians. What amazed me was that he finished signing just one book of these certificates and I realized that that was the number I would do in my constituency in a year. This reflects the uniqueness of all the different constituencies. Therefore, for someone to stand up and claim that our ridings are unique and therefore we need more Members is a claim that falls on deaf ears. What we need is to have a Member manage his budget in a way which will be most helpful in allowing him to represent effectively the people who elected him. He must be accountable for that money. The record of how the money is spent should be published three or four times a year so that constituents can determine whether or not their Member is spending public funds in a worth while and worthy manner.

In conclusion, I believe the House of Commons is probably already too large and the optimum size should be somewhat smaller. To anyone from the other side of the House wants to volunteer to give up his or her seat I would say that a smaller Parliament would lead to more effective debate, a stronger Parliament and less domination by Cabinet, because each of us would be more effective rather than less, as is the case, I believe very strongly, in Great Britain. There are some 600 Members there who pack the House of Commons so tightly that they all cannot sit in the House at the same time. They do not stand in their place for votes, they file by the Speaker as they leave the Chamber saying yea or nay. Bigger does not mean better. What we really want to do is to make each individual Member more effective. We cannot use the argument of individual uniqueness for increasing the representation in the House because every Member could make that case.

Mr. David Berger (Laurier): Mr. Speaker, there are many ironies in politics, many things which are very ironic about the actions of this Government, but this Bill has to represent one of the greatest ironies. In the last election the Conservative Party proposed to give a voice to western Canada. With this Bill it is taking away seats and taking away that voice from western Canada.

Mr. Hnatyshyn: Read the Bill, David. You might come to the opposite conclusion.

Mr. Berger: Over the last four or five years, and even longer, we have heard about western alienation. We know that many western separatist movements were started. We know, of course, of the battles waged by the western Premiers to have their interests represented in national decisions. The basis of all these complaints is power. Even today with this Tory Government and its strong representation from western Canada, people in the West complain that decisions are made according to the interests of central Canada. One has just to look at the arthmetic. In the current Parliament there are 282 seats with some 75 seats in Quebec and 95 in Ontario for a total of 170. It does not take a genius to figure out that the Conservative Party at present has much greater representation in Ontario and Quebec and that it can make decisions in the interests of these two provinces and really ignore the rest of the country.

Under the current legislation, passed by a Liberal Government, Alberta would have some 27 seats in the next election. Under the Bill proposed today by the Conservative Party, moved by the Hon. Member for Saskatoon West (Mr. Hnatyshyn), Alberta will only have 25 seats. British Columbia would

have had 33 seats and will now have only 31. That is fewer seats than there are in Calgary and Edmonton, thanks to the Conservative Government.

The Acting Speaker (Mr. Charest): It being one o'clock I do now leave the chair until two o'clock p.m.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 22

[*English*]

LABOUR CONDITIONS

UNEMPLOYMENT STATISTICS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, when is the Government going to tell Canadians the truth about unemployment in Canada? It continues to boast smugly that jobs are being created, but it is not stating how many good jobs are being lost. It is not saying that full-time jobs with benefits are being replaced by part-time jobs without benefits. It is not saying that the number of Canadians who are unemployed for more than a year and are without the benefit of unemployment insurance is double the number who were in that situation in 1982, and four times the number in 1981.

The Government will not say that most of the provinces, the trade union movements and many national organizations have serious reservations about the Canadian Jobs Strategy. The Gallup poll published on September 23 indicated that 66 per cent of Canadians thought that unemployment should be the Government's top priority. This indicates that Canadians have no confidence that the Government's Budget and economic policy will do the job. That is why the Conservative Party has lost 18 per cent in the polls and why 52 per cent of Canadians are not satisfied with the Conservative Government's performance.

The Prime Minister (Mr. Mulroney) will be attending a federal-provincial conference in Halifax later this week. That will be an opportunity for him to reconsider the Government's unemployment policies and finally do something meaningful about this most serious issue.

S.O. 22

PUBLICATIONS CANADA

MAIL RETURNED TO SENDERS—"ADDRESS UNKNOWN"

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am concerned and my concern is growing daily about the course the Government has charted and the confidence that Canadians have in the direction that has been set. During a recent visit to my constituency it became clear that my concern is shared by others, including many young Canadians.

A number of students in Miss Peschik's grade five class in Chase, British Columbia, were studying Canada and the Canadian Government. It was not clear to them just what direction the Government was taking on a number of issues so a number of the students, including young Richard Velestuk, sent requests for Government publications to Publications Canada located here in the nation's capital—or so they were led to believe. In each case the self-addressed request cards, printed and supplied by Publications Canada of the Government of Canada, were returned to the students with the ominous message: "Addressee moved, address unknown" stamped on the front.

I was pleased that Richard and his classmates saw fit to bring this matter to my attention but, frankly, I am worried about the kind of signal that the Government has sent to this class of young Canadians. What does this say to these young Canadians about the Government's ability to manage its responsibilities and obligations to the citizens of the country? Where is the Government going? This class of young Canadians might reasonably be expected to ask themselves where the country is going, or where it has gone. Should it not, at least, leave a forwarding address?

* * *

AIR TRANSPORT

EFFECT OF TAX CEILING REMOVAL

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, there is a 9 per cent tax on airline tickets bought in Canada for travel within Canada. Effective September 1, 1985, the $30 ceiling on this Canadian air transportation tax was removed. This removal greatly affects western Canadians. By way of example, Toronto represents the largest point of origin or destination to and from my Province of Saskatchewan. The removal of the ceiling adds between $20 and $24 to each return ticket between Saskatchewan and Toronto. With the removal of the ceiling the basis for the tax becomes distance related—the longter the haul, the greater the tax.

The removal of the ceiling is inequitable because those Canadians living in more remote areas bear all of the increase, while commuters in the corridors between Montreal, Toronto, and Ottawa are not in any way affected.

Deficit reduction is very necessary and this measure would generate some $55 million annually. I suggest, however, that those in the more remote areas ought not to bear the entire increase. The additional revenue can be gathered through a

global flat tax or by other means. Access to transportation is surely one of the great links in our chain of national unity.

● (1405)

With respect, the removal of the ceiling on the Canadian air transportation tax should be re-examined with a view to restoring regional equity, thus recognizing the historical and geographical travel requirements of all Canadians.

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[*Translation*]

THE ECONOMY

INCREASE IN REAL ESTATE SALES

Mr. Marcel R. Tremblay (Quebec East): According to the Canadian Real Estate Association, Mr. Speaker, the residential real estate market in Canada improved considerably last month, chalking up the best figures ever recorded in any month of October.

The survey was based on operations through the multiple listing service, a collective marketing system used by most of the 112 real estate agencies in Canada.

Last month's house sales in 25 Canadian metropolitan areas exceeded by some 2,000 the number of units sold throughout Canada in October 1984.

More than 200,000 houses were bought through the MLS this year, and 1985 will prove to be the best year ever in terms of residential real estate transactions in Canada.

Sales during each month of 1985 were better than those in each corresponding month in 1984, including the month of October. MLS house sales in Canadian urban areas rose by 39.5 per cent over those of 1984.

CREA President David Hawkins has indicated that lower interest rates, stabilizing prices and favourable economic prospects have contributed to rising real estate transactions. Mr. Hawkins went on to say that "the real estate industry is not the only one to benefit from such buoyant market conditions because, when house sales are good, business improves as well for electrical appliances manufacturers, surveyors, decorators, moving companies and many other Canadians".

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[*English*]

NATIONAL PARKS

CELEBRATION OF CENTENNIAL—CRITICISM OF GOVERNMENT POLICY

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in two days we will celebrate 100 years of national parks in Canada in an atmosphere of retreat. The Government has cut $30 million from the Parks Canada capital budget. It is sitting on a marine park policy which was ready to go in the summer of 1984.

The Government has not built on what it found. Even Ellesmere Park, ready to go since September, 1984, is waiting for action. Nothing has been done about declaring the Bruce Peninsula a national park. Nothing has been done to give goals and scope to Canada's second century in parks.

Nothing has been done to establish a parks capital acquisition fund in order to ensure the continued growth of our national parks system. The Government has failed to provide leadership in resolving the issues surrounding the four mountain parks in the Rocky Mountains—where it all started.

The Government deserves little thanks for the way it has handled Canada's national parks in its celebration of the centennial thus far. There has been a lot of public relations but no substance.

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FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

SIZE OF FEDERAL TRANSFER PAYMENTS

Mr. Rod Murphy (Churchill): Mr. Speaker, the Conservative Government plans to advance by one year its scheme to cut $400 million in federal transfer payments to the provinces. If this plan becomes a reality, it would fly in the face of the promise for full reinstatement of such money made by the Prime Minister (Mr. Mulroney) during the election campaign.

I would like to read from page 98 of the Progressive Conservative campaign handbook. It says: "We would return to the 1977 funding formula . . . for post-secondary education".

No doubt the Premiers are becoming increasingly concerned about the effect that these cuts will have on the provinces. The Quebec and Atlantic Premiers have joined Manitoba and are starting to let their true feelings be known, much to the chagrin of the Prime Minister.

The Premiers and their Finance Ministers, as well as other Canadians, are beginning to realize that the Government does not consult with anybody but a polling firm. In fact, amending this legislation before its expiry period in April, 1986, instead of April, 1987, is being done without provincial consensus. It is a major unilateral action by the Conservative Government.

May I remind the Prime Minister that his Government was elected on a promise of greater agreement and co-operation with the provinces? I call upon the Government, in its meeting with the Premiers in Halifax later this week, to live up to its promises to Canadian students, to live up to its promises to people who are concerned about medicare services, and withdraw the proposal to reduce funding from medicare and post-secondary education.

VETERANS AFFAIRS

FORTIETH ANNIVERSARY OF LIBERATION OF HONG KONG VETERANS

Mr. Jack Shields (Athabasca): Mr. Speaker, it was stated by the Liberal Member for Saint-Jacques (Mr. Guilbault) that a journey of remembrance by a group of veterans to visit Canadian war graves is "a pure unadulterated junket". I am truly sorry that I find it necessary to stand in the House to protest that statement most vehemently. How soon we forget.

The purpose of the journey is to commemorate the fortieth anniversary of the liberation of the Hong Kong prisoner of war camps. Many Canadians were incarcerated there amid difficult conditions. Many gave five years of their lives so that those who came after might enjoy the freedoms which they purchased at a very high price.

● (1410)

Those young Canadians, mostly in their twenties, sacrificed their youth, their health, and in many cases their lives to purchase the freedoms we enjoy. Their graves are scattered throughout the Far East, in Hong Kong, in Burma, in Singapore, and in other Far East areas. Young soldiers, airmen, seamen from Canada and allied nations, lie in many foreign fields.

We are told by the Hon. Member for Saint-Jacques that a visit of remembrance to the gravesides by their fellow veterans is a junket, Mr. Speaker. How soon we forget. There may be trips that enter that category. This is not one of them. There is no apology needed for this fitting commemoration of our war dead.

It is true that there will be a bugler and a piper along, Mr. Speaker. This is one of the ways we honor our war dead buried in foreign lands.

Mr. Speaker: Order, please. I must advise the Hon. Member that his time has expired. The Hon. Member for Témiscamingue (Mr. Desjardins).

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[*Translation*]

AUTOMOTIVE INDUSTRY

ATTITUDE OF CERTAIN MEMBERS TO HYUNDAI COMPANY DECISION

Mr. Gabriel Desjardins (Témiscamingue): Last weekend, Mr. Speaker, many of my fellow citizens told me they were indignant at the contemptuous behaviour of Quebec Liberal Members of Parliament concerning Hyundai's decision to build a plant in Bromont, Quebec.

Mr. Speaker, what a pitiful performance by federal MPs—led by the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) and the Hon. Member for Shefford (Mr. Lapierre)—who resorted to indecent and vulgar language to criticize our Government's constructive approach in preparing and finalizing this project.

Mr. Speaker, what an commendable way to welcome a company that will create more than 1,200 permanent jobs for Canadians!

Such outrageous behaviour on the part of Members opposite obviously shows they are jealous and envious of our Government's achievements, for they were always advocating confrontation and never cared much about job creation.

So much political partisanship proves that Quebec Liberal MPs are doing their best to remain on the Opposition benches for quite some time.

Quebecers have had enough of those lesser politicians who turn this venerable institution into a huge circus with their sordid game of upmanship.

Henceforth Quebecers will know that they can rely on the dedication and talent of Quebec Conservative Members to serve their interests well.

* * *

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—STATEMENTS ATTRIBUTED TO AMERICAN AMBASSADOR

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, the recent remarks made by the American Ambassador to Canada, Mr. Thomas Niles, are certainly disturbing. What is more disturbing is the position of the Canadian Government.

In Halifax, Ambassador Niles told the media that the United States wants to talk about the commercial implications of regional development programs as part of the so-called free trade talks. It is becoming more obvious every day that this set of negotiations is viewed by the Government of the United States as an avenue to reshape Canada in a manner more to its liking. What is even more disconcerting is the fact that the more the Canadian Government declares certain topics to be off limits in these talks, the more the United States insists they are up for discussion. Perhaps this shows how little regard the American administration has for this supposed firmness of the position of the Canadian Government.

The Ambassador softened the blow somewhat by saying that the United States will restrict itself to discussing aspects of regional development only, which, in the minds of Americans, destroy trade patterns, keeping in mind that many in the United States believe that all trade patterns in North America should be north to south. Such a position is tantamount to demanding that Canada's regions in the east and west become virtual satellites of the United States.

I urge the Government to stand firm for all of Canada and not permit the less developed regions of the country to become

pawns in what is turning out to be a very mismatched chess game.

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ABORTION

CONTINUANCE OF TORONTO CLINIC

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, again I am speaking out about the miscarriage of justice perpetrated by the Attorney General of Ontario in allowing Dr. Morgentaler and his associates to continue to murder helpless unborn children at their human slaughter house in Toronto.

The Attorney General has allowed this to happen even though he has appealed the acquittal on an earlier charge of performing abortions on demand.

Each day of delay in settling this matter means that more and more unborn babies have met and will meet a premature and agonizing death.

To compound the matter, the Attorney General of Ontario has issued instructions to the police forces not to interfere in any way to stop this slaughter.

● (1415)

Dr. Morgentaler and his associates are thumbing their noses at the Criminal Code of Canada, which specifically does not allow abortions to be performed on demand. The Attorney General of Ontario is ignoring the law by refusing to exercise his authority to stop any further abortions taking place during the appeal period, as he has the legal right to do.

It is time for the federal Government to intervene by whatever measures necessary to demand that the Attorney General of Ontario stop pussyfooting around, get off his but, show some leadership, uphold the law, and close down once and for all Dr. Morgentaler's wholesale murder factory.

ORAL QUESTION PERIOD

[*English*]

TERRORISM

CANADIAN VICTIMS OF EGYPTIAN AIRLINER HIJACKING—GOVERNMENT ASSISTANCE IN RETURNING BODIES

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Yesterday, in the House, he said that he and the Prime Minister had been in touch with the family of the tragic victims of the Egyptian airliner hijacking to offer all co-operation of the Government of Canada. However today, according to the press, as of last night at least the Government was refusing to make a military plane available to bring the remains of the victims back to Canada. Will the Minister say now that such a plane will be sent to Malta immediately to bring back the remains, consistent with what he said to the House yesterday on this important matter?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the reports cited by the Hon. House Leader of the Opposition are false. The Government and I have been in touch directly with both the Uffelman family and with Mr. Leonard. They have both expressed their appreciation of the full co-operation of the Department of External Affairs. We have indicated to them that we will bring the bodies of the two tragic victims home, naturally at the expense of the Government of Canada. We will do that in the most expeditious way. It looks at the moment as though the quickest way would be via commercial air connections, but we will remain in the closest possible consultation with the family. I must say that I particularly regret that their sense of tragedy was added to by these inaccurate and sensational reports in the press.

USE OF DEPARTMENT OF DEFENCE AIRCRAFT REQUESTED

Hon. Herb Gray (Windsor West): Mr. Speaker, could the Minister explain why a Department of National Defence plane could not be used, in view of the fact that there are planes of a transport nature going back and forth to Europe? Would that not be the simples and quickest way, under the circumstances?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it is precisely the case that under the circumstances it would not be the simplest or the quickest way.

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TRADE

CANADA-UNITED STATES NEGOTIATIONS—EFFECT ON EMPLOYMENT IN ONTARIO

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Prime Minister. Today there were reports of studies released by the Ontario Government showing that in that province alone some 281,000 jobs are endangered by a comprehensive trade agreement. We know that the Government has conducted its trade discussions under a cloak of secrecy and has refused to reveal any information. In light of these very disturbing facts, is the Government now prepared to release all information which it has on the economic impact of its proposed trade deal with the Americans, prior to the federal-provincial conference? Will the Prime Minister agree with Premier Peterson that a national data bank should be established to ensure that all regions have a full understanding of the particular problems associated with this agreement?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, let me take this opportunity to express the appreciation of the Government of Canada to the Government of Ontario for undertaking these kinds of studies. That is precisely the kind of extensive, detailed, data-oriented studies

which we have been carrying on. We are delighted to see that the Government of Ontario is also doing that. There will continue to be the fullest possible exchange of information between the Governments involved. There will be discussion on Thursday, during the First Ministers' Conference, of the steps we will be taking to continue to ensure the fullest possible participation of the provinces in any trade negotiations which might ensue with the United States.

FEDERAL-PROVINCIAL INVOLVEMENT

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I would like to reiterate the credit to the Ontario Government for not only doing the studies but for making them public, something the Government of Canada has refused to do with its studies. When will the Government provide Canadians with a proper and comprehensive assessment of what will be the job impact and the job losses in various sectors, so that there will be a basis for proper negotiation and that the provincial Governments, as well as all other Canadians, will not be held in the dark and hostage to the kinds of proposals being put forward by the Government?

● (1420)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there may be some danger, if anyone listens to the Hon. Member for Winnipeg-Fort Garry, that Canadians will be held hostage to nonsense. I think the facts speak for themselves about the degree to which this process has been accompanied by extensive consultation across the country and extensive involvement of the provinces to a degree that, indeed, has not before been paralleled in our country. That is the way we have started and that is the way we intend to continue to proceed.

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ABORIGINAL RIGHTS

LOGGING ON LYELL ISLAND, B.C.—INTERVENTION BY PRIME MINISTER REQUESTED

Hon. Edward Broadbent (Oshawa): Mr. Speaker I have a question for the Prime Minister. The Prime Minister knows that the Minister of Indian Affairs and Northern Development sent a telegram yesterday to the Attorney General of the Province of British Columbia. The Prime Minister will also probably know that as of the time of Question Period today, no reply was sent back by the Attorney General of British Columbia. Considering that the situation of the Haida people and the entire community of Lyell Island remains extremely serious, will the Prime Minister himself now take direct action by contacting the Premier of the Province of British Columbia to ask the Premier to join with all other participants, including the federal Government, in reaching a negotiated settlement of this very important matter?

Right Hon. Brian Mulroney (Prime Minister): My hon. friend is a little late. I have already spoken with the Premier of British Columbia. We hope to find an appropriate time to meet in Halifax during the First Ministers' Conference. As I have indicated, I will raise not only my concerns and those expressed by the Minister of Indian Affairs and Northern Development but those of other Members of the House as well.

DISCUSSION AGENDA INQUIRY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I compliment the Prime Minister for taking that action. In his conversation with the Premier of British Columbia, did the Prime Minister raise the question of the subject matter of the discussions? Is it now the intention that the Government of British Columbia will put on the agenda for discussion the Haida claim as well as the specific and immediate circumstances of Lyell Island?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my hon. friend is aware of the complexity and the sensitivity of this issue. It is important, pursuant to what the Minister of Indian Affairs and Northern Development has been attempting to do, that I follow through with the Premier, which I have done. Hopefully we will have a discussion in Halifax which will be beneficial.

REQUEST THAT PRIME MINISTER REPORT ON OUTCOME OF TALKS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, could Members of the House also assume that after that conversation that takes place on this very basic matter, the Prime Minister will report back to the House on this matter as well as other matters on which he may wish to report to us following the First Ministers' Conference?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I would certainly let my hon. friend know about any relevant developments in this matter and others as well.

* * *

[*Translation*]

FINANCE

INQUIRY IF MINISTER AUTHORIZED ATTENDANCE OF DEPUTY MINISTER AT DINNER FOR BUSINESSMEN BEHIND CLOSED DOORS IN MONTREAL

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, my question is directed to the Minister of Finance. Could the Minister inform the House whether he personally authorized Mr. Hartt, his own Deputy Minister, a non partisan senior official, to attend a private businessmen's dinner in Montreal in order to explain the Government's financial policy?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there is nothing unusual about the dinner that Mr. Hartt attended. It was a—

Ms. Copps: I'm organizing one right now.

Some Hon. Members: Shush.

Mr. Wilson (Etobicoke Centre): It was a matter of a dinner that was not partisan in nature at all. It is consistent with the attempt of the Government to discuss with some of the business leaders the policies of the Department of Finance, and to develop a greater degree of understanding of the policies of the Department of Finance.

Ms. Copps: And its loopholes.

Some Hon. Members: Shush.

Mr. Wilson (Etobicoke Centre): As well, it is consistent with a range of dinner meetings which Mr. Hartt has had, and proposes to continue to have that will move in this same direction.

[*Translation*]

POLITICAL CONSEQUENCES

Hon. Donald J. Johnston (Saint-Henri-Westmount): I have a supplementary, Mr. Speaker. The dinner in question was hosted by the Progressive Conservative Party's chief fund raiser.

[*English*]

Will the Minister or the Prime Minister agree to extend the same courtesy to the chief fund raiser of the New Democratic Party who might like to invite Mr. Hartt to a closed door dinner session to ask questions in order to obtain a better idea of government policy? Will the same courtesy be extended to the fund raiser for the Liberal Party? Will Mr. Hartt be asked if he might undertake to accept such invitations if they are forthcoming?

An Hon. Member: If they aren't Senators!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, Mr. Hartt was brought up in a good Liberal household. His father was a Member of Parliament. He has helped the Leader of the Opposition from time to time in his capacity as a candidate. He is also doing great service to his country by serving a Progressive Conservative Government.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Mr. Hartt has demonstrated, over time, a very even-handed approach to the people with whom he wishes to meet. I am sure that if there are further requests, even from Liberal Senators, that Mr. Hartt would be pleased to respond.

Mr. Johnston: Mr. Speaker, I think we can all agree the Government needs all the help it can get.

PREPARATION OF BUDGET

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, the other point I would like to raise in terms of this consultation is that we read, and perhaps the Minister can confirm, that he has commissioned a number of polls in order to get a few ideas for his forthcoming Budget. Will the Minister tell us whether or not this is true? Will he undertake to make public the results of these polls since they are being paid for by the people of Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there has been certain speculation on this matter. We have been very open with practically all of the information requests which have been received by the Department of Finance. Something in the order of 85 per cent of the requests have been approved by the Department of Finance under the access to information legislation. We will continue to be forthcoming in our approach, as I have been in the wide range of consultations with a broad range of Canadians on matters relating to the Budget.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—REQUEST FOR RELEASE OF GOVERNMENT STUDIES

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is for the Secretary of State for External Affairs. In my hand I have a list of all 42 studies conducted by the federal Government on Canada-U.S. trade negotiations. Given that the Ontario Government has now released its studies indicating large job threats, will the Government release these studies and permit Canadians to carry forward this debate with the complete assurance that everything is being made open and up front to all Canadians?

Some Hon. Members: Hear, hear!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I thank the Hon. Member for repeating the question of his soul-mate from Windsor which was raised and answered earlier today.

Mr. Broadbent: Howard McCurdy asked a question?

Mr. Axworthy: Do you want to rearrange that a little bit?

Mr. Clark (Yellowhead): Excuse me, Mr. Speaker. These fellows all look and sound the same to me. I apologize for that.

Mr. Axworthy: You are as confused on this as you are on the trade issue. Confusion reigns, obviously.

Mr. Clark (Yellowhead): The Hon. Member for Winnipeg-Fort Garry speaks of confusion. His is contagious.

Mr. Speaker: Order, please.

Mr. Axworthy: This is the way to conduct negotiations.

Mr. Crosbie: Where is Tom when we need him?

Mr. Axworthy: We are waiting for the answer.

Mr. Clark (Yellowhead): Tom's brother's confusion is contagious.

The Government of Canada has co-operated extensively with the provinces in terms of the exchange of information. As I said earlier, I welcome the decision of the Government of Ontario to undertake these types of studies. I hope other provincial Governments will also do that. There will be discussions on Thursday at the First Ministers' Conference with respect to the degree and the means by which the provinces can be fully involved in any negotiations which might ensue. That will naturally deal with the question of the degree of the exchange of information.

● (1430)

Mr. Langdon: I think the Minister is perhaps at a loss for words because the details of his studies have finally leaked out.

AUTOPACT INQUIRY

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, would the Minister confirm, despite promises to the contrary in this House of Commons, that one study which the federal Government has commissioned, by C.D. Arthur & Associates, is to "prepare an assessment of the issues involved in folding the Autopact into a new trade agreement"?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I will put the answer in two tranches. First, I have replied with respect to the position of the Government regarding the Autopact earlier in the House, I believe in answer to a question put by the Hon. Member. Second, with regard to the Hon. Member's specific question about a particular study, I will have to see what is the subject matter of that particular study and I will, naturally, advise the Hon. Member of the subject matter.

* * *

NATIONAL TRAINING ACT

PURCHASE OF JOB TRAINING FROM PROVINCES

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Prime Minister. We know that several provinces are angry and feel deceived with the federal Government's decision to cut by 50 per cent its purchase of job training from the provinces and that the provinces intend to raise this at the First Ministers' Conference in Halifax later this week. Considering the rhetoric of the Prime Minister on many occasions that he supports job training, would he make a commitment today, before he goes to Halifax, to cancel those cuts in job training and maintain federal Government budgets and provincial participation at the same level as last year? Would the Prime Minister make that commitment before he goes to Halifax?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, as the House will be aware, the agreements under the National Training Act will expire on March 31 of next year. Negotiations are now under way with the provinces and I can advise the Hon. Member that there are a number of proposals on the table. My provincial counterparts and I will be meeting again in mid-December to continue these discussions.

Mr. Allmand: As far as I know the conference in Halifax is a First Minister's Conference and the Prime Minister is responsible for the policy of the Government. It is that kind of evasion in answering which is the reason that 52 per cent of Canadians—

Mr. Hnatyshyn: Order.

Mr. Allmand: —disapprove of the Government's performance.

Mr. Epp (Provencher): And 77 per cent voted against you.

REQUEST FOR RETENTION OF PURCHASE LEVEL

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): I am asking the Prime Minister if he will cancel the proposed cuts in the purchase of job training from the provinces and maintain those programs at the same level as last year, as many provinces want? Will he do that before he goes to Halifax?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the emphasis of the Canadian Jobs Strategy is on training.

Mr. Allmand: Nobody believes you.

Miss MacDonald: And there will be more money spent on training by this Government than there has ever been in the past.

Some Hon. Members: Hear, hear!

Mr. Allmand: Fifty per cent cut-backs.

Miss MacDonald: I just want the Hon. Member to be aware of the new opportunities which this offers for Canadians—

Mr. Allmand: Convince the provinces of that.

Miss MacDonald: —and he should not always take a negative attitude toward such opportunities.

Oral Questions

TRADE

LUMBER EXPORTS—THREAT FROM UNITED STATES PROTECTIONIST LEGISLATION

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister of State for External Affairs. It concerns lumber exports to the United States. Recently in Brockville the Minister stated publicly that U.S. protectionist legislation such as the Gibbons Bill could cost Canadians 60,000 jobs, at least 30,000 of which would be lost in British Columbia. I might add that these are figures his own staff suggested I avoid using.

Would the Minister explain to the House why he has steadfastly refused to put in place a more substantial lobbying effort in the United States to balance the protectionist views with those of U.S. consumers who have a stated preference for using Canadian SPF lumber?

Right Hon. Joe Clark (Secretary of State for External Affairs): First, the Hon. Member will learn as he spends more time in the House that one shouldn't always accept the advice of staff.

Mr. Broadbent: Ask the Prime Minister.

Mr. Axworthy: Especially on travel itineraries.

Mr. Clark (Yellowhead): Not many of us have had quite the size of staff to reject advice from as has the Hon. Member for Winnipeg-Fort Garry.

Some Hon. Members: Oh, oh!

An Hon. Member: Right on.

Mr. Clark (Yellowhead): The Hon. Member will know, because we have exchanged correspondence on the matter, that there has in fact been a very substantial program mounted by the Government of Canada, using our consulates and our embassies in the United States. There has been contact with a number of congressional groups and interest groups associated with consumers of lumber in the United States, and some 400 publications. That has resulted in considerable support in the United States for the Canadian position in any disagreements we might have with the United States on lumber questions.

Mr. Fulton: I won't comment on the Minister's staff, Mr. Speaker.

PROPOSED UNITED STATES RESTRICTIONS

Mr. Jim Fulton (Skeena): Senior U.S. Government officials continue to call for voluntary restrictions on softwood exports to the United States, export taxes, and taxes on reforestation. I am sure the Minister knows that these matters are before the U. S. Cabinet this afternoon.

Would the Minister advise the House on his position regarding such restrictions and tell us whether he is prepared in any way to consider U. S. protectionist proposals against our largest free trading industry as a pre-condition to free trade talks with the U.S.?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, in no way.

* * *

MEDICAL CARE

FEDERAL PAYMENTS TO PROVINCES

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is directed to the Minister of Finance. It concerns the First Ministers' Conference in Halifax later this week. How can Canadians trust the Government's commitment to the standard of medicare when its own Minister of National Health and Welfare in a speech yesterday indicated that medical costs had to be curbed, and the Minister of Finance concurred with that feeling earlier this year when, in his Budget, he slashed $2 billion in transfer payments to provinces for the establishment and funding of medicare? Is this part of the Tories' hidden agenda to dismantle medicare?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, first the Hon. Member is dead wrong. The increases which will be provided by this Government both to post-secondary education and medicare are, and will be, substantial during the five-year period about which we are talking. There is no suggestion of a cut. There will be substantial increases.

The Hon. Member should get that through his head because the rest of his question is totally false when he says that is his understanding.

GOVERNMENT POSITION

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, how can Canadians trust that statement by the Minister of Finance—

Some Hon. Members: Oh, oh!

Mr. Frith: —when, in his own budget documents tabled on the night of May 23, he indicated to Canadians that there would be no cuts in transfer payments for post-secondary education and medicare and it took a leaked document by his own Department to show the truth to Canadians that he intends to cut not just $2 billion—

Mr. Hnatyshyn: Order.

Mr. Frith: —but cumulatively $5 billion over the next four years?

An Hon. Member: Deny that.

Hon. Michael Wilson (Minister of Finance): Again, Mr. Speaker, the point the Hon. Member doesn't understand—and I don't think he will ever get it through his head—is the fact that there will be substantial increases in post-secondary education and health care. The increases will be faster than the

rate of inflation, faster than the rate of all other Government spending, and much much faster than the rate of Government program spending—

Ms. Copps: You won't be around to see it.

Mr. Wilson (Etobicoke Centre): —all of which are designed to ensure that we can continue to have a first rate health system and a frist rate post-secondary education system in this country.

An Hon. Member: Another broken promise.

* * *

HEALTH

POSSIBLE USE OF DEPO-PROVERA AS CONTRACEPTIVE

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. It concerns the possibility of his Department giving approval to the use of Depo-Provera for use as a female contraceptive. In view of the fact that some 13 national organizations have come together, along with a host of community organizations, in opposition to the use of this contraceptive, will the Minister assure the House that there will be full public hearings held across the country with respect to the concerns of those organizations, and many other Canadians, about the possible dangers of this contraceptive so that those groups can have full public input into that decision?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I would like to inform the Hon. Member, and the House, that there is a regulatory process. I have heard much in this House that Ministers are to be very careful about interfering in the regulatory process. I say to the Hon. Member that I have not had, as Minister, a report from the appropriate committee, nor a recommendation from the appropriate committee, nor a recommended decision from the appropriate committee. But I have gone one step further. I have discussed the matter of whether or not we could have the input. I have said to the Hon. Member, and I have said to the public through the media yesterday, that if there are groups which would like to meet with officials as they go through the regulatory process, that could be arranged.

● (1440)

REQUEST FOR PUBLIC HEARINGS

Mr. Neil Young (Beaches): Mr. Speaker, that simply is not good enough. There is a place for the public to have input on decisions which will adversely affect a large number of Canadians. Will the Minister not reconsider that decision and agree that full public hearings are required where the public can examine a decision which can adversely affect the lives not only of mothers and children but future generations?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, it is good enough, because it is exactly what he asked us to do. It is good enough because if there is to be public input it can come through the regulatory process. I am going to keep the regulatory process sacrosanct, as I think he has generally asked me to do.

The second point is that no decision has been made and no recommendation received. The appropriate time for that kind of input is exactly the time I suggested to him.

The last point I want to make is that he should not, and I hope he does not, make the argument that this Minister or his Department has compromised on health and safety or that there will be any such compromise.

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CANADA ASSISTANCE PLAN

AID FOR NEWFOUNDLAND FISHERMAN FOLLOWING DONATION OF KIDNEY

Mr. Lawrence I. O'Neil (Cape Breton Highlands-Canso): Mr. Speaker, my question is for the Minister of Employment. Yesterday she indicated to the House that special efforts would be made to ensure support for Harvey Hawkins, the Newfoundland man who is recovering in hospital after donating a kidney to his younger sister. Can the Minister provide any new information on the success of those efforts?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I mentioned yesterday that I had been in touch with the provincial Governments concerned. I can advise the House that yesterday Mr. Hawkins received assistance under the Canada Assistance Plan and provincial plans which is at least equal to the amount he would have received from unemployment insurance. As well, arrangements have been made for his family to be brought to Toronto to be with him. I am sure that we all agree on wishing Mr. Hawkins a speedy recovery.

Some Hon. Members: Hear, hear!

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REGIONAL INDUSTRIAL EXPANSION

GRANT AWARDED TO LOBSTER COMPANY PRESIDENT

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Prime Minister. I remind him that on September 9 he said that the ultimate responsibility for the conflict of interest guidelines rested with him. A grant worth millions of dollars was awarded to Clearwater Lobster Ltd. last week, or John Risley, depending on whose press release one reads. The Minister of Supply and Services has been a director and the secretary of the company, as well as being the company's lawyer, has owned shares in the company, and his son is employed by the company. In view of that would the Prime Minister not agree that there is at least a possible breach of the principles of the conflict of interest guidelines?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I answered that question in detail last week. I am surprised that the Hon. Member persists in levelling those false allegations across the floor of the House after last week's explanation to him. I am as much surprised by that as I am by journalists who make that kind of accusation against a Minister and yet refuse to apologize when the facts they base their allegations on are proven to be utterly false.

Some Hon. Members: Hear, hear!

BENEFITS RECEIVED BY COMPANY

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my supplementary is directed to the Deputy Prime Minister in view of the fact that the Prime Minister does not want to answer. Could he tell us which of those things we have said today are false when they have all been admitted? Could he also tell us why it is this company has received benefits twice since this Government has been in office and at least once before under a previous Conservative Government—three times in the two short periods of time the Tories were in office? Is it only a coincidence that Tories are giving other Tories these kinds of grants?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): The Hon. Member almost made a mistake and used the word "Liberal" instead of "Tory" in the utter garbage which constitutes the preamble and the question. However, that is in keeping with the reputation he has in this House.

Some Hon. Members: Hear, hear!

Mr. Nielsen: The question has been answered and answered fully.

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CONSUMER AFFAIRS

TAX REBATE DISCOUNTING—REPORTED CASE OF SASKATOON DISCOUNTER

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. In the discussions he had before he brought forward his proposals to deal with tax discounting was he made aware by officials of his Department of the tax discounter in Saskatoon who sought to borrow $1 million from a bank, at 12 per cent interest, in order to relend the money at real interest rates of up to 180 per cent to people who wanted their tax refunds? If he was, what can he do to ensure that low-income Canadians can borrow at commercial interest rates using their income tax returns as collateral?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I think that last week we announced a policy that contains a number of provisions that should be encouraging for Canadians, and especially for Canadians on low incomes.

[*English*]

REQUEST THAT TAXPAYERS HAVE ACCESS TO BANK INTEREST RATE CHARGES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, as far as I can tell, the only people who are made happy by the Minister's announcement are the tax discounters. Would he not agree that consumers would welcome a meaningful choice, which the Minister talks about so frequently, between paying a tax discounter a 100 per cent interest rate and getting a legitimate financial institution to lend them money at 12 per cent?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, with this policy we ensured that the discounting service would remain available to Canadians while at the same time introducing measures to discourage abuse, thereby protecting consumers, and again, consumers on low incomes who need this kind of service.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

ST. CLAIR RIVER—RELEASE OF WATER TEST RESULTS

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, my question is directed to the Minister of the Environment. The entire community of Sarnia-Lambton would like to set the record straight. All municipalities, industries, and citizens totally support the ongoing scientific tests and evaluations of the St. Clair River bed. Can the Minister assure the citizens of Sarnia-Lambton that he will make every effort to ensure that the progress reports of these scientific evaluations will be communicated in a scientific manner, which will avoid the possibility that this information can be misconstrued or inaccurately reported by others?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, that is pretty well the policy my Department and I have adopted and followed. Indeed, on seven separate occasions we provided technical briefings to the media and through them to the public, and we released detailed information, both scientific and general. That is in addition to numerous informal efforts toward the end identified by the Hon. Member. The rest, of course, is up to the media and the public. However, I think in general there has been fairness and balance in the response by the public and the media to a very difficult and complex scientific issue.

[*Translation*]

FOOTWEAR INDUSTRY

INQUIRY CONCERNING INDUSTRIES TO WHICH SAINT-LÉONARD-ANJOU WORKERS MAY MOVE

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, my question is directed to the Prime Minister. Workers in the shoe industry in Quebec were shocked at the statement made by the Minister for International Trade who made it clear they could leave the industry. Where does the Right Hon. Prime Minister want to send the 1,000 workers in the riding of Saint-Léonard-Anjou, whose jobs can now be added to the 5,000 jobs lost in Montreal East?

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I welcome this opportunity to reply to the Hon. Member. At no time did I ever make such a statement, nor would this Government ever suggest that. I would remind the House that the tribunal found that in those areas where quotas were removed no further protection was required. In the event there was any minimal loss of jobs, the Government has set up an excellent safety net of measures to protect and assist workers in the event of any job loss.

[*Translation*]

INQUIRY WHY MINISTER DID NOT LISTEN TO CANADIANS

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, I have a supplementary. I would ask the Minister to read his own comments in the newspaper *La Presse*. Furthermore, I would like to know why he failed to listen to the eight out of ten Canadians who want quotas, in order to create 6,000 new jobs and at the same time safeguard 20,000 existing jobs. Are foreign interests going to prevail over jobs for Canadians?

● (1450)

[*English*]

Ms. Copps: Foreign interests over Canadian interests.

Mr. Hnatyshyn: Sheila, your microphone is off.

Hon. James Kelleher (Minister for International Trade): I am sorry, Mr. Speaker, I certainly had some trouble with the translation that I received of this question. I can certainly assure the Hon. Member that foreign interests are not taking over any aspects of our shoe industry. The tribunal found that our industry is quite competitive. I have the greatest faith that those industries and the people who work in them can compete with anybody in the world, given the chance.

Mr. Broadbent: All the people in the industries disagree with you.

Oral Questions

CANADA POST CORPORATION

APPOINTMENT OF PRESIDENT—REQUEST FOR COMMITTEE REFERRAL

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is directed to the Prime Minister. On a couple of occasions already the Prime Minister made a commitment to a parliamentary review of order in council appointments. Is he aware that the press has indicated that a short list of candidates for president of Canada Post is now in his office? Would he take the opportunity to use this as a test case for parliamentary review of Order in Council appointments and refer the short list to the Committee on Transport?

Miss MacDonald: Are you applying?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I appreciate the opportunity which the question raised by the Hon. Member for Winnipeg-St. James gives me to remind the House that the Government, in its progressive way, is coming forward with something which previous Governments had not thought appropriate. That is, after the beginning of the new year we want to institute the recommendation of the Special Committee on Reform of the House of Commons, which was chaired by the distinguished Member for St. John's East, which sets out the procedure which will be followed with respect to Order in Council appointments.

Mr. Boudria: That's enough.

Mr. Hnatyshyn: Mr. Speaker, the Government is going further than the recommendations in that report. All Order in Council appointments will be made available for scrutiny by a House of Commons committee.

REQUEST FOR REVIEW PRIOR TO APPOINTMENT

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, in light of the fact that the problems within the Post Office have been very difficult for Governments to come to grips with, does the Prime Minister recognize that a parliamentary review might be of assistance in finding a competent president for Canada Post? Will he also resist the pressure to make a patronage appointment? Will he take action now by referring this Order in Council appointment to the parliamentary Committee on Transport rather than simply satisfying himself with platitudes and putting it off until the future?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, after what the NDP has just done in Manitoba on patronage it takes an awful lot of nerve for an NDPer to ask that question. "NDP Minister's Brother Heads Manitoba Agency". How do you like that for scandalous patronage? An NDP candidate should be ashamed of himself for even raising it.

Some Hon. Members: Shame, shame!

An Hon. Member: Socialists are so pure.

Mr. Frith: There's no room at the trough.

Some Hon. Members: Oh, oh!

Mr. Mulroney: We hear anti-patronage comments coming from the Grits, of all people. There ought to be a bolt of lightning to strike them all right on the floor of the House of Commons.

Some Hon. Members: Hear, hear!

Some Hon. Members: More, more!

Mr. Mulroney: They are giving a brand new meaning to "temerity". You can be sure that if we wanted to do a favour to a friend, we would not make him chairman of Canada Post.

Some Hon. Members: Oh, oh!

Mr. Prud'homme: You should appoint an NDP.

Mr. Deans: Don't you dare appoint a New Democrat.

Mr. Hnatyshyn: What's Howard Pawley doing after the next election?

Mr. Deans: Running the Government of Manitoba.

Mr. de Jong: That statement is going to haunt you.

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VETERANS AFFAIRS

FORTIETH ANNIVERSARY OF LIBERATION OF HONG KONG VETERANS

Mr. Jack Shields (Athabasca): Mr. Speaker, my question is directed to the Minister of Veterans Affairs. The Minister will know that it was reported in the press that the Member for Saint-Jacques said that the pilgrimage the Minister is leading to the Far East later this week is "a pure, unadulterated junket". Would the Minister be kind enough to advise the House of the real purpose of this visit?

Hon. George Hees (Minister of Veterans Affairs): Mr. Speaker, the purpose of this pilgrimage is to pay homage to the more than 1,000 Canadians who gave their lives for their country in the Far East during the Second World War. The delegation will travel to Hong Kong, Burma, Singapore, and Tokyo, and will attend remembrance ceremonies at the cemeteries where our war dead are buried.

It has been claimed that this pilgrimage is nothing more than a junket. That is an insult to the memory of those who gave their lives for their country, and to the widows and mothers who lost loved ones in this theatre of war.

Some Hon. Members: Hear, hear!

AGRICULTURE

CHEESE PRODUCERS—ALLEGED THEFT OF IMPORT CERTIFICATES

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. He is, no doubt, aware of the theft by a Government employee of import certificates for cheese which, according to the British Columbia Federation of Agriculture, has cost producers over $5.6 million in the past year. Is the Government prepared to reimburse these producers for this loss of income since it was caused by a government error?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the Hon. Member's question. I wonder whether this is the proper forum in which to raise it, but I am aware of the situation. I checked on the matter in the latter part of last week and can only say at this point that it is under investigation.

GOVERNMENT POLICY

Mr. Maurice Foster (Algoma): Mr. Speaker, can the Minister tell us why, when the Government makes a mistake as it did in the case of EEC imports of beef or, in this case, certificates for cheese imports, it always requires that the farmers pay the cost rather than the Government itself which made the error in the first place?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I should utilize this opportunity to set the record straight. The Hon. Member makes some suggestion that we made a mistake with regard to EEC imports. The fact of the matter is that it was his Government which made the mistake. We took the action, and he should check his facts.

Some Hon. Members: Hear, hear!

* * *

LABOUR RELATIONS

SAINT JOHN, N.B.—WORK PERFORMED BY CREWS OF FOREIGN SHIPS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Employment and Immigration and is with regard to a situation which is presently occurring in Saint John, New Brunswick. Will the Minister take steps now to inform the port authorities and the stevedoring companies in Saint John, New Brunswick, that it is illegal for the crews of foreign ships to do on-shore work in Canada without authorized work permits?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, because I always pay such very proper atttention to the representations which the Hon. Member for Nickel Belt makes, I will undertake to investigate that matter immediately.

Ms. Jewett: What's going on here?

Mr. Riis: What have you been doing, John?

Mr. Axworthy: That's the kiss of death.

REQUEST FOR MINISTERIAL ACTION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, in view of the fact that this situation is occurring during lunch hours and breaks when Canadian workers should be doing the work, would the Minister send an instructive letter to individual ships in dock indicating that they are not to have the crews of foreign ships doing such on-shore work?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, perhaps the Hon. Member would do me the courtesy of giving me, in writing, all the details which he has just enunciated.

* * *

SHIPBUILDING

CN MARINE—PROPOSED PURCHASE OF SHIPS FOR EAST COAST SERVICE

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Minister of Transport. He will realize that the Canadian shipbuilding industry is in perhaps its worst slump in 40 years. I understand there is a proposal before him at the present time which would allow CN Marine to purchase offshore two ships for the East Coast. Will the Minister indicate to the House if he will allow this to take place in view of the fact that thousands of Canadians in the shipbuilding yards across the country are unemployed? Will he assure us that Canadian workers will be given the preference rather than foreign shipbuilding companies?

● (1500)

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am sure the Hon. Member is aware that Transport Canada has in excess of 20 vessels being built in Canadian shipyards, which constitutes roughly 95 per cent of the shipyard building activity. There will be further work with respect to the refits.

I think the Hon. Member is also aware that I have a mandate to provide services at the lowest possible cost. These are the factors that will be taken into consideration in reaching a final decision with respect to the acquisition of the two vessels in question.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that petitions presented by Hon. Members on Monday, November 25, 1985, meet the requirements of the Standing Orders as to form.

The petitions presented by the Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley) and the Hon. Member for Burin-St. George's (Mr. Price), by filing with the Clerk of the House, also meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

CHIEF ELECTORAL OFFICER

TABLING OF SUPPLEMENTARY REPORT TO 1984 STATUTORY REPORT

Mr. Speaker: I have the honour to lay upon the Table the report on proposed legislative changes, supplementary to the 1984 Statutory Report of the Chief Electoral Officer of Canada.

May I remind Hon. Members that pursuant to Standing Order 47(4), this report is deemed permanently referred to the Standing Committee on Privileges and Elections.

* * *

[*Translation*]

PRIVILEGE

PROPRIETY OF ASSISTANT DEPUTY CHAIRMAN OF COMMITTEES OF THE WHOLE HOUSE PARTICIPATING IN DEBATE

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, this morning I gave the Chair notice of my intention to raise a question of privilege in connection with the participation in debate in this Chamber yesterday by the Assistant Deputy Chairman of Committees of the Whole House, the Hon. Member for Sherbrooke (Mr. Charest). I intend to show, Mr. Speaker, that the Hon. Member for Sherbrooke acted in a manner that is contrary to the usual behaviour of a Presiding Officer, who is expected to show complete impartiality. In my opinion, he failed to do so, by the very fact of taking part in debate in the House. Furthermore, I intend to show that his comments were partisan and therefore unworthy of an Acting Speaker of the House of Commons.

By his actions he breached the privilege of all Members of this House who, on the basis of the Standing Orders and parliamentary tradition, have every right to expect the Presiding Officer to observe absolutely strict impartiality.

First of all, if we consider his participation in debate, according to tradition a Presiding Officer may not take part in debate in the House. This is clearly established by parliamentary jurisprudence, and I want to quote from Beauchesne's, Citation 117, which deals with the Speaker as Presiding Officer of the House of Commons. Citation 117 of Beauchesne's, Fifth Edition, page 38, reads as follows, and I quote:

The chief characteristics attached to the office of Speaker in the House of Commons are authority and impartiality.

Further on in the same paragraph it says, and I quote:

Confidence in the impartiality of the Speaker is an indispensable condition of the successful working of procedure, and many conventions exist which have as their object, not only to ensure the impartiality of the Speaker but also, to ensure that his impartiality is generally recognized. He takes no part in debate in the House. He votes only when the voices are equal—

I also would like to bring to the attention of—

[*English*]

Mr. Speaker: With great respect, I hesitate to interrupt the Hon. Member. When a matter is being raised that is not a point of order but a question of privilege, which is a very serious claim, I believe he knows that it is my practice to ask the Member to give, very early, the case of privilege that is being claimed.

I believe the Hon. Member knows full well that it is improper at this time to argue the case that one would like to argue if the matter were before the House. Presumably, at this time one is simply trying to put the matter which I must decide is a *prima facie* question of privilege, without comment about the behaviour or actions of any Member.

[*Translation*]

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I indicated right at the beginning . . . There is a lot of noise in the House. I admit it is difficult for you to hear me, but right at the beginning of my remarks I indicated the two points on which I rest my argument to the effect that, in his capacity as Assistant Deputy Chairman of Committees of the Whole House, the Hon. Member for Sherbrooke has breached the privileges of Hon. Members.

I said he did so, first by taking part in a partisan debate on the floor of the House and, second, by making remarks—and I should want to quote them, otherwise Your Honour will find it hard to appreciate the crux of the problem—which were clearly partisan with respect to some Members of this House.

[*English*]

Mr. Speaker: Order, please. The Hon. Member knows that he may not make any comment whatsoever about the behaviour or activity of any Member, save on a substantive charge.

I take it that the Hon. Member wishes to rise on a question of privilege to present a case to me with regard to the general capacity of a deputy Speaker to participate in debate.

If the Hon. Member is attempting to raise a question of privilege about what another Member said in the House, then he is beginning to comment about another Member. He knows that I would have to find him out of order when making any comment about a Member and I must ask him to stay with the generalities of his question.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, let me try it in another way and in the other language. I believe it is a basic principle of any Member of the House to make sure that an occupant of the Chair is impartial. If I am not able to demonstrate that this principle has been breached, what am I trying to do here? The privilege of Members has been breached.

Mr. Speaker: Order, please. I am trying to help the Hon. Member, not be difficult. The Hon. Member may have an opinion and wish to make a charge about what another Member has done. He may do that with any Member. However, I believe he knows our practice with regard to the route one takes for making that allegation.

I take it that he wishes to raise a question of privilege as to whether a Deputy Speaker may participate in any debate in any way. I understand that that is the only issue he would want to raise under a question of privilege in order to make a *prima facie* case that there may or may not be a question of privilege.

However, if his concern is with the content or behaviour of a particular Member and not with the general application, I suggest that he is verging on the area of comment about a Member that would make it more than a question of privilege.

I am prepared to hear his question of privilege but I believe he knows that I cannot hear it in the context of a personal comment on the behaviour of another Member.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I thought that I was remaining general by quoting parliamentary jurisprudence. That is where I was stopped, with all due respect. I was proposing, after quoting jurisprudence, to explain to the Chair how an Hon. Member has gone contrary to this jurisprudence. I would then let Your Honour judge whether there was a *prima facie* case of a breach of privilege. If Your Honour were to agree, I have a motion which I would then like to move.

In my opinion, that appears to be the normal procedure for dealing with these cases. I would ask for the indulgence of the Chair because my comments will only take one or two minutes more. I believe I would be able to shed some light on what I am attempting to do.

[*Translation*]

Mr. Speaker, I was about to prove that, in light of parliamentary case-law, Acting Speakers who replace Your Honour in the Chair must also abide by the rules of impartiality.

For your information, I should like to quote Citation 133 of Beauchesne's Fifth Edition:

Deputy Speakers have not taken a consistent position with respect to attendance at their political party's functions. During divisions they have voted but—

—and I draw your attention to this sentence—

—but have not attempted to participate otherwise in the debates of the House.

● (1510)

[*English*]

Now I would like to add, Mr. Speaker, that we inherited this legacy from the mother of Parliament and that the same policy has been adhered to in England. For example, let me quote from Erskine May's Twentieth Edition, page 240. It refers to the Chairman of Ways and Means, which is the equivalent of

the Chairman of the Committee of the Whole in this Chamber. It reads:

> The Chairman of Ways and Means during his occupation of that office follows the same tradition of abstention from Party controversy as the Speaker.

[*Translation*]

Now, if you want me to get down to the point, the fact is that there was flagrant abuse in taking part in the debate, in the sense that extremely partisan remarks were made, and it seems to me to be the thrust of my argument. I would like to draw Your Honour's attention to what the Hon. Member said in words and sentences in the course of his remarks.

[*English*]

Mr. Speaker: I think I know the point the Hon. Member is trying to make.

[*Translation*]

I think I understand fairly well the point he wants me to consider. But if he wants me to include in my . . . I think he has made an argument concerning our traditions, what he thinks are our traditions, respecting the appropriateness of an Acting Speaker taking part in debates.

[*English*]

If he goes further now into a comment about what the Member said, then the Member is entering into the area of comment about another Member—

An Hon. Member: No, Mr. Speaker.

Mr. Speaker: Yes he is, I suggest.

Mr. Gauthier: Impartiality.

Mr. Speaker: Let me put to the Hon. Member that if he believes something was said yesterday which affects the impartiality of the Chair, in his view, and he is then saying that that would become a question of privilege, it would not.

Ms. Copps: What would it be?

Mr. Speaker: Any Member of this House may speak from his seat in the House in any way he or she chooses. I appreciate the fact that the Hon. Member takes this matter seriously and I believe the Hon. Member for Sherbrooke (Mr. Charest), and other Members take these questions seriously, but if the Hon. Member for Saint-Jacques is trying to base a question of privilege on the existence of an intervention, then I need to hear how he proposes I should consider that.

Mr. Guilbault (Saint-Jacques): I have read the jurisprudence related to impartiality, Mr. Speaker. I think it has been established, and I think all Hon. Members recognize that as a start. Now I think I have to go into some detail to explain that one Hon. Member was not impartial. We are not talking about an ordinary Hon. Member; we are talking about an Hon. Member who is a presiding officer. That is the point. Otherwise debate is debate, and I understand that. We are talking about a presiding officer and that is my point. I think I have been clear from the beginning.

Mr. Speaker: Let me see if I can help the Hon. Member. What he is raising is not a question of privilege. He is making an objection to an intervention having been made. If he feels very strongly on that subject, he has other recourses that are open to him, notably some form of substantive motion, if that is his choice.

It is clear from the record, from our history, that the Hon. Member for Sherbrooke is by no means the first Deputy Speaker to rise in his place and speak in this House.

Mr. Gray (Windsor West): What did he say though?

Mr. Speaker: In fact, Deputy Speaker Lamoureux did speak once when he was Deputy Speaker. Clearly it cannot be the content of a Member's speech that gives rise, by its very existence, to a question of privilege from another Hon. Member.

Our history and traditions are very clear that if a Member wishes to make a comment in any way about what another Member has done, then that reference must be by substantive motion, not by raising a question of privilege. I think if the Hon. Member looks at the citations on that, he will find that that goes back to Speaker Michener, Speaker Lamoureux and Speaker Jerome. I want to be very clear about this. There is not, in my view, in our precedents a question of privilege here.

On the issue of the right of a deputy Speaker to speak as a Member, there is no question about our rules speaking strongly about what the Speaker may or may not do. But the rules are silent on what a deputy Speaker may do. Assistant deputy Speakers have spoken in the past, and this deputy Speaker also chose to speak. I am subject to some pretty severe constraints as the Hon. Member knows, and must be.

If the Hon. Member is suggesting that the House may wish to consider whether it wants in future to change the constraints or to create constraints that apply to deputy Speakers, then the House would be free to do that, but I can find no rule, that I know of, that would prevent a Member of the House, having been asked to be a deputy, deputy, deputy Speaker, from speaking. Whether one should or should not do so is a question of judgment that various deputy Speakers have exercised in various ways.

If the Hon. Member wants to pursue the matter, either the subject of the impartiality of the Chair or that of the conduct of another Member, either of those matters have to be pursued by a substantive motion. I think the Hon. Member knows that.

I am saying this because I think the Hon. Member knows from our practices that I need to hear some foundation for a question of privilege. I am trying to say that so far I have not heard it.

Mr. Gray (Windsor West): Mr. Speaker, I understand the Member who has been speaking has a motion to propose.

Mr. Speaker: He only gets to propose the motion if I find there is a *prima facie* case of privilege.

I should not be doing this here, perhaps, but the Hon. Member has another route. If he has a motion he wishes to

move, he is presumably asking me to find a *prima facie* case of privilege, thus allowing him to put his motion now, ahead of other business. That is what is done when one seeks something through the Chair. I cannot find, on the argument that has been made, *prima facie* grounds of privilege that would warrant putting the matter to the House at this time.

Mr. Gray (Windsor West): Mr. Speaker, I understand you are saying that where there is a question of the impartiality of the occupant of the Chair, there is another route to be followed and, therefore, you are not saying that this route cannot be followed in the case of the deputy Speaker in question.

Mr. Speaker: I am trying to be as clear as I can be. Whenever the question that is being raised is the conduct of a Member of the House in his capacity as a Member or in any other capacity as a presiding officer, our traditions have been that privilege is not the route by which that motion can be put. Is that clear to Hon. Members? In other words, if the Hon. Member for Saint-Jacques has a substantive charge he wishes to make about or against the Hon. Member for Sherbrooke, the only route that I know by which he can do that is through a substantive motion on notice. That is the only way that I know in which he can do it. It has been ruled many times not to be admissible through a question of privilege.

[*Translation*]

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I get the impression that, although I quoted the Standing Orders at length, Your Honour does not seem prepared to acknowledge that we are dealing with a *prima facie* case of privilege.

An Hon. Member on my left is telling me: Sit down, that's enough nonsense from you! That is an interesting comment, Mr. Speaker, particularly as we are talking about the basic principles of this institution and the privileges of Hon. Members. I consider that I was not given the opportunity to express everything I have to say, for I was upbraided a few times. Therefore I will not say anything more about the remarks of the Hon. Member, but I will stop right here and ask Your Honour to rule whether or not, in your Honour's opinion, there was a breach of privilege. Should Your Honour agree, I have a motion here which I am prepared to—

● (1520)

[*English*]

Mr. Speaker: Let me be as clear as I can be: No, there is no question of privilege in my view. Perhaps there is a question of convention. There may be some question or some comment with regard to our practices and our conventions, but on the basis of what has been put to me, I can find neither a question of privilege nor a point of order.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, in the name of all Hon. Members of the House, we must address the Chair in the position it occupies. From now on, Hon. Members will address the Chair in the position it indeed occupies. If he happens to be the assistant deputy chairman of committees, we will address him as such, not as president, chairman or "Mr. Speaker".

Mr. Speaker: I am sure the Hon. Member intends or means no disrepect by that comment. It can be our practice, as it is in Westminster, to refer to the occupant of the chair as the Speaker, the Deputy Speaker or whatever office he or she holds in this chair. Maybe I am indulging myself a little when I say that I certainly think it would be helpful over time if the House were to consider some of these questions with regard to all occupants of the deputy Speaker positions. I frankly think they are put in a difficult position because there is no clarity in our rules with regard to what it is they are entitled to do. I am not one of them and have never been one of them, but I am quite properly bound by the rules not to speak. That is both a protection for the House and a protection for me.

Mr. Gauthier: I agree with that.

Mr. Speaker: If the House wishes to do something further which would protect the deputy Speakers, both for their sake and for the House, that may be something the House would wish to do. However, until the House speaks on that matter, it seems to me that it would not be fair, if I may now go a little further, to say, without some comment from the House, that a Member of the House looses his or her right to be a Member of the House simply by agreeing to take on an office. Therefore, let me leave it at that, if I may.

Hon. Herb Gray (Windsor West): Mr. Speaker, I draw to your attention and to that of the House the Standing Order which says that when a Deputy Speaker or an assistant deputy Speaker is in the chair, that individual sits in the chair with all the powers and authority of the Speaker himself or herself. In fact, *Hansard* does not even identify exactly who is in the chair. Therefore, I think it follows that the Standing Orders, at least by implication, impose upon the occupant of the chair, even if that person is not the Speaker, the same standards of impartiality and, above all, the appearance of impartiality which is imposed upon yourself. It is our submission that the Hon. Member for Sherbrooke (Mr. Charest) has not lived up to that high standard.

Mr. Speaker: Order. Now the Hon. Member is seeking through a point of order to make an allegation. I repeat, if the Hon. Member wishes to pursue that, he knows his rights and responsibilities in doing that. Everybody who sits in this chair becomes imbued with the responsibilities and the rights of the Speaker and, therefore, certainly has the obligation to be impartial. Everybody who has occupied the chair in a deputy Speaker capacity, Liberal, Conservative, NDP or ordinary Member, has done a service to the House.

Let me say to the Hon. Member that it is only I myself who when he leaves this chair remains, outside the confines of this structure, the Speaker as referred to in the Standing Orders. I, therefore, remind the Hon. Member of what I said just a few minutes ago and suggest that he may want to consider something else.

INCOME TAX ACT AND RELATED ACTS

TABLING OF TECHNICAL NOTES

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, pursuant to Standing Order 47(2), I wish to table, in both official languages, copies of the technical notes to the Bill amending the Income Tax Act and related statutes.

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SOCIAL AFFAIRS

ESTABLISHMENT OF TASK FORCE ON CHILD CARE—STATEMENT OF MINISTER OF NATIONAL HEALTH AND WELFARE

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am pleased to have the opportunity to address the House this afternoon on the establishment of a parliamentary task force on child care. The necessary technical motions will be moved at the appropriate time by the President of the Privy Council (Mr. Hnatyshyn).

The Government formally announced its intention to establish such a parliamentary task force in the Speech from the Throne last November. Over past months, the Government has given very serious thought to the role of this task force and the complex questions which it will be asked to confront. I am pleased that we are now in a position to proceed with this inquiry into the issue of child care and the changing needs of Canadian families.

In general, the purpose of the parliamentary task force is to seek public input and to make recommendations on the issue of child care as it relates to families in Canada. This inquiry is a vital step in the development of directions for child care, because currently there is limited consensus on this issue among Canadians. It is generally recognized that the changing circumstances of many families, including the growing number of two-earner couples and the increased incidence of single mothers, has raised concerns about the issue of child care and the appropriate role of the federal Government in this area. However, there is no agreement among Canadians about what should be done to meet the changing needs of families and children with respect to child care. Accordingly, this parliamentary inquiry will offer an important opportunity to examine the issue of child care with a view to pursuing a national consensus.

As we will see from the terms of reference, we are asking the inquiry to look at the care of children in a broad context, which includes consideration of the child care requirements of all children, not just children with working parents. Thus, the members of the task force and other participants are encouraged to go beyond the narrow issues which are frequently associated with daycare services. Rather than focusing the inquiry on an analysis of existing child care or related programs, the terms of reference invite participants to undertake a fresh review of the questions associated with child care and to put forward innovative alternatives for reform.

We are launching this task force in response to public concerns that the needs of families and children are changing. These concerns and the pressures for reform are frequently summarized under the three themes of affordability, quality and availability.

In addressing concerns with respect to affordability, I would hope the task force can highlight and resolve some of the basic questions about the costs of child care and how these costs should be shared, for example, among families, employers, Governments and other groups that have an interest and responsibility in respect of child care. Also, there is the important question of whether the future direction of child care is to be developed as an issue concerning the children of working women only, or whether it should also relate to the children of mothers who forgo employment earnings to provide full-time parental care for their young children.

The second theme, that of quality in child care, highlights concerns about the well-being and protection of children in non-parental arrangements. In particular, there is the difficult issue of what constitutes quality care in general and in the case of a particular child. Also, there is the question of whether or not it is appropriate or desirable for Government initiatives to encourage the use of one type of care over other types of arrangements.

Third, the theme of availability focuses attention on the factors affecting the ability of the supply of child care services to meet demand. To some, this theme highlights concerns about the situation of latchkey children and the special problems of families in rural locations. It also raises questions about the Government's role in expanding the supply of child care services directly, relative to other sources of supply, including employers and community groups.

In general, the consideration of these and other concerns and questions are central to the development of an agreement or a consensus on future directions and alternatives for a child care policy.

● (1530)

Clearly, the task force on child care is being asked to consider a very complex issue. Therefore, we have given careful consideration to the details contained in its terms of reference. As you may note, Mr. Speaker, the inquiry has been asked to develop its conclusions and recommendations within a broad framework with particular reference to a variety of factors such as the preferences of parents in providing care for their children and the economic implications of child care.

The task force has also been instructed to address the relationship between child care needs and the special needs and requirements of various families. These special circumstances include such factors as marital status, disability and the economic position of the family. However, the terms of reference are sufficienty flexible to enable the members of the task force to add other criteria which they determine to be relevant to the issue of child care.

In addition, the members of the task force are specifically instructed to take account of the shared interest and responsi-

bility in this area among families, communities, the private sector and the public sector. Of particular relevance here is the role and views of provincial Governments. The provincial delivery of child care services is clearly an important consideration in the development of federal alternatives in the area of child care, a consideration which the task force will have to recognize and address. I have had discussions with my provincial counterparts and I feel that it is important that the point be stressed that the task force is looking forward to receiving ideas that will come from the public and from those members who will be charged with a difficult task keeping in mind as well the role the provinces play in this important field.

To enhance the efforts already undertaken in the child care debate, the parliamentary task force has also been requested to give consideration to the report and the studies of the ministerial task force chaired by Dr. Katie Cooke which should be reporting shortly to my colleague, the Minister responsible for the Status of Women (Mr. McLean). Although the Cooke task force was instructed to focus on the specific issues of child care services and parental leave, its analysis is expected to provide a useful input into the work of the parliamentary task force.

To ensure that the parliamentary task force is well informed, the inquiry will have the power to retain the services of expert, professional, technical and clerical staff. The members of the task force can draw upon existing studies and reports as well as initiate further research and analysis which will assist them in fulfilling their mandate. However, one of the most important functions of the parliamentary task force will involve its ability to undertake public hearings and consultations on the issue of child care. I sincerely hope that many Canadians will participate by considering this very important social issue and informing the task force of their views.

As you may note from the terms of reference, Mr. Speaker, the task force is being asked to report to Parliament within a year. Because of the scope and complexity of this issue, I believe that this length of time will be absolutely necessary to the achievement of a comprehensive and balanced study. I fully expect that the coming year will be a very busy time for each of the members of this inquiry.

In conclusion, I would like to urge all Members of the House to support this proposal to establish a parliamentary task force on child care. I am confident that with these terms of reference, this inquiry will be able to provide valuable conclusions and recommendations regarding the future of child care.

Finally, much has been said both in the House and in public regarding the appropriate responses in modern society to support for the role of the family. We know that in many cases, families have changed from their traditional roles and traditional make-ups. It will be important for the task force to analyse the role of the traditional family as well as the changes to the traditional family in modern society.

As the family is strengthened and as the role of the family is officially recognized by the Government not only in words but in reports to the House and the Minister, I think it is absolutely essential that we send to the public signals that this is happening. All of us who deal with social policy can recognize very clearly that the very best support system and the very best assurance that children will grow up to be full-fledged members of society is the maintenance of the cornerstone of society, the family. I welcome the comments of other Members of the House and hope that within a year's time, the House will benefit from their views and the future of Canada's families will be guaranteed.

[*Translation*]

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I am delighted that at last, the Minister of National Health and Welfare (Mr. Epp) has announced the creation of a task force on child care. However, I may add it was high time the task force materialized for, as the Minister pointed out earlier, and rightly so, the task force was first announced in the Throne Speech in November 1984.

Yes, Mr. Speaker, it is indeed high time, because on March 8 of this year, in answer to a query from my hon. friend from Mount Royal (Mrs. Finestone) about when the child care task force would be established, the Minister of State for Immigration and Minister responsible for the Status of Women (Mr. McLean) said that the order and terms of reference of the task force on child care would be announced in a matter of weeks.

Mr. Speaker, I think that from now on, when we hear it will take a matter of weeks, we can assume it will take quite some time. Today, the Progressive Conservative Government has announced the creation of a task force on child care, but I may point out to the Minister of National Health and Welfare that the various parties concerned in this area are very anxious to read Katie Cooke's recommendations on the same subject.

I think it is too bad the Minister did not send us the task force's order of reference along with his speech, which would have made it easier for me to comment on the Minister's statement. I therefore intend to speak to the principles set forth in the speech we have just heard.

The Minister of National Health and Welfare defined the terms of reference of the task force in very broad terms, and that is as it should be. It is time we considered child care as an issue that concerns society as a whole, and not just the women in society. I was also pleased to hear the Minister say that the role of the family and not just the traditional family would be examined, and I wish to congratulate the Minister on this departure from the usual approach.

The Minister of National Health and Welfare also noted . . . I would like to point out to the Minister that he used sexist terms when talking about children who needed day care. He indicated that one of the issues was whether day care services would be open to children of women working outside the home, or to children of mothers working at home. Non-sexist language should have been used, Mr. Speaker! They should have

said: available to children of parents who work outside the home, or to children whose parents work at home.

In his statement the Minister implied that there is no consensus in Canada on the question of day care services. Well, I am not sure that there is no consensus on that question.

According to a poll made public last April most Canadians believe that day care services should be the shared responsibility of Governments and families, but others think that the Governments should not have anything to do with such services.

The same poll revealed that 50 per cent of the Progressive Conservative Members believe that the federal Government should not get involved in that field.

Mr. Speaker, I hope the Minister will be able to make them change their mind.

I am expected to state our position on matters of principle, Mr. Speaker, but since I am not familiar with the task force mandate I can say it is true that the needs of families have changed a lot. It is also true that the families themselves have changed lot.

Mr. Speaker, if indeed the task force will seek to determine the responsibilities of families, communities as well as those of the private and public sectors, may I simply point out that the responsibilities of companies will have to be wider than those they have been given by the Progressive Conservative Government in terms of employment equity.

The Progressive Conservative Government has emphasized the voluntary approach in matters of employment equity. However, I want to warn the Minister of National Health and Welfare (Mr. Epp) that men and women who are concerned about the problem of child care will not be satisfied with a voluntary approach.

Mr. Speaker, the Conservative Government is fond of consultation, but it tends to listen to social groups only when their opinion coincides with the Government's.

We have seen what happened to de-indexation of family allowances and the prostitution Bill. Although the majority of the witnesses spoke out against the Bill, the Conservative Government had no hesitation in adopting it.

As for this public consultation, I can only hope that the Minister of National Health and Welfare will take the broad view and that the Government will really listen to what the parties concerned with this sector have to say. I would like the Government to launch an advertising campaign that would accurately reflect the Minister's desire to have many Canadians participate in this exercise. Without their participation, I believe we will just have a useless task force, lacking any real contact with families who have to deal with child care problems.

I also want to say I think it is too bad Katie Cooke's recommendations have yet to be released. It seems as though the Conservative Government is cleverly setting up a task force on child care because it does not want to implement the Cooke report's many recommendations.

We realize that a study, commission or task force is an excellent way to procrastinate and buy time, especially when, as in the present situation, the results of a task force like Katie Cooke's must be released and the last thing the Government wants to do is to act on its recommendations. So it just orders another study.

I would also like to draw the attention of the House to several recommendations made by the Subcommittee on Equality Rights. A number of the report's recommendations concern day care centres. So the question arises why another task force is being set up, since the recommendations are already there.

Mr. Speaker, this criticism should be understood in the context of the activities of the Conservative Government. Since September 1984, one can hardly say that issues concerning the status of women have been a priority.

I think this is obvious, considering that a year has elapsed between the announcement that a child care task force would be created and its actual creation.

Mr. Speaker, I want to say to the Minister of National Health and Welfare that this kind of delay is no longer acceptable and that from now on, action will have to follow hard on the heels of a statement of intent.

Finally, I would like to know when the committee will take up its duties.

• (1540)

[*English*]

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, at the outset I wish to clear up what may well be a misunderstanding. I thought I heard the Hon. Member for Outremont (Mrs. Pépin) indicate that she had not seen the terms of reference. I want to make clear, at least in my case, that the draft terms of reference were provided to us, and I thought to both Parties, about a week ago. It could well be that there has been a communications problem. I just do not want to leave the wrong impression in the presentation which is being made. However, I do want to say a word or two about the setting up of the task force.

I am sure that all Members of the House will recall that in August of 1984 the then Leaders of the three political Parties, being in somewhat different positions but nevertheless Leaders of the three political Parties, met in debate. This was a debate which was sponsored by the National Action Committee on the Status of Women. In that debate they were asked the following question:

What steps would you take to ensure that quality universally-accessible child care is available in Canada?

My Leader responded as follows:

Day care is a social responsibility like medicare and education and should be available to all. There must be an increase in the number of day care spaces to

ensure women have equal access to employment opportunities, training and retraining.

The NDP endorsed the program of the Canadian Day Care Advocacy Association, which is consistent with long-standing NDP policy, at a meeting with the Association's executive in Ottawa in May. We would appoint a Parliamentary Task Force to develop a comprehensive plan for implementing universal day care and introduce a Child Care Financing Program as a transitional measure. The Financing Program would include:

a) a direct grant of $5.00 per day to each licensed day care space; and

b) a child care resourses fund based on a formula of $25.00 per day for every child under 13. It is to be expended by the provinces and the territories for the creation of new public child care facilities and programs.

The Child Care Financing Program would cost $300 million. It is estimated that the program would create 50,000 new jobs and at the same time improve accessibility to quality care for our children.

That was the position in 1984 and, of course, it remains the position of my Party. Therefore, we are pleased that the Government has moved now to establish the task force, albeit somewhat later than we had anticipated and hoped. I might add that is in keeping with the commitment made by the present Prime Minister (Mr. Mulroney) in response to the same question when he said:

I will establish a Parliamentary Task Force with a short but clear mandate to examine the provision of quality child care throughout Canada.

I might add it is consistent with the position taken by the then Prime Minister, the present Leader of the Official Opposition, when he said:

—I would push for an indepth study into the inadequacies of child care services—

What we have before us is something with which the overwhelming majority of Members of Parliament in 1984 and, I think, in 1985 agree. As I said, I add the caveat that there has been a time lag which I regret. I am sure the Minister would agree that he too regrets the time which has been taken in establishing this task force. Nevertheless, it is now here and the work which it has to do is vitally important work. It must be done quickly and with care. However, it is necessary to ensure that the end result brings about a policy from the Government which will in fact provide quality day care—and I stress the term quality because without that word what might well emerge could be totally unsatisfactory.

We are pleased that the task force is getting under way because the situation as it now exists is a serious one. In 1983 there were 956,000 children under the age of six and 1.3 million children between the ages of six and 12 with mothers in the labour force. Yet, in 1983 there were only 139,070 licensed group and family home care spaces in the entire country. One need not be a genius to see that the number of day care spaces available when measured against the number of children was woefully inadequate. The vast majority of Canadian women of child-bearing age participate in the paid workforce. In 1983 fully 69 per cent of all women between the ages of 20 and 44 worked outside the home. It is projected that by 1990 over 75 per cent of women aged 24 to 54 will be in the official workforce. The situation we will have in Canada, and I do not think that anyone will dispute this, will be one in which both parents of children will be out in the workforce. There will be an absolute necessity for the provision of care for those children who, out of necessity, will be left otherwise to fend for themselves or will be put into inadequate facilities. By the end of this century women's labour force participation is expected to equal that of men's. Of all of the women who are now working, 60 per cent are married. I think it is fair to say, therefore, that if they were to lose their jobs—and one can never predict such things—one half of those families would fall below the poverty line. I want to suggest that we are pleased that the reference was made by the Minister that consideration must be given—I hope the word "must" is the appropriate operative word—to the report and studies of the Government task force which was so ably chaired by Dr. Katie Cooke. The recommendations of that task force could well form the basis for much of what could and should be done by Government.

● (1550)

I think the terms of reference, at least those from which I have been working, are broad enough to allow for the kind of comprehensive review we believe is necessary. I want to suggest to the committe that it not be restricted in its mandate by the exclusion of any reference to certain matters which are of importance in this vital area. For example, as I mentioned earlier, there is no mention of quality day care. I think the Minister would agree with me that that is what we are talking about. We are not talking about some inferior day care facility which does not begin to meet the need. There is no explicit recommendation or reference in the draft terms of reference which sets out the principle of federal Government leadership, but we hope the committee will in fact see the vital role of the federal Government in developing a child care policy which flows out of necessity from any review of the need of quality child care. In addition to that, we suggest the committee look at the whole question of direct federal funding.

We do not deny that it is desirable that the provinces participate and I expect they will. I think we all expect that. Nevertheless, that should not be an inhibitive in the review undertaken by the committee and the recommendations it makes with regard to adequate expenditures to meet the existing and long-term needs. Although this might be somewhat at odds with the view of the Government with respect to the development of child care, we must be cautious that we recognize that tax dollars are scarce and, therefore, should not be used to subsidize the fore profit sector, if you will, which does, from time to time, grow up—

The Acting Speaker (Mr. Charest): I am sorry to interrupt the Hon. Member for Hamilton Mountain (Mr. Deans) but I would like to remind him that the Minister spoke for a period of 10 minutes. The Hon. Member for Outremont (Mrs. Pépin) spoke for eight minutes. Convention dictates that the Hon. Member also limit his remarks to the same time frame. I will permit the Hon. Member to wind up very rapidly.

Mr. Deans: I am certainly grateful to you for that permission.

The Acting Speaker (Mr. Charest): I said "very rapidly".

Mr. Deans: Given that this is what I consider to be a vitally important task force which is to be given a very serious mandate, I would not have thought that I would have any difficulty getting my views on the record. However, I will do the best I can to wind this up as quickly as I humanly can, I can assure you. I want to make sure that the fore profit potential is kept in mind and that the scarce resources are allocated to provide the maximum child care possible.

I am getting little signals which I can hardly understand. I am having a tough day, Mr. Speaker. I hurt my back this morning and I am suffering considerably. Any further aggravation will cause me great pain.

Some Hon. Members: Oh, oh!

Mr. Deans: I want to quickly set out some points which I hope the committee will remember in its establishment of a national child care policy. Child care should be universal. The highest quality child care services should be mandatory. There should be licensing and regulating provisions to guarantee that. The affordability of child care must be kept in mind and it must not be unavailable simply because of lack of income on the part of families, particularly low income families. The parental role must always be paramount. Parents should have an active and significant role in determining the child care environment.

I am just about finished. I only have about 10 seconds if you will just sit back and relax.

With respect to the whole question of sponsorship, child care services should, to the extent that it is humanly possible, be non-profit operations in order to maximize the benefits and the working conditions for those who work in child care should be such as to guarantee salaries and benefits which meet their education and commitment.

With those few comments, I will conclude by saying that I would like to see the committee get on with this work and I thank the Minister for having brought the terms of reference forward.

* * *

[*Translation*]

TRANSPORT

GOVERNMENT POLICY ON HANDICAPPED PERSONS

Hon. Suzanne Blais-Grenier (Minister of State (Transport)): Mr. Speaker, I welcome this opportunity to explain to Hon. Members how this Government intends to make our transportation system more accessible to the disabled. In fact, we intend to achieve this objective by means of a range of specific and positive measures.

[*English*]

It is indeed a pleasure to rise in this House to describe the Government's commitment to improve accessibility to our transportation system for disabled persons.

[*Translation*]

The Canadian Charter of Rights and Freedoms provides that all persons are equal before the law. This implies that the disabled must have reasonable access to facilities and services provided by the Government of Canada.

[*English*]

Prior to forming the Government, the Progressive Conservative Party pledged itself to three major goals for disabled persons; to remove barriers to their participation in economic and social opportunities; to support self reliance by disabled persons and enhance their capacity to contribute to their communities and, finally, to work toward implementing the recommendation contained in the Obstacles Report of the Special Parliamentary Committee on Disabled Persons.

[*Translation*]

Today, I would like to describe what we intend to do about transportation to make this sector accessible to the disabled. Our Government will be taking steps in a number of areas. First of all, a comprehensive plan for training and development of all public transportation employees in federally regulated sectors; then, defining the type of measures required to respond to the needs of disabled travellers, whereby provincial governments will be urged to ensure that provincial bus companies develop plans for adapting equipment and services and submit these as soon as possible; encouraging the negotiation of reciprocal agreements on paratransit services; co-operating closely with the Canadian Human Rights Commission and agencies representing the disabled, the private sector and other levels of government, with a view to increasing accessibility; retrofitting of terminals and facilities regulated by Transport Canada so that they provide the same level of services to the disabled; co-operating closely with carriers to ensure effective communication; taking appropriate action to provide for a reasonable level of service for the disabled on all transport modes.

● (1600)

[*English*]

These commitments will form the basis of a new policy on transportation of disabled persons which I intend to announce in the near future. This Government is sensitive to the needs of disabled persons in the area of transportation and has reviewed the issues in detail.

[*Translation*]

Already aware of the needs of the disabled and the problems they face in the area of transportation, the Government has consulted with disabled persons and their representatives in order to acquire a clear understanding of the problems they have to deal with. Today, we are acting in response to recom-

mendations made in the many studies that have been carried out in the past. It is now time to act.

Last June, my predecessor set up a committee to advise the Government on what can be done to make our transportation system accessible. Our objective is, first of all, to eliminate physical barriers and to help change people's attitudes to the problems facing disabled persons when they want to travel from one place to another.

[*English*]

This Government recognizes that our Charter of Rights and Freedoms promises equal protection and equal benefit under the law and protects disabled persons from systemic discrimination. To comply with the Charter's requirement and ensure reasonable access to Canada's transportation system for disabled persons, our Government is finalizing accessibility standards and guidelines for the air, rail and marine modes.

[*Translation*]

Furthermore, research and pilot projects are being developed to reduce physical barriers to travelling by the disabled. In terms of accessibility, VIA Rail is proceeding with a retrofit of its cars, while the retrofit of ferry terminals is continuing.

Together with the provinces, we have set up a standing committee on the transportation of disabled persons, and its terms of reference include examining complex issues such as national reciprocity in paratransit services and land transportation to and from airports.

The Canadian Transport Commission is developing a multimode card to identify disabled persons who must travel accompanied.

A new, fully accessible bus, the first in North America, has been put into service as part of a three-year pilot project in Newfoundland. Accessibility Guidelines for travel by interprovincial bus lines have been developed by the Minister of Transport and his provincial counterparts. Their collaboration and support have been invaluable. We believe that carriers will conform with these guidelines, and we hope that specific accessibility standards will be set in the months to come.

During Expo 86, our Department will host an international conference to be attended by experts from the public, private and academic sectors. The purpose of this conference is to create an international forum for the exchange of information on questions concerning the disabled.

Furthermore, in response to a recommendation made at the first meeting of my action committee last August, we have set up four task forces whose members include disabled persons and representatives from the transportation sector, industry and government. They are being asked to submit proposals for dealing with the problems facing the disabled in the following areas: standards of access to national air services, airport services and facilities, communications, and finally, bus services.

[*English*]

The Department has initiated work to complete an inventory of existing equipment available in terminals and on board vehicles for visual, hearing and developmentally-impaired travellers so as to identify areas which need further improvement. We are carefully reviewing the report of the parliamentary committee on equality of rights recently tabled before the House. Their praise for the establishment of our implementation committee is very encouraging.

[*Translation*]

Thanks to a multi-million dollar program, we intend to improve technology for vehicles and other transport modes and show how facilities and services can be made more accessible. We hope that in this way, we can help people acquire a better understanding of the needs of the disabled.

[*English*]

Today I am also pleased to announce that this Government has selected over 25 communities across Canada which will be receiving grants to acquire much needed specially equipped vehicles. Specific details will be announced in the near future.

[*Translation*]

This Government is anxious to work together with Canadians in order to bring about the desired changes, and it has therefore set up a program to assist small communities where operating a mini bus service might not be feasible. The program is intended to improve the mobility of the disabled by helping set up a volunteer service.

[*English*]

Two demonstration projects testing this new mobility concept are being staged in New Brunswick. Along with the capital grants mentioned previously, they will combine to significantly improve personal mobility and reduce the isolation of disabled Canadians who reside in small communities across this country. All these initiatives and activities have been accomplished through the co-operation and support of many individuals, groups and organizations. Their diligence and thoughtful advice, coupled with this Government's firm commitment, will result in greater accessibility to our transportation system for disabled Canadians.

[*Translation*]

I know that all the Members of this House support these measures. In the months to come, I expect to see a host of new initiatives and policies that will help us move ahead towards achieving our objective: a transportation system that is safe, reliable and equitable—in other words, accessible to all Canadians.

[*English*]

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, as the Official Opposition critic dealing with policies and regulations regarding the handicapped, it is my privilege to comment on the statement just made by the Minister of State for Transport (Mrs. Blais-Grenier). Along with other Members of the House, I congratulate her on any new steps she

may have taken in the ongoing process of establishing equal opportunities for the handicapped to have full access to transportation, and for the elimination of physical and attitudinal barriers to travel. However, I gather that some Members of the Standing Committee on Transport, which is touring the country and taking evidence, are puzzled as to why the Minister did not wait to make her statement until tomorrow when they would be back in Ottawa and able to be present.

● (1610)

I said that I welcomed any signs of progress and I have listened carefully to her statement. Mr. Speaker, I had to listen carefully because, regrettably, there is precious little in her statement that shows progress or that is new since either the press release of her immediate predecessor six months ago or since the progress report made by the last Liberal Government in 1983 entitled *Surmounting Obstacles*. The Minister said that now is the time for action and then she proceeded to give us 10 action steps. However, of the 10 steps she cited, eight of them appeared in her predecesor's news release of six months ago and she has repeated them almost word for word. Of the two items that are new, neither of them are action oriented but are announcements of more committees and conferences, important though they are. Basically there is no new action at all except with regard to the announcement of 25 communities which will later learn what will be coming to them.

Regrettably, what we heard was not a statement by a Minister to bring some new developments to the attention of the House, but just one more in a long series of attempts by the Government to try to take something which was an initiative undertaken during the last Liberal Government, dress it up in a Tory blue wrapper and call it, as she has done, a new policy. It is too bad that they do not leave well enough alone, give credit where credit is due and get on with new and further action. It seems that the Conservatives just cannot bring themselves to lead, to set the example and to act. All they can do is to lick the bullet—they just cannot bring themselves to bite it.

As far back as 1980 the Parliament of Canada established a special committee on the disabled and the handicapped to review the scope of federal programs in the area of disability. In 1981 it made its report called *Obstacles* which contained 130 recommendations to improve the status of disabled and handicapped Canadians. Action progress was monitored by this committee and subsequent reports showed that by 1983 the Government had dealt with two-thirds of the recommendations and with three-quarters of those dealing with transportation.

While the Canadian Government did much in the past to deal with such matters within its jurisdiction, and should have done even more, the fact is that the real door to equality for the handicapped was thrown open by the passage of the Charter of Rights and Freedoms by the last Liberal Government. That, Mr. Speaker, is what will ultimately force all those who provide public service to give equal access to the handicapped and that is what will propel the Government to some action.

Thanks to the Charter, thanks to the courts, thanks to a decision by a Saskatchewan court last June, and thanks to the Supreme Court for its decision not to allow an appeal, a key principle in this regard was established. Now the handicapped across Canada can demand that appropriate measures be taken to ensure that equal access becomes a reality. Because of the Charter the courts say that identical treatment is not necessarily equal treatment and, therefore, special steps must be taken in any public place to give equal access to the handicapped. It is because of the Charter that the Government must be made to act. It must not be allowed to wait for the courts to settle every case. It must be forced to be bold, to make regulations and to pass laws.

The Minister talked about "developing a detailed strategy" in her blueprint for action, "clarification of procedures", "encouraging negotiation", "working in a spirit of consensus and co-operation", "appointing task forces", and "finalizing guidelines". That is hardly what we would call the language of resolute and vigorous action, Mr. Speaker. What is more, the Minister of State for Transport (Mrs. Blais-Grenier) has not announced any minimum standards. She has not announced any timetable. She has not announced any figures showing financial commitment. She has only recycled an old press release.

Laurie Beachell, National Co-ordinator for the Coalition of Provincial Organizations of the Handicapped, COPOH, says that instead of vague guidelines detailed standards are needed to force compliance. David Blaker, Executive Director of the Advocacy Research Centre for the Handicapped in Toronto, says that they need to be made law. We still do not hear from the Prime Minister (Mr. Mulroney) and the Government that they will bring in standards, regulations and laws because they do not believe in that sort of thing. Why did the Government not bring in an immediate response to the equality rights report and fulfil recommendations 48 and 49 of that report? That could have been done today. The Government does not want to regulate. It prefers to deregulate.

It is precisely because the Tories lick the bullet instead of biting it that today, tomorrow and, regrettably, for some time to come, many disabled people will be refused transportation and will be discriminated against. If they want justice, it looks as if they cannot turn to the Government for it but will have to turn to the courts and call on the Charter of Rights and Freedoms to uphold their rights. Thank God for the Charter.

Mr. Neil Young (Beaches): Mr. Speaker, as my Party's critic for those Canadians who are disabled and handicapped, as a member of the special House of Commons Committee on the Disabled and Handicapped which existed in the last Parliament, and also as a member of the Standing Committee on the Disabled and Handicapped I would like to say a few words about what the Minister has said. I read through the Minister's remarks which she very kindly provided to me yesterday. At the outset it was my intention to give her a bit of a hard time. However, the Minister has only held that position of

responsibility for several months and I have, therefore, decided to be a little bit charitable. However, I will be less so to the Hon. Member for Eglinton-Lawrence (Mr. de Corneille) because I listened very carefully to the remarks which he just concluded. I must confess to becoming a bit agitated as I listened to them.

As I pointed out, I was a member of the special committee on the disabled which was formed by the last Government after the 1980 election. Our mandate was to draw up a report and make recommendations in preparation for the International Year of the Disabled. While it is true, Mr. Speaker, that that committee made 130 recommendations to the Government, it is not factual to say that the previous Government implemented two-thirds of those recommendations. In fact, I want to point out to the House that that committee on the disabled summoned many Ministers from the previous Government before it to give a report on what they had done and what progress they had made toward implementing the recommendations of the report.

To say the very least, Mr. Speaker, the previous Government did not go much farther than making the precincts of Parliament accessible to the disabled. The only other thing it did was to give assurances that either the Minister or the Minister's Department were examining the committee's recommendations with a view to implementing them. I would be very happy to receive evidence to the contrary, but in my experience the previous Government did even less than the present Government is doing, and it is not doing all that much. I want to make that clear. I cannot sit in the House and listen to the remarks of the Hon. Member for Eglinton-Lawrence and not say something about them because what he has told the House is flim-flam. The previous Government did not do what the Member suggested that it did and I regret that very much.

• (1620)

Mr. de Corneille: Were you on the committee that wrote the Obstacles Report?

Mr. Young: The Hon. Member asked me if I was on the committee. If he listened to my opening remarks he would have heard me say that I was not only a member of the special committee on the disabled and the handicapped, which wrote the Obstacles Report, I was a member of the committee that brought subsequent reports.

Mr. de Corneille: Did you sign your name to that?

Mr. Young: Of course, I signed my name to that. I think the Hon. Member for Eglinton-Lawrence should get straight in his mind which reports he is talking about. I am talking about the committee reports.

Mr. Kilgour: Mr. Speaker, I rise on a point of order. The Hon. Member for Eglinton-Lawrence (Mr. de Corneille) was not interrupted by the Hon. Member who is speaking now. The Member for Eglinton-Lawrence is heckling him and I think he should listen to what the Member is saying. I would ask that the Chair insist upon that.

Mr. Young: Excellent suggestion.

The Acting Speaker (Mr. Charest): The Chair tries to be patient with all Members of the House and reminds everyone that heckling consumes time. Perhaps the Member for Beaches may choose not to answer questions put to him.

Mr. Young: I do not mind answering questions, Mr. Speaker, if they warrant a response. I would simply point out to the Hon. Member for Eglinton-Lawrence that the report he is referring to was not a report written by that special committee. It is a report written by the Liberal Government in response to the Obstacles Report. That special committee tore that response to shreds. We called witnesses before the committee. They were people who were disabled consumers. We asked them for their response to the Government's response to our report. In nearly every instance, the response we received from organizations like the Canadian Council of the Deaf, COPOH and a host of other disabled consumer organizations was that the Government did not do what it said it did.

The Government gave a response that was based more on a public relations exercise than in responding in real terms to the recommendations in that report. That is all I want to say on that subject because when we enter into debate in this House we should be concerned with facts, not on what someone would like to believe happened.

Let me deal with the Minister's statement. As I pointed out, the Minister is relatively new in that portfolio and I want to be charitable. I will say that at least the Minister made a report to the House, which previous Ministers have not done. I appreciate that response, rather than those we received from the previous Government. I appreciate the Minister giving us the opportunity to speak in the House on a matter of grave concern to a large percentage of the Canadian population who are disabled or handicapped. Ten per cent may be considered a rather conservative number but at least 10 per cent of the Canadian population are considered to be disabled or handicapped.

Transportation is very much a key to allowing disabled Canadians to participate fully in the mainstream of Canadian life. Employment is the number one key to making a disabled person a fully functional and integrated member of Canadian society but there is not much sense talking about creating jobs for disabled individuals unless we can provide the means for getting those people from their home to their workplace and back again. I am afraid that the Minister's proposals will not achieve that goal.

Unfortunately, today the Minister only gave more suggestions for study, apart from a couple of areas. I commend the Minister for setting up the pilot project in Newfoundland. That was a key demand from COPOH during the election campaign. The Government promised to do something about it and I am glad it has acted.

However, there are many other areas that should have been addressed more progressively and with greater leadership than what the Minister has done today. For example, there is absolutely no question that the disabled have not yet realized equality in transportation. Last weekend the executive of COPOH met in the City of Ottawa. At least two disabled members of that executive had difficulty with their air transportation. Air Canada gave one member, who came from Cape Breton to Ottawa, a hard time about getting on the aircraft simply because that person was disabled.

In the time I have remaining, I want to point out to the Minister that she did not talk about taxi service. There is absolutely nothing that requires a taxi service from an airport, which is regulated and licensed by the federal Government, to accommodate the needs of a disabled person. I would ask her to take that into consideration in her statement to the House.

We welcome the suggestion by the Minister that there will be an international conference in Vancouver next year. I do not know whether it is simply an oversight by the Minister, but she said that the groups that will be involved in that international conference will be experts from Government, industry and the academic community. I want to suggest strongly to the Minister that there are no other people who are more expert in this field than the disabled. They must be involved in that conference. That was the whole purpose of the International Year of the Disabled. They are the experts.

In conclusion, I ask the Minister to consider that very seriously and come back to the House to give us the assurance that the disabled will be involved in that conference.

* * *

PETITIONS

INQUIRY INTO USE OF TEST RANGE AT NANOOSE BAY

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, it is my honour and responsibility to present a petition from residents of British Columbia who are very concerned about the existence of the Canadian Forces maritime experimental and test range in Nanoose Bay, British Columbia. They are concerned that the American Government policy of not declaring whether their vessels have nuclear weapons applies to Canada. They urge the House to call for a full public inquiry, with powers to investigate those concerns, before the present agreement on the test range is renegotiated.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is my honour and duty to present two groups of petitions. The first is from residents of Alberta who are expressing the same concerns as my colleague. They feel that there is a need for a public inquiry into the test range at Nanoose. They state that the inquiry should make recommendations before the agreement is renegotiated.

Child Care

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Stan J. Hovdebo (Prince Albert): My second set of petitions is from a group from the Prince Albert constituency in Saskatchewan who call upon the House of Commons to reinstate full indexation of the universal family allowance and rescind unfair tax increases.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I have the honour to present a petition from some 150 residents of the City of Thunder Bay, primarily from my riding, who continue to protest the decision of the Government to deindex the universal family allowance and make other cut-backs in the public commitment to child benefits. They see this as an unfair attack on women and families with children which will have the effect, by 1990, of making the poorest families worse off than they would be if indexation was continued. They call upon the House of Commons to reinstate or to maintain the well-established indexation of family allowance.

* * *

● (1630)

CHILD CARE

ESTABLISHMENT AND ORDER OF REFERENCE OF SPECIAL COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been the usual consultations between the Parties and we have heard the statement of my colleague, the Minister of National Health and Welfare (Mr. Epp) with respect to the task force on child care.

The order of reference to which the Minister referred I now have. The agreement between the Parties was that the order of reference be now presented and passed without debate. I will read into the record the order of reference as follows:

That a special committee of the House of Commons, to be composed of seven Members of Parliament, to be appointed to act as a parliamentary task force on child care. The task force shall examine and report on the future of child care in Canada in the context of the changing needs of the Canadian family in today's society with particular reference to the following:

(1) The requirements of children for care in parental or non-parental arrangements and the preferences of parents in this regard;

(2) The role of the federal Government in child care in light of the shared responsibility for child care among parents, the private sector, the voluntary sector and governments;

(3) Alternatives for future action by the federal Government: The alternatives proposed should take into account factors such as:

(*a*) The special circumstances of various families; including, although not exclusively, such factors as: marital status of parents, and economic circumstances of families, location, cultural background, disability of parent(*s*) or child.

(*b*) The financial implications for the Government of any initiatives which may be proposed including tax measures or other fiscal arrangements.

[*Translation*]

That the Special Committee, in carrying out its review, shall have all the powers given to Standing Committees by section 10(*a*) of Standing Order 70;

That the Special Committee have the power to retain the services of expert, professional, technical and clerical staff as may be deemed necessary;

Order Paper Questions

That the Special Committee be empowered to adjourn from place to place within Canada to hold hearings and receive the views and representations from interested groups and individuals and that, when deemed necessary, the required staff accompany the Special Committee;

[*English*]

That, notwithstanding the usual practices of this House, if the House is not sitting when an interim or final report of the special committee is completed, that the committee shall report its finding by depositing its report with the Clerk of the House and that it shall thereupon be deemed to have been laid upon the Table; that membership changes shall be made pursuant to Standing Order 70(6)(B).

That the special committee shall report no later than one year following the adoption of this Order.

The Acting Speaker (Mr. Charest): Does the President of the Privy Council (Mr. Hnatyshyn) have the unanimous consent of the House to introduce his motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

WAYS AND MEANS

NOTICE OF MOTION

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, pursuant to Standing Order 65(1), I wish to table in both official languages copies of notices of Ways and Means to amend the Income Tax Act.

Pursuant to Standing Order 65(2), I ask that an order of the day be designated for the consideration of said motion.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I wish to advise the House that Question No. 471 will be answered today.

[*Text*]

CALIBRATION OF TANK TRUCK

Question No. 471—**Mr. Brisco:**

1. In (*a*) 1981 (*b*) 1982 (*c*) 1983 (*d*) 1984 (*e*) 1985 to date, how many times did the Department of Consumer and Corporate Affairs calibrate or measure the capacity of the gasoline tank truck of the PetroCan bulk dealer in Trail, British Columbia?

2. Were there any discrepancies noted in any one year and, if so, what was the meaning or interpretation and nature of the discrepancies?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): 1. (*a*) None. (*b*) None. (*c*) None. (*d*) Once. (*e*) None.

2. Yes. While the meter was found to be correct, each of the four compartments of the truck contained slightly less than the calibrations indicated on the markers located in the compartments. Repairs were made to the unit which was subsequently recalibrated and reverified as correct by the inspector.

[*English*]

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

The Acting Speaker (Mr. Charest): The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Pembina (Mr. Elzinga)—Customs and Excise—Treatment of visitors at Edmonton International Airport; the Hon. Member for York East (Mr. Redway)—External Affairs—Extradition of United States citizens; the Hon. Member for Thunder Bay-Nipigon (Mr. Epp); Visible Minorities—Japanese Canadians interned during World War II.

[*English*]

May I also advise the House that pursuant to the new rules and because of the Ministers' statements, we will adjourn 60 minutes later tonight.

GOVERNMENT ORDERS

[*English*]

REPRESENTATION ACT, 1985

MEASURE TO ENACT

The House resumed consideration of Bill C-74, an Act to amend the Constitution Act, 1867 and the Electoral Boundaries Readjustment Act and to provide for certain matters in relation to the 1981 decennial census, as reported (without

amendment) from the Standing Committee on Privileges and Elections; and Motion No. 2 (Mr. Hnatyshyn).

The Acting Speaker (Mr. Charest): When the House rose at one o'clock, the Hon. Member for Laurier (Mr. Berger) had the floor. As the Hon. Member is not present, is there another Hon. Member who wishes to enter the debate?

Mr. Bob Horner (Mississauga North): Mr. Speaker, I will be brief. It is a pleasure for me to speak on the Bill today as its subject matter is especially important in my constituency of Mississauga North.

At last official count in the 1981 census, Mississauga North, with over 140,000 voters, was the second most populated riding in Canada. Indeed, between 1976 and 1981, total population in my riding increased by 39.1 per cent, nearly nine times the provincial growth rate of 4.4 per cent. During this same period, the population of voting age grew by 47.9 per cent compared with the Ontario figure of 9.9 per cent.

I can tell you, Mr. Speaker, that Mississauga North continues to grow in this same fashion, and it would come as no surprise to me if our upcoming census shows Mississauga North to be the most populated riding in Canada. While I would enjoy the opportunity to speak at further length about the reasons for and the advantages of such tremendous growth, I will save bragging about my riding for another opportunity, and come immediately to the matter at hand, Bill C-74.

This Bill is not one that has commanded a great deal of attention in the media. It seems our friends in the media have other priorities. It is my belief, however, that this is a very important piece of legislation which will shape the nature of the House of Commons, and even influence parliamentary procedure. The Bill guarantees that the House will retain its particular character. The Bill ensures that Members will not lose the influence they have, and it ensures that the Canadian parliamentary tradition will be effectively continued. It ensures the preservation of a system which is unique to Canada, while it accounts for growth and change in this still young nation. All said, Bill C-74 has not received its due share of public attention.

• (1640)

The ideas contained in the Bill are well founded in Canadian history, yet the impetus for this legislation comes from a modern day Government. In September, 1984, we were given a mandate for positive change. Our Government proposes changes in this Bill which have arisen from broad consultation, changes which will prevent unchecked, costly growth of Parliament.

Representation by population, or "rep by pop" as it is more commonly known, is an idea which has been central to Canadian parliamentary tradition. The necessity for fair and adequate regional representation has as well been a serious consideration for every Canadian Government dealing with this matter. Our first federal Government—and I remind the House that it was a Conservative Government—successfully dealt with all these considerations in 1867. In 1975, the previous Government amended the Constitution Act, 1867, so that the number of Members of Parliament allotted to each province would be adjusted after each decennial census. Over the years, these adjustments have meant that the House of Commons is now filled to near capacity. Indeed, I would venture that the unchecked growth of the House would require the conversion of the opposition lobby to government benches. With the amount of activity, or might I say inactivity, in the opposition lobby, it might be put to better use if we converted it to government benches.

Rather than allowing the House to grow at an uncontrollable level, our Government has introduced a Bill which addresses the two important considerations of representation by population and fair regional representation. The Bill also means that the growth of the House will be restricted. In the next election, we propose the addition of 13 seats, bringing the number to 295. Thereafter, increases will be smaller. In 1991, we recommend 296 seats, and for the year 2001, we propose a House of 298 seats.

There has been some criticism of the Bill. However, it is my opinion that the Bill could not be more fair. The procedure for drafting the legislation was fair. We consulted all concerned parties to elicit public opinion. We published a White Paper on redistribution in June, 1985, which was subsequently referred for consideration to the Standing Committee on Privileges and Elections. After careful consideration of the amendments contained in the White Paper, the committee reported favourably. The Bill is fair because it ensures that provinces with stable or declining populations will not lose seats in the House. In the Canadian system, the loss of seats has always engendered great concern. Since the Bill contains the proviso that a province will not lose its present number of seats, the necessity of fair and equitable representation is addressed.

The Bill is fair because it provides for more seats in areas of tremendous population growth, while it ensures that transitory population trends are not permanently reflected in the composition of the House. Our theory for redistribution is careful in accounting for transitory growth trends.

However, it is also important that the Bill is fair to Canadian taxpayers. Based upon 1984 figures, in the first redistribution after the Bill's passage, and even after accounting for the cost of the electoral boundaries readjustment commissions, it is estimated that Canadian taxpayers will save approximately $1 million. Indeed, if the previous legislation was to be left unaltered, the cost of Parliament would skyrocket. While we recognize the value of our own staff and of the House of Commons support staff, we all realize their and our expense. Under the terms of the existing legislation, the House would have 369 seats in the year 2001. Without doubt that would be an expensive proposition.

The Bill gives us the best of all worlds—areas of great population growth will enjoy increased representation in the House, unchecked growth of the House is restricted, and we save valuable tax dollars.

Finally, one of the unique and outstanding features of the Bill is the way in which it reforms certain procedures of the

electoral boundaries readjustment commissions. For example, the Bill permits, for the first time ever, Member of Parliament representation on the boundaries readjustment commissions. Second, the Bill allows realistic time limits for the work of the commissions. The Chief Electoral Officer has indicated that he needs 30 months to report on boundaries readjustment. If the Bill goes through, he shall have his 30 months.

This brings me to my concluding point—urgency of passage. Time seems to fly more quickly in the political arena and, before we know it, another general election will be upon us. In order for the boundaries readjustment commissions to do a thorough job, and in order for the Chief Electoral Officer to prepare his report, the legislation must pass at the earliest possible opportunity. I am confident of the co-operation of the House in this respect.

In closing, it is my firm belief that this is a fair and just Bill. The Bill addresses the unique Canadian concerns of representation by population and regional representation. It ensures that the fundamental nature of the House of Commons is not altered. Most important, the Bill allows the population of Canada to be reflected in Parliament, while it ensures the continued effectiveness of the House.

The Acting Speaker (Mr. Charest): Before putting the question to the House, I should like to draw its attention to a point of clarification as to Motions Nos. 2 and 3. Motion No. 2 seeks to delete lines 17 to 34 of Clause 2 of Bill 74 and to add some words, compared with Motion No. 3, presented by the Hon. Member for Algoma (Mr. Foster), which seeks to delete lines 19 to 34, also of Clause 2. By voting on Motion No. 2, we therefore would not have to deal further with Motion No. 3, having settled the matter for all practical purposes.

The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Motion No. 2 (Mr. Hnatyshyn) agreed to.

The Acting Speaker (Mr. Charest): We will now move to Motion No. 4. Earlier this day the Chair indicated that we would hear procedural argument on this motion. Therefore, the Chair will hear the arguments before the motion is moved.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my amendment reads as follows:

That Bill C-74, be amended in Clause 2 by striking line 34 at page 2 and substituting the following therefor:

"of one, one other member.

4. Among the number of members assigned to Ontario, there shall be assigned a minimum of 11 members to northern Ontario."

When I drafted my amendment, I asked myself what was the principle in the Bill. I wanted to ensure that the amendment was in line with the intent of the Bill—first, that it did not contravene the intent of the Bill and, second, that it did not go beyond what the Bill intended to do.

The purpose of the Bill is to establish for the next federal election electoral boundaries. Generally speaking, the Bill wants to restructure the electoral boundaries map of Canada so that some provinces would get additional seats. Indeed, the Province of Ontario will end up with four more seats, the Province of British Columbia will end up with two more seats, and the remaining provinces will have the same number of seats as they presently have. My amendment does not interfere with the 99 seats which have been allotted to Ontario in the legislation. It indicates that that part of Ontario that is known as northern Ontario geographically and in common practice would maintain the 11 seats which that part of Ontario presently holds. We do not seek to add a greater number of seats to the Province of Ontario. We do not seek to reduce the number of seats in any other province. My amendment simply indicates that the 11 ridings in northern Ontario will be maintained.

• (1650)

I would suggest that this amendment falls well within the purpose and intent of the Bill. The intent of the Bill is to establish ridings which would return Members to the House of Commons at the next federal election. My amendment does not go beyond that principle. The principle of my amendment deals with the situation as it exists in the Province of Ontario. I would suggest to you, Mr. Speaker, that my amendment is therefore in order.

Mr. Maurice Foster (Algoma): Mr. Speaker, I would like to join the debate with regard to the procedural acceptability of Motion No. 4. This morning the Chair indicated that it would like to hear arguments with regard to Motions Nos. 4 and 5. It seems to me that Motion No. 4 put by the Hon. Member is very similar to my Motion No. 5 except that Motion No. 5 sets out the exact geographic locations involved in northern Ontario and the 11 seats that exist there. As well, it sets out the procedure for redistributing those seats within the geographical area of northern Ontario.

I would argue that these motions are in order. Motion No. 4 simply seeks to amend one clause of Bill C-74. It essentially applies the same principle to a large geographic area in northern Ontario which represents 80 per cent of the land mass of the Province of Ontario as is applied to Saskatchewan and other provinces which are provided with a floor for representation under Rule 2 of which we have just approved.

The principle of Motion No. 5 is essentially the same one that was adopted by the Electoral Boundaries Commission which identified northern Ontario as a geographical location and accepted the present number of Members. The Commission adopted a population average of 70,000 for the area as opposed to the 81,000 which has been adopted for the rest of the province. The amendment simply applies to redistribution within the Province of Ontario and does not infringe upon any redistribution taking place in other provinces. I would argue that Motions Nos. 4 and 5 are procedurally acceptable.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I think my actions with respect to this Bill have demonstrated the fact that I am prepared to listen to reason-

able suggestions for amendments. The motions I have put before the House at report stage reflect that.

I have listened with great interest to the representations made *vis-à-vis* the attempt to bring forward amendments at this stage of the Bill. I think the Bill already addresses the concerns that have been expressed in the amendments brought forward by Hon. Members. However, that is not why I am rising now.

I do not think that there is any question that these amendments are clearly out of order according to the rulings in Beauchesne's. Let me express why this is the case. In the first place, the amendment put by the Hon. Member for Nickel Belt (Mr. Rodriguez) must be rejected because its wording is too vague. The Hon. Member refers to an area described as northern Ontario. Depending on whether one lives in Barrie, North Toronto or London, one's perspective of northern Ontario may include quite a variety of places and descriptions. The vague description of northern Ontario is not a clearly defined geographical area. Therefore—

Mr. Rodriguez: Wait till I send this out to those Tory ridings.

Mr. Hnatyshyn: I am speaking in technical terms. We all know that northern Ontario is an important part of the country. However, the fact is that it is not a legally defined geographic entity in any official atlas and therefore is incapable of definition.

The Hon. Member for Algoma (Mr. Foster) identified certain areas in northern Ontario which would be entitled to a certain number of seats. However, both amendments, as Your Honour pointed out at the beginning of debate on report stage, are out of order since they depart entirely from the principle set down in this legislation.

Let me simply remind Your Honour of the fact that the principle of this Bill and the Act which is being amended by this legislation was not that we in Parliament define the location or number of seats within any province. Rather, that responsibility has been delegated to electoral commissions. These two amendments purport to take away that responsibility which is delegated under Section 13 of the parent Act, an Act which is not before the House. That is the principle under which the legislation operates. There are delegations of authority to the Electoral Commissions in each province.

In this case, the amendments purport or attempt to create different rules for the Province of Ontario than those that exist for any other province. The changes proposed to this legislation create one set of rules for all provinces across the country. There is delegation of responsibility within each province to the electoral commissions. However, these amendments would significantly depart from that principle by designating certain things for northern Ontario or for electoral districts in northern Ontario.

If accepted by Your Honour, these amendments would be contrary to the purpose of this Bill which provides rules to apply generally to all provinces. Therefore, on the face of it, notwithstanding the merits of the case, they clearly depart from the principles of the Bill before us today.

You will of course, Mr. Speaker, be aware of Citation 773.(1) of Beauchesne's Fifth Edition which indicates that an amendment is out of order if it is irrelevant to the Bill, beyond its scope or governed by or dependent upon amendments already negatived. In conclusion, quite apart from the fact that we have dealt with the principles and objections that are contained within these suggested amendments, these amendments are clearly outside the scope of the legislation and contrary to the principles of the legislation. I would have to argue strongly with you, Mr. Speaker, that they are not in order. Having said that, however, there is no problem because the amendments I have brought forward are, in fact, dealt with and there will be equity for northern Ontario.

● (1700)

The Acting Speaker (Mr. Charest): After hearing the procedural arguments of the Hon. Member for Nickel Belt (Mr. Rodriguez) as to the acceptability of Motion No. 4, and even though there is some doubt in the mind of the Chair as to its procedural acceptability, it is the Chair's position that the doubt should be to the benefit of the Hon. Member. The same remarks apply to Motion No. 5 put forward by the Hon. Member for Algoma (Mr. Foster).

Having said that, the motions will be allowed to go forward, although I must indicate to the House that they will be debated together and voted on separately. Therefore, I will put the motions to the House.

Mr. John R. Rodriguez (Nickel Belt) moved:

Motion No. 4

That Bill C-74, be amended in Clause 2 by striking out line 34 at page 2 and substituting the following therefor:

"of one, one other member.

4. Among the number of members assigned to Ontario, there shall be assigned a minimum of eleven members to Northern Ontario."

Mr. Maurice Foster (Algoma) moved:

Motion No. 5

That bill C-74, be amended in Clause 2 by adding immediately after line 34 at page 2 the following:

"4. Notwithstanding rules 1, 2 and 3, and the Electoral Boundaries Readjustment Act, in dividing Ontario into electoral districts under that Act following the completion of the 1981 decennial census, the electoral boundaries commission for Ontario for the census

(*a*) shall consider the aggregate territorial area of the electoral districts described in paragraphs 1 (Algoma), 9 (Cochrane-Superior), 34 (Kenora-Rainy River), 49 (Nickel Belt), 50 (Nipissing), 69 (Sault Ste. Marie), 77 (Sudbury), 78 (Thunder Bay-Atikokan), 79 (Thunder Bay-Nipigon), 80 (Timiskaming) and 81 (Timmins-Chapleau), of the part of the 1976 Schedule relating to the Province of Ontario;

(*b*) shall divide that area into eleven electoral districts in accordance with the rules provided by section 13 of the Electoral Boundaries Readjustment Act; and

(*c*) shall, in accordance with the rules provided by section 13 of the Electoral Boundaries Readjustment Act, divide the remaining territory of Ontario into the number of electoral districts that equals the difference obtained when the number eleven is substracted from the number of members assigned to Ontario under subsection 51(1) of the Constitution Act, 1867, as amended by the Constitution Act (No. 2), 1974."

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I congratulate you on the fine, impartial wisdom of your ruling. There is a reason for moving the amendment which calls for a guarantee that the 11 seats in northern Ontario remain when the electoral boundaries map is drawn for the Province of Ontario.

Geographically, northern Ontario is a huge land mass with very little population. As a matter of fact the population has been declining. The experience in the past has been that when electoral boundaries maps are drawn and the hearings are held the commissioners are dealing with numbers. They have a floor and a ceiling. They have to create ridings between that floor and that ceiling to match the population of northern Ontario. As a result, we could have communities which are up to 800 to 900 miles apart falling within the same riding. The last time the electoral boundaries committee met to look at the electoral boundaries in Ontario there was a proposal with respect to the boundaries of the riding of Timiskaming coming into the riding of Nickel Belt and removing the community of Nickel Centre out of Nickel Belt and connecting it up to Timiskaming. This is a situation in which there was no historical or cultural relationship. There are great distances between the communities in the southern part of the riding compared with the northern part of the riding.

Not only would it be difficult for a Member of Parliament to serve such a riding, it would be difficult for his or her constituents to communicate effectively with the Member of Parliament. Indeed, I could get on to my bias and my horse and ride it. The fact is that the population in northern Ontario is declining. The decline closely parallels the decline in the resource sector. In fact, we have consistently argued that instead of reducing the number of voices in the legislatures, both provincial and federal, we should have more voices to balance the geographic and regional disparities which exist in that part of the province.

I am absolutely positive that if the commissioners were to look at the census figures at the present moment they would see that northern Ontario would suffer a loss of seats. I am absolutely sure of that. In fact, to do that would force the commissioners to look at wiping out a riding and bringing in groups from greater and greater distances to make up the nine or ten seats. I do not think that is fair to northern Ontario. The arguments end up like a dog trying to catch its tail. People say that if we can get more people to live in northern Ontario then we could have more seats. We have also heard that if we had more people living in the North we would have more industry. We know that is simply the old chicken and egg argument. It does not cut ice with us because we have experienced this. It seems to me we cannot apply a straight "rep by pop" application to northern Ontario. We have to look at the situation in terms of serving the people. That is what we have to look at—the quality of the service to the people. In fact, we have made these exceptions in the past.

I see the Hon. Member for Crowfoot (Mr. Malone) moving his head from right to left. We have made these types of exceptions. If one were to look at it one would see that Canada is a study in exceptions. If representation by population were considered for Prince Edward Island then it ought not to have the number of seats which it now has. That includes all of the Atlantic region. However, because the Fathers of Confederation recognized that there were these anomalies in the country, and therefore the need to recognize those differences and to make sure the representation in the House reflected that, we do have a type of guarantee for parts of the country such as Prince Edward Island and other parts of Atlantic Canada. That is fair.

I argue in favour of the amendment which is before the House. It is only fair to the people of northern Ontario who are taxpayers and who deserve the same quality of service which a constituent living in downtown Toronto, the Beaches or some other southern riding deserves. It would not be a weakening of the electoral boundaries to guarantee northern Ontario its 11 seats. It seems to me it is a guarantee of participation in the democratic process.

I recommend the amendment to Members of the House. I am sure the Conservative Members who represent three ridings in northern Ontario would argue for the support of this amendment if they were here. I believe the three ridings are Timiskaming, Timmins-Chapleau and Nipissing. I ask these Members to try to impose this mesasure upon the Conservative Government. However, I am sure that when it comes time to vote they will want to vote it down. I wish to send this message out to all corners of northern Ontario. I want them to know that the Conservative Government is not prepared to give them a fair voice in this House. Those Hon. Members would be prepared to vote the amendments down.

• (1710)

Some Hon. Members: Oh, oh!

Mr. Rodriguez: Well, the vote will come and we will see how you are going to vote. We are going to send back a copy of *Hansard* on that day to folks living in those ridings you presently hold so they will be able to see how fair the Tories are. I ask Hon. Members opposite, I appeal to their sense of fair play, to support this amendment. If they do not, then they will vote against it to their everlasting sorrow.

Some Hon. Members: Oh, oh!

Mr. Rodriguez: Those Hon. Members laugh. They think it is funny.

Mr. St. Germain: Even your own people think it is funny.

Mr. Rodriguez: There are cases where a person who lives 300 miles away from his Member of Parliament, has a problem, and wants to see his Member of Parliament. The Member of Parliament is very busy but that person wants to have access to him. That is when the application will strike home. That is when the practical application of the Tories' denial of northern Ontario maintaining its 11 seats will strike home. The proof will be in the eating of this pudding.

I call upon Hon. Members of the Conservative Party not to be stampeded by their House Leader. I urge them to stand up for northern Ontario. Give us the guarantee of 11 seats. It doesn't take anything away from them but it allows the people of northern Ontario to have fair representation in the House of Commons.

Mr. Maurice Foster (Algoma): Mr. Speaker, I believe your ruling was excellent. It was fair and well reasoned. It was an important decision for the Chair in this House of Commons with regard to Bill C-74, the Electoral Boundaries Redistribution Bill. I think it is absolutely essential that these amendments which were put forward with respect to northern Ontario are accepted by the House of Commons because this Bill is really designed to restrict the growth of the House of Commons.

Mr. Malone: Hear, hear!

Mr. Foster: It will in effect reduce the numbers of Members who will be provided to Ontario by six. It is interesting to hear Members opposite from the western provinces arguing for reduced representation. If the Hon. Member opposite who just spoke from his seat had really argued for the benefit of Alberta, he would have stated as soon as this Bill was introduced that it was unfair to Alberta because it reduced the representation to which Alberta was entitled.

Mr. Malone: So what?

Mr. Foster: The Hon. Member says: "So what?" Does he not want to see Alberta have its proper representation? I certainly want to see northern Ontario have its proper representation because northern Ontario is a distinct geographical unit of some 88 per cent of the land mass of the province of Ontario. My constituency, which is of medium size by many standards, still encompasses 13,000 square miles and is over 500 miles long. Other constituencies such as Cochrane Superior, Kenora-Rainy River and Timiskaming are even larger. Those areas of Ontario want and deserve adequate representation in the form of at least 11 Members of Parliament.

I hope that Members opposite from northern Ontario—the Hon. Member for Timiskaming (Mr. MacDougall), the Hon. Member for Timmins-Chapleau (Mr. Gervais), the Hon. Member for Sault Ste. Marie (Mr. Kelleher) and the Hon. Member for Nipissing (Mr. Mantha)—will come forward and lend their support. We are not doing anything in these amendments to take away from representation in other provinces. We are just saying that out of the 99 Members of Parliament, in the allocation of Ontario there should be at least 11 seats, one ninth, from northern Ontario. We have 88 per cent of the land mass but our population is not nearly as dense as it is, for example in Toronto.

These amendments provide that there will be at least 11 Members of Parliament to be a strong voice from the north in the Parliament of Canada. I think there is a precedent for this in the Ontario legislature brought in by the previous Conservative Government. The Hon. Member for Saskatoon, who is the President of the Privy Council (Mr. Hnatyshyn), is a great admirer and adherent of that former Tory Government. It provided 16 seats in the provincial legislature out of 124 or 125 Members. Surely, that precedent is a good one to follow in the Parliament of Canada. We are a distinct geographical area within the province of Ontario and these amendments do not in any way infringe on the electoral arrangements in other provinces. They simply ask for an adequate representation in the Parliament of Canada for northern Ontario within the Ontario allocation.

I think as time goes on, Mr. Speaker, this will be proved to be very wise because constituents demand more services from Members. They want to see their Members of Parliament at community functions. They want to be able to deal on a personal level with Members of Parliament. A reduction in the number of Members from northern Ontario would make this task, which is already difficult, almost impossible.

If we examine the Bill as it was put forward by the President of the Privy Council, we see that the population rises from some 81,000 as proposed in the existing amalgam program to 87,000. This new average population in Ontario will keep rising with each redistribution in the future and it is obvious that the Bill before the House today, Bill C-74, will reduce by six Members the representation as proposed in the existing redistribution legislation. It is impossible to believe that at least one or two Members either in this redistribution or in the next will not be lost from northern Ontario.

I submit that one Member of Parliament can easily look after 80,000 or 90,000 people in Metropolitan Toronto where there are constituencies of a couple of square miles as opposed to the ridings in northern Ontario which have as a minimum, something like 13,000 square miles, as in the case of Algoma. I certainly hope that Hon. Members opposite, including the President of the Privy Council who is a gentleman, scholar and a great Parliamentarian, will see the fairness of this amendment because he grasped the principle and applied it to his own province of Saskatchewan. He said: "We want to have a floor under the representation from the province of Saskatchewan", and he has provided that floor with Rule No. 2 and it provides for 14 Members of Parliament from the province of Saskatchewan with a population of 968,000. This amendment does not demand the kind of fairness which our side is prepared to provide to Saskatchewan.

Because the population of northern Ontario is something around 800,000, we would certainly be entitled to more than 11 seats, perhaps, but we are asking the President of the Privy Council to provide the same fairness for northern Ontario as he has provided for the province of Saskatchewan and his own constituency. There again, you are dealing with very large spaces but not nearly as large a constituency as we see in northern Ontario. Yet this Bill provides a grandfather clause which in effect adds three seats to the number Saskatchewan would otherwise be eligible for. The same thing applies in Manitoba where the population is almost exactly one million people. That works out to 11.7 Members. The Bill provides a

floor by adding two more so that Manitoba gets 14 Members even though it has only about 200,000 more people than northern Ontario.

• (1720)

In the interest of fairness, not just for the western provinces as provided by the grandfather clause, I hope the Minister will want to apply the same principle to northern Ontario. He can come to northern Ontario and talk to the people in Sault Ste. Marie, the constituency of the Minister for International. Trade He can talk to the constituents of the Hon. Member for Timmins-Chapleau, the Hon. Member for Timiskaming and the Hon. Member for Nipissing. Ask them whether or not there should be a floor. I am sure the Minister would be persuaded that these amendments set out a fair and equitable and just regime for an important area of our country. Northern Ontario has provided great Members of Parliament in the past. It has sent us a former Prime Minister, Lester Pearson, as well as great Speakers and cabinet Ministers. Last but not least it has also provided great private Members like those here who support this resolution this afternoon. I hope we have persuaded the Minister to give leadership to the private Members on his side so that he will lend his support to at least Motion No. 5 and perhaps Motion No. 4 as well. I hope we have persuaded the Minister to see the fairness of this amendment just as he saw its principle applied to his home province of Saskatchewan in the Bill now before the House.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I want to begin by commending the Hon. Member for Algoma (Mr. Foster) for introducing Motion No. 5. In principle Bill C-74 has a great deal to commend it. I particularly want to congratulate the Government House Leader (Mr. Hnatyshyn) for improving the methodology of drawing constituency boundaries and giving the commissions much more latitude to take into account a community of interests and geographic size. Nevertheless, a special case can be made for the northern part of the Province of Ontario.

Mr. Malone: Or anybody.

Mr. Penner: No. That is where you are wrong. There is the voice of Toronto.

Some Hon. Members: Oh, oh!

Mr. Horner: He is from Alberta.

Mr. Penner: I want to tell the Government House Leader that that is exactly the problem we have had in northern Ontario. The Toronto attitude is northern Ontario is nothing but the poor backyard, the hinterland of the province. They go in and grab the resources, take them somewhere else, move the money back and forth from hand to hand, institution to institution, and that is it. That is why we are making a plea for northern Ontario as a special case. It is not true that every province has a northern part which is precisely the same as Ontario. First of all, Ontario is one of the biggest provinces. Most of the province is in the North. For a long time northern Ontario has had special status in many respects. If anyone here happens to follow a national sport called curling, they will know that each province enters its own team in national competition called the Briar. Northern Ontario has always had its own curling team in the Briar and, more often than not, and my colleagues from the North can correct me, we have taken the Briar. Because it is the dominant part of the province, northern Ontario requires special protection under the Electoral Boundaries Readjustment Act so that eventually we are not left with only three or four seats under redistribution.

We in northern Ontario have come to see the importance of federalism. On many occasions, when the voice of the North could not be heard in Toronto, we knew it could always be heard in this House. That is why you will find the strongest proponents of a strong federal system residing in northern Ontario. Let me go one step further and remind the House that what the Hon. Member for Algoma has done today is not some innovation which has never been heard of before. You will recall the election of 1979, if you want to call it that. It was kind of an abortive election because we were back at the polls again in 1980. However, that election was fought with new boundaries. Prior to that time, when the redistribution process had been completed, it was discovered that northern Ontario was going to lose part of its representation. One of the very large constituencies at that time was called Thunder Bay. That is not to be confused, I say to the Hon. Member for Thunder Bay-Nipigon (Mr. Epp), with the riding he now represents. It was at that time an entirely rural constituency. No part of the city was included. It was one of the largest constituencies in the country. As a result of redistribution, that constituency was done away with entirely. The House was quick to observe that a very grave injustice had been done to that great region of the country. In its wisdom the House sought to redress that grievance. One of the outstanding Government Members at that time, the late R. K. Andras, sensed the mood of the House. He knew this was the place where these injustices had to be corrected. Although the parliamentary timetable was completely filled up in the time leading up to the end of that session, he used political judgment and influence to convince the House Leader of the time to squeeze out a bit of time in which to redress this grievance of the people of northern Ontario. A Government Bill was introduced which was very similar in scope to the motion introduced today by the Hon. Member for Algoma. It was to give northern Ontario a floor representation. It did not ask for anything unreasonable, only to retain the level of representation which they had at that time.

• (1730)

The people of the north, in so many ways, regard themselves as being like a province. It is true that it is a region, but anyone who knows the spirit of northern Ontario knows that the people feel very much as though they are a province. In fact, there have been very vigorous movements in northern Ontario to actually create a Province of Northern Ontario. The name "Aurora" was once suggested. There was once a political party formed led by Mr. Ed Deibel from the commu-

nity of North Bay who proposed that there be a province formed, not separate from Confederation, but separate from the grasping hands of Toronto which wanted to take all of our riches and give us the dregs after they were through consuming the resources of the north.

There is a sense that we are a province. At that time we were asking for the same deal which the Province of Saskatchewan has in that it is guaranteed a floor. Although Saskatchewan is a full-fledged province in Confederation, we thought it was reasonable that we have the same thing. The late Hon. R. K. Andras, an outstanding Member of Parliament from Port Arthur, whose political leadership we miss, strengthened the political process in northern Ontario. He was so successful that at one time the Liberals held every seat across the north. That shows the kind of influence that that man had in northern Ontario and in the national life of the country.

Mr. Boudria: It will be like that after the next election, too.

Mr. Penner: He introduced a Government Bill into the House. As I explained before, he had only a limited amount of time because the timetable was so full. We debated the Bill that afternoon and almost got it passed. It only required unanimous consent. Although the Members from Toronto were reluctant to agree, even they went along. Finally, only one lone Member, whose name and place of origin I will not mention, withheld consent. He is no longer here because he lost his seat in the infamous election of 1979. It could not have happened to a nicer guy. Because he withheld consent, the Bill did not pass and northern Ontario had to face a very serious disruption in the way in which it was represented in the House of Commons.

The Member for Algoma now wants to redress that grievance. He wants to correct something which should have been corrected in 1978. It failed only by the voice of one single Member, now departed from these august chambers. However, we are going to correct the injustice now. I am sure that Members opposite will help us. They will see that this is right. I know that the Government House Leader (Mr. Hnatyshyn) cannot help but support this. I want to commend, once more, the Member for Algoma for giving this kind of leadership to the rest of us in northern Ontario.

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, as you are aware, I intervened in debate this morning. I want to tell you how pleased many of us on this side of the House were with the way in which you rendered your decision to allow both of these amendments to stand. I indicated this morning the importance of these amendments to northern Ontario. I also indicated why we in northern Ontario feel very strongly about the need for maintaining the present number of seats in order that we can do the work for our constituents in northern Ontario.

To digress somewhat from the remarks of the previous speaker, there are certain issues in our lives which transcend political philosophies and political parties. Frankly, I believe that this is one of those occasions. I would like to salute not only the Member for Algoma (Mr. Foster), but also the Member for Nickel Belt (Mr. Rodriguez) who put forward an amendment to ensure that the representatives of constituencies in northern Ontario, regardless of which political Party they represent, will be able to represent the people of northern Ontario. The degree of representation in northern Ontario is very important to all residents there. The test of the Conservative Government will be the decision made by the representatives of the Conservative Party who represent the constituencies of Sault Ste. Marie, Timmins-Chapleau and Timiskaming. We on this side of the House want to see whether they will represent the interests of their constituencies by voting with us, rather than with the Government, to ensure that the number of constituency bases remains the same in northern Ontario.

The Member for Cochrane-Superior (Mr. Penner) has been very eloquent this afternoon in his praise of previous Members of Parliament who represented constituencies in northern Ontario. He mentioned the late R. K. Andras who represented the riding of Thunder Bay. As well, the late C. D. Howe represented that area of northwestern Ontario for years in the House of Commons. We have had a history of very strong representatives from northern Ontario. It would be a mistake for the House of Commons to eliminate a seat in northern Ontario simply through the pursuit of representation by population.

As I indicated this morning, Mr. Speaker, I am fortunate in that I represent the only urban riding in northern Ontario. My job is easier in terms of the amount of travel that I have to do. I can represent my constituency of Sudbury by simply flying into one urban centre. Of the 11 constituencies in northern Ontario, I am the only one to be so fortunate. The other 10 Members of Parliament from northern Ontario have to travel through connecting airports to finally reach the geographic centre of their constituencies. From that point they have to travel by car, float plane, or train in order to service the interests of their constituents.

Whether we accept the amendment put forward by the Hon. Member for Nickel Belt or that put forward by the Hon. Member for Algoma, it matters little. The important factor is that we retain the same number of constituencies in northern Ontario. I am sure that I speak for all of my colleagues on this side of the House when I say that we would welcome an intervention by the Conservative Members of Parliament who represent the constituencies of Sault Ste. Marie, Timmins-Chapleau, and Timiskaming. We would like them to stand up this afternoon and defend the interests of the constituents of northern Ontario. I hope that they will find it within the realm of possibility to vote against the Government's proposal. You know as well as I, Mr. Speaker, that in the quest for reform of the House of Commons it is very important to allow individual Members of Parliament to have a free vote. They should not be pressured by the Government or the Government House Leader. I am sure that he is not going to put the twist on their elbows, Mr. Speaker. Surely he would not do that.

There is only one Minister in the Government who represents the interests of northern Ontario, that is the Minister of

international Trade (Mr. Kelleher). The Minister, who represents the constituency of Sault Ste. Marie, has not been in the House to defend the interests of the constituents of northern Ontario.

Mr. Boudria: Shame.

Mr. Frith: I think it is encumbent upon—

The Acting Speaker (Mr. Charest): I must call the Member to order and remind all Members of the House that it is not permitted to remark on the presence or absence of other Members within the Chamber.

• (1740)

Mr. Frith: I will accept that ruling from you, Mr. Speaker. But, my heavens, I think it is rather telling that that Member would be missing on an important afternoon—

Some Hon. Members: Order.

Mr. Frith: —when we are debating the future of the northern Ontario constituency base. I will accept your ruling and simply indicate that this is a typical case which we have witnessed time after time. The Government back-benchers who are elected by their constituents to represent their interests have been amazingly silent. Why should we from northern Ontario express any more surprise this afternoon? The back-benchers in the Conservative Party have been silent on issues of family allowance and the deindexation of senior citizen pensions. While a Minister of the Crown or a Parliamentary Secretary from the Government may not support these amendments, surely one could hope that the two other individuals who are not in Cabinet or Parliamentary Secretaries could indicate on the floor of the House this afternoon their support for the two amendments put forward by the Member for Nickel Belt and the Member for Algoma so that we could prevent this kind of disembowelling, if I may say so, of the interests of the constituents of northern Ontario.

I am sure that once I sit down, other Members on this side of the House will indicate their support for these two amendments. However, it will come as no surprise to me that once again there will be the typical silence from Government back-benchers.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I am grateful to have this opportunity to join in the debate on this important matter. I want to recognize the insight and wisdom of the Speaker in ruling that the motions put forward by the Member for Algoma (Mr. Foster) and the Member for Nickel Belt (Mr. Rodriguez) are in order. I want to recognize in particular the foresight of my colleague, the Member for Nickel Belt, who is the dean of the northern Ontario caucus of the NDP, in putting this motion forward. Let me also recognize the support for regional realities in our province and country as displayed by the Member for Beaches (Mr. Young) when he seconded the motion of my colleague from Nickel Belt.

Other Members have addressed the importance of recognizing the extent of the geography of northern Ontario and having it properly recognized and represented in the House of Commons. This was referred to eloquently by the Member for Cochrane-Superior (Mr. Penner) in particular, who suffered cruelly in the redistribution of 1977. Of course, I might be of two minds about his praise for the Hon. Robert Andras, my worthy predecessor in what is now Thunder Bay-Nipigon. I am grateful that he was not running in the 1984 election, or things might have turned out somewhat different. Nonetheless, I want to recognize the efforts that have been made in maintaining representation for northern Ontario.

It was stated this morning that the part of the province north of the French River constitutes almost 88 per cent of the province. To have such a great geographic mass represented by only one-ninth of the Members of Parliament surely is a mean enough position to be in. I believe that our motion to maintain 11 Members in future Parliaments is surely appropriate to the geographic extent.

With respect to the sports history referred to by the Member for Cochrane-Superior, relating to the province of northern Ontario as recognized by the curlers of this country, I might note that it was not always that way. I believe it was approximately 1947 when the curlers in the City of Port Arthur and Fort William at the time and Sudbury looked at the situation carefully. The Sudbury curlers recognized the travel barriers they faced in going to Toronto to take part in provincial matches.

While that may have been manageable, the Lakehead curlers faced a different challenge. They were often in the Manitoba Briar playdowns and running into difficulties taking part in the semifinals in the City of Winnipeg. As the Hon. Member observed, they were fine curlers from northern Ontario and often represented Manitoba in the national Briar. Therefore, it proved to be desirable in these circumstances to create the province of northern Ontario and allow the curlers from that area of the province to compete in their own provincial playdown to send a team to the Briar. As the Hon. Member stated, we have done very well. We are certainly proud of Al Hackner and his succession of rinks. We look forward to their winning the Briar and going to the Silver Broom once again this year.

We have seen the good sense that curlers have expressed in years past. We have seen the good sense which Members of Parliament are evincing this afternoon and have evinced in the past about the importance of providing adequate recognition for the northern part of the province. I appreciate this opportunity to emphasize the importance of this issue, without reiterating the arguments about the challenges facing Members because of the extent of that area.

However, in conclusion I should explain that we are not only talking about the difficulties facing Members in travelling throughout their constituencies. We are also concerned about the difficulties facing constituents in contacting their Members of Parliament in order to maintain that personal contact with MPs which Canadians deserve. It is extraordinarily difficult to maintain that contact in our ridings and a reduction in that

representation will be costly to the Canadian taxpayers in travel costs for MPs. It will also be difficult for constituents to have the kind of representation they want in northern Ontario. This motion is a stout declaration of the need for democracy and proper representation for the people of northern Ontario. I call on all Members to vote for these motions.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I wish to say a few words about this Bill. Those who are watching may be under the impression that the Bill concerns the Briar and curling in Canada. Nothing could be further from the subject of this Bill and I know Your Honour is listening with great interest to the relevance in the debate today.

I suggest there is no Government that has been more sensitive to the needs, hope and aspirations of northern Ontario than the Government of which I have the privilege of serving. It is because of the representations made by Members in our caucus who are from northern Ontario that I and the Government have been persuaded to bring in the legislation which we see today. It does more for northern Ontario than virtually any other part of Canada.

This legislation opens more doors than any other legislation introduced by the previous administration. The Member for Algoma (Mr. Foster) will be the first to stand in praise of this legislation because it is fair. It does not isolate northern Ontario or the Province of Ontario, but introduces rules which have a common application throughout the country. We have provisions in legislation which, for the first time, mandate the Electoral Boundaries Commission in each province to look at the question of geography manageability in terms of determining the constituencies in each province. Our course of action was not to say that northern Quebec, northern Ontario, northern Manitoba, northern Saskatchewan, northern Alberta, northern British Columbia or indeed any province shall have *x* number of seats. This legislation has been a response to the legitimate concerns of people who live in large, sparsely populated areas.

● (1750)

We have come up with a set of rules that apply across the country which will allow the electoral boundaries commissioners to come to conclusions—

Mr. Rodriguez: We have been that route before.

Mr. Hnatyshyn: I am disappointed at the Hon. Member for Nickel Belt (Mr. Rodriguez). I sat in absolute silence and astonishment, mainly absolute silence when he spoke, because I thought it was important in this House to respect people who put points of view forward. I am putting forward what I think is a very reasoned point of view—

Mr. Blaikie: You are a statesman, are you?

Mr. Hnatyshyn: —for people in northern Ontario and across the country. I know the people of northern Ontario would not want to be singled out, by having a law that, say, comes out of Toronto. They want a law with equity and fairness across the board. I am glad to have the deputy whip of the Liberal Party here in support of the proposition that I am bringing forward.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: Here is a man with common sense and exceptional perspicuity.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: There is in the provisions brought forward in the Bill a more than adequate response to concerns expressed by Members such as the Hon. Member for Algoma and the Hon. Member for Nickel Belt.

Mr. Prud'homme: Where?

Mr. Hnatyshyn: Quite apart from the fact that we have addressed ourselves to the procedural matter, which is now a matter of record and you have made your ruling, Mr. Speaker, I want to say that we also have an additional amendment taking off any cap on the number of seats and the representation available in growing provinces. This impacts in a very positive way on the Province of Ontario, Ontario being one of the major beneficiaries when it comes to the amendments brought forward.

We have the combination of allowing the full number of seats to flow to a growing province and a mandate to the Electoral Boundaries Commission that the commissioners must take into account the whole question of geographic manageability. What could be more fair and even-handed? Because I received such excellent representations from my colleagues in northern Ontario I was persuaded the amendments should be brought forward. We have addressed the issue.

I appeal to opposition Members. I know during the course of debate within committee that this matter was discussed at some length. I had the opportunity when I was there to deal with the matter with the Hon. Member for Churchill (Mr. Murphy). We looked at various ways to deal with the problem of sparsely populated areas in provinces.

The principle that I want in this Bill is one to which I alluded in the procedural argument. I do not want us to depart from the very good principle of having independent commissions sitting down, and looking at the demographics in each province to determine on the basis of the guidelines we have established that certain boundaries are appropriate within a province. I do not want to substitute the wisdom of the Government of the day, as it were, for the independent commissions by saying that we are going to declare boundaries should be such and such. The difficulty and the principle involved is one which I think we have all accepted, that the independent commission is the route to go.

If we are going to have a situation where the Government of the day determines boundaries which, with the greatest respect, is what is being suggested here, notwithstanding the

ebb and flow of population, a special rule for a particular part will—

Mr. Penner: What about Saskatchewan?

Mr. Rodriguez: And Prince Edward Island?

Mr. Hnatyshyn: I say the principle here is the allocation in each province and it is a matter that is within the discretion and certain guidelines of the Commission. That is an important principle, Mr. Speaker.

The Hon. Member will know that when he says Saskatchewan has a set of rules, I am sure he would want to have those rules apply to his own province, not to have exceptional rules for the Province of Ontario. That is, unfortunately, the result of the suggestion he makes in the course of debate.

Mr. Penner: That is wrong.

Mr. Hnatyshyn: I say that because I have great respect for the Hon. Member. He has traditionally spoken on behalf of his part of the province, northern Ontario, with great effect. I know that his sense of fairness will dictate his understanding of my position that I think the rules should apply right across the board to all provinces. We should not start saying that Ontario is a special situation. The next thing we will make Saskatchewan a special situation. I know people in Saskatchewan would not want to have a different rule than the one that applies across the board to other provinces. That is what motivates me in this legislation.

We have addressed this matter in the amendments we have brought forward, and it would be outside of the principle that I think we have accepted universally, regardless of Party, that the Electoral Boundaries Commission should have that independence and not be dictated to by any Government of this day or of a future day. They should have that independence. Regretfully I have to say the amendments are not acceptable from the Government's point of view.

We are addressing, and I think we will accomplish the results of what the Hon. Member for Algoma and the Hon. Member for Nickel Belt have suggested. More important, we want to make sure that what is done is done on a sound principle, a principle from which we will not deviate.

I simply say to Hon. Members that the suggestion is very tempting that we should have a particular set of rules for the Province of Ontario, but I ask Members to take that proposition forward at a time in the future. We could say: "Here is the principle now. We made this arrangement that Ontario in this case is a special instance and in terms of electoral boundaries"—

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

Mr. Hnatyshyn: This is a dangerous precedent. I commend opposition to this matter to all Members.

The Acting Speaker (Mr. Charest): Order, please. The Parliamentary Secretary to the President of the Privy Council (Mr. Lewis).

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): I appreciate this opportunity to speak on this very important matter.

Mr. Prud'homme: Mr. Speaker, I rise on a point of order.

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

Mr. Prud'homme: I understood that the Minister spoke for the full length of time. Would you not alternate Parties? How would you decide, Sir?

The Acting Speaker (Mr. Charest): The Hon. Member for Saint-Denis (Mr. Prud'homme) points out that maybe the President of the Privy Council (Mr. Hnatyshyn) exceeded his time. He did not.

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Charest): It may have seemed a long time to the Hon. Member for Saint-Denis as often is the case in this House depending on which side one sits and on who is speaking.

I indicated that the Parliamentary Secretary was going to speak. We are trying to alternate in terms of numbers and speakers from all Parties. Members on the Government side have not spoken as often as Members of both opposition Parties in this debate up until now.

Some Hon. Members: Hear, hear!

Mr. Prud'homme: Call it six o'clock, Mr. Speaker.

The Acting Speaker (Mr. Charest): It is not yet six o'clock. May I remind Members that they should reserve their manifestations of joy when they are deserved.

Some Hon. Members: Hear, hear!

• (1800)

Mr. Lewis: Mr. Speaker, I find that every time I rise to speak, it is an emotional thing with the Opposition. I appreciate the opportunity to address some very well reasoned words to the amendment introduced by the Hon. Member for Nickel Belt (Mr. Rodriguez). I appreciate that it is an important matter which the Chair feels should be decided by the House. I think we are ready to do that, at some point later on.

The Acting Speaker (Mr. Charest): Order, please. I am very sorry to interrupt the Hon. Parliamentary Secretary.

[*Translation*]

It being six o'clock, the House will now proceed to the consideration of Private Members' business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

HOUSE OF COMMONS ACT

MEASURE TO AMEND

Mr. J. R. Ellis (Prince Edward-Hastings) moved that Bill C-252, an Act to amend the House of Commons Act (estimates), be read the second time and referred to a legislative committee.

He said: Mr. Speaker, at the outset I want to thank my colleagues who will speak on the Bill as well this evening. As we all know, the hour provided for the consideration of Private Members' Business is now over an hour late. I appreciate those Hon. Members taking the time to stay and support the particular Bill. Also, at the outset, I want to say that Bill C-252 concerns the position of the Administrator of the House, not especially the person of the Administrator of the House.

The purpose of my Bill is very simple. It is outlined in the opening pages of the Bill under "explanatory notes". The purpose is to add the Administrator to those officers of the House of Commons who are responsible for preparing the estimates of the sums required for the House. The administration of the House of Commons has evolved from its inception in 1867. However, there are in fact a number of the 1867 rules still in effect. There were very few changes and no studies to speak of until 1964. The study which took place that year made, among others, three statements worth repeating. The first was:

> The Clerk has had to spend a disproportionately large amount of his time in dealing with administrative and personnel matters.

The second was:

> The study brought to light some 170 specific problems in the administration of the House of Commons.

Finally, and I quote again:

> What is clearly needed is a revised structure which includes positions for administrators who have the time, the skill, and the authority to deal effectively with administrative and personnel problems.

For reasons which are slightly obscure now, this last recommendation was never carried out.

In 1975, a report entitled: *The State of Administration in the Canadian House of Commons* had the following to say:

> If we look at the changes which have taken place in the administration of the House of Commons since 1867, we see that very few major changes have been introduced.

Let me now read a few quotes from the report of the Auditor General undertaken in 1979 and reported in 1980. Speaking of the heavy responsibilities of the then Clerk, Mr. Alistair Fraser, the report said that he had to spend "a disproportionately large amount of time on administrative and personnel matters". The report went on to outline, as a major deficiency, "the lack of a clear separation between the mainstreams of activities in the House—procedural duties and administrative responsibilities—resulting in the absence of clearly defined administrative mandates, organizational relationships and delegations of authority". The last quote from the same report, where the Auditor General's major recommendation to solve one of the fundamental problems identified in 1964 but left unresolved, was to "establish the position of Administrator to co-ordinate and direct the administrative functions of the House of Commons".

Although I will be quoting further from these and other reports to support my Bill, I want to ask Members in the House to hark back to the statements attributed to the former Speaker Lloyd Francis last July, regarding the former administration of the House of Commons. Mr. Francis, in my opinion, did not intend that those comments become public then and, also in my opinion, they would probably have been better left unsaid. However, notwithstanding that, I can tell the House that leaving aside the more spectacular quotes which reached the press, the situation was far worse than outlined. Just as it was inappropriate that the details be divulged last July, nothing would be gained from my reciting them now.

In an earlier political life, I had undertaken a major change of staff and direction in the City of Belleville, in the late 1950s and early 1960s. I had some idea of the problems which could be encountered, and I was part of the Management and Members' Services Committee which requested the then Speaker, Mr. Jerome, undertake an in-depth study of the management of the House of Commons. The decision to ask the Auditor General to do the study was that of the Speaker, but his support came from the Members' Services Committee in 1978.

I am sure that all will recall the seriously confused political situation which existed in Canada during that short period of time. The Progressive Conservative Government, under the leadership of the Right Hon. Member for Yellowhead (Mr. Clark), lasted only nine months. During that time, Mr. Speaker Jerome accepted the interim report of the Auditor General. In his comments to the House, he said:

> To my knowledge, no Speaker has ever been chosen on the basis of administrative expertise—neither has the Clerk of the House nor the Sergeant-at-Arms with whom the Speaker shares these duties—and yet, we have neither comptroller nor professional administrator within the ranks of the House of Commons.

Mr. Speaker Jerome then undertook to put in place an interim Administrator to begin the clean-up, and he accepted full responsibility for doing so. On behalf of the Government of the day, the late Hon. Walter Baker said:

> I say on behalf of the Government that we support the action you have taken with respect to this matter.

That Government was, as I said, short-lived, and Speaker Sauvé, in the chair of the thirty-second Parliament, set out to continue the work started by Speaker Jerome. She undertook to change the person of the Administrator who, like his predecessor, faced enormous obstacles. Employees viewed him as an external factor unnecessarily disrupting their lives, and Members quickly sided with employees whom they had known for many years. However, with the full support of the Speaker

and the Clerk of the day, together with knowledgeable Members of Parliament, the job was undertaken.

Let me now look at some of the results. During that period of time, some 376 administrative positions were eliminated and 94 new ones created. However, during the period, not a single full-time employee of the House was fired or laid off in the effort to reduce costs. Of the 94 new ones, a breakdown should be helpful—personnel, which had been terribly neglected over the years, received 29; the Table Research Branch, 16; computer and electronic services, 27; and miscellaneous, 22, including the Clerk, three, the Administrator, five and the Sergeant-at-Arms, 6. As important, or perhaps more so, is the fact that in the five years from 1980 to 1985, over 500 competitions took place, something that had never happened in the House of Commons previously. As a result of the competitions, 232 employees on staff were promoted and another 241 were promoted or reclassified as a result of ongoing personnel changes.

At the height of the time when questions were being raised about the ethics and the propriety of having an Administrator in the House of Commons, in 1983, the Auditor General undertook a comprehensive follow-up audit of the 1980 report. He said:

● (1810)

The House of Commons now has a comprehensive and well organized financial management operation; excellent briefing materials are provided to members and timely and practical financial reports are given to both Members and House managers. We receive positive feed-back from operating managers on the assistance and support provided by the Comptroller's office.

In short, the staff were even then settling down to enjoy the benefits of good administration, and I think it is fair to say that the majority of Members who pay attention to the administrative system that provides their support services are happy with the results.

Budgets for the operation of the House of Commons during this period when the new Administrator was beginning his duties reflected the expertise of his office. Despite the fact that Members were receiving more and better services than ever before, the annual increase in the budget set aside for the House of Commons was 5 per cent or less. Even though with rampant inflation Government Departments were increasing budgets by 15 per cent to 20 per cent, the House of Commons budget fell below the inflation rate by a large measure.

To outline now all the improved benefits which Members received during this period would take more time than I have at my disposal. Suffice it to say that over 80 per cent of the requests made by the Members' Services Committee were accommodated within the lessened budget. I could also spend more than the time allotted to me discussing and describing the OASIS local area network which has put Members in the position of having the finest electronic support program of any legislature in the world. All of this was accomplished in the period of time I mentioned of lower budgets and clearer administrative services.

While there are always new ideas to be presented for the consideration of the Standing Committee on Management and Members' Services and the Board of Internal Economy, either for the administration of the House or for the services offered to Members, the major reforms recommended by the Auditor General in 1980 are now in place. Most in fact have been in place for a number of years and people have adjusted to and now approve of them. Most have no wish to return to the good old days, particularly if they experienced them firsthand. The Chairman of the Special Committee on the Reform of the House of Commons, the Hon. Member for St. John's East (Mr. McGrath), reflected the view of many of his colleagues when he declared the following:

We are now the best paid and supported Parliament in the western world.

To a degree, we have broken new ground in the administration of the House of Commons in Canada, but not entirely. The Province of Ontario has had a similar administrative organization since 1976. Australia has had a similar arrangement since 1954. In New Zealand, a Bill has recently passed establishing the position of general manager to be responsible for administrative services. Two quotes from the *Hansard* of the New Zealand House during the debate on that Bill might be of interest. I quote the following from New Zealand *Hansard*:

The rationale behind those changes is to allow the Clerk of the House to concentrate on the smooth running of the House and the important constitutional functions that devolve on the Clerk's office in Parliament. The Clerk's counterpart on the administrative side will exercise a full-time managerial function—thus improving the support services provided to Members of Parliament.

I go on to quote from the New Zealand *Hansard*:

There is a great deal more administration in this building than there was formerly and I think it is fair to say—without casting any adverse reflections on anyone who has been responsible in the past—that there has been a lack of management services here that needs to be remedied.

Finally, a few years ago the British House had placed before it a recommendation that all the administration be put under the supervision of the Clerk. It is interesting to note that a committee of Members of the British House of Commons rejected that recommendation saying that the plan was simply not workable and would destroy the ability of the Clerk to perform his procedural duties.

In closing, let me say that in the last five years the need to add the position of the Administrator to the Standing Orders and the House of Commons Act has been supported by three Speakers—I cannot, of course, ask the current Speaker to offer an opinion regarding a matter before the House—three Attorneys General, two Clerks and most MPs who have any knowledge of the administration of the House of Commons. This form of administration is either in place or is being carried out in other legislative bodies throughout the western world. The fact of the Administrator in the Canadian House of Commons has existed since 1980. The time has come to include that fact in legislation.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am pleased to have the opportunity to participate in the debate on Bill C-252 this afternoon. I intend to speak against

the Bill. I think it is a bad Bill and that it is wrong. I intend to talk it out if I have the opportunity to do so. I intend to talk against it and defeat it. I would filibuster it if it were possible.

Mr. Malone: That sounds like you.

Mr. Boudria: I say this as a Member of the House of Commons and as a former employee of the House of Commons. Those Members who are concerned with how Parliament should work should, in my view, all be greatly concerned and should all work to defeat this particular Bill.

Mr. Malone: Sounds like a Liberal.

Mr. Boudria: The Hon. Member is right. I do sound like a Liberal. I believe that Parliament is supreme. I believe that Parliament should be supreme and that no structure should ever exist to take anything away from the supremacy of Parliament. The Hon. Member across the way would like to say that that is a Liberal principle. I would not have taken that credit myself, but now that he has said it, I will accept it on behalf of myself and hopefully some of my colleagues.

The whole principle of the supremacy of Parliament came to light very recently in a very particular way during discussions on Bill C-45, an Act to grant certain rights and privileges to the employees of this institution. It became quite evident that the majority of Members did not want to give the right to strike to the employees of the House of Commons because it was the view of some that by giving them that right, people outside the Chamber would be able to dictate whether or not Parliament could function. In other words, they argued that it took away from the supremacy of Parliament. I do not happen to think that that was a very legitimate concern at that time because we could designate certain employees as essential and proceed without the rest thus giving them their full rights. However, we are still in the process of debating that particular legislation. It was a concern that was expressed by a great many Members of the House.

I am of the belief that the senior servants of the House should report to the Clerk and that the Clerk should report to the Speaker. With that structure, it is my view that the servants of the House are the employees of the House and not the masters of the House. I believe that it is important for us as legislators to considre that. I will not claim that I am the author of that maxim. However, let me cite Citation No. 13 from Beauchesne's Fifth Edition:

(1) Within the ambit of its own rules, the House itself may proceed as it chooses; it is a common practice for the House to ignore its own rules by unanimous consent. Thus, bills may be passed through all their stages in one day, or the House may decide to alter its normal order of business or its adjournment hour as it sees fit.

(2) The House is perfectly able to give consent to set aside its Standing Orders and to give its unanimous consent to waive procedural requirements and precedents concerning notice and things of that sort.

In other words, the House and only the House can be the master of the House of Commons.

Let me continue by quoting from Erskine May. At page 207 it states:

● (1820)

The law of Parliament provides the framework for, and determines the nature of, Parliamentary procedure, which consists of the rules and arrangements made by either House for discharging its constitutional functions within that framework.

The principal distinction for practical purposes between parliamentary law and procedure is that any change in the law of Parliament can only be effected by statute, whereas either House is free to modify its own procedure by its independent action; and that for the regulation of procedure recourse is not had to statute except for the purpose of effecting similar procedural changes in both Houses, or of co-ordinating the rules of procedure to changes in the law of Parliament.

In other words, it is an indication that Parliament has to be supreme.

There is another reason for the House not giving consideration to Bill C-252. I fundamentally disagree with the Hon. Member who proposes the Bill who said that it has wide support and has had wide support from Members in the past.

Mr. Ellis: I said from knowledgeable Members.

Mr. Boudria: I refer the Hon. Member to the Third Report of the Special Committee on Reform of the House of Commons which the Hon. Member quoted himself. Even if the Hon. Member disagrees with what I have to say today I hope he will consider the opinions which were unanimously adopted by the House in order for the House to function. I would like to quote from Chapter VIII of the report under the title *Administrative Reform* which states:

We believe the legitimate right of members to control the House of Commons should be reinforced. For this reason our First Report proposed a Board of Internal Economy.

Further on, in the same chapter the report states:

Members must not only run the House, they must feel that they are in charge. We place a high priority on restoring the pre-eminence of the House of Commons and of proceedings in the Chamber.

What we glean from the report is that the role of Members in giving direction to the House and how it is to be run should be increased and not decreased.

As I indicated earlier on I think that there should be only one senior officer of the House and that should be the Clerk of the House. I would like to read further from the report in this regard which states:

The role of the Clerk of the House of Commons should be one of leadership and inspiration for all employees of the House. For this reason the Clerk of the House must be, and be seen to be, the principal permanent officer of the House, accountable to it, and its bodies, for operations of the House of Commons.

The committee recommends that the role of the Clerk should be one of leadership. That means first—in charge.

I am sure all Hon. Members have noted by now that, indeed, the committee said something in its report quite different from what we heard earlier today. The special committee also suggested that the role of the Board of Internal Economy be increased. It suggested that the board should be structured having the Speaker, the Deputy Speaker, two members of the Queen's Privy Council, the Leader of the Opposition or his nominee and two other ordinary Members sit on the board. I presume the Hon. Member opposite agrees with this recom-

mendation since he voted for it when Bill C-63 was adopted on June 27, 1985. There was provision in that Bill for an independent secretariat for the Board of Internal Economy. This would ensure that the Board of Internal Economy would be run as a management team and that its decisions would not be influenced in any way by any forces other than those of the Members of the House of Commons. This is why there was provision for a secretariat. As far as I know, the structure is not yet in place. If we have time this afternoon to debate anything it should be the establishment of just that.

I am worried about any Bill which wants us to go in the opposite direction to that suggested by the Special Committee on Reform. Notwithstanding the fact that there may well be a need for someone to administer the House, I do not believe we should be structuring anything so as to afford the House and its principal officer three Deputy Ministers. If having a triumverate to run a ministry, or any place, was in order then why is it Ministers have only one Deputy Minister and not three? Ministers have much larger departments than that of the Speaker of the House of Commons. It is well known that there should be one Deputy Minister, one person in charge who reports to the elected officials. That is the way all Government departments are structured. Therefore, I believe that strengthening the principle advocated in the Third Report of the Special Committee with respect to the senior person, the person in the role of leadership, being the Clerk of the House reporting to the Speaker of the House should be followed. That structure was recommended and unanimously adopted. It is the proper way for us to go. To move in a diametrically opposite direction at this time for whatever reason is totally unjustified.

[*Translation*]

Mr. Speaker, I wonder what we have to gain by putting the kind of structure in place proposed by the Hon. Member in his Bill. It certainly is not because a parliamentary committee recommended a similar formula, and it certainly is not because a number of reports have indicated that we are to have three, what I would consider to be assistant deputy ministers, to run the House of Commons.

If the Hon. Member cannot find any better support for his proposal than the references he gave us earlier today, well, Mr. Speaker, I must say I still abide by my initial decision to vote against his proposal and talk out the Bill.

[*English*]

The Hon. Member has indicated to us how some services on Parliament Hill have tremendously improved. Those were the words he used. Some services may have improved. I have two television sets in my office. Like most people I can only watch one at a time. However, there are two there because that is the way the system works. One wonders whether or not some improvements are necessary. I have a machine in my constituency office with a little printer on it which types out press releases if I so desire. Again, I am sure it is very useful although I have never used it.

• (1830)

On the other hand, we have a structure which in my view is very cumbersome. Notwithstanding the fact that we had to improve certain items, we have destroyed many things in our quest for improvement. The Hon. Member opposite says that no employees were fired in the process of improving the House. I am not sure what is meant by "fired" in his terms. But let me say to you, Mr. Speaker, that many employees left not of their own accord. Perhaps people would not call that "firing" necessarily, but some employees who would have preferred to stay, are no longer here. I will put it in those terms.

We have all these gadgets, the so-called improvements, including these excellent briefing materials which the Hon. Member opposite described for us earlier. Yet I asked a messenger in my office to bring a cardboard box to my car so I could bring it to my constituency office, only to be told that because of all these regulations he could only go as far as the door. I had to go outside and get my car from the parking lot and bring it back to the door so he could put the box into the car. I answered very properly that if I had to go outside to get my car, I might just as well bring the box with me and, therefore, I did not need the messenger. The messenger explained to me, and of course I believe him because I know it is true, that this is the way the system works. These are the guidelines with which people in this building have to live. My request did not qualify under a number or kind of delivery.

As much as our system is apparently so improved, and I do not doubt in certain ways it may be better than it was before, let us not believe that everything which has been done in those so-called improvements has been good for the staff or even for Hon. Members of the House of Commons.

To change something means that it is changed, but it does not necessarily mean that it is better. To make the changes advocated in this Bill to amend the House of Commons Act is certainly just one of those examples. It is a change for the purpose of making a change, with plenty of proof that nothing or very little could be better and, in my view, far more could be worse than what it is now.

I ask all Hon. Members to seriously consider the implications of effectively placing another person at a deputy minister level in this House of Commons. I think there should be only one. There are presently two. We should not have three.

Mr. Rod Murphy (Churchill): Mr. Speaker, I have read the legislation introduced by the Hon. Member for Prince Edward-Hastings (Mr. Ellis). I have had the opportunity to examine it for some time now. I do not see it as the almost Machiavellian plot which the previous speaker from the Liberal Party seemed to indicate. I think there are some matters which have been in dispute over the years in this House of Commons. There have been questions about the administration of the House of Commons and as someone who has sat on the Committee of Management and Members' Services for the last year, I can say that I certainly have had the opportunity to disagree with the administrator just as I have had occasion to disagree with the decisions of the Sergeant-at-Arms and occa-

sionally with the Clerks who have decided against me on some occasions in the past. I do not mean to indicate that that is a particular reason for being either in favour of or against this particular legislation.

I do not want to see us with three Deputy Ministers, but I do not think that is the main point behind this particular legislation. I suspect that if we are dealing with staffing levels and things of that nature, it can be dealt with in committee and discussed in terms of setting the budgets for the House itself.

My particular reason for liking the legislation before us and for wanting us to view it in more depth in a legislative committee—which is what would happen if the Government were in a position to allow this to go to committee—is that I think it recognizes the *de facto* situation in the House of Commons at the present time.

All three Parties on the Committee of Management and Members' Services expect the Sergeant-at-Arms, the Administrator and, on occasion, the Clerk to come before it. So there is that recognition that there are three distinct roles within the administration of the House of Commons. For that matter, many of the things the Hon. Member of the Liberal Party brought up in his speech are under the direct responsibility of the Administrator at the present time. I would think it only reasonable that the person who is directly responsible should be preparing those estimates for us.

I do not believe we have to go through a list of whether the telephones work or whether one Hon. Member happens to need a computer in his office as opposed to someone who comes from a riding which is, in my case, 2,000 miles away. The ability to get hard copy material back and forth from my riding office is an advantage to me, but I really do not think that type of, if I may call it, petty argument is really necessary to bring before this House. Each riding is different. That is something we spent the whole day talking about. The Hon. Member for Crowfoot (Mr. Malone) rose earlier on a previous Bill and made that very plain. What someone in the environs of Ottawa may need is obviously different from what someone in northern Ontario, Winnipeg, or northern Manitoba would need, and definitely different from the needs of someone representing a constituency in Alberta or British Columbia.

I believe that in looking at this legislation we should not be bringing those types of matters to bear. Instead, we should be looking at how we want the House to be administered and what controls we want over the House. We should also be looking at what is the exact role of the Board of Internal Economy. That is something which can be considered in dealing with this legislation in committee. That is one of the reasons I would like to see this legislation go forward.

I will not be speaking very long on the legislation as it is specifically before us. I do want to say something in reaction to the Hon. Member who introduced the legislation. I must say that there were parts of his speech with which I was in disagreement. There are still a number of problems in the House of Commons.

Another piece of legislation with which we are dealing at this time is Bill C-45, regarding the collective bargaining rights of people who work on the Hill. Many Hon. Members who are presently in the House were involved in debate on this Bill and it has been brought out that there are a number of problems which still exist. There are a number of problems dealing with classification, staffing levels and hiring procedures. Those problems still exist. But that is not the particular subject of this legislation. That is something which we in this House have to deal with and, hopefully, the Government will be moving forward to help us in that endeavour.

With those few words, Mr. Speaker, let me say that I would like this legislation sent to a committee where we can study it in more depth.

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, I rise today to speak on Bill C-252 introduced by the Hon. Member for Prince Edward-Hastings (Mr. Ellis). First let me say that I will not be supporting the Bill in principle. I would like to point out, however, that I do not feel it is a bad Bill. The only thing I question is the timing of it.

I would like to speak today about basically three points; the effects which the McGrath Committee Report on Parliamentary Reform will have on this particular House and how we should be looking at that as Parliamentarians after the great amount of effort and dedication was put into this report. I would also like to speak about the Board of Internal Economy, of which I have been privileged to become one of the commissioners. I would also like to discuss Bill C-63.

● (1840)

Bill C-252, as presented to the House by the Hon. Member for Prince Edward-Hastings, recommends that we bring about change. There is nothing wrong with change, but change for the sake of change becomes very dangerous when dealing with this institution. I do not believe that he brought this Bill in merely for the sake of change. I am sure he brought it in to bring about improvements in the administration of this House. I want to focus on the improved conditions that we on Parliament Hill have provided for the staff, who are of prime importance for MPs and to the ultimate benefit of the taxpayer, the people we serve.

I agree with the Hon. Member that we must maintain a high standard of integrity. We also must maintain a high standard of performance. That can only be attained by having the tools to work with. On June 27, 1985, this Government presented Bill C-63 to this House. That Bill did not make the changes recommended here today. I do not know why it was not discussed at that time. However, Bill C-63 is excellent legislation. It gave us a new Board of Internal Economy which encompasses all Parties in the House and allows private Members to participate in the decision-making process regarding Parliament Hill. Prior to this, the Board was composed of the Speaker and two Members, generally Privy Counsellors. With the inception of the Board—

Mr. Ellis: Four Members.

Mr. St. Germain: I am informed that there were four Members on the Board previously. However, private Members were not represented. Since the inception of certain recommendations from the McGrath Report every Member in this House has a voice on this issue. It also gave Members the opportunity to raise questions concerning the management of the House through a designated member of the Board. That is a great improvement. It allows Members to participate in the day-to-day operations of Parliament Hill.

The Board was also to establish a secretariat. The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) made mention of the fact that we had not as yet named a secretariat. I want to point out that we are working in that direction but we have not as yet met often enough to resolve the question of the direction in which we should be going with the administration or financial management of this institution. We have met on merely three occasions. However, I can assure all Members that a secretariat will be chosen and it will be answerable to Members in this House. We as a Board of Internal Economy will provide the guidance required for our staff, whether they be administrative or anything else, because ultimately they answer to us.

This House commissioned the McGrath committee report concerning parliamentary reform. As I pointed out, they covered numerous aspects of the operations of Parliament Hill as well as procedures in the House. I honestly believe that we must give this report full consideration before we enter into further legislative or administrative changes. As the Right Hon. Prime Minister has said on so many occasions, it is a tremendous report in all aspects. It not only makes numerous excellent recommendations but, more importantly, it represents all Members of the House.

I honestly believe as well that were we to allow this Bill to proceed we would virtually usurp the power of the new Board of Internal Economy established by this House. I am not saying that it will not happen that the Board may deem it suitable to make certain recommendations in line with what the Hon. Member for Prince Edward-Hastings has put forward, but I would not want to be too hasty in going in that particular direction.

The Board is in its infancy. We are discussing numerous aspects of change which would improve the plight of a number of groups in this operation. Having been a Member and president of a trade union, I feel it is important that each Member of our staff be given full consideration and as many rights as humanly possible, while at the same time maintaining the high standards which have always existed in Parliament.

The new legislative committees we have established are, as well, something which the Board is studying. Here again we have something in its infancy, something very new to Parliament, and this, along with other innovations, should be dealt with in an orderly fashion, one by one. I know that the administration aspect will be dealt with as fairly and judiciously as possible.

• (1850)

There are other Members who wish to speak on this subject. Without a doubt, I, as a Commissioner of the Board of Internal Economy and Member of Parliament, feel that we cannot stand still. We must continue to try to focus our attention on improving conditions for Members of Parliament and for all of those who work on Parliament Hill. The eventual outcome will be a benefit to all Canadians, not only to those of us here, but to those whom we serve.

I would like to conclude my remarks by asking the House to consider delaying, for a short period of time, its decision on this very important matter and to allow those of us who have been designated to consider improvement to the financial and administrative aspects of the House, and to look at the entire program we must deal with on the Hill, prior to coming forward with changed legislation of this nature.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I have looked with great care at Bill C-252 in the name of the Hon. Member for Prince Edward-Hastings (Mr. Ellis), who is Vice-Chairman of the Management and Members' Services Committee. I must say that on the surface the Bill appears to be quite inoffensive, even innocuous. All it is asking is that the administrator be allowed to prepare, table, and defend his own estimates. However, there is a subtlety in this Bill which has been alluded to by my hon. friend for Glengarry-Prescott-Russell (Mr. Boudria), and by my hon. friend on the Government side who has just spoken. The subtlety is that the Bill is creating a new officer of the House, a third officer of the House in addition to the two who have traditionally been in charge; namely, the Clerk of the House and the Sergeant-at-Arms.

Mr. Prud'homme: It's about time.

Mr. Penner: The Chairman of the Management and Members' Services Committee is here and has kindly allowed me to use up the remaining time. He indicated to me that if he were speaking on this Bill he would probably be in favour of it, but with reservations. I suppose that is not a bad position to be in. I would put my emphasis, Your Honour, on the reservations. To agree to a piece of legislation which creates a third officer of the House with equal rank to the Clerk of the House, that officer being the administrator, runs directly counter to a truly splendid and outstanding report, the McGrath committee report which I think is going to be a hallmark of reform for many generations of parliamentarians.

Recommendation 8.2 of this report reads:

> We recommend that the Clerk of the House of Commons have ultimate responsibility for the administration of the House.

Having been an alternate member of that reform committee and having enjoyed my association with the Hon. Member for St. John's East (Mr. McGrath) and with the Hon. Member for Prince Edward-Hastings, I certainly stand by that recommendation.

The report notes that the Clerk of the House has concentrated more and more of his time on procedural matters. It goes on

to say that we understand the need for such expertise in the House but that the role of the Clerk of the House of Commons must be one of leadership and inspiration for all employees of the House. For this reason, the report says that he must be seen as the principal and permanent officer of the House.

The role of the Clerk of the House of Commons has traditionally been that of the chief permanent officer. It is said, for example, that he is learned and highly specialized. He is an expert in legislative procedure but, traditionally, he has wide experience in parliamentary administration.

Mr. Ellis: He had absolutely none, you dunderhead.

Mr. Penner: If the Hon. Member will relax for a moment before he gets his dander too high, he will appreciate what they have done in Great Britain to deal with this matter. In Great Britain they have recongized as well that the Clerk of the House has more and more responsibilities for procedural matters. They have not, therefore, decided to create a third permanent officer or, as my hon. friend for Glengarry-Prescott-Russell indicated, another deputy minister. In the British House of Commons they have created a department of administration. The department of administration is headed by a clerk administrator who is directly responsible to the Clerk of the House. He is the man who looks after all of the administrative details, but he is not an independent, separate figure running an administrative department apart from the authority of the Clerk himself.

I suppose some Hon. Members would argue that we ought to have a third permanent position, another officer in the House of Commons. We have the Clerk and the Segeant-at-Arms, so why do we not have a third?

Mr. Prud'homme: Yes, why?

Mr. Penner: The Sergeant-at-Arms has, of course, a long and traditional role in the House of Commons extending back a very, very long way, to the time of King Richard II of England who decided that the Speaker needed someone to protect him. The Sergeant-at-Arms originally was a body guard to the Speaker. Later when that responsibility was no longer required, his functions became those of one who looked after the precincts of the House and ensured that there were good housekeeping procedures and proper security in place. That is a long-standing traditional post.

No one is arguing against good administration. I think the Hon. Member for Prince Edward-Hastings jumped to the conclusion that in opposing his Bill we are against good administration of the House of Commons. Of course we are not. We want effective, efficient and cost effective administration. No one is arguing that at all.

However, the big danger which lurks in the Hon. Member's legislation is that, more and more, the House of Commons is going to become just another department of government. It can never be that. The purpose of Parliament is to be the watchdog over the Government of Canada and we need our allies. Our allies are the Auditor General, the Clerk at the table, the Sergeant-at-Arms and all of those attributes which make our watchdog role as efficient as it can possibly be.

The danger in Bill C-252 is that it sets up a separate administrative structure quite apart from the House of Commons, operating at arm's length. As a result, the teamwork which ought to exist with the Speaker, the Clerk, the Sergeant-at-Arms and the subsidiary figure who is responsible for administration, can be broken down. The McGrath committee report drew attention to that danger. No less a person than the Hon. Member for Papineau (Mr. Ouellet), who was the vice-chairman of the reform committee, indicated at one of those meetings that his feeling was that parliamentarians would be better served if there were a number of people who were not necessarily competing against one another to serve parliamentarians, but complementing one another.

• (1900)

I think the great fear among parliamentarians about a separate administrative arrangement is that it will increasingly become the tail that wags the dog. It will become the force that directs the work of parliamentarians.

My hon. friend, the Hon. Member for Glengarry-Prescott-Russell was quite correct in drawing attention to the fact that the House of Commons must be in the charge of the Members themselves, and we cannot set up a separate administrative unit that begins to direct and control them. The McGrath Committee Report drew clear attention to that. If time permits me, at page 50 it said—

The Acting Speaker (Mr. Charest): Order.

Mr. Penner: You are telling me that I do not have time to put this on the record. Let me conclude by saying that the House of Commons must always be in charge of its own affairs. Those who work with the Members must be the servants of the House, never its masters.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

CUSTOMS AND EXCISE—TREATMENT OF VISITORS AT EDMONTON INTERNATIONAL AIRPORT

Mr. Peter Elzinga (Pembina): Mr. Speaker, on October 30 I put a question to the Minister of National Revenue (Mr. MacKay) relating to some treatment that has been extended to incoming passengers at the Edmonton International Airport by the Customs and Immigration officials. At that time the Minister indicated to me that he would look into the matter to

see if there was a way to improve upon the treatment extended not only to Canadians but to other tourists as well.

At the outset, let me indicate to you that I do not intend to take my entire time to make a presentation. It is my hope that we will hear from the Parliamentary Secretary about how we can improve the situation at the airport.

I have several reasons for raising this concern. I have had representations from my constituents with regard to treatment that has been afforded to them. Individuals on the Council of the City of Edmonton have raised this concern. Furthermore, provincial Ministers of the Crown from the Province of Alberta have shared a similar concern about the poor treatment extended not only to Canadians but to visitors to Canada.

I acknowledge the difficulty that these officials have in performing their tasks, but it is essential that these officers convey a positive and good attitude to fellow Canadians and convey a warm atmosphere to tourists who come here on a regular basis. The tourism industry is very important not only to our country, but to our province and our city. I know that the Minister of National Revenue and the Minister of Employment and Immigration (Miss MacDonald) have looked into this matter. I hope that the response we will receive will indicate that the situation will improve.

In fairness to the Customs officials, let me indicate that once this issue received some media attention I received calls from individuals who have been very impressed by the courteous manner in which they have been treated. Obviously there are two sides to this issue. I only want to stress that it is essential that we as Canadians always extend a warm hand of friendship to whomever visits our country.

Mr. Bernard Valcourt (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, I am pleased to be able to respond to the Hon. Member's concerns regarding the treatment of tourists and visitors to Canada by Customs officers at the Edmonton International Airport. I can advise the Hon. Member that the Department of National Revenue shares his concern about the importance of tourism to the Canadian economy and that the role which Customs officers play in welcoming visitors to Canada is indeed important.

[*Translation*]

Mr. Speaker, the Minister has been aware of the situation for some time, and assures us that this kind of treatment vis-à-vis travellers will not be tolerated, not in Edmonton and not at any other point of entry in this country.

Last June, senior officials from the Department were sent to examine the situation at the Edmonton International Airport.

After their visit, a series of measures were put in place. These measures deal with the training of officers in the kind of attitude and behaviour expected of them, their regulations and interaction with travellersand especially the public's perception of the role of a customs officer. In addition, a number of measures are being considered, and some have already been implemented, to make customs officers adopt a more positive and sensitive attitude, covering areas such as multiculturalism, conflict resolution, neutralizing delicate situations, interview techniques, interprovincial communications on the job, and so on.

A three-day experiment will be held in Edmonton in November, to analyze the kind of problems encountered at high risk and high volume offices. Customs officers have now received more training in connection with their responsibilities under the Immigration Act. Furthermore, useful discussions have been held with provincial representatives, and recommendations for simplifying certain customs procedures have been submitted to them. We are now awaiting their reply.

• (1905)

[*English*]

Officials are continuing to monitor customs activities closely at the Edmonton airport. The Minister is confident that the action taken by his officials at Edmonton will ensure that a courteous and professional welcome is extended to all persons entering Canada, which Canadians have come to expect of the Customs service.

In conclusion, Mr. Speaker, the 1985 Auditor General's Report supports the fact that Customs and Excise is working toward providing a more efficient and courteous service to the public.

EXTERNAL AFFAIRS—EXTRADITION OF UNITED STATES CITIZENS

Mr. Alan Redway (York East): Mr. Speaker, you will recall that on November 7, 1985 during Question Period I asked the Minister of Justice (Mr. Crosbie) about the cases of Charles Ng and Joseph Kindler, two Americans who are currently being held in custody in Canada.

You will recall that in the case of Charles Ng, he was apprehended in one of our western cities and charged with armed robbery as well as with attempted murder. Then it came to light that he was the subject of a search across North America, and perhaps world-wide. He was wanted for questioning in connection with some mass murders in the state of California.

You will recall, Sir, that there were some particularly grizzly murders in the state of California and Charles Ng, although he had not been charged with these offences, was wanted for questioning in connection with them.

That raised great concerns on the part of my constituents, and I know on the part of all Canadians. I had letters, telephone calls and personal inquiries in large numbers from people who were most concerned that an American citizen who allegedly had committed extremely serious crimes in the United States for which there was capital punishment should be here in Canada; we should be shipping him back to the United States as quickly as possible.

Those fears were compounded because shortly after that another case came to light, that of Joseph Kindler. This man had been convicted in the United States of capital offences, had escaped custody and had come to Canada. That, on top of the Charles Ng case, really got Canadian people extremely upset and excited about what was going on in this country.

• (1910)

On the surface, those cases have some similarity. There was the whole matter of extradition of people who had allegedly committed crimes in the United States and were now in custody in Canada. However, there were in fact some differences between the two cases.

In the case of Charles Ng, as I indicated, at the time he was apprehended in this country he had not been charged with any offences in the United States. At that time the Americans had not made any request for extradition. Since then, of course, a number of charges have been laid in the State of California against Charles Ng. In fact, I think there are between eight to ten separate charges of murder outstanding, as well as other charges, in connection with the case.

To the best of my knowledge, and on November 7 the Minister indicated in response to my question that at that time the State of California and the United States had not made a formal request for the extradition of Charles Ng. I am hoping tonight, for one thing, that we can learn from the Parliamentary Secretary what is the state of affairs now and whether there has been a request for extradition of Charles Ng. We realize that there can be no extradition until there is a request.

In the case of Joseph Kindler, however, it was very different. There had been a request for extradition. Joseph Kindler had made an application to the courts in this country to stave off that request. As I understand it, his application was based strictly upon the point that he would be facing capital punishment in the United States, that he was not facing capital punishment here and that it would be unfair, improper and unjust under our Charter of Rights for us to send him back to the United States where he would be facing a death penalty sentence. That case, as I understand it again from the Minister, has been proceeded on and now is awaiting written argument from Mr. Kindler's lawyer being presented to the Minister, all the court proceedings having been dismissed. Then the Minister indicated that probably there would be an oral hearing in front of him as well, and that it would be after that that he would be making a decision as to what to do in the case of Mr. Kindler.

Both those cases are of extremely serious concern to Canadians. They are concerned, first of all, because there is a feeling that it is unfair and improper that someone should be able to come up here and get away from American justice just because he or she faces a death penalty in the United States and does not face one here. Of course there is also a broader concern that Canada could very well become a haven for fugitives from American justice or for fugitives from foreign justice around the world. If we look at some of the acts of terrorism in various countries around the world where people face the death penalty, theoretically, if Mr. Ng and Mr. Kindler were allowed to escape the situation and use Canada as a shelter, we could very well become the repository for all sorts of international terrorists and fugitives from every corner and cranny of the world.

Those are the basic concerns of Canadians. I think it broadens into their general concern about the issue of capital punishment. We have had expressions of extreme concern for many years about the reinstatement of capital punishment in Canada. It seems to me that the cases of Charles Ng and Joseph Kindler highlight that concern very sharply.

I hope we hear from the Parliamentary Secretary tonight an update of the situation of Charles Ng. Hopefully we will send him back to the United States to face justice there just as quickly as possible. Also I hope we will hear an update on the case of Joseph Kindler. Hopefully we will send him back to the United States for his Christmas dinner. I do not think any Canadian wants to see him around any longer than he has to be.

• (1915)

I would also like to hear from the Parliamentary Secretary about just where we stand on the entire question of a free debate on capital punishment. That is really the key and underlying issue in all of these cases. I am looking forward to the comments of the Parliamentary Secretary regarding all of these items.

Mr. Bernard Valcourt (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, I would like to thank the Hon. Member for the concern he has expressed. I certainly agree that many Canadian citizens are also concerned about the points which he has made here today.

The Hon. Member properly pointed out that he brought up the question on November 17. It was again raised on November 19 by the Hon. Member for Calgary East (Mr. Kindy). At that time, the Minister of Justice (Mr. Crosbie) advised the House that in the case of Charles Ng, no request had yet been received from the United States for his extradition. That situation has not changed as of yet. No procedure has been begun asking for extradition.

In the case of Joseph Kindler, as the Minister pointed out to the Hon. Member for Calgary East on November 19, the only change in that situation has been the extension given to the solicitors of Mr. Ng to prepare their submission to the Minister. The Hon. Member will recall that the Minister stated that the position of that individual was that his extradition to the United States should be asserted with conditions. In order to properly prepare their case and make it to the Minister, his solicitors needed further time.

I am certain that although Canadians may be very concerned about criminals from other countries being in Canada, they are not so concerned that they will deprive these individuals of the right to be heard. I believe the Minister has to be commended for this, and we understand that this is what guided him in the granting of this extension.

As the Hon. Member will certainly understand, I cannot give him the assurance that Mr. Kindler will be returned home for Christmas. However, it is my understanding that the Minister will not unduly delay any decision in that case. As for the other case, there is no change of status.

The Hon. Member also requested that I address the question of when we will have a debate in this House on the issue of capital punishment. I am afraid that I can only reiterate an answer which has already been given, that such a debate will take place during this Government's first mandate. However, it does not stand as an urgent priority at this time.

VISIBLE MINORITIES—JAPANESE CANADIANS INTERNED DURING WORLD WAR II

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I appreciate having this opportunity to say a little more about a question I asked many months ago. On May 23, I asked the then Minister of State for Multiculturalism about the Government's plans regarding redress for Japanese Canadians and specifically redress for the great injustice which was done them in the 1940s when they were dispossessed, resettled in the interior and faced, even after the Second World War had ended, the discriminatory actions of the Canadian Government.

At the time I specifically asked the Minister if he actually believes that the Opposition's failure to agree to an imposed settlement prevented him from negotiating with the National Association of Japanese-Canadians. That question elicited the following key statement from the Minister:

> Mr. Speaker, we never refer to anything we are doing in terms of our conversations as negotiations with the Japanese-Canadians.

He added some observations to that which I need not get into.

● (1920)

I have waited patiently on this matter because I wanted to give the Government the opportunity to resolve the matter. As well, I was aware that the National Association of Japanese Canadians was involved in its own program to demonstrate the extent of losses that were suffered. Even at this point I may say that the association is still involved in a program which, over the next few months, will provide an unprecedented description, an accounting, of the losses which Japanese Canadians suffered in a material way. By that means the incredible psychic and social costs which were inflicted upon them at the time will be underscored.

It seems to me appropriate this evening to investigate this matter a little further and place some principles on the record. We have a new Minister of State for Multiculturalism (Mr. Jelinek). He has had some three months in office. In the last couple of weeks there have been some very disturbing indications of the position which the Government may come to with respect to this matter, particularly indications which were provided in a press release from the City of Ottawa on November 17, following the meeting of the Canadian Multiculturalism Council which is advisory to the Minister. The council suggested that the redress policy should include among its points a settlement which is symbolic in terms of monetary award, and that it should be directed more toward the prevention of future wrongs upon any ethnocultural groups rather than a correction of past injustices. It went on to suggest that the establishment of a multicultural foundation with a mandate to foster understanding and friendship among ethnocultural communities might be such an expression.

That statement raised the gravest concerns in my mind about the Government's will to move on the indications which it gave, first of all as the opposition Party in June of 1984, and then from the Minister's office in December of 1984. After all, it was the present Prime Minister (Mr. Mulroney) who questioned Mr. Trudeau, the then Prime Minister, about this matter. It was he who aroused hopes for the first time in decades that if he became Prime Minister he would have the will to do something about it.

On December 15 the Multiculturalism Directorate suggested in a release that there had been agreement between the Minister and the National Association of Japanese Canadians to negotiate something. Sadly enough that promise of December 15, 1984 was turned into an attempt at an imposed settlement before January had ended. It included a refusal to negotiate with the National Association of Japanese Canadians.

Part of my unhappiness about this matter—I might even say my umbrage at what has developed—is the fact that the Prime Minister has been capable of maligning the Opposition by his description of those events. Upon assuming office he said in a letter to a private citizen:

> —my Government took the initiative in addressing the concerns of the Japanese-Canadian community that the injustices inflicted—

He states further:

> After extensive consultation with the community, the matter was brought before Parliament on January 28 in the form of an all-Party resolution. As you may know, we were disappointed in our hope that the opposition parties would forgo partisan considerations and demonstrate the resolution's wide support among Canadians by giving unanimous consent to its passage.

That sentence is most interestingly worded. How could our consent here to an all-Party resolution indicate wide-spread support for it? Surely a redress proposal needs to have the support of the Japanese Canadian community. That was exactly what the Government had refused to do earlier in January of 1985.

It is then in this context of refusal to negotiate and the rejection of compensation for individuals that we stand. It is in this context that I want to say categorically that it seems to me inconceivable that we could have the arbitrary and dictatorial actions of Government in the 1940s during and after the Second World War redressed by the arbitrary action of a Government in 1985 or 1986. It seems to me absolutely imperative that if there is to be a proper settlement it will have to be negotiated with the National Association of Japanese Canadians.

It seems to me imperative, then, that there be substantial discussions on the details of redress settlement. It is imperative

that a parliamentary statement which will have the support of all Parties be developed in just such negotiations with the National Association of Japanese Canadians. It is imperative that this recognize the unjust actions of the Government of Canada in the 1940s. There has to be an agreement, too on the substance of redress. It is conceivable that that might find an institutional form. But I do not think we should rule out the possibility that individuals deserve compensation.

• (1925)

On a concluding note, it seems to me imperative that this same redress settlement include recognition that there were abuses flowing not just from the War Measures Act but in the area of citizenship and in the area of the exclusion of persons from British Columbia well after the war. A redress agreement has to include recognition of all of these elements and cannot be satisfactory to the Canadian people any more than to the National Association of Japanese Canadians unless it includes these.

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): Let me just begin my response to the Hon. Member by saying that he should be applauding, and, indeed, every Hon. Member of the Opposition should be applauding this Government's initiative, because for 42 or 43 years no national Government took the initiative to begin discussions, acknowledging that a bad problem, an unforgettable problem, took place some 42 or 43 years before. In fact, the commitment made by the Prime Minister (Mr. Mulroney) when he was Leader of the Opposition, and since becoming Prime Minister, is a commitment which we are following, namely, that this Government will acknowledge these wrongs for the first time in 43 years. There will be a form of apology and there is going to be a fair redress package. In fact, some measures, such as the War Measures Act, are already being amended in such a way as to satisfy those people who were hurt by those actions in the early 1940s.

No other Government took that initiative. In fact, the previous administration under Prime Minister Trudeau very clearly said that Government should not get involved in a redress package, and that the Liberal Government would not get so involved in any way, shape or form.

What I have begun to do in my three months as Minister responsible for multiculturalism is to bring within the scope of discussions across the country not only the National Association of Japanese Canadians but all other interested parties, including the Japanese Canadian Redress Association of Survivors, which is an interested group of survivors from those years, and the Canadian Multicultural Council. I would think the Hon. Member should find the statement from the CMC a very positive one and one which is making an input toward my deliberations. My provincial counterparts and all other interested parties across the country are included in the discussions. I have continually had discussions with them in the past three months building on the foundation which my predecessor had achieved in the previous year. I believe that this is not simply a Japanese Canadian problem. This is a Canadian problem. We must try to get as much input from as broad a section of Canadians as possible.

When I have finally compiled this type of input which I require to make a recommendation, then I will do so to Cabinet. It will include an acknowledgement, as the Prime Minister has promised, and an apology of some form, and it will include a fair redress package, fair to the Canadian public and to Canada as a whole.

The main purpose of this is to make sure that this type of atrocity which happened 42 or 43 years ago will never happen in this country again. I take pride in the fact that the Prime Minister took the initiative on behalf of the Government of Canada, for the first time in 42 or 43 years, to deal with this matter. I look forward to having input from as broad a range of Canadians as possible so that we can develop the fairest possible package for Canadians as a whole.

[*Translation*]

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 7.30 p.m.

HOUSE OF COMMONS

Wednesday, November 27, 1985

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 22

[*English*]

GOVERNMENT EXPENDITURES

COST OF TOOTHPASTE POLL

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, a few days ago the people of Canada discovered that the Minister of Finance (Mr. Wilson) spent their hard-earned tax dollars to discover what he was supposed to do as the Minister of Finance. He conducted a public opinion poll to find out what his job was. Today, of course, Canadians discovered an even more astounding revelation. They discovered that Crest Toothpaste is indeed toothpaste. For all of us who thought all this time that Crest Toothpaste was foot-powder or shaving cream, we need not worry any more because we know that, indeed, Crest Toothpaste is toothpaste.

It cost $50,000 of taxpayers' money to make this brilliant discovery on the part of the Minister of Finance. Having made that discovery, the Minister of Finance tells us that, indeed, it cannot be used as a precedent to determine that most Canadians know that toothpaste is toothpaste. The only thing we know is that the 500 people who were interviewed were of that opinion, and not necessarily everyone else.

My constituents who are unemployed could tell you, Mr. Speaker, no charge, that Crest Toothpaste is indeed toothpaste. There is no doubt about it on their part. Therefore I encourage the Government to spend the taxpayers' money in a more productive way. If it ever wants advice in the future on whether or not toothpaste is toothpaste, or whether foot-powder is foot-powder, or anything else, it could consult the opposition—

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

* * *

CN MARINE

PROCUREMENT OF FERRIES

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, the Minister of Transport (Mr. Mazankowski) appears to be losing the battle with CN Marine. A year ago the Minister of Transport promised there would be an additional three new vessels on the Gulf service and one new vessel on the Newfoundland-Labrador coastal service, vessels of the latest state of the art. He declared that this would have a tremendous impact upon the shipbuilding industry and, therefore, would create jobs.

In the last weeks the Minister of Transport has been backing away from this splendid pledge. My questions and those of both Government and official Opposition Members about a second Caribou-style ferry have led the Minister to talk about cost. CN Marine is clearly arguing it can buy more cheaply abroad than it can in Canada, and the Minister is being pressed to forget his promises of November 14, 1984.

The Clark Government broke promises to the Canadian shipbuilding industry in 1979 by allowing CN Marine to buy abroad. The Conservatives forgot then that Canadian shipbuilding pays big in wages and in purchase of materials. They forgot that Government gets a good chunk of these expenditures in taxes.

I challenge the Government to recognize these economic and fiscal realities and enable the Minister of Transport to keep his year-old promise of work for Canadian shipyards and their workers. To think only of the initial cost of purchasing a second-hand vessel, while ignoring the economic spinoffs and tax revenues that Government receives from Canadian shipbuilding, is what we are coming to expect from the Government. It's a shame that such shortsightedness will leave the Minister of Transport holding a tattered promise.

* * *

[*Translation*]

SPACE RESEARCH

TELESAT CANADA COMPETITIONS WON BY JEAN-FRANÇOIS DESCHÊNES AND DANIEL REY, CHARLEBOIS SECONDARY SCHOOL STUDENTS

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, last night, with a hundred people from the National Capital Region, including senior management of the National Research Council and Telesat Canada, the staff of L'École secondaire Charlebois, the students and also some very proud parents, I witnessed the twenty-third launching of a space shuttle, telecast live from Cape Canaveral.

[*English*]

As with Marc Garneau, our first Canadian astronaut over a year ago, who also attended, the shuttle Atlantis carried another Canadian first into outer space. Jean-François Des-

chênes and Daniel Rey, two Charlebois graduates under the supervision of their teacher, John Audcent, won a national competition out of 290 entries sponsored by Telesat Canada in 1983 to place an experiment aboard the shuttle. Their experiment will test whether mirrors made in the near zero gravity of space have a smoother reflective surface than mirrors made on earth.

[*Translation*]

To quote the principal of the school, Mr. Jean-Marc Major: "This is a unique opportunity to show students across Canada that dreams can become reality."

[*English*]

Success in this experiment may not only give Canadians and the world a new way to look at ourselves, but will be a true reflection of the potential of our young scientific minds. I ask the House to join me in congratulating these two young Canadians on this historic achievement.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

* * *

CANADA POST CORPORATION

CALL FOR PROVISION OF SERVICE TO NEW HOME OWNERS

Mr. John Reimer (Kitchener): Mr. Speaker, the recent housing construction boom in Kitchener and Waterloo has created a class of home owners who have fallen victim to Canada Post's freeze on extending home delivery. This freeze applies to new subdivisions and even to new homes recently added to streets which have always received home delivery.

Some of these homeowners must now use neighbourhood group boxes. Others, lacking even this necessity, must drive to their nearest post office and wait in long lines at inconvenient hours, often during work, in order to collect their mail. Furthermore, I am told that Canada Post proposes to continue this trend as cost saving measure.

While the end may be laudable, the means is unjustifiable. Perhaps a modest reduction in petty grievances, days absent, and strike activity amongst Canada Post personnel, coupled with an increase in their efficiency and productivity, would achieve the same end without forfeiting service. Therefore I call upon the Government to ensure that Canada Post provides all new home owners with the same level of service presently accorded their fellow taxpayers elsewhere.

Let me add that I welcome the Marchment Committee's report on the mandate and productivity of Canada Post Corporation. I trust that this report will act as an impetus for Canada Post to work toward a level of service with which its Canadian consumers can be satisfied and in which its employees can take pride.

SPORTS

FIELD HOCKEY—REPORTED CANCELLATION OF ARTIFICIAL TURF FACILITY

Mr. Sergio Marchi (York West): Mr. Speaker, only a few weeks ago the Minister of State for Fitness and Amateur Sport (Mr. Jelinek) blatantly interfered in the internal affairs of the National Women's Field Hockey Association over the selection of its national coach. The incident has left many serious and permanent scars. Now the Minister has dealt another more serious blow to the field hockey movement.

• (1410)

It has been learned that the Conservative Government will not honour a $1.3 million commitment made by the previous Liberal Government toward the establishment of an artificial turf installation at the University of British Columbia. This would have provided amateur sports with a permanent and much needed training centre. The previous Government was prepared to recognize the need for such a world class facility. The Conservative Government, however, seems to be completely indifferent. To make matters worse, on November 7, over CBC radio, the Minister promised to keep all sports commitments made by the previous Government.

As a result of Tory double-talk, Canada was forced to relinquish the hosting of the women's World Cup tournament scheduled to take place in Vancouver next year. This is a serious embarrassment in the eyes of the international sports community. In addition, of course, our amateur athletes will lose out on a very necessary and competent training centre. I therefore call upon that Government and that Minister to honour the former Government's financial commitment and be sensitive to the deficiency of such facilities available to our amateur sports and amateur athletes across the country.

* * *

BANKS AND BANKING

CANADIAN IMPERIAL BANK OF COMMERCE—CANCELLATION OF ONTARIO LEGISLATOR'S ACCOUNT

Mr. Rod Murphy (Churchill): Mr. Speaker, on October 19, and again on November 2, Ontario NDP David Reville took part in demonstrations in Canadian Imperial Bank of Commerce banks on behalf of striking CIBC workers. The bank retaliated by writing to tell him it was closing his accounts and calling in his mortgage. Although the bank has now backtracked on its action against Reville, this demonstrates the abuse of power that bank workers endure on a regular basis. It also demonstrates the power that banks have at their disposal and which they are not above exercising.

The treatment of bank workers and bank customers comes under federal legislation. The banks have used their power in an abusive manner in the past and it is time the Government moved not only to protect the workers but the customers. I might add that the power of banks in single industry towns

with only one or two banks is ominous, and something has to be done to protect their customers.

* * *

TRANSPORTATION OF DANGEROUS GOODS

CARRIERS' DIFFICULTY IN SECURING INSURANCE

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, in an effort to keep our environment clean and prevent spills of toxic or polluting substances, not only have we been imposing more and more restrictions on the users and transporters of these substances, but we are also in our laws imposing penalties, especially fines, of ever-increasing severity when dangerous or unsightly substances are intentionally or even accidentally discharged into the environment. One result of this policy is that transporters and users of these substances, which might be as common as fuel oil, are finding it prohibitively difficult to obtain environmental insurance for their operations which are often essential to our industrial activity and domestic well-being.

Underwriters are refusing to insure, or they are charging such heavy premiums that the effect is the same. In the Northwest Territories, where, because of the lack of roads, it is necessary to truck petroleum products over frozen lakes and rivers, this problem is doubly severe.

Let us therefore remember that there must always be a balance between protecting the environment and those human activities without which we could not enjoy the good things of modern life.

* * *

[*Translation*]

EMPLOYMENT

GOVERNMENT'S PERFORMANCE

Mr. Gilles Bernier (Beauce): Mr. Speaker, since the 1984 election, one of our main concerns, as Members of the Quebec caucus, has been to create jobs for Quebecers.

You are probably wondering why Liberal Members from Quebec are so upset about our successes in this area. They are upset because between February 1980 and September 1984, a period of 55 months, 37,000 new jobs were created under the previous Liberal administration. This is an average of 673 jobs per month.

However, since Quebecers elected a Progressive Conservative Government fourteen months ago, more than 89,000 new jobs have been created in Quebec, an average of 6,846 per month. You heard me correctly, Mr. Speaker: 6,846 per month. Ten times the Liberal average! That is real leadership, performance and efficiency. No wonder the Liberals are embarrassed! If I were in their shoes, I would be positively red-faced. We are now creating more jobs with Hyundai and

other companies, and they are still complaining. To the workers of Quebec, I say that they will be able to exercise their own judgment in three years' time.

Mr. Speaker, I visit my riding regularly. People are happy and they are working. We have created jobs and we will continue to do so, and that is our mission as Conservatives.

* * *

• (1415)

SPACE RESEARCH

HOPE CREATED AMONG YOUNG STUDENTS FOLLOWING TELESAT CANADA COMPETITION WON BY JEAN-FRANÇOIS DESCHÊNES AND DANIEL REY

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, in 1983, Telesat Canada sponsored a national competition to stimulate the interest of secondary school students in space. Students were asked to design an original experiment that would be taken aboard one of the NASA space shuttles on its orbit around the earth.

With their project "For a better mirror", two young francophones, Jean-François Deschênes and Daniel Rey, students at L'École secondaire Charlebois in Ottawa at the time, won a chance to have their experiment carried out on board the space shuttle *Atlantis*, which was launched yesterday.

These young scientists saw their participation in the shuttle launching at Cape Canaveral as the culmination of their project, and the people of Ottawa and all Canadians were proud and honoured to celebrate this remarkable event in Canadian history.

Mr. Speaker, the achievements of Jean-François Deschênes and Daniel Rey are to be praised since these two students have succeeded in stimulating, encouraging and giving hope to our young Canadian science students. Canada has had the privilege of having an astronaut among its citizens. Our country now has the pleasure of seeing its first space scientists personified in these two students. As for our first space shuttle, Mr. Speaker, we are still waiting!

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PRINCE EDWARD ISLAND AND NORTHWEST TERRITORIES SPEAKERS

Mr. Speaker: May I indicate to Members the presence in our gallery today of two Speakers, the Hon. Marion Reid of Prince Edward Island, and the Hon. Donald Stewart of the Northwest Territories.

Some Hon. Members: Hear, hear!

Oral Questions

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—LUMBER EXPORTS TO U.S.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Despite his assurances to the House on Monday and yesterday, there has apparently been an official request from the United States Government that we reopen, with that country, the issue of our softwood lumber exports to the United States as a precondition to general discussions on freer trade with that country.

Would the Secretary of State for External Affairs repeat the assurance that he gave to my colleague, the Member for Winnipeg-Fort Gary, on Monday, that in no case would there be a linkage between those two issues and that the Government of Canada will refuse to reopen negotiations affecting softwood lumber exports from British Columbia and other provinces to the United States?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, Mr. Yeutter has been in touch with me personally several times during the past week, and again last evening. He advised me that indeed the United States would like to have some talks with Canada on the lumber issue. He personally assured me that in no way whatsoever will these discussions be tied in as a precondition to the Canada-U.S. talks. We are not held hostage to these talks. There is no time limit for their completion, and they have nothing whatsoever to do with the Canada-U.S. talks. These talks will stand on their own merits.

ROLE OF UNITED STATES CONGRESS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I suspect the Hon. Minister is being somewhat naive in his approach to this issue. Mr. Yeutter, of course, has to seek congressional approval before general trade negotiations can begin with his country. There are members of Congress in both Houses who seek to impose a condition upon the U.S. Government to settle this so-called irritant for them of the export of softwood lumber to their country from Canada.

We have received categorical assurances from the Secretary of State for External Affairs that there will be no linkage. Why would Mr. Yeutter be approaching Congress and yielding to it on this subject if this were not going to be a precondition to general negotiations with Canada?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, again I advise the hon. gentleman that these talks are not a precondition. As far as the Government is concerned, Mr. Yeutter and the Americans are honourable people and we have no reason to disbelieve them. The Government approaches them as neighbours, good trading partners and friends, which is something the former Government never did and which led to the deterioration of the relationship between our countries.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, the House will want to recall those words and the words of the Minister's colleague, the Secretary of State for External Affairs, if there is a congressional condition put upon our negotiations with that country.

● (1420)

REQUEST FOR PRODUCTION OF GOVERNMENT STUDY

Right Hon. John N. Turner (Leader of the Opposition): Apparently there is a series of secret documents affecting sectors of our economy that are vulnerable to negotiations with the United States. Will the Minister publish the document relating to the forest industry? Either that document exists and the Government is not coming clean, or, if it does not exist, the Government is not doing its homework. Will the Government produce that document so we can begin to know what is on the table and what is not on the table, who will be heard, and who will not be heard?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, naturally, documents have been prepared, and naturally there has been close discussion with the provinces which are involved and, and in some cases, with the industry that is involved. With regard to the findings of any studies that we might undertake, there is the closest possible co-operation in any talks that we might have, whether they are in the context of negotiations with the United States or on the quite separate and unrelated question of discussions that might affect timber that are being circulated between federal and provincial Governments.

I think that the Right Hon. Leader of the Opposition should stop trying to stir fear and should come into the House of Commons with some real questions other than these rather reckless fishing expeditions.

Some Hon. Members: Hear, hear!

* * *

BANKS AND BANKING

CANADIAN IMPERIAL BANK OF COMMERCE—CANCELLATION OF DEMONSTRATORS' ACCOUNTS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of State for Finance. A few days ago a member of the Ontario provincial Legislature and four other individuals had their banking arrangements with the Commerce Bank cancelled, solely because they exercised their democractic rights to participate in a demonstration.

Will the Minister undertake to ensure immediately that such similar abuses of power will not happen again? Will she also require that the bank concerned give a full apology to the

individuals concerned and reinstate their banking arrangements?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am quite prepared to indicate my concern about this both publicly and privately. When I ascertain the total facts of the case I will be discussing it with the bank.

VISA LABOUR RELATIONS DISPUTE

Miss Aideen Nicholson (Trinity): Mr. Speaker, my supplementary question is directed to the Minister of Labour, to whom I wrote about this matter three weeks ago. Since the dispute with Visa is becoming increasingly bitter, will the Minister intervene to bring about a settlement?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, the Hon. Member should be aware, as are other Members of the House, that Labour Canada is monitoring the situation. Labour Canada mediators and conciliators are available at request from either party for intervention and we are there to help. However, we can only help if a request comes forward from individual parties.

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TRADE

CANADA-UNITED STATES NEGOTIATIONS—NEGOTIATOR'S VIEWS ON WATER EXPORTS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It deals with the concern over the appointment of Mr. Reisman as negotiator for Canada in the free trade negotiations with the United States.

Will the Minister indicate to the House whether he is aware that Mr. Reisman is an enthusiastic proponent of the Grand Canal scheme and the export of water and that he has said on occasion that he believes the export of water, in this way is a possible key to a trade agreement with the United States? If so, will the Minister take this opportunity to tell the House and the Canadian people, as well as Mr. Reisman, through the House, that Canada's water is not on the table in the upcoming negotiations with the United States?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am aware of the positions taken by Mr. Reisman on this question. I am also aware of the answer that was given by the Minister of the Environment, in the House, when he made it clear that those are separate questions, that they are not related.

I take this opportunity, since it appears that we must put things in *Hansard* twice to draw them to the attention of the New Democratic Party, to say that the question of Canada's water is not involved in these negotiations.

GOVERNMENT POSITION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, if that is in fact the position of the Government, in telling Mr. Reisman that, will the Government be as forthright with respect to other matters of concern to Canadians about what is on the table? If the Government can be forthright in this instance, why can it not be forthright with respect to culture, the Autopact, and other issues about which it should be honest with the Canadian people?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, if we are speaking about points in time, the Hon. Member is backward because I have already conveyed that view to Mr. Reisman and he understands, as he understands that his role in these negotiations is to carry out the policy of the Government of Canada—

Mr. Turner (Vancouver Quadra): Whatever that is.

Mr. Clark (Yellowhead): —which will be developing the trading mandate, monitoring the negotiations and instructing him as to what he should be saying.

• (1425)

With regard to openness, there has never been a negotiation undertaken by a Government of Canada that has involved more extensive consultation than the consultations that have evolved as we prepare for potential negotiations with the United States.

PUBLISHING INDUSTRY

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I would like to raise a question with the Secretary of State for External Affairs. We are obviously pleased to hear his confirmation today that water will not be part of the negotiating agenda with the United States on comprehensive free trade.

If that is the case, I would like to ask the Minister whether he is prepared at the same time to state categorically some other issues which are causing great anxiety among Canadians that should not be on the table and say that the Government will not put forward or accept any negotiation relating to Canadian content, ownership of the Canadian publishing industry, Bill C-58, or the issues related to the ownership problems for Canadian magazines? Are those off the table as well as the isue of Canadian water?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I did not make the statement with regard to water now.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): The statement with regard to water was made in this House some weeks ago. It is time Hon. Members woke up.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

STATEMENT ATTRIBUTED TO HIGH COMMISSIONER TO BRITAIN

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, once again the Minister has succeeded in confusing himself and everybody else.

I want to ask the Minister a related question. In a report from London, our High Commissioner, Roy McMurtry, a gentleman well known to the Minister, was quoted publicly as supporting a takeover of Copp Clark of Canada by the British publisher, Longman's.

Why does he tolerate senior diplomatic representatives deliberately contradicting a stated Government policy concerning Canadian ownership? Is he prepared to rebuke Mr. McMurtry, or is Mr. McMurtry simply forecasting a proposed change in Canadian policy?

Mr. Crosbie: Let's get Tom back.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it is my view that the backbench of the Liberal Party could do considerably better than that in putting questions in the House of Commons.

Some Hon. Members: Hear, hear!

Mr. Broadbent: The backbench over there can do better too.

Mr. Clark (Yellowhead): The views expressed by Mr. McMurtry were personal views. I have written him today—

Mr. Axworthy: He is a representative of this Government.

Mr. Clark (Yellowhead): Does the Hon. Member want to continue the debate from his seat, or has he the courage to stand up?

Some Hon. Members: Oh, oh!

Mr. Axworthy: He speaks for you. Why do you not answer the question? All right, okay.

Some Hon. Members: Oh, oh!

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

CULTURAL INDUSTRIES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister should pay due regard to the people in the backbenches on his side of the House as well.

The Minister has said, both today and in the past, that Canada's water is not on the negotiating table. Since he is prepared to do that for water, and since he met leaders of Canada's cultural industries last night and they made the request that our cultural industries not be on the table, why does he not show the same concern for Canada's cultural industries as he does for water, and say to the Americans that they are not negotiable?

Right Hon. Joe Clark (Secretary of State for External Affairs): I think the Hon. Member, Mr. Speaker, if he wants to make inquiries of the people who were at the meeting will find that while there was a disagreement about what should be negotiated there was a very real welcoming on the part of the Canadian artistic community and the Canadian cultural industries. Instead of being used as a political football for partisan gain, they were, in fact, being consulted directly by the Government of Canada as they have never been before.

Mr. Deans: And ignored.

JOB IMPACT STUDIES

Hon. Edward Broadbent (Oshawa): I say to the Minister, Mr. Speaker, that Canadians are tired of simply being consulted. They want to be listened to, for example.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Because data have been made available by the Government of Ontario showing that up to 281,000 jobs could be threatened in the Province of Ontario alone by entering into a comprehensive free trade agreement with the United States, let me ask a simple question of the Minister.

• (1430)

Has the federal Government, in its responsibility, made studies of the job impact of free trade and, if so, will it make those studies available to the people of Canada so that we will know what we are getting into?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, of course the Government of Canada is carrying out studies into the implications of any trade negotiations into which we might enter. Those studies, many of them, have already been made available to most of the provinces—

An Hon. Member: Most of the provinces?

Mr. Deans: What about us?

Mr. Clark (Yellowhead): Most of the studies have been made available to the provinces and to others with whom we are working in the negotiation.

Ms. Copps: What about us?

Mr. Clark (Yellowhead): Some of those studies will become public in the normal course of events.

An Hon. Member: Leaked.

Mr. Clark (Yellowhead): No. They will become public by the deliberate decision of the Government in due course—

Mr. Rodriguez: In due course.

Mr. Clark (Yellowhead): —because the Government has started the practice of carrying out the most extensive kind of consultation prior to negotiations which has ever been seen in our country before. We intend to continue that way.

Mr. Chrétien: No respect for Parliament.

REQUEST THAT STUDIES BE RELEASED

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the people of Canada heard rhetoric before the election about consultation and they want—

Mr. Crosbie: That is all they ever heard from you.

Mr. Broadbent: The Minister's colleague says: "That is all they ever heard".

Mr. Clark (Yellowhead): From you.

Mr. Broadbent: That is all they are getting right now from the Government. That is the problem. They have had consultation, but if it is to be relevant to decision-making, does the Minister not agree that they should have studies, in particular job impact studies, at which they can look before the Government reaches a decision? If he agrees with that, why does he not make them available?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Leader of the New Democratic Party, not long ago, said that the people of Canada want to be not simply consulted but listened to. I remember very well the position which the Leader of the New Democratic Party took on the constitutional question when most Canadian people who voted for him wanted him to stand up on behalf of a federal Canada.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): Instead, he caved in because of an intellectual agreement which he made with the then Prime Minister of Canada.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): We are carrying forward not simply extensive consultations. We are, as we demonstrated yesterday, working closely with the people who are directly concerned, to ensure that any negotiations which ensue will be in the interests of the country.

* * *

FINANCE

ATTENDANCE OF DEPUTY MINISTER AT BUSINESSMEN'S DINNER

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, my question is directed to the Deputy Prime Minister. I am sure he would agree that it would be quite improper to use senior public servants for partisan political purposes. Does he not consider it improper that the people invited to meet with Mr. Hartt, the Deputy Minister of Finance, were all members of the $1,000 PC exclusive club?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, that question was answered fully and completely yesterday by the Minister of Finance.

Some Hon. Members: Repeat it again.

PARTICIPATING DINERS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, the question was not answered yesterday. The question was put in the context of the answer of a general consultation which was presumably available to many members of the public. However, it turns out—and I suggest that the Deputy Prime Minister should satisfy himself on this—that these were all members of a very exclusive group of PC contributors. Would he confirm that to the House at the first opportunity and ensure that it will not happen again?

Mr. Chrétien: And release the list of the names.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Release the list of the names!

Some Hon. Members: That's right.

Mr. Nielsen: Mr. Speaker, it was the same—

An Hon. Member: Take your time, Erik.

Mr. Clark (Yellowhead): Maybe they will buy a book.

Mr. Nielsen: *Straight From The Heart.*

Some Hon. Members: Hear, hear!

Mr. Nielsen: It was the same question and the same answer. The Minister of Finance answered the question yesterday fully and completely, and I do not want to take up the time of the House by rereading it from *Hansard.*

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TRADE

CANADA-UNITED STATES NEGOTIATIONS—AUTOPACT'S FUTURE

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is for the Secretary of State for External Affairs. This week Simon Reisman has been reported in *The Financial Post* as telling a Cleveland symposium this year that he no longer believed the Autopact was necessary, and that he had fought in 1971 to have Cabinet end the safeguards which protect Canadian jobs. How can Canadian auto communities have any confidence in the Government's promises, when yesterday secret studies leaked out which indicated that the ending of the pact was being considered, and today it has

become clear that the chief negotiator in our trade negotiations is prepared to give up these crucial safeguards which protect—

Mr. Speaker: Order, please.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, if there was a question there, I missed it.

Mr. Deans: You missed it, because there was a question.

Mr. Clark (Yellowhead): Oh, there was a question.

Mr. Deans: Try listening.

Mr. Clark (Yellowhead): The House Leader of the NDP assures me that there was a question. I presume, given the standards of the NDP, that it was the repetition of a question. I presume it was about the Autopact. The Government has given its assurances on the Autopact. They stand.

REQUEST THAT NEGOTIATOR BE DISMISSED

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I have a supplementary question. Given Mr. Reisman's statements, given the provincial opposition which has been expressed to Mr. Reisman, given these heretic views—

Mr. Speaker: Order, please. With great respect, the Hon. Member was quite long the first time. Could he just come to his question?

Mr. Langdon: Is the Secretary of State for External Affairs now prepared to dismiss this chief trade negotiator whose views are so out of touch with the realities of our country and the hopes of our community?

Some Hon. Members: Oh, oh!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the first tactic of NDP Members was to seek to have us publish our negotiating position to the United States so that we would be sure to lose in the negotiations. That is how they first began to serve Canada. Their second position, now that we have appointed a distinguished and competent Canadian to serve as our negotiator, is to seek every opportunity on the floor of the House to blackguard the reputation of that individual. I think that that shows a very distorted view of the responsibility of Members of the House of Commons.

Some Hon. Members: Shame! Shame!

AIR SAFETY

INQUIRY INTO AIR-INDIA DISASTER

Hon. André Ouellet (Papineau): Mr. Speaker, my question is directed to the Minister of Transport. Does he agree with me that light should be shed on the Air India tragedy? Does he agree that the responsibility for the breach of security in relation to the incident should be made public and thoroughly investigated? Could he explain to the House why the lawyer representing the Canadian Government at the inquiry seems to take a position that he wants to cover up something?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am surprised that the Hon. Member would want me to comment upon the proceedings currently going on in New Delhi which are taking into account all the facts associated with the Air-India incident. Surely the Hon. Member would want to wait until that report is finalized. When it is finalized, we can look at it and act accordingly.

AIRPORT SECURITY MEASURES

Hon. André Ouellet (Papineau): Mr. Speaker, could the Minister explain why the lawyer representing the Government—in fact, he is representing the Ministry—is asking the inquiry not to go into the details about security at Canadian airports? Is it because the security measures announced by the Minister last June are not yet in force, and is it because there is a great lack of security at our airports?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the Hon. Member knows very well that security in our airports has been beefed up considerably. An additional $6 million has been allocated. Some 27 new X-ray machines have been put in place to check baggage. Some 26 explosive vapour detectors are either in service or on order. We are really trying to reverse the concerted effort of the previous Government to reduce the amount of moneys spent on safety and security at our airports which occurred over the last five or six years.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Churchill.

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FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

GOVERNMENT POLICY

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Deputy Prime Minister. In response to the previous question—

• (1440)

Mr. Mazankowski: You spent all your money on your staff.

Mr. Axworthy: Nonsense. Not as much as you are spending right now.

Mr. Mazankowski: You spent $1,057,000 on consulting contracts.

Mr. Axworthy: Let's ask about the Via Rail task force.

Mr. Crosbie: Largest staff in history.

Mr. Speaker: Order, please. Order on both sides, please. The Hon. Member for Churchill.

Mr. Murphy: Thank you again, Mr. Speaker. My question is directed to the Deputy Prime Minister. In response to the last question asked of him, the Secretary of State for External Affairs said that his Department did not want to publish its position on free trade because it might lose. Is that the same rationale the federal Government is using in its progress report on federal-provincial relations when there has not been one word on what the federal Government is doing to transfer payments to the provinces?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, let me answer that since the premise of the question was based upon a clear distortion of what I said. The Hon. Member's accusation is as inaccurate as his preamble.

Mr. Blaikie: I wish I could learn repartee like that.

Mr. Broadbent: Attaboy!

FEDERAL PAYMENTS TO PROVINCES

Mr. Rod Murphy (Churchill): Mr. Speaker, I suppose I am only inaccurate when I quote the words of the former Prime Minister. My question is directed to the Acting Prime Minister. Why has there not been one word on transfer payments in the document published by the federal Government, when almost every Premier has said that that is a crucial issue?

Hon. Barbara McDougall (Minister of State (Finance)): Again, let me assure the Hon. Member, whose arithmetic is almost as thick as his head—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order.

Mr. Deans: He doesn't have two black eyes.

Mr. Oberle: Quit giving these fellows compliments, Barb.

Mrs. McDougall: The House has been assured time after time that there will be an increase in payments to the provinces, an increase that is faster than the rate of inflation and will meet the needs, given the negotiations and discussions that are ongoing between the Minister of Finance and the provinces. Those payments will continue to increase.

TAXATION

TAX REFORM—GOVERNMENT PRIORITY

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question was for the Minister of Finance but in his absence I would like to direct it to the Minister of State for Finance. it concerns tax reform. Many Canadians are disappointed,, disillusioned, and confused at our current tax system. It is too complex, it is unfair in a number of respects, and it is being abused by a number of individuals and corporations. Does the Government still consider tax reform a high priority? Second, if it does, when will we see a major comprehensive initiative in this regard?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I think our comprehensive view of the subject can be seen in the steps that we have taken so far, including the Ways and Means Motion introduced by the Minister of Finance yesterday designed to deal with the tax arrangements around trusts with regard to Genstar. The SRTCs were removed. We will be introducing the minimum tax legislation. We do not regard tax reform as a one-shot effort. It is a constant process and there will be more coming.

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SHIPBUILDING

PROCUREMENT OF CN MARINE FERRIES

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Minister of Transport. Yesterday he quite rightly stated that Transport Canada is responsible for approximately 95 per cent of the work in the Canadian shipbuilding industry. He forgot to tell Canadians that that was as a result of the Special Recovery Program of the previous administration. I, on behalf of the workers of the shipbuilding industry, seek a commitment from the Minister of Transport that he will not allow CN Marine to purchase two ships offshore or to build two ships offshore but that they will be built or purchased in Canadian yards.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, when one recognizes that the Canadian shipbuilding industry must rely upon the Government of Canada for 95 per cent of its work, that might suggest that perhaps it is being less than competitive in some of its transactions. I think we should clearly recognize that fact.

As I said to the Hon. Member yesterday, as Minister of Transport I also have an obligation to ensure that we provide the necessary transportation services in a safe and efficient manner at the lowest possible cost. All of these things will be taken into consideration during the evaluation process that is currently under way.

Oral Questions

GOVERNMENT POLICY

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my supplementary question is directed to the same Minister. The Minister must know that every other industrialized country in the world has a subsidy program for its shipbuilding industry. Why should Canada be different? Will the Minister please explain to the House and to the shipbuilding industry why it has taken in excess of 400 days for the Government and the Minsiter's colleagues to come to the House of Commons with a shipbuilding policy? Why the delay?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the Hon. Member should know that if there was a lack of a shipbuilding policy it was probably due to the inaction of the Government of which he was a member and a supporter. There is no question about that. The Hon. Member is asking me to enunciate a shipbuilding policy and that is something that—

Mr. Dingwall: You promised one a year ago. Where is it?

Mr. Speaker: Order.

Mr. Dingwall: Don't mislead the House.

Mr. Mazankowski: That is a question that would be more appropriately addressed to the Minister of Regional Industrial Expansion.

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REGIONAL INDUSTRIAL EXPANSION

SYDNEY STEEL CORPORATION—MODERNIZATION PROJECT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister who is replying on behalf of the Minister of Regional Industrial Expansion. I believe that is the Minister of Energy, Mines and Resources. In the spring the Government promised that Phase 2 of Sysco would be ready soon. In September the Government indicated that an answer would be given by the end of October. It is now almost the end of November. Will the Minister take this opportunity to tell the people of Cape Breton when they can expect a decision on the modernization of Sysco?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, as the Hon. Member well knows, the Minister in charge of that aspect is unavoidably absent from the House. I will take the Hon. Member's question as notice and make sure that the Minister responds to it.

ANNOUNCEMENT OF DECISION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, that answer is not appropriate for the Association of Mayors and Wardens of Cape Breton and it is not appropriate for the unemployed of Cape Breton. Does the Minister think that it is right and just for the unemployed of Cape Breton, an area with the highest unemployment rate in the country, to wait until the Minister has been rehabilitated? Does she not think that it is appropriate for the Cabinet to make that collective decision and let the people of Cape Breton know now?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the people of Cape Breton are well aware that the Minister responsible has done more for Cape Breton than any Liberal Minister has for generations. The Hon. Member asked if it is well worth waiting. I would suggest that it is well worth waiting for the Minister to return to the House to answer the question.

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EXPO '86

VANCOUVER INTERNATIONAL AIRPORT FACILITIES

Mrs. Mary Collins (Capilano): Mr. Speaker, my question is for the Minister of Transport. As the Minister knows, we are inviting the world to visit Vancouver and Expo during 1986. I hope some of our U.S. friends who are watching Question Period this week will take us up on this invitation.

Some concerns have been expressed about the adequacy of services at the Vancouver International Airport to deal with the growing passenger loads expected during Expo '86. Could the Minister advise what efforts he is making to ensure that physical changes are made? Has he, or will he, meet with his colleagues responsible for immigration and for customs to ensure that appropriate and co-ordinated procedures—

Some Hon. Members: Order!

Mrs. Collins: —are put in place to meet the needs and make sure that visitors are left with a positive impression when they arrive in Canada?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, a number of initiatives have been undertaken. Some $17.7 million worth of capital improvements has been earmarked for the Vancouver International Airport.

• (1450)

Mr. Rossi: That is the same answer you gave her at lunch.

Mr. Mazankowski: Improvements have been made to accesses, such as the on and off ramps associated with the Laing Bridge. The capacity of the Canadian Inspection Services will be increased by 50 per cent. There are to be additional public elevators and accesses for the disabled—a whole host of things.

Mr. Speaker: Order, please. Perhaps the Minister might like to continue this later.

CANADA ASSISTANCE PLAN

AID FOR NEWFOUNDLAND KIDNEY DONOR

Mr. George Baker (Gander-Twillingate): Mr. Speaker, my question relates to a statement made by the Minister of Employment and Immigration in the House yesterday concerning the Harvey Hawkins case. She said:

—arrangements have been made for his family to be brought to Toronto to be with him.

That would certainly have been a compassionate move if it were not for the fact that his family has been in Toronto for the past three weeks.

Some Hon. Members: Oh, oh!

Mr. Baker: Will the Minister inform the House which family she is talking about and for whom she made arrangements two days ago to be brought to Toronto to be with him?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, since the Hon. Member was not here he obviously did not hear the whole statement. As I mentioned yesterday, arrangements had been made. I may say that the arrangements to bring his wife and children to Toronto were made by a private donor, someone who assisted them to come.

Mr. Gauthier: Some one who had heart.

Miss MacDonald: The arrangements for his parents to come to Toronto were made by the Government of Newfoundland.

Mr. Baker: Perhaps the arrangements made two days ago can now be cancelled.

INCOME ASSISTANCE

Mr. George Baker (Gander-Twillingate): Mr. Speaker, during her statement yesterday the Minister also said that the provincial Governments and the Canada Assistance Plan would provide payments at least equal to the amount he would have received on unemployment insurance while he is sick. Does the Minister not realize that the maximum amount that he and his family will qualify for when he returns to Newfoundland to recuperate will be in the area of $400? Who will make up the difference? Who will pay the money? Has the Minister again misled the House?

Some Hon. Members: Hear, hear!

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, seldom have I seen a more shameful exploitation of the difficulties of a family.

Some Hon. Members: Hear, hear!

Mr. Ouellet: Who planted the question yesterday?

Miss MacDonald: Here is an individual who, in fact, made a very courageous move. We made the effort to be in contact with the provincial Governments of both the Province of Ontario and the Province of Newfoundland in order to assist him through this very difficult time. As I said yesterday, the amount of income he will be receiving under the Canada Assistance Plan and the provincial plans will be equal to, and I could say more than, he would be receiving through the unemployment insurance plan. I regret that I cannot say what those amounts are since they are confidential under our legislation.

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BANKS AND BANKING

MORGUARD BANK—OFFER TO PURCHASE

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is for the Minister of State for Finance. Yesterday we learned from sources in Los Angeles that the Canadian subsidiary of an American bank, the Security Pacific National Corp. of California, has decided to purchase the western-based Morguard Bank. Did the Minister approve this transaction or does she intend to approve of it? Why is it that we have to wait for American sources to tell us what is going on in the Canadian banking industry?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the announcement was made from an American source because this is a merger among consenting adults in the private sector.

Some Hon. Members: Oh, oh!

Mrs. McDougall: It was their announcement. I think the Hon. Member should be delighted with the announcement which is an expression of confidence in the banking institutions of western Canada.

Mr. Riis: Mr. Speaker, I do not think I will touch that line.

FUTURE PROSPECTS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is a very serious situation. Never before has there been a need for Canadian regional financial institutions to be so sensitive to the economic needs of the regions of Canada. Is this an indication of what is likely to come as we enter into the free trade era where large American banks and financial institutions will be coming and gobbling up some of our more stable and secure Canadian banks, particularly small regional financial institutions?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, this is not a case of the gobbling up of an institution. This is a strengthening of two existing Canadian institutions whereby there will be a Vancouver head office with a Toronto branch, whereby the bank will be managed by western Canadian management, and whereby the middle market of western Canada will be better served.

Mr. Broadbent: You can sell the whole country that way.

Mrs. McDougall: I think this is something about which the Hon. Member should be very pleased.

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ENVIRONMENTAL AFFAIRS

RECOMMENDED STIFFENING OF CRIMINAL CODE POLLUTION PENALTIES

Mr. Alan Redway (York East): Mr. Speaker, in the absence of the Minister of the Environment my question is for his Parliamentary Secretary. The Law Reform Commission of Canada has recommended that the Criminal Code be amended by including crimes against the environment, and also by having penalties which are not just fines but orders for restitution and jail terms. Can the Parliamentary Secretary advise us if the Department of the Environment agrees with these recommendations? Will his Minister be urging the Government to adopt them?

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, in response to the Hon. Member's question I can advise him that the report of the Law Reform Commission on the environment has been received. It is being given careful attention by both the Department and the Minister. We will be able to provide a response in the reasonably near future which I hope will be in keeping with the hopes of the Hon. Member.

* * *

[*Translation*]

SOCIAL SECURITY

INQUIRY IF MINISTER AND DEPUTY MINISTER OF FINANCE WILL MEET WITH CONFEDERATION OF FAMILY ORGANIZATIONS AND QUEBEC FAMILY COALITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Deputy Prime Minister. The day before yesterday, the Minister of Finance and his Deputy Minister, Mr. Hartt, attended a privileged gathering of people who had contributed $1,000 or more to the treasury of the Progressive Conservative Party. Could the Deputy Prime Minister give the House the assurance that the Minister of Finance and his Deputy Minister, Mr. Hartt, would agree to meet the members of the *Confédération des organismes familiaux* and the *Coalition des familles du Québec* who are opposed to de-indexation of family allowances? The Deputy Prime Minister knows as well as I do that these people cannot afford to contribute $1,000, but would he agree to attend a $4 or $5 dinner?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, they seem to be insisting. As reported at page 8814 *Hansard* for November 26 the Minister of Finance stated:

> It was a matter of a dinner that was not partisan in nature at all. It is consistent with the attempt of the Government to discuss with some of the business leaders the policies of the Department of Finance, and to develop a greater degree of understanding of the policies of the Department of Finance.

He continued:

> —it is consistent with a range of dinner meetings which Mr. Hartt has had, and proposes to continue to have, that will move in this same direction.

[*Translation*]

INQUIRY IF ORDINARY CITIZENS WILL HAVE SAME PRIVILEGES AS BUSINESSMEN

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): I have a supplementary, Mr. Speaker. The Deputy Prime Minister did not get my point. If businessmen can express their views on the Government's policies, could the Deputy Prime Minister give the House the assurance that ordinary citizens like members of the *Confédération des organismes familiaux* will have the same privilege at a $5 dinner instead of a $1,000 dinner? Does the Deputy Prime Minister go along with that?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I think what is eating the Hon. Member is the fact that they could not get 37 people together for a dinner.

Some Hon. Members: Hear, hear!

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UNEMPLOYMENT INSURANCE

EFFECT OF HOLIDAY PAY ON LONGSHOREMEN'S BENEFITS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for the Minister of Employment and Immigration. Does the Minister agree that the Government's decision to include holiday pay in the recent changes to legislation with respect to unemployment insurance payments detrimentally affects and hits construction workers and longshoremen hardest? Will she order a review to determine the effect of the change and take whatever action is necessary to correct it?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I have met with representatives of the construction trades, longshoremen, and stevedores. I understand the difficulties which they have expressed with regard to holiday pay and, in particular, with regard to holiday pay under trust funds. As a result of that, I have written to Claude Forget, the Commissioner of the Inquiry into Unemployment Insurance, asking him to review specifically this particular aspect of payments.

● (1500)

Mr. Speaker: One question.

TRANSPORT

REPRESENTATION OF THE DISABLED AT INTERNATIONAL SEMINAR

Mr. Neil Young (Beaches): Mr. Speaker, my question is addressed to the Minister of State for Transport. I wonder if the Minister could advise the House whether she has reconsidered her decision and would now agree to include disabled groups as experts in the conference she is going to convene next year to discuss issues affecting the disabled population in Canada?

Hon. Suzanne Blais-Grenier (Minister of State (Transport)): Mr. Speaker, I thank my hon. colleague for his question and for advising me of this matter. I explained just before Question Period that it was an oversight that disabled persons were not included in the groups which would meet during the international seminar which will be held at Expo. It was in the previous text but I just didn't mention the disabled persons. However, obviously they will be in the middle and very importantly so, of everything we do and will do in relation to them.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Tuesday, November 26, 1985, meet the requirements of the Standing Orders as to form.

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INTERNAL ECONOMY COMMISSION

TABLING OF MINUTES OF MEETINGS

Mr. Speaker: Pursuant to Standing Order 87(2), it is my duty to lay upon the Table extracts of the Minutes of Meetings of the Board of Internal Economy approving budgets of certain standing, special and legislative committees.

ROUTINE PROCEEDINGS

[*English*]

AGRICULTURE

CROP DISASTER ASSISTANCE—STATEMENT OF MINISTER OF AGRICULTURE

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I would just like to begin by saying that in keeping with this Government's long-standing commitment to support and give assistance to the agricultural industry across this country, it gives me a great deal of pleasure today to announce the federal Government's decision to commit up to $150 million toward

the Crop Disaster Assistance Program in order to assist crop producers in the southern Prairies and the Peace River region.

Some Hon. Members: Hear, hear!

Mr. Wise: This program will complement the efforts being made by the provincial Governments of British Columbia, Alberta, Saskatchewan and Manitoba to relieve the financial crisis in western Canadian agriculture.

Our plan is to make a yield deficiency payment to farmers in the areas where cumulative crop losses, primarily due to drought, have been the worst over the past three years. These areas would be determined based on crop insurance records and county or rural municipality yield records. We expect that some 30,000 farmers would be eligible for a share of this assistance. Administrative details, including where farmers can get application forms, will be announced in the very near future. I can assure Hon. Members that these farmers will be dealt with with dispatch.

Of the federal Government's $150 million contribution, $95 million will be provided this fall and the remaining $55 million will be paid in April in time for next year's seeding.

As Hon. Members of the House know, our Government has been and continues to be extremely concerned about the impact of successive droughts on prairie grain and livestock farmers. In fact, in the fall of 1984, we provided a $30 million federal contribution to help livestock producers retain their breeding herds over the winter. Subsequent to that, we made a $123 million final payment under the Western Grain Stabilization Plan. In addition, we amended the Western Grain Stabilization Act in order to make an interim payment prior to seeding this spring and that contribution amounted to $450 million.

Recently, my colleague, the Minister of State for the Canadian Wheat Board (Mr. Mayer), made an announcement of the final payment under the Act of an additional $72 million. Incidentally, those cheques are now in the hands of western farmers.

We again responded to the plight of the prairie livestock producers with a $48 million federal drought assistance package announced in August. We recently announced interest free cash advances of up to $3,000 per producer to assist in drying tough or damp grain. As well, the Minister of State for the Canadian Wheat Board earlier indicated we would be prepared to make cash advances for unharvested crops, and today I want to assure all farmers that these advances will in fact be offered to those who are unable to harvest their grain.

While the crop insurance under the Western Grain Stabilization Program has paid out nearly $2 billion in the past two crop years, the successive years of drought, severe grasshopper infestations, poor harvest weather and low commodity prices have left a great many farmers with insufficient cash flow to meet their expenses and to continue to produce crops. The $150 million program we are announcing today will provide immediate relief and we will continue our efforts to develop a long term approach to emergency funding.

There is no question about the fact that there are many western farmers, good farmers, who, through no fault of their own, need special assistance measures at this time. That is what we are providing today. But we all appreciate that ad hoc measures and programs are not an ideal solution. It is disruptive to producers to live with the uncertainty of not knowing what back-up assistance they will receive when natural disasters occur. Nor is it easy for the federal Government to take on substantial new financial commitments which have not been previously budgeted. That is why we are viewing the Crop Disaster Assistance Program as a field test for a permanent emergency assistance program which could be offered to farmers as a complement or extension to the current Crop Insurance Program. I believe it is incumbent on us to revise the Crop Insurance Program to allow producers some additional protection. We hope to be able to work out these details with the provinces in time for the 1986 crop year.

The federal Government now contributes over $200 million annually to the Crop Insurance Program across Canada and I believe about $160 million of that is directed to western Canada.

I would also at this time like to thank my colleague, the Hon. Member for Assiniboia (Mr. Gustafson), the Parliamentary Secretary to the Prime Minister—

Some Hon. Members: Hear, hear!

Mr. Wise: —and in addition to the Parliamentary Secretary, I want to thank all the Members of the federal-provincial task group which he chaired for their very valuable assistance in advising the Government on the drought problems in western Canada. I believe all Hon. Members of this House recognize the personal commitment and, indeed, without exaggeration, the hundreds of man-hours which the Hon. Member for Assiniboia dedicated to this work. The Crop Disaster Assistance Program I am announcing today has been made possible in no small measure by the Hon. Member's unceasing efforts to assist western farmers.

This program should help farmers in the drought area overcome the economic hardship which prolonged periods of drought have created. This is important to all Canadians since prairie grain and oilseed production is worth about $7.5 billion a year at the farm gate and provides the base for an estimated $35 billion a year in economic activity. This tremendous agricultural resource must be protected during these difficult times so that it may continue to enrich Canadians for generations to come.

● (1510)

Some Hon. Members: Hear, hear!

Mr. Maurice Foster (Algoma): Mr. Speaker, I am glad to see that the Minister of Agriculture (Mr. Wise) had the hallelujah chorus lined up behind him this afternoon as he made his announcement. We are pleased to see that the Minister finally made the announcement. We wish that he had made it back on September 10 when this House commenced its fall sitting because the situation on the Prairies was desperate. That has been apparent since mid-July. I know the Minister visited Assiniboia and other places, as did I and many other Members of this House back in July. We saw a crop three or four inches high and absolutely devoid of any seed. We have seen the situation exacerbated over the fall months with young farmers losing their farms and being refused welfare. We are also glad that he reversed himself on the position he took on December 19, 1984 when he said that never again would a Conservative Government make a payment of this type for crop disaster. However, this decision could just as easily have been made in early September. The cheques could have been in the farmers' hands by now. Given that the mechanics involved in paying this money, the application forms and the criteria, have not even been worked out, very few payments will be made before January of next year. At that, only about two-thirds of the payment will be made, with the rest being paid next May or later on.

Some may think that an announcement of $150 million for crop disaster assistance in western Canada is a great deal of money. However, when we look at the disaster itself involving $2 billion to $3 billion, it does not look very large. We are dealing here with a massive disaster. In Saskatchewan alone it is estimated that 8.2 million acres were affected by severe drought, with 6.3 million acres less severely affected, and some 14,000 farmers severely affected. As one of the people from the Wheat Pool said, this seems to be less than a token gesture because, unfortunately, the Minister has not announced what the maximum benefit will be. It is probably so small that he was afraid to put it in the announcement because of the derision he would face from the thousands of farmers facing the most serious financial difficulty in the history of this country.

Using the Minister's own figures of 30,000 farmers who will benefit, and assuming that the average farm is 1,000 acres, we come up with a figure of $5 per acre. That is about what it costs to spray one application of pesticide to control the grasshoppers which infected many of these areas last summer. Some farmers had to make two or three applications and even then lost their crop because of the drought. Compare this amount of $5 per acre average to the amount recommended by the Saskatchewan Wheat Pool which represents some 60,000 farmers. They recommended a maximum of $50 per acre or 10 times what the Minister appears to have offered today. Compare the amount the Government was prepared to spend with the bank failures which has cost us at least $1 billion. Compare this amount offered today with the assistance provided by the Province of Alberta, a total of $800 million this year. Last weekend that province announced a special program involving $200 million to assist these people. However, the federal Minister announces today immediate assistance of $95 million, or less than half, with additional funding next spring of $55 million. Obviously this, when put in its true perspective, is incredibly small.

The Minister spent most of his time today talking about crop insurance and western grain stabilization payments which

had been made. I appreciate his applauding these programs which were put in place by a Liberal Government, but these are insurance programs. You pay your premium and if you have a loss, you get the benefit. Therefore, he should not be talking about these programs as if they involved some benevolence on the part of the Government itself.

The Minister also paid great tribute to the Parliamentary Secretary to the Prime Minister, the Hon. Member for Assiniboia (Mr. Gustafson), for all the work he has done. I wish the Parliamentary Secretary would table his report. I cannot believe that he recommended this level of assistance. I am sure it must have been two or three times this amount, and to be paid immediately, not in January or May or whenever.

In light of falling land prices, low commodity prices, international predatory pricing by the EEC and the United States, there is great concern in western Canada about the Government's commitment to agriculture. This statement today, although providing some small relief, will not lift that concern.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, this announcement today finally lets farmers in western Canada know where they stand with this Government. The statement is nine pages long, but the Minister said it all in the first line. He is saying that his Government has now decided to commit up to $150 million towards crop disaster relief in the drought affected areas of western Canada. The rest tells us nothing. He says the program complements the efforts made by the provincial Government, but I think that is what a lot of producers are going to be wondering and worrying about.

The political attitude that the Minister seems to be taking is borrowed to some extent from that of the first Prime Minister of this country who was called colloquially "Old Tomorrow". Our "New Tomorrow" works by delay, delay, delay. This is a sort of follow-up on an infamous politician from my Province of Saskatchewan whose call words are deny, deny, deny. He is providing bits of policy as he goes along with a peekaboo approach to agricultural policy. Even though the Member for Assiniboia (Mr. Gustafson) began his consultations on August 9, the Minister of Agriculture (Mr. Wise) delayed making any announcement on a cattle payment until after the provinces had acted. Saskatchewan residents will recall that a week later the Government of Saskatchewan said that there would be $60 per head available to people who kept their cows over the winter. The federal Government then announced a $30 payment, which came very close to what the group bargaining on behalf of farmers had asked for. They had asked for $100 a head and everyone felt reasonably good about having achieved close to 90 per cent success. They then discovered that the $30 was not additional to the provincial program but was simply complementary to it, and it was eaten up by the provincial Government on the way through the delivery system as the full $30 stayed in provincial hands.

● (1520)

Mr. Gustafson: That was your statement, not ours.

Mr. Althouse: The producers understood from the statement that was made by Ottawa that they would be getting an additional $30. Today they expect to be getting something in the order of $50. They were firm on that figure which was taken into negotiations with the Member for Assiniboia.

Mr. Wise: Never, never.

Mr. Althouse: That program would have cost in excess of $500,000, so we can be pretty certain that what is being offered here is something less than a third of what was put on the table by the farmers. We are not told what that amounts to on a per acre basis. With only a mere three and a half months to put the program together we could not expect the Minister and his people to put together a firm proposal. It has been before Cabinet for more than five weeks—seven weeks if you count from the time that the Member for Assiniboia made his statement in Regina. After all of that time they have not put a program together. We are told that it will "complement" the best efforts of the provinces.

Mr. Gustafson: It is well received by the farmers.

Mr. Althouse: It does not say that it will supplement the best efforts of the provinces. A supplemental program would have been additional to that. What does "complementary" mean? Does it mean it is going to be eaten up in the same way as the livestock program was eaten up? Why did the Minister not make that clear in the succeeding eight pages instead of talking about other programs which have nothing to do with the original announcement and nothing to do with drought assistance? This is just filler to use up the time of the House and the press.

Mr. Wise: Do you have something against the PFRA, Vic?

Mr. Althouse: The Minister mentioned something about the PFRA. That was one of the things he did not mention in his nine-page statement. Perhaps he is going to supplement that, too, and there will be a policy statement in coming weeks about the PFRA or the PFAA.

The delay has allowed the Minister to follow the same route as he took with the cattle payment. He waited so long that the provinces started to put forward acreage proposals of their own. In Saskatchewan there has been a proposal of $25 per acre and of a loan at 6 per cent over three years for up to 1,200 acres. I am not sure whether some of this money will be used to pay the cost of that. That is not clear. I hope the Minister will clarify that when he leaves the Chamber. The rules of the House no longer permit us to get such answers.

On page 6 of his statement the Minister went to great pains to point out why he backed off from his position of last December 21 when he made a pay-out to farmers in northeastern Saskatchewan who had been flooded. He said at that time that that would be the last of the *ad hoc* programs. He said that after December 21, 1984, crop insurance would be expected to cover these types of things and that if producers did not have crop insurance they would not be covered. At least he saw the problem with that when faced with a disaster such as that

which occurred in southern Saskatchewan and Alberta this year and he has backed off, to a very small extend, and has announced another *ad hoc* program. However, listen to the way he describes it. He said: "It is disruptive to producers to live with the uncertainty of not knowing what back-up assistance they will receive when natural disasters befall them". That is very true. He continues: "Nor is it easy for the federal Government to take on substantial new commitments that have not been previously budgeted". Substantial new commitments? One hundred and fifty million dollars is a substantial amount of money, but not compared to the substantial commitments we made to the banks or compared to some of the tax remissions we gave oil companies. In those cases decisions were made over a weekend to spend billions of dollars, yet farmers waited three and a half months to get $150 million.

Some Hon. Members: Hear, hear.

* * *

RESEARCH AND DEVELOPMENT

NATIONAL RESEARCH COUNCIL—STATEMENT OF MINISTER OF STATE FOR SCIENCE AND TECHNOLOGY

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, it is my pleasure today, as Minister of State for Science and Technology, to table the new long-range plan of the National Research Council of Canada called *A Practical Perspective*. This plan began to take shape under the direction of my predecessor, the Hon. Minister of Fisheries and Oceans (Mr. Siddon) after last November's economic statement and took further direction from the full Budget of last May.

The NRC is the Government of Canada's principal agency for new research and development. Over the years it has adapted well to Canada's R and D needs. Today *A Practical Perspective* details the NRC's adjustment to our most pressing problems. We all know of the huge national debt and unemployment in all sectors. The country needs economic stimulus which creates jobs and I believe that a wise use of scarce resources in the science and technology fields holds the best promise for future growth and stability in the job market.

Unfortunately, we now find ourselves in a squeeze. Just when we need to develop new technologies we also need to limit our spending. Unless the Government keeps to its own Budget, it may worsen the very problems it tries to solve. We must solve our R and D problems with brain power since we cannot solve them through brute financial force. The National Research Council already knows this. *A Practical Perspective* is a deliberate reorientation by the NRC and it is consonant with government policy. It has new ideas and new directions, but none require a budget over that which has already been considered by Cabinet. The plan has my support and, I am sure, that of my colleagues in Cabinet.

Over the next year the NRC will increase its work in generic research, which work has practical applications in more than a single sector. The NRC will increase its focus on technology transfer and diffusion, an area in which the NRC already leads the nation's research organizations. Only last month the NRC shared the Award of Excellence Gold Medal for Technology Transfer with Lumonics Inc. Some years ago the NRC made basic breakthroughs in understanding high-powered lasers. Lumonics, now one of the world's most successful laser manufacturers, then put those basic principles to use. This followed last year's success when the NRC shared another gold medal with Sciex Inc., a Toronto-based maker of mass spectrometers.

All research and development is an exercise in risk. In fact, there is only one certainty in R and D: not performing it is the worst thing a country can do in today's environment. However, for R and D to succeed it needs more than good ideas. It must also have an established long-term scientific expertise or infrastructure. I believe that the percentage of the Gross National Product which Canada spends on R and D is far too low, but in the present tight fiscal situation we must ensure that what is spent is put to optimum use. Quality more than quantity must be our guide. I think that the country has yet to extract full value from the R and D results it has already produced. Therefore, in the short term our task is to use more effectively the resources we already have.

R and D is complicated, not only in what it studies, but in how it is done. It involves our industry, our financial and business institutions, our universities and all tiers of Government. We feel its effects in our living standard, our unemployment rate and our trade balance. R and D is so vital that it must be managed properly. This is not to say there is no more room in Canada for pure research that seeks to satisfy human curiosity. But Government research laboratories must be relevant to the industry's needs in the short term. Their programs must be sensitive to the market. The plan given to us by the National Research Council will continue to give Canada its vital base for long-term research. But for the next few years, it will put more emphasis on development and diffusion, the "D", so to speak, in R and D.

• (1530)

We must not aim merely at yet another stockpile of new data. Any knowledge must quickly get to those who can turn it into economic growth and prosperity. Government alone cannot and should not do all the research that this country needs. However, we do want to create a climate that favours someone doing it. To create this climate, Government must find the right mix of markets, basic knowledge, locale, national needs, and most important, people. It should identify opportunities for Canada in emerging research fields. It should get Canada into the new technologies as early as possible and so pave the way for industry later to reap advantages.

As an example, let me mention Canadarm. None of its spectacular success would have been possible unless the National Research Council had a basis of expertise and had already proven able to manage advanced aerospace projects. NRC is now seeing to it that Canadarm technology finds wider use on earth, in such practical fields as machine visions

and robotics. This one advanced technology may one day let us venture safely not just into space, but beneath the seas and mountains, into nuclear reactors and toward next decade's automated factories as well. The money we invested in Canadarm will certainly come back to us greatly multiplied over the next 20 years.

The same pay-off also happens elsewhere. Government investment in telecommunications and satellite development has put Canada on the leading edge of these technologies. Our space industry has found a lucrative niche in international markets. In fact, it sells more than its national Government spends on its entire space program, a claim that few nations can make.

The Government will do more than encourage and sustain R and D; however, we will perform R and D directly, ourselves. Our Government laboratories exist to do long-term research on Canada's national priorities. This long-term work is a kind of unseen wealth. With it in our national bank account, Canada has the basis to exploit lucrative new technologies as they appear on the horizon and will not have to start from scratch each time.

In turn, the National Research Council is indispensable to Canada's long-term R and D. It covers many disciplines and research approaches from hard technology transfer to the curiosity that gives rise to new discoveries. Some work represents both fields. For example, current NRC research in a field called "micro-propagation of conifers" promises to give us forests full of "alpha trees" that are straight, tall, healthy, quick-growing, and resistant to threats as diverse as insects and acid rain—a concern that is dear to our hearts.

There are many other major programs being planned or already under way at the National Research Council. One of these will make it easier for us to live and work in our cold oceans. Another will explore the powerful new techniques called biotechnology. Yet another will uncover useful new materials and ways of using them. The list goes on. The National Research Council laboratories are there for the nation; for business people to test products and for Government, university and industrial researchers to unlock the doors of new goods and services. Many NRC laboratories are there because they would be too costly for any single company to build and maintain. However, once in place for every company in Canada, they have proven indispensable.

Another aspect of R and D that is sometimes taken for granted is up-to-date scientific and technical information. The National Research Council distributes this to all Canadians through its national science library, because technical information cannot give full value until it is in the hands of those who can apply it. The idea holds true for every other aspect of R and D as well. It is at the centre of the National Research Council's new plan. This is why the NRC has recently built up the programs of its industry development office. The strength and effectiveness of these programs comes from the full resources of the NRC's hundreds of scientific and technical personnel. As Canadian corporations know, these programs deliver not just the latest technology but help in funding in-house research projects as well. The National Research Council's industrial programs offer advice on problems from small-scale production lines to the largest projects in our country.

The programs work because people can reach them. There are now over 160 NRC technology advisers in major centres in our country. Each adviser puts industrial clients in touch with the full range of federal programs and services. Each can approve most industry assistance projects with minimum delay. Over the next two years, the National Research Council will broaden and improve these successful programs. Special funds will cover the cost of studies to measure how well a proposed product might do and how best to market it. Through these programs, as well as its actual research, the National Research Council will reach every technical and business audience in Canada. It will lead and co-ordinate the effort of Canadian R and D, building the team spirit that is vital to our success.

Leadership is now the most challenging task for Canadian R and D, but also offers the greatest rewards. It involves bringing together those who actually do R and D; the universities, the provincial research organizations, the federal laboratories and industry. It must include the users and the supporters of research and development; the policy makers, the venture capitalists and other investors, the business managers, the whole Canadian workforce. All these groups stand to profit from a strong national research and development program. None can afford to work in isolation from the other any longer.

Since Parliament founded the National Research Council in 1916, it has grown from 9 advisers to 3,000 scientists, technologists, managers and support staff. These men and women link many times their number in members of Canada's scientific and technical community. For example, over 100 professionals from all fields serve as members of the NRC's various associated and advisory committees. Even more people in Canada's industrial sector rely on NRC programs for financial and technical assistance.

The National Research Council will continue to build on the respect it has earned as a leader of Canada's research and development community. It will work even harder and bring together the producers and end users of the research data. The National Research Council's regional offices will be points of contact where key people can meet. The NRC will establish a Technology Assessment Office helping Canadians to keep up with new technology beyond our borders. The NRC's associate committees will let Canada's scientists, technologists and industrialists have a direct say in national R and D policy. In short, the National Research Council will continue to be the breeding ground for excellence in Canadian science, technology and commerce. This is its natural role both in history and today.

I wish to take this opportunity to congratulate the many people in the National Research Council who have served us so well over the last 70 years. Of course, I want to congratu-

late them for the preparation of this document in helping us to achieve the objectives that we have set.

It is my pleasure to table the document from the NRC which is entitled *A Practical Perspective*. I ask, Mr. Speaker, that you seek unanimous consent to return to Tabling of Documents in order to permit me to table these documents under Standing Order 47(2) in both official languages.

● (1540)

The Acting Speaker (Mr. Charest): Is there unanimous consent to revert to Tabling of Documents?

Some Hon. Members: Agreed.

Mr. Oberle: Mr. Speaker, it is my pleasure, pursuant to Standing Order 47(2), to table a document called *A Practical Perspective, the NRC Plan 1986-1990* in both official languages.

Some Hon. Members: Hear, hear!

Mr. David Berger (Laurier): Mr. Speaker, I would like to congratulate the Minister on his appointment to this vital portfolio and to wish him well in his endeavours. I want to thank him also for the courtesy he extended to me by sending a copy of the plan and his statement yesterday which enabled me to prepare my remarks.

I might say at the outset that I know he is not responsible for the plan because it was printed before he was named Minister. I hope he will perhaps take into consideration some of my remarks today in seeking to improve the plan.

[*Translation*]

Mr. Speaker, I welcome this opportunity to comment today on the new plan for the National Research Council. It is a plan we have been expecting for some time, and it contains a number of interesting proposals with respect to innovation in Canada's private sector.

[*English*]

I cannot help but feel that it is the plan of an agency in trouble, an agency whose status has yet to be resolved by its political masters. Nowhere in the plan, Mr. Speaker, nor in the Minister's statement, is there a reference to the Nielsen task force and the recommendations that were tabled with the Budget last May.

The activities and recommendations of the task force and, in particular, the secretive manner in which it has conducted its work, have raised deep concerns and frustrations in the scientific community across Canada. Scientists need to have adequate resources and a positive climate in which to work. I sincerely hope that the new Minister will clear the air as soon as possible regarding the status of the Nielsen task force.

Second, when one looks at the single page in the plan devoted to funding, it is apparent that the plan can only be viewed as a plan of austerity. There is no increase in the NRC's budget in 1986, the first year of the plan and only a 2 per cent increase in 1987. Spending levels for years three, four and five are yet to be determined. It is a five-year plan which is a two-year plan. There seems to be no provision for an increase to keep pace with inflation, which means that spending will actually decline in the next two years. This decline comes from a Government and a Prime Minister (Mr. Mulroney) that promised increased spending on research and development.

From where will the money come to support the new initiatives, Mr. Speaker? What will be cut? There is not a word about this either in the plan or in the Minister's statement. Where is the money for Science Place Canada in Winnipeg or for the biotechnology centre in Montreal?

[*Translation*]

Mr. Speaker, where is the money for the *Institut d'optique* in Quebec City?

Today I spoke to a reporter from Quebec who told me that the project was at a standstill.

[*English*]

The Government, Mr. Speaker, has been playing games with Canadians. It has been talking about involving the private sector and the provinces but it has not yet put a penny on the table for these important projects.

I would like to contrast this plan with NRC's long-range plan presented in 1979. In the plan called *The Urgent Investment* the president stated at the time that the NRC had "an major role to play" in meeting the goal of spending 1.5 per cent of Canada's Gross National Product on research and development. The President of the NRC stated that the immediate and central target of the Council was to stimulate the technology-intensive industrial sector to increase its contribution to the gross domestic product from $20 billion at that time in 1979 to $40 billion by 1990. Exports should increase had this plan been carried out and imports reduced, with a net effect of up to $12 billion on our balance of payments. Additional employment of 650,000 jobs should result, said the President of the National Research Council in 1979. Boy, could we use those 650,000 jobs. The achievement of this target, concluded the President of the NRC, would have significant effects on some of Canada's economic problems.

To achieve this objective, the NRC's expenditures under its long-range plan in 1979 would have increased to $1.25 billion by 1990 under the preferred alternative presented by the Council. There was a second and a third alternative, albeit less ambitious than the first. The NRC observed, in particular, that the third alternative assumes the gloomy view that the economic and other objectives of the NRC long-term plan must be significantly reduced.

Under the Liberal Government, Mr. Speaker, great progress had been made in achieving the preferred objective. Expenditures in 1984-85 reached $501 million. We know what has happened since the day the Conservatives were elected. Since that election, that sorry day last September, significant cuts have been made in NRC's budget so that the Government's Estimates for spending this year, in 1985-86, are below the level of the gloomy third alternative of the previous long-range

plan. With a record like this, is it surprising that there is such widespread disappointment in the Government's record concerning research and development?

Yesterday I read that the President of MacDonald Dettwiler, one of Canada's most important and dynamic high-tech companies, said that he would like to hear the Prime Minister make a firm statement that science and technology is important to the Government and the country. He said—and this is most important because we have heard a lot of blarney for the last number of years—that he would like the Prime Minister to put his money where his mouth is.

Another question which is unanswered in the plan or in the statement of the Minister is the budget proposal to consolidate NRC's Industrial Research Assistance Program with the innovation section of the Industrial and Regional Development Program administered by the Department of Regional and Economic Expansion. Is the responsibility for this plan to be transferred to the NRC or to the Department of Regional Industrial Expansion? If there is to be a transfer to the NRC, how much is to be transferred? Will additional resources be provided to the NRC for the basic research which supports the IRAP? There is no indication in the Minister's statement or in the plan about these vital questions.

There is nothing either about the external review proposed by the Wright task force. True, the NRC proposes an expansion of its associated committees and boards on which there are outside representatives. I do not fault the Minister for this, perhaps it is the fault of the previous Minister. However, the Minister has not said whether he agrees with the advice which the previous Minister asked for and received from the NRC, namely, that an arm's length agency should conduct an external review.

• (1550)

I also note that there is only one strong statement in the plan about basic research. That contrasts with the many strong statements about basic research in the original long-range plan tabled in 1979. A single page, which seems unrelated to the rest of the document, deals with basic research. On page 55 we find the heading: "One Analysis". The heading itself suggests that it does not belong, that it is not in keeping with the rest of the plan. The person who undertook the analysis for the NRC was a member of the Council, a D. J. Doyle of Doyletech Corporation. The conclusion of his study indicated the following:

—that Canada would best be served by an NRC that had greater funding and a larger proportion of its efforts devoted to long-term basic research. Doyle's argument was that a long-term commitment to basic research provides the continuity, breadth of vision, and forecasting ability that leads to the generation of new technologies. A single-minded devotion to short-term exploitation of technological knowledge imposes a restricted view.

It seems clear that Mr. Doyle disagrees with the basic orientation of the plan, namely, an increased focus on applied research. There is nothing wrong with that, as long as resources are provided for the additional applied research, as long as resources are provided for the additional efforts to be made in development, and as long as basic research does not suffer. The only conclusion to be reached is that basic research will suffer from the Government's emphasis upon applied research and development.

I have been warned time and time again by scientists in universities and the private sector that Canada must contribute to the general advancement of knowledge in the world, or we will be shut out by our competitors and forced to buy their discoveries on their terms, after they have taken the first steps in exploiting the commercial potential of the discoveries. This is the kind of world into which the Government is blindly leading us.

[*Translation*]

Mr. Speaker, it is highly irresponsible of the Government to leave the National Research Council more or less in limbo and fail to give it the resources it needs to carry out the urgent investments proposed in 1979.

For a year and a half, Government cutbacks and the work of the task force headed by the Deputy Prime Minister (Mr. Nielsen) have given rise to considerable uncertainty about the future of the NRC's programs.

We must put an end to this uncertainty and do so quickly, if we want a climate that is conducive to research in Canada.

[*English*]

This plan is nothing other than a disappointment. It does not answer many important and serious questions. It leaves a cloud hanging over the NRC. It is not the kind of bold blueprint for the future which our country desperately needs.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, first I want to congratulate my long-time colleague from British Columbia on becoming the new Minister of Science and Technology. I know him well. I wish him well. I am sure he will be a very competent Minister. I am sure the House wishes him the best. In some ways I feel a little sorry for him today because he is the delivery boy for the former Minister. The statement before the House is not something upon which we can judge the present Minister. It is not a reflection of his ideas. It is a reflection of the ideas of the former Minister. He has had to come to the House with the former Minister's bad news and ideas, ideas which have seen many cut-backs in and a wrong orientation toward the NRC. I would hope—and this is my one wish for today—that the new Minister will be a better advocate of the scientific community and the aspirations of that community than was the former Minister, who underwent much criticism from scientists from one part of the country to the other. I wish him well and look forward to some innovative ideas in the future.

The most important sector in the country—and we often tend to overlook it—is the scientific sector involved in research and development. In the world of the future, what we do in terms of scientific research and development will be very important for jobs in the country, for the standard of living of our people and for the whole future of Canada.

Many years ago it was said that the muscular power and the financial power of people were important. I suggest that today

knowledge is the most important. Knowledge is power. Countries, sectors and communities with knowledge are the ones which will have power and influence in the world of the future. That in itself is very, very important.

Today we have had the tabling of a new five-year plan for the National Research Council. It is a second five-year plan. It is a lot less comprehensive in nature and in terms of details, as anyone can see by reading through it, than the original plan of some five years or six years ago. The old plan was more detailed. We can see this from its sheer volume. It contained many more statistics, details and idealistic ideas on where we wanted to go. We have had first year and second year reports on it. The second five-year plan does not contain the same detailed information.

During the 1984 election campaign—and this is something which the new Minister understands very well—his Party and his Leader promised to double Canadian spending on research and development over the next five years. That was a doubling in five years, from 1984-85 to 1989-90. That was a promise made by the Prime Minister (Mr. Mulroney), and now the Minister has the difficult mandate of fulfilling it. In the statement before us today there is no reference to that promise. Instead of a fulfillment of the particular promise, we see a cut-back in spending at the National Research Council. In year one, 1986, according to the plan, there will be a zero increase in the budget. In 1987, year two, there will be an increase of 2 per cent. This means that in 1986 because of inflation, there will be a cut-back of 4 per cent or 5 per cent. In 1987, because of an increase of only 2 per cent in spending, there will be another cut-back, since inflation is likely to be more than 2 per cent. In years three, four and five, 1988, 1989 and 1990, the increases are to be determined.

Perhaps we can hope that the Minister, in the cabinet room, carries a big stick and is able to get a bit of money out of those tightwads, the Minister responsible for finance, to finance scientific research and development as they should be financed. In that I wish him well.

Certainly the previous Minister failed. Last November, in the statement of the Minister of Finance (Mr. Wilson), there was a cut-back in spending of $70 million for the NRC. In fiscal year 1985-86, its budget is to be $419.1 million, whereas in 1984-85, its budget was $478.2 million.

[*Translation*]

As I said before, Mr. Speaker, during the 1984 election campaign, the Prime Minister promised to double spending on research and development in Canada. This was a very important promise involving a very important sector. However, as I said earlier, in November 1984 the Minister of Finance (Mr. Wilson) cut $70 million from the NRC's budget. I think the science sector is so important it cannot afford budgetary cutbacks of $70 million per year.

Mr. Speaker, Canada's science sector holds the future of this country, of our young people, and of agriculture, fisheries, forestry and our natural resources. It is vitally important.

Mr. Speaker, I wish the new Minister the best of luck.

• (1600)

[*English*]

However, there have been cut-backs. The Energy Division itself which is responsible for alternative energy research has been cut, as has been the Environmental Secretariat. Also dumped was a manufacturing technology centre in Winnipeg even though the construction of the building had already begun.

The National Research Council's five-year plan does not anticipate any increase in spending because of inflation and actual roll-back over the next few years. In the five-year plan for 1980 to 1985, the first produced by the current President, Mr. Kerwin, a very large role was envisaged for the NRC in both basic and applied research.

The old five-year plan presented three funding options. The first option proposed a greatly enhanced role for the NRC and very hefty spending increases by the Government of Canada. Naturally, funding was not found to be anywhere near as much as was needed and the option was dropped. The third option, the low cost option, was not even realized by the NRC. The NRC did, however, receive budgetary increases from the previous Government in the last few years.

It can be said that the NRC engages in two different kinds of research although the distinction between basic research and applied research is often blurred. Scientists often say that basic research is pure scientific inquiry. Its results may never prove to have a commercial application and often a commercial application, if there is one, may take years to have effect on the economy. On the other hand, applied research, at least at the NRC, has a close relationship to industry. Basic research at the NRC has always been short changed, although Option 1 of the 1985 year plan would have greatly enhanced this endeavour. Applied research has for some time predominated at the NRC to the extent that some 90 per cent of its research activity has been closely tied with industry.

The second five-year plan being unveiled today will take the NRC even further down the path of industrial research at the expense of basic research. It is this trend that disturbs many Canadian scientists. As I said before, the plan is not that detailed in terms of numbers but one could quote from the plan the intentions of the council to go more and more down the path of more basic research.

No doubt private sector technological leaders will be very pleased. What happened to the Tory belief in the discipline of the market-place? It would seem that there are very few risks to be faced by these companies. The taxpayers will be picking up the tab. Will this be a replay of the old Liberal research and development tax credits about which members of this Government complained when they were in opposition?

By diminishing even more the role of basic research, can we expect the slack to be taken up elsewhere? Canadian universities have done much of the basic research in recent years and have done well despite a shortage of money. Many of those

universities have been struggling with cut-backs brought on by provincial Governments and by a federal Government determined to reduce its share of post-secondary funding. Some predict that basic research will suffer even more. Furthermore, Canada does not have outstanding research institutions whose research capabilities match those of MIT or CalTech.

In the 1980 five-year plan, the NRC dreamed of making a greater contribution to the world's pool of scientific knowledge. The thrust of the new five-year plan will not allow the NRC to be a greater contributor to this pool of knowledge. As the Council's President Mr. Kerwin, says, the NRC will not abandon its essential role of developing expertise for the nation by encouraging long-term research. What he does not say is that this role is already very small and we cannot expect it to grow.

I am sure many Members of the House know that Canada does less than 4 per cent of the scientific research and development in the world. With the budget restrictions and cut-backs, that percentage is shrinking at an ever-expanding rate.

One of the problems in not contributing to the pool of scientific knowledge is that Canada will be left further and further behind because of the cut-backs. We already purchase a considerable amount of technology developed elsewhere. One of the reasons for that is that so much of Canada's economy is foreign-owned. There are many branch plants in this country. If we do not enhance our basic research at a world class research station like the NRC, we will surely have to buy even more technology from elsewhere in the future. We should also worry about the brain drain. Many world class Canadian scientists may take their skills and experience to an environment that welcomes them and their families.

One should support applied research for the benefits it can deliver. Many jobs are created directly, and of course there is much spinoff. Canada's R and D performance is not exactly stalwart when compared to that of other countries. As noted before, the lack of emphasis on basic research support is shameful.

In conclusion, I would like to say that I do have a tremendous concern about the general cut-backs in the funds given to research and development and the trend lines one sees when looking back over the last number of years.

[*Translation*]

And in the R and D sector, Mr. Speaker, both private and public spending as a percentage of our Gross National Product has gone down. In 1981, for instance, 1.6 per cent of our GNP was spent on research and development. In 1985, this was 1.3 per cent, which means a drop from 1.6 to 1.3.

Federal participation is going down as well. Twenty years ago, between 1963 and 1967, 47 per cent of total funding in the R and D sector came from the federal Government. In 1983, the last figure I have here, it was only 38 per cent, so that the federal contribution went down from 47 to 38 per cent.

[*English*]

With those kinds of figures, we can see very, very clearly that we are spending less and less on research and development, both as a percentage of the funding that comes from the federal Government and the funding of research all together. I think that is not a very good signal for the future of Canada, for jobs in the year 2000 and beyond and for our standard of living. I plead with the new Minister to use whatever clout he has to get a bigger share of that budget dedicated toward getting the NRC back to doing some good long-term research that will pay dividends for Canada in the years that lie ahead.

* * *

PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is my pleasure to present a petition on behalf of a number of residents of western Canada who are concerned about the Government's decision to deindex family allowances. They are calling upon the Government to reinstate full indexation of the universal family allowance and to give second thought to the unfair tax increases that were imposed in the last federal Budget.

POSTAL SERVICE IN NEPEAN, ONT.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have a petition from a number of residents of the City of Nepean who live in a new sub-division at Knoxdale and Woodrofe Avenues. Since February of this year, those living in this sub-division have received no postal service, not even community mail boxes.

Mr. McDermid: Where?

Mr. Keeper: In Nepean.

Mr. McDermid: You should come to Brampton.

Mr. Keeper: I hear from the other side of the House that the same deplorable situation exists in Brampton. The purpose of this petition is to bring this matter to the attention of the House and the Government.

This community receives no postal service, but a nearby sub-division has already been given postal service even though it was built at approximately the same time. The petitioners from the City of Nepean who live in the new sub-division call upon the Government to instruct Canada Post to provide immediately community mail boses to the Knoxdale sub-division and that Canada Post be required to replace community mail boses with door-to-door delivery service in all new sub-divisions.

● (1610)

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, I wish to present a petition today signed by 20 members of the Victoria County Chapter of the Registered Nurses Association of Ontario.

The Acting Speaker (Mr. Charest): Introduction of Bills. The Hon. Minister of State for Finance (Mrs. McDougall).

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am pleased today to speak on the second reading of Bill C-84—

The Acting Speaker (Mr. Charest): As usual, the Hon. Minister of State for Finance is ahead of her time. Introduction of Bills.

* * *

STRIKING COMMITTEE

CHANGE IN MEMBERSHIP

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, there has been consultation with all three Parties and, as a result, you will find that the motion which I wish to propose will be accepted by unanimous consent for adoption without debate. The motion reads as follows:

That the order of the House made on Monday, November 5, 1984 concerning the composition of the Striking Committee of the House of Commons be amended by substituting the names of Messrs. Fennell and Lewis for Messrs. Cook and Dick respectively.

The Acting Speaker (Mr. Charest): Is it agreed?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mr. Charest): Is it agreed?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

The Acting Speaker (Mr. Charest): Are all Notices of Motions allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT AND RELATED ACTS

MEASURE TO AMEND

Hon. Barbara McDougall (Minister of State (Finance)) (for the Minister of Finance) moved that Bill C-84, an Act to amend the Income Tax Act and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act, be read the second time and referred to a legislative committee.

She said: Mr. Speaker, I am pleased to speak today on the second reading of Bill C-84, an Act to amend the Income Tax Act and related statutes. These include the Canada Pension Plan Act, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Act.

This Bill contains measures proposed in two notices of Ways and Means motions tabled in the House earlier this year, one a general Ways and Means motion tabled on May 23 and the other a detailed notice of a Ways and Means motion tabled on November 21.

The Bill represents a substantial and integral component of the Government's program to secure durable economic renewal for Canadians. Members will recall that we established the broad framework for that strategy in November of last year. Since then we have moved clearly and consistently to develop and implement specific initiatives—the building blocks for durable economic renewal.

[*Translation*]

The Bill represents a substantial and integral component of the Government's program to secure durable economic renewal for Canadians.

Members will recall that we established the broad framework for that strategy in November of last year. Since then we have moved clearly and consistently to develop and implement specific initiatives—the building blocks for durable economic renewal.

[*English*]

We know the policies of the Government are already bringing about very positive and encouraging results. For example, the inflation rate is the lowest since 1971. The prime rate is

down 3.6 per cent from where it was a year ago when we launched our initiatives for economic renewal. Also, bank rates and mortgage rates are at the lowest levels they have been in seven years. These indicators are indeed important building blocks in the Government's strategy to bring lasting economic prosperity to the people of the country.

I wish to point out to Members opposite that with interest rates at the levels I have just mentioned this means the average Canadian farmer or business person with liabilities of $100,000 will save $3,000 a year. With mortgage rates at today's levels, it means a young Canadian couple buying their very first home with a $50,000 mortgage will pay $8,000 less over a five-year term and save $125 per month.

Some Hon. Members: Hear, hear!

Mrs. McDougall: I might add that this young couple will have a far better chance of owning their first home because since the Government came to office a year ago I know the House will be pleased to note that new housing starts are up by almost 50 per cent.

The renewal strategy is designed to create steady and sustained improvement in the basic conditions for economic growth. This growth will be powered by the dynamism of the private sector and supported by a federal Government which recognizes not only its responsibilities but its proper limitations as an economic regulator and participant.

The Bill proposes to continue our strategy for far-reaching and wide-ranging economic renewal. Therefore, it is appropriate to review briefly the cornerstones of the strategy. First, the Government is determined to reduce the federal deficit and bring the growth of the public debt under control. By putting our fiscal house in order we are ensuring that the private sector has the scope for revitalized growth. I am pleased to report that our rigorous yet responsible efforts to date have made positive headway with the debt problem. We are presently seeing the slowest growth in Government spending in 17 years and apart from servicing the national debt Government spending is rising by only 2 per cent. The deficit is $500 million lower now than it was a year ago. This is an achievement which no Liberal Government could muster in the last 15 years.

The Government is cutting $4 billion this year, $6.1 billion next year and by 1990 the national debt will be $75 billion lower because we are working deligently to ensure Government works efficiently and without waste. We will continue to build on this success.

● (1620)

A second cornerstone of our renewal strategy is the direct encouragement of private initiative as the key to productive growth and job creation. Since we established our framework for economic renewal last November, we have also moved clearly and consistently to develop and implement specific initiatives that bring employment opportunities for Canadians. My colleague, the Minister of Employment and Immigration (Miss MacDonald), has worked closely with our provinces and with the private sector to develop a strategy of jobs for Canadians. We have seen the national unemployment rate decline 1.3 per cent and the youth unemployment rate drop by 2 per cent since September 1984, and we have seen 333,000 jobs created within the private sector since September 1984. Our policies and commitment are fostering higher investment, greater innovation, increased international competitiveness and a positive climate for the birth and growth of new enterprise. The clear signals we have given the private sector and initiatives we have taken to date have already borne fruit in the form of greater private sector activity and improving economic performance in almost all sectors of our economy.

Third, we are improving the efficiency and effectiveness of Government by cutting waste, by removing obstacles to economic growth and by making better use of scarce and precious resources. We are ensuring that Government assumes a less intrusive place in the lives of Canadians.

Finally, we are bringing about all these vital changes in a manner that is as fair as humanly possible. In acting to improve the climate in which our private sector in Canada can excel, we are building on the basic sense of compassion, tolerance and justice that is the essence and the character of our Canadian people. The Bill we are considering today is firmly and squarely based on three cornerstones of our economic renewal strategy.

The Bill will implement many significant measures that my colleague, the Minister of Finance (Mr. Wilson), introduced in this Government's first full Budget. These measures have attracted widespread support and are eagerly awaited by Canadians. The Bill that we are considering amends the Income Tax Act in significant ways. Measures contained in the Bill include: a lifetime $500,000 capital gains tax exemption for individuals—and that includes small capital gains as well; capital tax on larger financial institutions; modifications to the rules governing investment in small business by pension and other retirement income plans; rules to prevent taxpayers from splitting income among family members just to reduce tax; and changes to review Revenue Canada's powers to audit and examine taxpayers' books and records, including its powers of search and seizure. These measures touch on a wide variety of issues including tax fairness, fiscal responsibility, taxpayers' rights and efficiency of government programs.

I have indicated that this Bill provides for a maximum half-million dollar personal lifetime capital gains exemption. This is perhaps the most significant measure in this Bill and is one which changes both the direction and character of the Canadian tax system in a positive way. The capital gains exemption recognizes that the Canadian economy can be dynamic and productive when the successes Canadians achieve are rewarded.

Canada has been described as a nation of savers. With measures such as the lifetime personal capital gains exemption, Canada will, I believe, become known as a nation of aggressive entrepreneurs who reap the rewards of their success and hard work from a thriving and prosperous economy.

I spoke also today of tax fairness. This Bill contains measures which will prevent the use of income-splitting trusts to gain tax advantage. It is high time that the tax law is amended to correct this defect which has allowed those most able to hire tax advisers to take advantage of the tax system. I am pleased to note, as well, that this Bill promotes fairness in the tax administration. New measures defining the powers of search and seizure will ensure that the administration of the tax law complies with the Canadian Charter of Rights and Freedoms.

We recognize that small business is the engine of economic growth. This Bill contains innovative measures allowing small businesses to tap into new sources of equity investment. These measures, which allow access by small businesses to funds of retirement savings plans and pension plans, will benefit both pension plan administrators and small businesses. They are progressive ideas whose time has come.

This Government recognizes as well the importance of consultations in developing and refining policy initiatives. As evidence of this, I would point to the announcements already made regarding adjustments to budget proposals. This Bill provides for these as well as other modifications made in the detailed Ways and Means motions tabled last week.

The May Budget proposed that, as a result of the introduction of the capital gains exemption, capital losses incurred after 1984 would be deductible only from future capital gains. This Bill, however, allows net capital losses realized before the May Budget to be deducted from other sources of income to the extent of $2,000 per year. This, in effect, continues the pre-Budget treatment for capital losses realized before the Budget.

The lifetime capital gains exemption is a generous measure and is intended to encourage risk-taking by Canadians. It is not intended to diminish the fairness of the tax system by allowing transactions which, in effect, convert normal income into capital gains. Accordingly, various specific anti-avoidance rules have been added. These rules will counter the conversion of business or property income into exempt capital gains and the conversion of corporate capital gains into exempt capital gains of individuals.

In addition, special rules have been introduced to prevent the flow of capital gains, through conduits such as mutual funds, to individuals, and to prevent taxpayers from deferring gains through option agreements so as to avoid the transitional phase-in of the capital gains exemption. A specific anti-avoidance provision has also been introduced to prevent the shifting of exempt capital gains from one person to another through the use of stock dividends, generally in private family corporate arrangements.

Two modifications have been made to the May Budget proposals with respect to investment tax credits. First, I know that Hon. Members will welcome the fact that the Cape Breton investment tax credit rate has been increased from 50 per cent to 60 per cent. Second, those taxpayers who do contract work for other taxpayers will not be entitled to investment tax credits on their contract work effective for contracts after November 21, 1985. This will not in any way affect research and development companies in Canada carrying on research and development work on their own account or through contractors. It will, however, stop the double claiming of incentives.

The May Budget proposed a capital tax to be levied on large financial institutions. To confine its application to the very largest banks and trust companies, the threshold for this tax has been increased to $300 million of capital employed in Canada.

In conclusion, Mr. Speaker, this Bill provides for a new direction for the Canadian income tax system. It provides for new measures such as the $500,000 lifetime maximum personal capital gains exemption to encourage small and medium size investors, small businessmen, farmers and all Canadians to invest their savings in productive economic activity and to take the risks that our business climate needs. The Bill also improves the fairness of the tax system by removing some of the unintended ways in which advantage may be taken of the system. Finally, this Bill removes the controversial scientific research tax credit and replaces it with a refundable mechanism which is less open to abuse but which will continue to encourage legitimate research and development.

• (1630)

This Bill increases the effectiveness of Government programs by reducing the basis for investment tax credits where other grants or assistance have been received or expenditures made. This Bill increases the fairness of the tax system by introducing change of control rules to prevent unacceptable sales of unused tax credits. These changes are long overdue and we know that Canadians share our objective and desire to improve the economy. We know Canadians are willing to share some of these burdens so that we all share in the triumphs and in the forthcoming prosperity.

I do want to share with you as well some of the comments that my colleague, the Minister of Finance and I have received since we introduced this Budget. We have been told that it was the most encouraging Budget in the past decade. Canadians have written and telephoned to tell us the measures to encourage investment in small and medium-sized business are good for them and good for Canada. Canadians wrote to say that the capital gains tax exemption is a clear message to invest.

This is a major Bill. It is a complex Bill. However, such complexity is unavoidable where measures such as those contained in the Bill affect the fundamental principles of our tax system and where we are unwinding some of the problems we faced in the tax system before. The new direction this Bill provides and the benefits Canadians will gain more than justify these changes. I recommend Bill C-84 to this House. I look forward to speedy passage of these measures because they are so instrumental to economic renewal and prosperity in this country.

[*Translation*]

The Acting Speaker (Mr. Charest): Before giving the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) the floor,

I would like to advise the House that owing to the two Ministers' statements we have had today, consideration of Government Orders will be extended by 64 minutes. The Hon. Member for Saint-Henri-Westmount.

Hon. Donald J. Johnston (Saint-Henri-Westmount): Thank you, Mr. Speaker. First of all, I would like to say that the Minister had the courtesy to warn me she would have to leave the House before the end of my speech or comments.

[*English*]

You said at the outset, Mr. Speaker, that the Minister was ahead of her time. As I reflected on that I thought she must be talking about some other Budget, perhaps one in the future; certainly not this Budget or the tax Bill which has been presented to us in this House. The Minister made a number of references to the Government's record. I cannot help but note *en passant*, with all the objectivity I can muster, that the low interest rates and low mortgage rates to which she refers, the new housing starts which she is so proud of, are all the result of previous Liberal Budgets.

Some Hon. Members: Oh, oh!

Mr. Johnston: They have nothing whatever to do, not even remotely, with any policies introduced by this Government since it assumed office in September of 1984.

Mr. Gormley: How can you say that with a straight face?

Mr. Johnston: I see the Hon. Member for Brampton-Georgetown (Mr. McDermid) expressing some cynicism about that remark.

Mr. McDermid: Yes.

Mr. Johnston: However, anyone who knows anything about Budgets in the Canadian economy will recognize that the period in which this Budget will have an impact will be next year and the year after. The Government has done nothing to bring about the positive results to which the Minister made reference.

The Minister also referred to the issue of economic recovery, the importance of reducing the deficit and putting our fiscal house in order. Pardon me if I have trouble suppressing a grin when I hear that coming from a Minister who has presided over the failure of two chartered banks at a cost of as much as $2.8 billion.

Mr. Andre: That had nothing to do with the Liberal Budget?

Mr. McDermid: Oh, yes!

Mr. Johnston: She has the extraordinary gall to come in here and talk about putting our fiscal house in order.

Then she offered us a number of quite remarkable statements. She talked about clear messages which this Government is delivering to the Canadian public and the private sector; like, for example, a $1.5 million advertising budget to convince people to stop smoking and $97 million to support tobacco growers. These are the kind of clear signals which the Government sends to the Canadian people.

Then she talks about compassion, tolerance and justice. It is wonderful rhetoric and she may well have these sentiments herself, but they certainly were not to be found in the Budget tabled by the Minister of Finance (Mr. Wilson) last May. Of course he recognized, along with the Prime Minister (Mr. Mulroney) and others, that deindexation of Old Age Security had to be withdrawn along with the absolutely unacceptable taxes on certain health products. These are examples of the sentiments of compassion, tolerance and justice to which the Minister referred. She also talked about the widespread support for this Budget. I do not know what kind of mail Conservative Members are getting, but we on this side of the House certainly have been hearing an awful lot which I would not interpret as widespread support. I will deal in a moment with some of those people who are complaining quite legitimately.

The Minister also tells us that the Government has taken steps to reduce tax avoidance such as family members being able to take advantage of transfers and trusts in order to split income. However, she is a Member of a Government which, at the same time, approved a tax ruling concerning Olympia & York which will cost taxpayers approximately $1 billion, almost the full budget for social housing costs in this country last year. Then we have the case of Genstar and others as well. All of this could add up, I suggest, to as much as $2 billion. Throw in another $2.8 billion for the banks and another $500 million for ice-breakers, and we have the kind of fiscal constraint which this Government pretends to be practising. It is too bad that the actions do not match the rhetoric.

Then the Minister tries to tell us about a capital gains exemption which will do all kinds of wonderful things. I see the Chairman of the Standing Committee on Finance, Trade and Economic Affairs, the Hon. Member for Mississauga South (Mr. Blenkarn), here. I see the Hon. Member for Ontario (Mr. Fennell) here. I see a number of Members who know better but they will not say anything. They know it is one of the stupidest tax provisions to ever be introduced in the history of income tax legislation. This is true for so many reasons, technical and equitable, that it boggles the mind.

She talks about small business being able to tap new sources of funds. Yes, I believe that is important and I must say that I am pleased the Government at least sought to tap these sources of funds, things like RRSPs and pension plans. However, once again it is the wrong approach to try and induce plans to invest in Canadian small business in order to free up money to invest elsewhere.

• (1640)

Let me try to be constructive, Mr. Speaker. I threw those comments out because it is difficult to sit in my seat and listen to the stream of self-congratulations coming from the Minister. That being said, let us try this afternoon to put some of the partisanship behind us and invite Members of the House to

discharge their responsibilities to their constituents. We all want to have a better and more equitable tax system. We are all here to achieve that end.

We waited nine months for the Budget to appear. Now, we have waited almost six months for the tax Bill to appear. One would have hoped that the fundamental flaws in the Budget could have been addressed during the intervening period. Well, they have not been. Unfortunately, as we all know, you cannot make a silk purse from a sow's ear. Nevertheless, the Budget could have been dramatically improved through some sensible modifications in the Bill which the Minister put before us. That has not taken place. She did tell us, of course, that the tax credit in Cape Breton has been increased from 50 per cent to 60 per cent. If that is going to make a major difference in Cape Breton, so be it. I do not think it will make any contribution whatsoever.

In any event, the Budget was unfair. Members on all sides of the House recognize that. It widens the gap between the rich and the poor in the country. Well, Mr. Speaker, the Budget remains unfair. The Budget suggested that there would be complex provisions introduced into the Income Tax Act. We have seen complex provisions introduced into the Income Tax Act through this tax Bill. I am glad to see that we now have the wisdom of the Minister of Transport (Mr. Mazankowski) because I know he will be able to make a contribution to this discussion in Cabinet and in caucus to try to bring some common sense to this piece of legislation before it is too late.

Notwithstanding what the Minister has said, we know that the Budget is economically unsound. We on this side of the House are not alone in saying that. Economists are saying it and the Institute for Policy Analysis at the University of Toronto has said it. In fact, some of the internal departmental analyses which have leaked out in one manner or another have also said it. Most important of all, instead of sending a clear message, the message is very ambiguous. There is almost no coherent thread of thought running through the various measures found in the various statutes to which the Minister made reference. Everyone knows that this is a bad Budget and the Government now has to put its best face on it. Having retreated—thank God—on a number of issues, it does not now want to retreat any further. However, retreat it must, because if it does not retreat now it will have to retreat in the next Budget at a cost of much time and expense in the private sector as well as in the House, in committee, and in various Departments.

Tax, of course, is a very complicated matter. I confess to you, Mr. Speaker, that I wish the Liberal Government had done a lot more to improve the taxation system in the country. There was a tax reform initiative by a Conservative Government in 1962; the Carter Commission. The Liberal Government followed that. I was not here at the time that the tax reform Bill was introduced in 1971. Frankly, I thought that was a bad piece of legislation and I still think so. Now, instead of taking advantage of the golden opportunity of having 211 seats in the house to bring forward sensible tax reform and give Canadians the kind of coherent, fair and equitable tax system which would contribute to economic growth and which they deserve, our tory friends are in the process of making the situation even worse.

I would like to refer to a statement made by the Carter Commission with respect to what a tax system should achieve. I would then like to measure certain components in the budget and in the tax bill against the system as described. Carter said:

> A tax system can be judged from different points of view. Is the system fair? Does it contribute as much as possible to the growth and stability of the economy? Are the rights and liberty of the individual protected? Does it help strengthen the federation? These questions reflect not only the many facets of taxation but also what we believe to be the principal objectives that Canadians wish to realize through their tax system. They want equity, more goods and services, full employment without inflation, a free society and a strong, independent federation.

Although these words were written almost 20 years ago, I suggest that Canadians feel the same way about their tax system today as they did then. They have been hoping, somewhat futilely, for the kinds of changes that are essential to give them the tax system which they deserve.

Does this tax Bill contribute as much as possible to the growth and stability of the economy? The Budget extracts billions of dollars from consumers, ordinary men and women, middle and lower income Canadians. They are being asked to foot this tax Bill. Drawing upon the famous document which is the estimates of the Department of Finance, if we take out the tax loss from the capital gains tax exemption, of which the Minister and the Government appear to be so proud, we find that direct tax on persons in the year 1990-91 will have increased by $5.2 billion. Can anyone in any of the Parties which sit in the House suggest that this will contribute to the growth and stability of the economy? Add to that the indirect taxes. Again I am going to take out the oil export charge because I do not think it is appropriate. No one knows where that tax falls. If we take that out and add the additional fuel taxes which are to come into effect in January to help replace the revenue lost by backing off from the deindexation of Old Age Security, we find that an additional $4.6 billion will be paid. Excluding corporate taxes and other taxes which are passed on, direct taxes on persons and indirect taxes which individuals have to bear, all of which are regressive, will amount to a grand total of almost $10 billion by 1990-91. The Minister is telling us that that will contribute to the growth and stability of the economy. It certainly does not meet the test which was laid down by Carter in his statement delivered in 1967 which I read to you a moment ago.

The impact of these various taxes is only beginning to be understood. We know what the impact is likely to be in the construction industry. Is the Government listening to the construction industry? Is the Government paying attention to the impact that this may have on the housing starts of which the Minister is so proud? Does anyone know what is going to happen to the trucking industry when a tax is put on distance in the country, which tax must be borne by the receiver of produce, whether food or clothing?

Mr. Blenkarn: We are talking about the Income Tax Act.

Mr. Johnston: That is not in Mississauga South, but especially in the remote areas of the country.

Mr. Blenkarn: That's the Excise Tax Act.

Mr. Johnston: Exactly, it is all part of the Budget.

Mr. Blenkarn: You have your speeches mixed up.

Mr. Johnston: That is a typical example, this time from the Chairman of the Standing Committee on Finance, of the failure to understand that the tax Bills have to be taken as a whole. There is no one tax Bill which can be read without another. I am coming to that point. If the Member will pay attention he may learn a little about the problems with the tax system, which problems he should be taking before his committee for study. The fact of the matter is that these are the numbers and the Minister says that this Budget will contribute to the growth and stability of the economy. I do not know if the Member was here for the Minister's speech. As Members may or may not know, there are three sources of taxation. There are taxes on income, which are normally progressive in this country. There are taxes on consumption which are inevitably regressive under our system. Those are the taxes to which I just referred. Finally, there are taxes on capital. In Canada, I believe we have never successfully found the appropriate balance between these three sources of taxes.

● (1650)

Of course, the mosts visible tax is on income. Taxes on consumption are much less visible and the Government has tried to get away with a great amount of apparently invisible taxation. Retail sales taxes are more visible because they are applied to the retail level.

The manufacturer's sales tax and the customs tariffs are regressive. They fall equally upon the rich consumer of goods and the poor consumer of goods. There will be a change in the capital tax because the threshold has been raised. However, I have often argued in the House that a capital tax applied to a corporation is not paid by the corporation. Since it must be paid by someone else, I am not sure in any of these cases where that tax will fall. That tax is levied under Part VI of the proposed Bill.

That brings me to the issue of transparency to which we must pay close attention. It is necessary for us to know who is actually stuck with the tax bill. For example, the Government has applied a sales tax to pet food in the Budget. That tax is to be borne by the pet owner. However, when a tax is put on the profits of a company which manufactures pet food, it may be borne in part by the pet owner, the shareholder and by the employees who receive less wages. The fact is that is has to be passed on somewhere. This is where the problem of less transparency arises especially with respect to corporate taxes which many people, especially my friends in the NDP, regard as some sort of panacea to taxation. However, corporations do not pay taxes. As a matter of fact, I have heard that when the United States Treasury hires new tax experts fresh from university, the first question they are asked is who pays the corporate tax. If the person has an answer they are not hired.

Transparency of taxes is essential. I can go to any restaurant in Ottawa, Montreal or Toronto where people are dining in a luxurious restaurant. Who is paying the bill if it is tax deductible? Is it the partners, the shareholders or the Government? I suggest that nine times out of ten it is not the person dining. This introduces inflation into our system and makes many of the services unattainable by ordinary Canadians.

Canadians are tired of being screwed by the tax system. The Government is squandering its opportunity to do something about it. It has produced an inequitable Bill that is complex and simply builds on a system which is already inadequate. My friends opposite know that.

[*Translation*]

They know perfectly well this is a very bad Budget and that the Bill before the House is unsatisfactory. But they are going to vote for the Bill just the same because of the tradition of party discipline.

[*English*]

I am convinced that our electors including those represented by 211 Tory Members, roughly 75 per cent of the population or 18 million people, expect more from them than to simply stand up and vote for this Bill with all of its obvious flaws simply because the Minister of Finance and the Government do not want to reconsider this legislation. It makes a mockery of the process if we are trapped into an attempt to fight a Bill that has irresistible momentum because of 211 Members.

It is true that the Government backed off on the pension question last spring and reconsidered other matters, but it was not as a result of Members of the House who were able to bring pressure to bear on the Government. It was not as a result of what happened on the back-benches. The opposition, playing its role by raising the issues, had to have the support of Canadians. It was referred to by some as "grey power", when that group of Canadians came here to say that pension deindexation was unacceptable. When it became apparent that votes were at stake, the Government reacted. That is not what should happen. Common sense should make us react. We have enough collective brain power in the House of Commons to improve this legislation but I fear, having listened to the Minister, that it will be very difficult to make that change.

We were sent here to do a job for the people of Canada. I suggest that we cannot let this notion of party discipline allows us to railroad a piece of legislation through that is obviously as bad as this. While I do not believe Canadians have the respect they should for this place, how can they have that respect when they know that this is becoming a House of voting robots.

Mr. McDermid: You let us improve the National Energy Program when you were in power.

Mr. Johnston: The Member for Brampton-Georgetown is criticizing our attitudes in the past and what was or was not accomplished by us. I accept that. I recognize that criticism

and I am not happy about all of the legislation that has gone through the House in the past, under whatever Government.

A committee has come forward with some good recommendations and I think the time has come for change. Canadians want a change. Canadians voted for change but it is not happening. All 211 Tory Members will get up to vote for this Bill which is so obviously wrong in so many respects. While portions of the Bill have been changed, much work remains to be done in order to have legislation which provides economic growth, equity and satisfies Canadians that parliamentarians are providing true input into legislation.

Let us use the capital gains tax provision as an example of what is wrong with this Bill. The Minister praised this provision, saying that it would encourage investment and so on. Beginning in 1985, Canadians will be exempt progressively from paying tax on $500,000 of capital gains over their lifetime. This provision was said to be designed especially with a view to encouraging investment in small-and medium-sized businesses. The Member for Mississauga South agrees with that, as do other Members of the House.

We have been told, and I agree from my own study of the matter, that jobs—

[*Translation*]

—the jobs will be created in small- and medium-sized businesses across Canada.

So it makes very goods sense to try and attract investment to this sector.

[*English*]

That being said, what about the provision? The provision effectively applies to all capital property. There are a couple of exceptions with respect to employees' stock options and so on. We have heard that this capital property can include condominiums in Florida, yachts in the Caribbean, stamps, coins, jewellery, foreign securities or any assests on a world-wide basis. This is intended to encourage investment in the small and medium-sized business sector.

Mr. Gormley: Lots of farmers. Lots of fishermen.

Mr. Johnston: The Member to my right is being provocative. I think that a little ad libbing and a little fun in the House is sometimes good.

Mr. Gormley: A little truth wouldn't hurt.

Mr. Johnston: He is a sensible person. He knows that the way this provision is drafted is dumb. It is stupid. It does not bring money to the small and medium-sized business sector. The Minister has stated that people are excited about this formula and will invest. However, that is not what I hear. I am told they want to dispose of their assets quickly, take their money and run because they know this provision will not be in effect for very long. It fails the very basic test of economic growth and economic stimulation, which is fundamental. But it also miserably fails the test of equity.

• (1700)

We know from statistics that 4 per cent of Canadian taxpayers have income in excess of $50,000. We also know that 63 per cent of all capital gains go to those people with $50,000 and over. There is no equity. It does not accomplish its purpose in terms of creating investment in the small and medium-sized business sector. What does it do, Mr. Speaker? It costs one hell of a lot of money, money that could be better spent elsewhere.

If we look again at the Department of Finance's numbers which, I understand, are probably being revised because they are understated, we see from this document that was released, leaked, whatever on or about budget night, that in 1985-86—by those conservative estimates—it was going to cost $300 million, next year $600 million and by 1990-91, $1.25 billion. I repeat for those members who are getting used to these big numbers being thrown around in their caucuses, $1.25 billion. I suppose $1.2 billion does not sound much beside $2.8 billion but it is a lot of money. I suggest too that that money is not going into any productive pursuits whatever. That money is being blown. Yet we hear at the same time the importance of deficit reduction, about the banks, the ice-breakers, the tax rulings, and here we have $1.25 billion blown by this provision in the Budget with no focus and no job creation that is guaranteed at all.

I said I would not go on long this afternoon because my colleagues will be following up themes in this Budget, if there are themes. There are certainly no coherent themes, but my colleague will be following up themes of waste, of complexity of inequity and so on.

I want to leave my fellow parliamentarians with one thought. I want to come back to it once again because I feel it is terribly important. I hope, I have always hoped, and I hope people in this Chamber share my hope that we will some day discharge those responsibilities which our electors have given to us here on the floor of the House of Commons. I do not think any of us can be satisfied we are discharging our responsibilities if we allow this tax Bill to pass in the form presented to us by the Minister.

I hope, and I see my friend the Hon. Member for Mississauga South, that he in his role as Chairman of the Standing Committee on Finance will make every effort to ensure that an opportunity is given to Members to make sensible amendments, to hear witnesses and to have a full understanding why the capital gains tax exemption is bad law. Do not take my word for it, but the word of people in the private sector—

The Acting Speaker (Mr. Charest): Order.

Mr. Johnston: —take the word of the people in the investment community if you like. Listen to those people who recognize it is not a benefit accruing to Canadians.

The Acting Speaker (Mr. Charest): Order. Order.

Mr. Johnston: I am sorry, Mr. Speaker.

Mr. Blenkarn: Mr. Speaker, I rise on a point of order. The Hon. Member for Saint-Henri-Westmount (Mr. Johnston) is of the opinion that I will be the chairman of a committee reviewing this Bill. I wish it were so. Unfortunately, his Party and the New Democratic Party did not make an arrangement with the House Leader to have this transferred to the House accounts committee.

The Acting Speaker (Mr. Charest): Order.

Mr. Blenkarn: Consequently I will not be the chairman.

The Acting Speaker (Mr. Charest): Order, please. We have difficulty with discipline today.

Mr. Johnston: I am sorry to hear what the Hon. Member for Mississauga South has said. I think we should have the opportunity in that committee to examine this Bill in some depth. Perhaps it is not irretrievable. Perhaps it is possible to make some arrangements. I have spoken to my own House Leader about it. I am not sure where that dialogue has moved in terms of the various House Leaders. Perhaps the critic for the New Democratic Party will have a comment to make during the course of his remarks.

Let me conclude by saying to you, Mr. Speaker, and not pleading, but appealing to the good sense of Members of this House that we accept our responsibilities, that we work together to try to make this an acceptable Bill that will be more equitable and will make more of a contribution to sustain economic growth and build an economy that will provide the jobs we so desperately need.

We do not see it in the Bill at the present time. I hope we will be able to see some glimmer of that, at least, when the Bill is finally adopted on third reading.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I almost have tears in my eyes. I guess it is appropriate to have tears in one's eyes to rise on Bill C-84. We have 235 pages of revisions to the Income Tax Act of Canada. I do not know how many Members of Parliament have had an opportunity to look through these 235 pages. Quite frankly, I would be surprised if anyone has. Let us assume that two, three or five people in the House have actually sat down and attempted to go through this document.

We get into discussion in the hallways and in the coffee shops on Parliament Hill but it is time that we stop the nonsense of Bills containing 235 pages. Here we are discussing in principle Bill C-84, an Act to amend the Income Tax Act and Related Statutes, an Act to amend the Canada Pension Plan, the Unemployment Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act. We are amending all kinds of things in all kinds of ways and nobody knows what it is all about.

We have had a chance to look at some of the highlights. Normally if the Finance Department were serious about having Members of Parliament and others analyse what the Department is doing, it would have sent out an explanation paper as it has in the past to explain what on earth all this legalese gobbledegook means.

The Government tabled an explanation document yesterday, but we are talking about 235 pages of tax changes. This is now like a tragic comedy. I think it is time, and I suspect Members of the House will agree, that we stop this. When we are dealing with such a complicated matter that has horrendous implications a Bill like this should be sent to the appropriate committee well in advance for discussion, so we can hear witnesses and experts in the various sectors. It should be analysed for a number of weeks, a number of months if necessary so we can understand what the Government of Canada is doing.

There are hundreds of Finance Department officials sitting somewhere in mystical offices near Parliament Hill, who, I guess, all year long with furled brows and pens, draft changes to the Income Tax Act based on suggestions by Members of Parliament, by the Minister of Finance (Mr. Wilson), the Minister of State for Finance (Mrs. McDougall) and perhaps others. No one knows who these people are, what they are doing and why they are doing it.

Here in the last dying days before the Christmas recess we as parliamentarians are asked to rule and to decide on this incredible range of implications that will touch the lives of every Canadian for decades to come. It is not being done with proper analysis or with proper study. In fact it is not being done properly. Quite frankly, the process is totally unacceptable. I know the Government's Finance Committee Chairman will rise in his place shortly. I hope he will have something to say about this meaningless and silly process which is continually perpetuated year after year. It has to be changed, and that initiative for change has to come from the Government. It ought to come from the Minister of Finance, but I am not sure whether we have one any more. At least it could come from the Chairman of the Standing Committee on Finance, Trade and Economic Affairs. I appeal to him to use his good offices in order to try to bring some sense into the process so that we can at least deal with this Bill as responsible and sensible parliamentarians, as opposed to being forced into this charade.

• (1710)

When we talk about changing the Income Tax Act of Canada, it has to be discussed within some kind of context. We will not simply be making a few changes to a few pages in the Act. There is a number of processes going on at the same time. Another set of tax regulations is also being changed in the excise tax Bill which is presently before the House.

The Government has decided in its wisdom that it should now place a special sales tax on all transactions which take place in the country. It wants to add another 1 per cent to the sales tax, one of the most regressive and punitive taxes which a country can have or a Government can impose. However, that is what the Government is doing. When one buys a set of winter tires, whether one is from a poor family or an extremely wealthy family, one pays the same sales tax. That is a very regressive, unfair, inappropriate, callous and uncaring action

to be taking. As well, there will be increased taxes on diesel fuel, aviation fuel and gasoline *per se*. As many Hon. Members have indicated over past days, it is really a tax on distance. It adds one cent per mile to the costs faced by truckers. Every commodity transported in the country will cost consumers more. The trucker or someone will have to take less profit. By and large it will be passed along to consumers. This discriminates against northern Canadians who have to fly in all their goods. With an increase in aviation fuel, it will cost them much more to live. Western Canadians who have to transport goods over vast distances will be paying more for their goods. It is discriminatory against them as well. The same could be said about people living in Atlantic Canada.

The Government decided to impose more taxes upon construction materials, affecting the people who build the country. They are the ones who build our houses and buildings. They create and leave clear evidence of what they contributed to society. Construction materials will be taxed.

Mr. Orlikow: It is already in difficulty.

Mr. Riis: Yes, that industry is already in difficulty. It provides employment and assists many other sectors, it is in difficulty at the present time, and now the Government is imposing a further levy.

Mr. McDermid: We cannot get bricklayers in our community.

Mr. Riis: I ask my hon. friend to travel to western Canada and ask about how healthy that industry is. He will get an ear full, because it is an industry which is on its knees today in western Canada. To impose a tax on construction materials is a very regressive step for the Government of Canada to take at this time.

Also the Government will impose taxes on pop, chocolate bars and all sorts of other confectionary items, as well as on dog food, cat food, canary food and goldfish food, and on pharmaceutical supplies. The list goes on and on, but I will not take up the valuable time of the House to indicate all the new taxes which will be imposed. That is the context within which we are discussing changes to the Income Tax Act today.

As a result of these taxes which I have just mentioned, as well as a few others, $2.5 billion per year will be extracted from the pockets of ordinary citizens and put into the coffers of Ottawa. Why is there this tax grab? Why is the Government so bloody desperate to cause hardship for the average Canadian household? Why does it want to bleed away $2.5 billion in increased excise taxes? I will tell the House why. If the Government bails out a bank for $1 billion, $2 billion or nearly $3 billion, if it gives a tax remission to Syncrude which might amount to $1 billion, if it gives another $1 billion to O&Y, if it makes a tax ruling on Genstar for tens of millions of dollars or perhaps more, and if it gives vast amounts of moneys to selective corporations, it has to come up with money from some place.

Therefore, the Government of Canada makes a desperate grab for money out of the pockets, wallets and purses of Canadians who can least afford any increase in taxation, let alone an increase on all these particular items. We will have to wait and see, but I know that those minions in the Department of Finance are drafting legislation for value added taxes. They have their forms put together. They have their papers drafted. They are talking to people across the country. We have been getting dribs and drabs of information in this regard. I do not know how many of us in the House care one hoot about giving serious consideration to a value added tax, which will result in billions and billions of extra tax dollars coming into the Ottawa Treasury from the taxpayers of Canada.

We do not really know what is going on. We do not know what finance people are doing in the back rooms, drafting up new ways of gouging the people of Canada. Government Members have to accept their responsibility. It is time that we pulled off the veils and opened up the doors of that place to find out what is going on in our tax system. I appeal to Hon. Members on the government benches to give the Finance Committee a special reference to look into the whole tax business and to stop perpetuating this continual hardship on people for questionable reasons and because of questionable motivation. What we are seeing here is really quite scandalous. There are incredible implications as the tax system is changed and altered. Quite frankly, there are some good changes. I have to be fair and responsible and say that there are some good tax changes, but most of them are not good. Most of the major boondoggles in the system do not appear here. They have not been touched; the Government has not laid a hand on them. By and large, this will make the Income Tax Act of Canada more biased, more unfair and less equitable than ever before. It will be biased in favour of certain wealthy Canadians and certain large corporations. That is what is being done. Let there be no doubt about it.

The problem is that our tax system is a voluntary compliance system. It relies upon Canadians being honest on their tax forms. It relies upon Canadians listing their incomes and paying a reasonable tax. However, when people are reminded day in and day out of the unfairness, bias and discriminatory aspects of the tax system, they lose faith. They have lost faith in the system, which consequently encourages more and more honest, law-abiding Canadians to seek out ways and means of avoiding or deferring tax.

Just this morning I read an article in the newspaper. I should like to refer to it for the particular benefit of Liberal colleagues to my right who brought in a tax loophole just before they left office whereby people could purchase luxury yachts and houseboats and almost get them free. It indicates that $165,000 can be deducted as a result of Canada's last great tax break, but that it has to be done quickly because it will finish by the end of December. It indicates that if one's annual taxable income is over $70,000—and that is a very select group of Canadians—one can deduct up to $165,000 over the next four years and own an income producing hard asset with 100 per cent borrowed funds. It goes on to indicate

all other advantages attached to buying a nice big yacht. We can thank the Liberals for introducing that loophole and thank the Minister of Finance for having the sense to close it off just after Christmas. There again, they can rush in and take advantage of that one.

● (1720)

I just noticed another little advertisement in this morning's paper. It talks about tax sheltered real estate here in the nation's capital. For a down payment in 1985, projected reduction in taxable income for the next number of years will total something in the neighbourhood of about $30,000 if one puts down $1,000 and arranges one's funds in a certain way. That is not a bad deal. These little notices have appeared in today's paper. In the next little while, they will start to flood into the newspapers as people adjust and become creative in their accounting before the year end in order to take advantage of all these loopholes.

Mr. McDermid: Are you going to get in on that one?

Mr. Riis: Perhaps you can get in on it before it is too late.

We do our best to remind people that there are still many, many Canadians who are upper-income earners or are wealthy and who year after year do not pay any income tax. They do not pay $1,000, $100, or $1, they pay no income tax year after year.

The other day, I received a letter from a constituent who said he was really interested in all this unfairness. He asked me to give him a list of all the loopholes these people used. He said that he was in the $100,000 per year bracket and wanted to know these things.

The other day, in a comment to an Ottawa *Citizen* reporter, a Revenue Canada official had this to say:

> A Revenue Canada official said the deductions that allow high-income earners to pay no income tax are available to anyone in theory but in practice only to those who are able to "arrange their affairs" in the right way.

He went on to say that the 178 people earning more than $250,000 who paid no income tax used the following deductions: the dividend tax credit on 50 per cent of dividends paid by Canadian corporations, interest dividends and capital gains deductions, charitable donations, interest and carrying charges on borrowed investment funds, petroleum exploration venture investments and the Canadian motion picture film investment. They also claimed deductions for Canada Pension Plan and unemployment insurance contributions, Registered Pension Plans, et cetera. This gentleman was kind enough to list for this reporter's benefit some of the more obvious and popular loopholes that people who were making $250,000 per year were using to pay not one single penny in income tax.

Another group composed of 176 Canadians made $100,000 in the last tax year. They paid no income tax, not one single penny. There were more than 8,000 people whose income was in excess of $50,000 per year who paid no income tax. The numbers are getting larger and larger each year. I have been commenting on this for nearly six years. At first the numbers were small and I was just making the point that we needed some kind of change to the tax system. The situation is getting more interesting and more unbelievable as the years pass. Every year the numbers are infalted. Why is this? Because more and more loopholes are provided in the tax system. More and more opportunities for those who can use creative accounting techniques are now available in the tax system.

As we perpetuate a system that is now understood by everyone to be grossly unfair, biased and discriminatory against ordinary Canadians, more and more people do not pay taxes at all. Ordinary law abiding Canadians decide that if everyone else is taking advantage of loopholes of which they cannot take advantage, they will do a little bartering and will use cash for transactions. The tax man will not know about that. More and more of the economy moves underground all the time. People estimate that between $30 billion and $50 billion worth of transactions per year are operating underground, unknown to the tax man. This means that the entire tax system begins to crumble. If ordinary Canadians have no faith in the tax system, it bodes very poorly for the future of Canada.

Ordinary Canadians look not only at the upper-income earners who do not pay tax but at those incredibly large corporate citizens. The small business people, the farmers, the fishermen and the corner store operators are struglling just to make ends meet these days.

Mr. McDermid: How many farmers paid income tax?

Mr. Riis: Farmers as well. They pay all of the taxes. They have to fill out all of the forms and even collect taxes in areas which impose sales taxes. Then these ordinary Canadians read articles hidden in the back pages of the newspapers indicating that companies like the Royal Bank of Canada, the Bank of Montreal, Shell Oil, Hudson's Bay and Genstar, companies that are making profits in the hundreds of millions of dollars, pay no corporate income tax at all. These companies are not so fortunate year after year. Sometimes they get caught out and have to pay a little bit in corporate income tax. When those companies pay no income tax in certain years while the struggling entrepreneur pays every year, something is desperately wrong with our system.

The other day, a friend of mine, a rancher, and I were sitting in a restaurant. It was not a fancy restaurant but more of a run of the mill restaurant. A number of business people were sitting at the table beside us. Both tables finished at about the same time and we were both deciding who should pay for the cheque. We overheard the conversation at the next table. One of them said: "I'll take the cheque, don't worry. It will go on my expense account". What is available to a certain select group of people in society is not necessarily available to others. I am not saying that that is not good. I am simply saying that it discriminates against the people who work in certain kinds of occupations.

Shucks, let us move right into the capital gains tax area. When Carter held a tax commission a few years ago, he said that it was time we called a buck a buck. He said that if we make a dollar, we should pay a fair tax on that dollar. This

Government does not believe in that philosophy, it believes that the system should treat differently those folks who make money as a result of obtaining capital gains. That would include people who sell condominiums in Maui, buy and sell luxury yachts in the Caribbean or do other interesting things outside of Canada. If those people make money from those transactions, they do not pay any income tax whatsoever. Why on earth does the Government think this is a great bloody idea? The Government tells those who make money through investments and receive capital gains by doing work outside the country that they do not have to pay any income tax at all and that over the years they can accumulate up to $500,000. What does it tell the poor guy who is on the fish boat, the person in the coal mine and the person struggling to make a living when they find out that these folks do not pay any income tax because they have white collar jobs?

For certain areas of agriculture, the capital gains tax exemption makes sense. It makes sense for certain small businesses. I will listen carefully to my friend, the Hon. Member for Mississauga South (Mr. Blenkarn) who will speak next. I will ask him to do me the favour of explaining why someone who is selling a condominium in Jamaica, Miami or Maui should not pay income tax on the money he or she derives from that transaction. I for the life of me cannot figure that out.

If the Government is interested in helping Canadians and wants to have a capital gains tax exemption, why should it not at least restrict it to operations within Canada? If we are interested in creating jobs and helping people to reinvest, let us at least ask people to reinvest in our own country. I will be looking forward to hearing my friend explain that one a little later.

We have a system which treats certain kinds of income differently from other kinds of income. If that is not discriminatory, I do not know what is. That is like saying we will immediately favour people who derive their incomes from selling dividends, or from capital gains, or whatever, and we will discriminate against the people who are the real hard working Canadians who normally pay their taxes at source. It is a very unfair situation. I suppose the Minister of Finance is living out his goal. Not many months ago in a speech to the Canadian Economics Association in Montreal he said: "No matter how we define the term Canada has an acute shortage of rich people." He is doing his best to assist those who are nearly there by bringing in a whole new set of tax loopholes which will again assist the very wealthy in our country.

● (1730)

Mr. St. Germain: He wants to make more poor ones rich. He wants to build up the poor; you want to tear down the rich.

Mr. Riis: One of the things the Government has held up as a major initiative is with respect to capital gains exemptions. I wish to remind my hon. friend opposite that when we look at the number of tax filers, let us say in the $50,000 range, they amount to a very small percentage of all taxpayers. Yet, they account for nearly 65 per cent of the total benefits accruing under the capital gains provision. It is clear that this particular item which the Government holds up as a major initiative will help a select number of Canadians. Of course, it will cost us. In other words, when one does not pay tax on capital gains it will cost the people of Canada. It will cost the people of Canada $1 billion over the next two years. That is contained in the Government's own fiscal plan. We know who will make up the difference. I know that you are a very knowledgeable and wise man, Mr. Speaker, and that you know when these folks are not paying their $1 billion that the ordinary Canadian must pay more than they should to make up the difference. Yes, they sell Texas oil wells and condos in Maui.

There is something good in the tax paper, that is, the proposal to allow a tax credit of $700 to accrue to an individual investing in a labour-sponsored venture capital organization. It is designed to assist small and medium-sized businesses. That is a positive initiative. Some 20 per cent or $700, which ever is less, will be allowed as a tax credit. That is an encouraging development, particularly with respect to the development of venture capital.

I do have some concerns with the Bill. I am concerned about the increase in the Registered Retirement Savings Plan and the registered pension plan regarding non-taxable contribution limits. The new limits will be increased to $7,500 next year, $9,500 the year after, $11,500 the year after that, and up to $15,500 by the year 1990. What does this mean? It means that if a person has $15,000 in loose change at the end of the year he can put it into a retirement pension plan and not pay any tax on it. I ask Hon. Members: How many people at the end of the year end up with $15,000 in change which they can invest in a retirement pension plan? That is what is provided here. How many people can really take advantage of this great provision? Quite frankly, the people who will take advantage of it are those people who do not need it.

Mr. St. Germain: Small-businessmen and women.

Mr. Riis: I do not know many small-businessmen in my constituency who have $15,000 lying around which they can invest directly into retirement savings plans at this point in time.

I would like to consider a few other aspects of the Bill. Today, we are just talking about the principle of the Bill; we are not getting into a thorough point-by-point analysis of the Bill. That will come somewhat later. There is a proposal with respect to investment in small business by pension plans. The proposal is that pension funds be allowed to establish small business investment corporations to direct funds into the small business sector. Let us consider the definition of the small business sector. I see that the Minister of State for Small Businesses (Mr. Bissonnette) is in the House. A small business is defined as a company with assets up to $35 million. That is a fairly small company! I do not know if these are the types of companies which really need assistance at this point in time. They have other sources of capital upon which they can draw, ample sources. The family-structured businesses, the very small businesses which are trying to open up new areas, new

ventures and which are trying new ideas will not qualify. There are some difficulties with respect to the Bill. It states that as an incentive pension funds will be allowed to invest $3 outside of Canada for every $1 which is invested in this type of venture. That is a peculiar way to show a commitment to assisting and developing activity here in our own country.

I now wish to tak about the deindexing of personal exemptions and tax brackets. We know what happened when the Government tried this same thing on OAS. It saw the illogic of such an approach and it backed off. I am pleased the Government did that. However, it is now going to eliminate the full indexation for the basic personal exemption on the tax form and the personal tax brackets. These exemptions will trip in only for increases above 3 per cent. What this means is that individuals will be paying more tax each year. They will not be able to deduct as much from their taxable incomes as their incomes increase from year to year. They will be pushed into higher tax brackets, even if their real income does not change a bit. This will cost Canadians about $650 million. Who are these taxpayers? These are ordinary Canadians who will, once again, have to pay an extra $650 million over the next two years as a result of this deindexation proposal.

The $50 tax reduction used to reduce taxable income has been eliminated. That is another $600 million out of the taxpayers' pockets. The ones who will feel this most acutely, and let there be no question about it, will be the low and middle-income Canadians. They will be the ones who will feel this proposal. If a person is in the $200,000 a year bracket he will not worry much about his ability to deduct $50 off his taxable income.

I would now like to deal with the temporary surtax on upper income earners. When one looks at all of the so-called fairness provisions introduced by the Minister today one will see that they are all temporary. All of the ones which will hit normal, ordinary middle and low-income Canadians are permanent. However, the corporate changes, the 5 per cent corporate surtax, that is temporary. It will be off in a few months. The temporary tax on the large financial institutions is a temporary tax. I am sure they will have trouble affording that 1 per cent!

There is a provision for the extension of the Small Business Bond Program. It was a nice gesture. I have yet to find a single person who has ever found a small business bond out there. Again, it is temporary. So these so-called extra charges for the corporate sector and on the banks are all temporary. They will be off in a few more months while the punitive ones for ordinary Canadians are on forever.

The Minister of Finance in a speech to the Canadian Tax Foundation had this to say:

> Our recent figures indicate that the effect of tax incentives has been to reduce the average federal corporate income tax rate from 36 per cent to 15 per cent ... When the benefits from special tax incentives are added together we are looking, in some instances, at an extraordinarily generous level of assistance.

In plain language that means we are trying our best to provide more and more corporate loopholes so that the large corporate sector will pay less and less tax. That is what the Minister is really saying. Of course, when the large corporations pay less the small businesses have to pay more. When the upper income earners pay less, or pay nothing, then the ordinary Canadian taxpayer has to pay more and more and more. They have had it. The ordinary Canadian taxpayers cannot pay any more. They are being gouged because the tax system is unfair.

Let us take a look at some of the child benefits. I think this is one of the more interesting aspects of Bill C-84 as it refers to the children of Canada.

Mr. Rompkey: It was not even mentioned by the Minister.

Mr. Riis: My hon. friend from Newfoundland indicates that when the Minister of State for Finance made her comments about this very complicated legislation she failed to mention any of the benefits for children. I suspect that might portray a good deal more than what many of us may think.

This particular proposal is concerned with a gradual reduction in the regressive child tax exemptions while the child tax credit is being increased. Of course, the family allowance is being deindexed from the cost of living. We in this Party are strongly opposed to the deindexing of the family allowance. As for the other changes, the National Council on Welfare has observed something which I think is worth restating for Members of the House. I know that most Members will have been informed of this particular reaction of the National Council on Welfare to the May Budget. It had this to say, and I quote:

● (1740)

> After the various changes are phased in—raising the child tax credit, lowering the turnover point for the child tax credit ... reducing the children's exemption to the annual family allowance, and partically deindexing all child benefits—even the poorest parents will receive less than they would from the existing child benefits scheme.

This is a thoughtful statement which really deserves the reflection of all Members of the House. Time and time again various Members have stood and said: "In the end the poor families are going to get a benefit, after all of these various programs are phased in". That is not the case at all. Again, the low and middle income families will be getting short shrift.

The Standing Committee on Health, Welfare and Social Affairs after its hearings and the Government's consultation paper on child and elderly benefits concluded that any change in child benefits would result in substantially higher benefits for lower income families and benefits comparable to existing ones for middle income families. In other words, any changes must improve the situation for lower income families and not touch what is going on now for those families with middle incomes. However, Bill C-84 will produce very small improvements in child benefits for the poorest of families and progressively greater losses for all other Canadian families.

In summary, I think it is fair to say that once again we are presented with a set of major changes to our tax system, dramatic changes, which by and large tend to build in more discrimination than ever before. These are changes which make our tax system more biased than ever in favour of the large corporate sector and upper-income earners. I appeal to

my colleagues. This silly process through which we are moving today, and in the subsequent days between now and Christmas when the Government hopes to have Bill C-84 passed through all stages, should stop in the future. We should take this matter much more seriously than we have up to this point. I am criticizing the present Government as well as the past Government for rushing legislation through and for asking Members of Parliament who are all serious about the implications of such drastic and dramatic legislation, to pass the legislation before we have an opportunity to digest and understand it.

As a last ditch effort, however, this will be referred to a legislative committee and I am hopeful that the members of that committee will see fit to welcome and to incorporate amendments to Bill C-84 in order to make it fair, more equitable and just so that we can start building in a small way, at least, confidence in the tax system of this country. If we fail to do that, if this Bill is not significantly altered in its composition, we will build in more cynicism and convince more and more Canadians that the tax system is unfair and biased. We will drive more and more honest law-abiding Canadian citizens into seeking out more and more ways to avoid paying tax. We will be moving more and more money underground, resulting in fewer and fewer taxes which will mean, as an immediate reaction, the need to raise taxes again for those people which Government can most easily grab from, the ordinary Canadian citizen.

We have a real opportunity here to move and reverse this process. We have an opportunity to move this process to one which would be much more progressive. I look forward to hearing some comments from my learned friend, the Hon. Member for Mississauga South, as to ways and means of improving what has to be not only a silly piece of legislation but an extremely silly process.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I ran in the election campaign of 1979. The Marxist-Leninist candidate who ran against me had signs posted across Mississauga which said: "Make the rich pay". As I listened to my friend, the Hon. Member for Kamloops-Shuswap (Mr. Riis), I wondered what political Party he belongs to.

Some Hon. Members: The same one.

Mr. Blenkarn: He said something about all of these people who are going to make a fortune buying and selling condominiums in Jamaica. The Hon. Member does not know anyone buying and selling condominiums in Jamaica. The only Canadians I know who ever bought anything in Jamaica lost their shirt.

An Hon. Member: Or their wardrobe.

Mr. Blenkarn: I want to tell you, Mr. Speaker, that it is a hoax. That Party is trying to portray to the people of this country that somehow this Government is going to help people make a fortune buying and selling condominiums. The Hon. Member for Saint-Henri-Westmount (Mr. Johnston) says it would be in Florida. Do you know anyone, Mr. Speaker, who has made a fortune buying and selling condominiums in Florida? The whole purpose of the capital gains allowance is to make this country grow and I will be dealing with that later. It is unfortunate that the opposition should spend most of its time dealing with the principles of Bill C-80, now in committee, when not one Member of the opposition was there to deal with the difficult problems of an excise tax Bill. Those Members of the Opposition come into the House and talk about pet food, construction companies, ashphalt problems and steel construction, but they don't even bother going to the committee meetings.

The Hon. Member for Saint-Henri-Westmount complains that the Minister of State for Finance (Mrs. McDougall)—who had to leave earlier—left. But what does he do? He makes a speech and runs.

Mr. St. Germain: Shame!

Mr. Blenkarn: Surely we are entitled in this House to some sensible and honest opinion on a very, very complicated matter, that is amendments to the Income Tax Act. It is not the time for rhetoric. It is time to deal sensibly with this Bill. This Bill has two principal thrusts. First, it is the question of fairness. This Bill could easily be categorized as the "loophole closing Bill". Hon. Members will recall the income tax provisions put through with respect to ISIP only two years ago by the Liberal Government. That was a wonderful scheme. The Government made it possible for people to make a pot-full in wheeling and dealing in share options. They cannot do it any more because this Bill closes that loophole. The Liberal Government made it possible for people to wheel and deal in scientific tax credits. There is some provision for research, but those things cannot be dealt with the way they were before. One really has to do the research and after one does the research, and after one does the development and after it is approved, one will get some financial backing from the Government in terms of a tax credit. That is the way it should have been in the first place and that is the way this Bill is changing things, by closing loopholes. We ought to be given the credit for that, but what do we hear from the Hon. Member for Saint-Henri-Westmount? We hear conversation about pet food which is not even in the Bill. He ought to be ashamed of himself and he ought to be here tonight to stand up after I have finished speaking and ask me questions about pet food, then perhaps we could talk about income tax.

Let me now talk about fairness and the right, if you are forced to move because of your job, to deduct something in terms of the cost of additional interest you may have to pay on a mortgage up to $25,000. That was fairness taken out by a former Liberal Government. That is fairness put back in. We have the right to better RRSP and pension deductions. That is fairness put in to make sure that people can provide for their own retirement. We now have rights for artists. Do you know what the Liberal Government did to our arts community, Mr. Speaker? It assessed artists on an accrual basis. It said their art was worth so much because they wanted to sell it for so

much and therefore they must pay tax on it. If you cannot sell your art, too bad! We had artists in British Columbia threatening to burn their work rather than pay the tax. This Bill puts them on a cash basis and we should be congratulated for that. Fairness is what this Bill is about. This Bill eliminates that fancy income splitting rule provided for in past legislation, and that is fairness. I could go on and on about the fairness of this Bill. That is why it is important to this country. However, do we hear anything about that from the other side? Not on your life!

• (1750)

This Bill is also about growth. A great deal has been said by the other side concerning the capital gains tax exemption. I am told this is a terrible rip-off of the national treasury. Well, did our friends on the other side bother doing any elementary research? The other day we all received the 1984 taxation statistics from Revenue Canada. Those statistics show that taxable capital gains amounted to $2.2 billion. From that you have to deduct capital losses which leaves about $2 billion in taxable capital gains. At a 30 per cent tax rate the total tax, both federal and provincial, for that year was about $600 million. That is not just federal tax, that is federal and provincial. The Hon. Member for Kamloops-Shuswap knows that this Bill gives farmers the right to make $500,000 in capital gains tax free when they want to retire and sell their farm. That is fairness, honesty and decency. He will remember hearing from departmental officials that the total revenue for all Governments, federal and provincial, from corporate and personal capital gains taxes in 1982 was less than $1 billion.

This Bill phases in the capital gains tax exemption over the next few years. It limits the taxable income saving to $250,000. Remember, you do not pay in tax 100 cents of every taxable dollar. If you invested and followed the very strict rules concerning calculation of capital gains, at a 50 per cent tax rate every year, and no one pays at that rate every year of their life, you could conceivably save $125,000 in income taxes. You might. If everything worked well for you. However, very few taxpayers pay that kind of a rate. So what are we really talking about? Very little. What kind of a tax break? Not much. What we are doing, however, is encouraging people to make this country grow. We are encouraging entrepreneurship, the kind of thing we must have in Canada. We are a developing country. We are not a fully-developed nation. We have frontiers everywhere in this country. Every day, even in my City of Mississauga, new streets are being opened up, new buildings built, and new enterprises started. We need people to do that, to employ our kids and the immigrants who come to Canada because we have the greatest country in the world. Well, we will only have the greatest country in the world if we build it.

I want to say to the Hon. Member for Kamloops-Shuswap who is worrying and crying and saying, let the rich pay, that unfortunately we do not have enough rich in this country.

Mr. Orlikow: We have too many poor.

Mr. Blenkarn: I do not know 32,000 millionaires but the total wealth of those 32,000 millionaires would be required just to cover last year's deficit. All Members of this House put together do not know 32,000 millionaires. We do not have enough wealthy people, but this Bill does not create wealthy people. It creates national wealth. It creates jobs, opportunities, growth, and that is what it is all about.

Members opposite said that because we eliminated RHOSPs, we were stopping people from saving money to buy a home. However, we are forcing that money back into the mainstream of the economy today. That is important because when we put savings back into the economy it can be used for new investment. The same thing applies to investment tax credits. There is an investment tax credit of 60 per cent for investment in Cape Breton. Every day we hear Members on the other side tell us about the terrible problems they have there. We are saying to people that if they want to invest in Cape Breton not only do they get a 60 per cent tax credit, but, by George, if they make a capital gain they will not pay tax on it either. That is the kind of attitude and those are the kinds of incentives we should have because investment will then take place. We believe that. We honestly believe that Canadians will show faith in Canada. It is too bad that Members on the other side of this House have not shown some faith in Canada.

I have to make clear as well that there have been circumstances in the past where the Government of Canada has been a bit heavy-handed in the collection of taxes. It has broken into people's houses without notice. It has taken people's property without a court order. This Bill corrects that situation and brings the Income Tax Act into line with the Charter of Rights and Freedoms. That is an important matter which was raised by Members of this Party while we were in Opposition. Members of this Party travelled from coast to coast in Canada to deal with that issue. We talked to people about the unfairness of the system. That unfairness, that brutal attitude, has been changed, not only in legislation, but in the administration of revenue collection.

• (1800)

I make no bones about it, Sir, but this Bill also increases taxation. It eliminates or reduces the indexation on personal exemptions. In future we will have to absorb the first 3 per cent of inflation. This Bill puts a surtax on high personal income earners.

Mr. Riis: For how long?

Mr. Blenkarn: I am surprised that the Member for Kamloops-Shuswap did not say "shame" at that. This Bill puts a surtax on corporations.

Mr. Riis: For a few weeks.

Mr. Blenkarn: He has not said "shame" on that either. It puts an extra tax on the big banks and big trust companies. We have to do that because we do not have scads of money. He said that this was a desperate grab for money. Well, it is a bit desperate. We do have to do something about a deficit that

threatens to destroy the prosperity, life, and future of Canadians. We all have to pay our share. That means that high income earners will have to pay a surtax. That means the banks will have to pay an extra charge. That means the corporations will have to pay more. That means that all of us will have to absorb some of that inflation because we are the cause of inflation. We ask for more than we are prepared to put in. We are going to have to discipline ourselves to ensure that we have no inflation in our economy. Thank goodness, over the past year we wound down on inflation. We are coming to grips with that economic concern but it is not gone yet. This reduction in tax allowance will, to some extent, cut back on inflationary demands.

I commend this Bill to the House. I think it is important, as the Member for Kamloops-Shuswap said, that the Bill be examined in detail by committee. I think it is important that Members of Parliament go over the Bill clause by clause with the assistance of competent people who understand the complexities of various parts of the Income Tax Act who can help Members understand in detail what we are doing. I hope that this Bill goes to the committee on finance, but if it must go to a legislative committee, so be it. It is an important piece of legislation. It does require detailed work and it does require that Members of the House pay attention to their responsibilities in committee and do some work.

Some Hon. Members: Hear, hear!

Mr. Orlikow: Mr. Speaker, the Hon. Member for Mississauga South (Mr. Blenkarn) began his speech by telling us that the Marxist-Leninists had slogan to the effect of "make the rich pay". He associated my colleague, the Member for Kamloops-Shuswap (Mr. Riis) with that kind of thing because he was critical of the $500,000 capital gains exemption which the Minister of Finance (Mr. Wilson) proposed.

It just happens, Mr. Speaker, that *The Financial Post* of November 30 came today. On the front page of *The Financial Post* which is certainly not a very radical or a Marxist-Leninist newspaper, there is an article headlined: "Gains tax exemption hits heavy weather". The article reads in part:

> William Lawlor, national tax partner with Ernst & Whinney, sparked the debate—which has spilled over into hallways and hospitality suites—by saying the exemption "will have a disastrous effect structurally on the tax system."

Who is William Lawlor, Mr. Speaker? He is a former official in the Department of Finance's tax policy division and a technical adviser to the Conservative task force on Revenue Canada in 1984. By quoting from the article I will list for the Member for Mississauga South some of the criticisms and observations about this capital gains exemption which Mr. Lawlor makes. I will put them on the record and perhaps the Hon. Member for Mississauga South can deal with them because they come from a much more respectable and business-oriented point of view. Mr. Lawlor said:

> Its scope is too broad. Although many would support lower taxes from the sale of Canadian common stock, practitioners fail to see how tax-free gains on the disposition of jewellery, summer cottages, or Florida condominiums provide much benefit for the economy.

The article continues:

> The exemption destroys the neutrality which has existed between the taxation of dividends and capital gains.
>
> Lawlor says this neutrality is vital to the successful integration of corporate and personal income taxes.

It goes on:

> Individuals' tax returns will become much more complicated because of Ottawa's need to monitor the extent to which they have used up their lifetime gains exemption.
>
> The exemption runs directly counter to the spirit and intent of another Mulroney government proposal, the minimum income tax.
>
> This, to be launched in 1986, will reduce the impact of various tax shelter deductions claimed by well-off individuals.

I would appreciate it if the Hon. Member for Mississauga South would deal with some of these criticisms and objections to the $500,000 exemption on capital gains which comes from a source to which I think he would have to pay a great deal of respect.

Mr. Blenkarn: Mr. Speaker, I have not had an opportunity to read Mr. Lawlor's dissertation, but there is no question that we have some concerns with respect to the neutrality problem. Those concerns are addressed in part in the rather complicated provisions that deal with ensuring that a person does not convert, improperly, what would otherwise be income into a capital gain. I think that if Mr. Lawlor would analyse the Bill rather than just writing articles, he might have a little different attitude. I hope that the Member will be on the committee. Perhaps he can ask the committee to bring Mr. Lawlor forward as a witness because I think we would all like to hear his views.

With respect to the minimum tax matter, that, of course, will be dealt with by the Minister of Finance (Mr. Wilson). However, a great deal of the problem in connection with the minimum tax is eliminated by this Bill because, as I pointed out in my first remarks, this Bill materially cuts out the more heinous of the loopholes which existed in the Income Tax Act. Therefore, the effect is very much to reduce the need for minimum tax provisions and, therefore, the number of people who would be caught in a minimum tax position.

In any event, Mr. Speaker, the view with respect to jewellery is most interesting. I do not know of anyone who recently purchased jewellery at a jewellery store and was able to make a capital gain on it. Perhaps my friend does. When I am winding up an estate or something of that nature I am usually surprised at how little you can get for the stuff. I do not know of anyone who has made any money on Florida real estate and condominiums, but perhaps Members of the New Democratic Party do. I usually find that Florida real estate has a very high capital cost or depreciation allowance in it. My own experience as a lawyer in winding up affairs for people usually indicated that on the death of a person the real estate had a realizable value of less than one-third what was paid for it. However, it is conceivable that someone may have made a gain. I think we all ought to realize that these humorous suggestions of people making money offshore with all sorts of wheeling and dealing

in yachts and the rest make interesting telling, but really are not factual.

● (1810)

Mr. Orlikow: Will the Hon. Member comment on Mr. Lawlor's suggestion with regard to the capital gains proposal that instead of what the Government is doing, it narrow the eligible assets for the exemption to shares of Canadian public and private companies and farmland in Canada which is actively worked by the taxpayer or his family? Would he agree that the 5 per cent surtax on income tax will not bring in any money from the more than 8,000 Canadians who have incomes of $50,000 or more and paid no income tax?

Mr. Blenkarn: My only comment about people who have all this income and pay no tax is that it has always struck me that you pay no tax because you have no taxable income. If we want to make sure that people have taxable income, we amend the Income Tax Act to make sure they are hooked. That is what this Bill does.

With respect to narrowing the base and those things on which capital gains can be realized, the Member did not include small business. He did not include construction activity and property of that nature.

We had very extensive hearings in the Finance Committee with respect to capital gains tax relief on farmland. It is virtually impossible in this country to determine what is farmland and what is land held for some other purpose. I suggest to the Member that we have analysed that. This Bill deals with it effectively.

[*Translation*]

Mr. Malépart: Mr. Speaker, I would like to ask the Hon. Member how he can possibly feel comfortable with a Bill whose purpose is clearly to take money from poor families and give it to the rich?

Let me explain. In this Bill and the changes it makes in the child tax credit system, we see the Government has decided that a middle-income family with a salary of $26,000 is now considered as a wealthy family, since the ceiling has been dropped to $23,000. Furthermore, the Government has even de-indexed the child tax credit for the poorest families, while the rich get a capital gains tax exemption of up to half a million.

How can the Hon. Member take pride in this measure?

[*English*]

Mr. Blenkarn: If the Hon. Member cares to read the "blues", perhaps he can read my remarks. Unfortunately, the Member was not here when the remarks were made.

The Acting Speaker (Mr. Charest): The period for questions and comments has expired. Resuming debate.

Miss Aideen Nicholson (Trinity): Mr. Speaker, the Budget measures in Bill C-84 include some which can be readily supported. For example, there is some modest assistance to the disabled, coming from the groundwork of the last Parliament's special committee on the disabled and handicapped. There is also assistance to artists, again based on recommendations of a committee that sat in the last Parliament, the subcommittee on taxation of visual performing artists and writers.

However, these are overshadowed by two poorly conceived and patently unfair Budget measures. The $500,000 lifetime capital gains tax exemption will reward a wealthy minority without any requirement for benefit to the Canadian economy while the deindexation of the personal income tax system will take progressively larger tax bites from low and middle income earners who are least able to afford it.

The capital gains tax exemption is a no-strings gift, with 63 per cent of the benefit going to the 4 per cent of Canadian taxpayers earning over $50,000 a year. The measure is complex and cumbersome to administer and, despite the Government's assumption, there is no evidence that Canadian businesses will benefit since any investment anywhere in the world qualifies for the exemption. There is no requirement that it create one single Canadian job.

On the other hand, the deindexation of the Canadian personal income tax system means a steep tax increase for the majority of Canadians who cannot afford to invest much of anything. Over the next four years, those with an annual income of $15,000 will have a cumulative tax increase of 36 per cent, while those earning $100,000 a year will have an increase of only 4 per cent. Deindexation, coupled with the Budget's move to increase sales and excise taxes on a wide range of consumer goods, puts an inordinately heavy burden on low and middle income earners. They are the very people who would strengthen economic growth through consumer spending were it not for the dampening effect of these inequitable proposals.

What deindexation means is that full indexation of the basic personal tax exemption, set at $4,140 for this year, is to be ended. Instead of keeping pace with inflation, the basic exemption will be indexed only to increases in the consumer price index exceeding 3 per cent. Of course, this effectively amounts to a tax increase because as a person's exemptions decrease, the taxable income increases and he or she is pushed into higher tax brackets. Therefore, a person on a fixed income or whose salary remains virtually unchanged will pay more and more tax due to deindexation of the personal tax exemption.

Deindexation has been described by some as a sneaky and clandestine tax increase. The language may sound harsh, but I fear that it is accurate. The sneaky aspect of this measure comes with the cumulative effect it will have. In its first year, deindexation of the personal tax exemption is expected to yield $570 million. However, by 1990-91, it will extract eight times this amount, or $4.4 billion from taxpayers. This amount will be extracted mainly from low and middle-income earners because the affluent will be able to use the capital gains tax exemption to reduce their personal taxes.

There is a double whammy effect for taxpayers from the deindexation. Since provincial personal income taxes are a percentage of the federal basic income tax, Canadians will end

up paying more provincial taxes. For every extra $2 Ottawa collects, the provinces will get $1. The combined federal-provincial personal income tax increase in 1990-91 will exceed $4.8 billion. Deindexation will also have the effect of adding on to the income tax rolls, those people who are not currently paying tax because their incomes are too low. If their incomes manage to keep pace with inflation while exemptions and tax brackets remain stable, they will find themselves having to pay income tax.

For those individuals and families of modest means, the deindexation proposal is harsh. Clearly, the Government knows this. The Budget did not contain any long-term projections of the billions of dollars it expects to get through deindexation, although such forecasting is a normal part of all Budget planning and is normally available in Budget documents. However, it was not available in this Budget.

The Government was not proud of what it was doing and was not prepared to be open with taxpayers about the cost five years from now. However, the insidious effect of deindexation is such that by 1990, a family earning $15,000 a year will pay 36 per cent more in taxes. A family with a total income of $30,000 annually will have by 1990 a 16 per cent increase while the minority with $100,000 annual income will have an increase of only 4 per cent.

• (1820)

Another measure that has been called unfair and sneaky is the elimination of the $50 tax reduction as of the 1986 tax year. This was a tax break that primarily benefited low and middle income earners for whom $50 is not a small sum. Eliminating it will bring the Government $650 million. Singles with annual incomes under $30,000 will pay $50 more tax, while couples with incomes under $40,000 will pay $100 more tax.

In sharp contrast to these measures, which whittle away small amounts from each of the large number of low and middle-income Canadians, is the generous treatment given to the affluent by means of the capital gains tax exemption. The Budget proposes a change in capital gains exemption so as to give individuals a lifetime tax exemption of $500,000 for gains realized after 1984. The Government's stated hope is that this measure will encourage investment in Canadian businesses. There are no requirements to enforce that in the Bill before us.

The capital gains tax exemption will be an important influence on who pays and who benefits from the tax measures in the Budget. Starting at an income level of $50,000, the income tax load begins to diminish considerably because of the capital gains tax exemption. Obviously it is affluent Canadians who are best able to take advantage of this tax break and to plan their affairs so as to take advantage of it. The affluent are a minority in Canada. Based on 1982 statistics, only 4 per cent of Canadians have incomes of $50,000 or more, yet about 63 per cent of the benefits of the capital gains tax exemption can be expected to accrue to this 4 per cent. Capital gains tax exemption is expected to save investors $1.25 billion a year by 1990. It means that Canada will tax its wealthy more lightly than any other industrialized country. Affluent Canadians will be paying for the same increases in sales tax, excise tax and deindexation as low and middle-income earners, but the affluent will have the option of offsetting this many times over through the capital gains tax exemption.

The capital gains tax exemption clearly favours the affluent on the assumption that their investment will contribute to economic growth. I repeat, Mr. Speaker, there is no evidence that this will happen. The capital gains tax exemption is not targeted to Canadian investment. In fact, it is completely open. There is no requirement that it create a single Canadian job. Not only is this proposal unfair to the majority of Canadian taxpayers, but it makes no sense economically.

In the six months since the Budget was introduced, the Government seems to have quailed in the face of criticisms of the proposed capital gains tax exemption. The Government has remained silent on the issue, failing to produce any further information for practitioners in the financial community. The latter says the measure is complex, cumbersome to administer, an interesting observation that reminds us the proposal came from a Government that promised tax simplification.

We will not consolidate economic recovery or promote growth without consumer demand. I suggest that business needs customers more than it needs tax incentives, but prospects for a consumer-led recovery are seriously impaired by this Budget.

The heavy burden imposed by this Budget's tax increases and deindexation will drastically reduce consumer expenditure. Low and middle-income earners, who have to spend most of their disposable income on the necessities of life, will have less to spend because they will be paying more in taxes. These Budget measures are not such as to create a favourable climate for economic growth. Regressive tax and expenditure measures will take billions out of the economy, out of consumers pockets at a time when consumption is key to sustaining economic recovery.

In 1990, Budget measures will extract over $4 billion in income tax, over $2.6 billion in sales and excise taxes. The Government appears to be banking heavily on a rise in confidence to spur economic growth yet the Budget measures do little to help and a great deal to hurt confidence.

Taxpayers were promised a tough but fair Budget. If a family of four with a $20,000 income loses over $900 by 1990 due to the many taxes and reduced inflation protection imposed by this Budget, that is tough for families, but is it fair? If three-quarters of a million Canadians fall below the poverty line by 1990, that is tough for disadvantaged Canadians, but is it fair?

It is no wonder that confidence is wanting when the Government promised fairness and then proceeds to implement a barrage of new taxes, increasing taxes while stripping protection against inflation from low and middle-income earners, the very people who would otherwise because of their large number be at the forefront of a consumer-led recovery.

The prospects for economic growth out of this Budget are not encouraging. This is bad news for the unemployed who have been waiting a long time for the jobs, jobs, jobs to materialize. There has been some job creation in the last year, but mainly part-time jobs without standard pay and benefits. There has not been a concomitant increase in permanent full-time jobs. What are the unemployed to make of a budget that ignores them completely and, which we are told, is meant to reward achievement not subsidize effort?

For all those who are victims of this Budget, low and middle-income earners and families, pensioners, people hoping to purchase homes, consumers, the unemployed for all those who may be striving or on their way to achieving what they want from life, this Budget is saying: "There are no breaks for you. We will reward the well-to-do". Most of the population which is not in any such privileged position will pay the price. While we are discussing Budget measures in this Bill here in Ottawa, Mr. Speaker, the Minister of Finance (Mr. Wilson) and the provincial Finance Ministers are preparing to start meetings in Halifax tomorrow to deal with the Government of Canada's plan to renegotiate Established Programs Financing and some transfer payments.

The May Budget papers indicate that the Minister of Finance is looking for $2 billion in savings in 1990 to 1991. That figure hides greater cuts. Cutting back on support for health and post-secondary education to achieve the $2 billion target in 1990 means the Government also makes cuts in the intervening years, and the reduction over five years could be nearer $6 billion. The Government was elected on a promise that it would create jobs. Thousands of jobs, the Prime Minister (Mr. Mulroney) said.

Mr. Mazankowski: Three hundred and thirty-three thousand, it is.

Miss Nicholson: But the best way to stay employed is still via education. In 1984, the unemployment rate for the entire labour force, that is everyone from age 15 to 63 either working or actively seeking work was 11.3 per cent. However, it was 5.3 per cent for university graduates. Unemployment rates today for those without post-secondary education are twice as high as for those with university degrees or community college diplomas. This is most noticeable among the young. As people grow older, sometimes experience is equated with post-secondary education. However, for the young, where unemployment is highest, there is a very definite correlation between education and escaping the worst ravages of unemployment. Yet, the Government proposes to reduce funds for post-secondary education at that same time as it takes money out of the hands of low and middle-income families. This Budget makes it harder for parents and students alike to meet their goals of a better education and better job opportunities.

• (1830)

The Government says that it is focusing on rewarding achievement, but it is making achievement more difficult to come by.

Mr. St. Germain: Mr. Speaker, I have a lot of respect for the Hon. Member for Trinity (Miss Nicholson). I have worked with her on the Standing Committee on Public Accounts, but I find it very surprising that she would rise in the House today and not assume some of the responsibility for what is being cast on Canadians now. It was her Party and the group with which she participated that led to the problems and to the action we have had to take.

She spoke about increasing taxes. I can assure the House and all Canadians that the last thing in the world we would want to do is raise taxes if we had an alternative. However, that Government, that group of individuals, that Liberal Party, went on a $200 billion spending binge at the expense of Canadians. That is what we are facing today. It is a sorry situation.

Also she talked about jobs and said that we were elected on the promise to create jobs. We have created jobs. We have created 33,000 jobs for Canadians. We intend to create thousands more and we will. Canadians have confidence in the Government of Canada which they did not have under the previous Liberal administration. Her Government, through the national energy policy, virtually devastated western Canada, the part of Canada which I represent. We have changed that national energy policy.

She also spoke about the taxation that came about because of the regressive steps they took when in Government, such as providing massive loopholes under SRTCs and PIP grants under the national energy policy.

I have only one question. How can the Hon. Member possibly stand in the House and be critical when we are trying to service the debt which was incurred on behalf of every Canadian by her administration? I repeat that I have respect and know she was not part of the Cabinet at that particular time. However, she was part of that Government and she must assume responsibility. I would like to have her reaction as to how she expects us as Canadians to repay that $200 billion debt incurred under her administration?

Miss Nicholson: Mr. Speaker, I am pleased to respond to the Hon. Member's questions, because I know that he asks them not out of the desire to have a partisan advantage but out of genuine conviction. There are different points of view. My point of view and my explanation of the issues which he mentioned will be quite different from his, but it is a matter of two honestly held points of view.

The Hon. Member said that he considered the Liberal Government to be a spendthrift Government, in effect. As I see it, the last Liberal Government helped to protect Canada by reasonably prudent measures against the effects of the most damaging world-wide recession which had been known in many years. The increase in the deficit was primarily a result of the recession. It was primarily loss of revenue because of high unemployment, loss of people's personal income tax, loss of corporate taxes when business was in trouble, and of course the enormous increase in unemployment insurance. This har-

rowing recession was one the whole world went through. In fact, Canada survived it better than many other countries.

On the question of employment, the Hon. Member pointed to the number of jobs which are now being created. Yes, indeed, as we are coming out of recession more jobs are being created. However, I repeat that I find it worrisome that the increase in jobs is in part-time jobs, not in full-time jobs. In Ontario alone, in the last year, about 10,000 jobs have been lost in the manufacturing sector. I do not point the finger at former Governments or present Governments for that, but it is an issue which affects us all as Canadians. It is part of the very rapid change in the world with which we have to deal.

Likewise with the NEP, it is a program about which people feel very strongly. I am sure we will never agree on that. However, I will say that there were certain advantages to the NEP, which I think will become more apparent over time. The failure of the NEP was a result of the collapse in world demand and world prices. The NEP had been postulated on the assumption that demand and prices for oil would remain high. The Hon. Member is quite right if he says that the last liberal Government did not anticipate a collapse in both demand and prices. No one else read it very well. Many other countries and many private sector forecasters did not read it right either.

Mr. Redway: Mr. Speaker, I was interested in the Hon. Member's comments relating to proverty and the increase in poverty. A report was released just a few weeks ago on poverty which pointed a finger at the causes of the increase in poverty being unemployment, and that the unemployment created during the regime of the last Government, of which the Hon. Member was a supporter, was increased and exacerbated as a result of its high interest rate policy. In fact, the report indicated that the recession in Canada was made much worse as a result of the high interest rate policy, which the report described as an improper, incorrect and wrong policy, than it was in other parts of the world.

The Hon. Member referred to the fact that there was a world-wide recession and that Canada survived it much better than did other countries. However, according to the report on poverty, the main cause of poverty was unemployment, unemployment which was increased by the iniquitously high interest rate policy of the Liberal Government. You will recall, Mr. Speaker, that those interest rates reached over 20 per cent. It was as a result of that policy that there was the increase in poverty in Canada. As the Hon. Member also mentioned, we are now beginning to come out of the recession as a result of the policies of the present Government. As a result of those policies, we are seeing a fall in unemployment and interest rates. All of that will have the effect of decreasing poverty in Canada. I would like the Hon. Member to comment on those facts, bearing in mind the recent report on which she relied when she indicated that poverty was increasing.

● (1840)

Miss Nicholson: Mr. Speaker, I would differ with the Hon. Member when he says the previous Government had a high interest rate policy. I would say that there were high interest rates; it was not a matter of a deliberate policy.

I can certainly remember that while many people recommended that Canada have an independent interest rate policy, I never heard that suggestion from members of the Hon. Member's Party. The argument that was always made was that we could not separate our economy from that of the United States, and that if we paid lower interest rates than the Americans we would see a massive outflow of capital. That, I believe, was also the position taken by the brief Conservative administration of 1979.

High interest rates were set in the United States and were followed in this country. While there were certainly, from time to time, suggestions that Canada could somehow insulate itself against the U.S. by having a separate policy for interest rates, I did not hear those suggestions being taken very seriously.

Mr. Alan Redway (York East): Mr. Speaker, I appreciate the opportunity to speak in connection with Bill C-84, an Act to amend the Income Tax Act, the Canada Pension Plan, the Unemployment Insurance Act, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act.

This is the main Bill being brought forward by the Government to implement the provisions of the Budget brought down on May 23 of this year. There have been other Bills presented to the House already and there will be further Bills presented to the House. You will recall, Mr. Speaker, that we have already dealt with an excise tax Bill, a Bill which made changes in the sales taxes and in the taxes on alcohol and tobacco among other things. Many of the comments we have heard this afternoon have been relevant to the excise tax Bill rather than to the Bill to amend the Income Tax Act which is before us this afternoon.

In addition to those two Bills, the family allowance Bill provided for changes to the family allowance system. That, too, was brought forward to help implement the Budget provisions. The family allowance Bill was one part of a three-part package of changes referred to in the Budget affecting family benefits.

I was rather pleased to hear the Hon. Member for Kamloops-Shuswap (Mr. Riis) indicate that part of today's Bill dealt with changes to the family benefit package. That is the first time I have heard any Hon. Member from the opposition side indicate that there were other parts of the family benefit package other than the family allowance Bill which was before the House earlier and will be coming back shortly for third reading.

Bill C-84 contains the other two parts of the family allowance package. This Bill provides for the increase in the Child Tax Credits. It will increase the current 1985 base of $384 per year to $454 per year in 1986, $489 per year in 1987 and $524 per year in 1988. All of those increases to the Child Tax Credit provision apply to people who earn incomes under $23,500 per year and, of course, the increases are reduced as one's income climbs.

The third part of this over-all package of family benefit changes is also contained in this Bill, and that is the child tax exemption. This Bill reduces the child tax exemptions in the Income Tax Act. They will stay constant in 1985-86 at $710; in 1987 they will go down to $560 and in 1988 they will go down to $470 for families with children under the age of 18.

The combined effect of the changes to the family allowance system, the changes in the Child Tax Credit and the changes in the child tax exemptions under the Income Tax Act will be that lower income families will receive higher family benefits than families with higher incomes. That is a change from the situation as it exists right now. At this time, a family with an income of $30,000 per year gets more benefits under the three-part family benefit package than a family earning only $10,000 per year. In fact, this Bill will ensure that lower-income families will receive more benefits than higher income families. That is one of the great benefits of this Bill, a benefit to which our friends in the Opposition have not referred. They have not referred to it because this Bill actually provides greater fairness for lower-income families than was the case under the legislation in effect under the former Government.

The second aspect of this Bill on which I would like to comment is its fairness to middle-income earners. I notice that members of the Opposition seem to be getting restless. I can understand their restlessness. They are upset that they did not introduce changes like this.

Mr. Gauthier: Tell the whole story.

Mr. Redway: They are very jealous that these changes that will create more fairness for lower-income families and middle-income families were not introduced by them long ago.

Middle-income earning families are interested in seeing a general fairness in our tax system. They are interested in seeing an elimination of the tax loopholes about which the NDP like to talk. In fact, this Bill does just that. A vast number of those loopholes are being done away with by this Bill. One such loophole is the Investment Tax Credit. Among other things, that loophole provides for the carrying forward and carrying back of business losses from other years. The provision in this Bill will limit and restrict the carry-over provisions of those business losses. That provision plugs one of the loopholes to which members of the Opposition have referred.

There now exist tax shelters for the purchase of yachts and for the purchase of or investment in hotels. There are tax shelters for investment in recreational vehicles. All of these are being eliminated under this particular Bill. These are matters which I am sure members of the Opposition are envious of and wished they had thought of and eliminated when they were in power.

● (1850)

Next, there is the question of income splitting. This is a practice which has been engaged in for many, many years whereby high income families lend money, either at no interest or at low interest rates, to other members of their families in order to get around the attribution rules in the Income Tax Act. If they were to give that money away, or if they were to give investments away, the income produced from that money and those investments would be taxable in the hands of the person who gave the money or investments away. However, the courts have held that while one cannot get around the income tax attribution rules by giving away money and investments, one can get around them by loaning the money either interest-free or with a low interest rate. This Bill plugs that loophole as well. There is another loophole which members of the Opposition wished they had plugged. They had 20 years to do it and they did not.

Next, there are increases in taxation on high income people. In fact, there is provision for a surtax of 5 per cent on people with tax payable from $6,000 to $15,000. That impacts on people with an over-all income of about $40,000.

In addition to that, there is a 10 per cent surtax on those income earners who have an income tax payable of $15,000 or more. This measure impacts on people with incomes in excess of $60,000. This is something else which I am sure members of the Opposition wished they had put into effect while they were in government.

In addition, there are further tax increases on those who have not been paying their fair share. In fact, there is a surtax on corporations. It is a 5 per cent surtax on federal income tax payable to be effective in the coming year under the provisions of this legislation. This additional tax will impact on some 60,000 corporations.

In addition, there is another tax, a capital tax on larger financial institutions. There is a 1 per cent capital tax on institutions, banks and similar institutions with capital in excess of $300 million.

There are a variety of new special taxes on high income people and high income corporations which will generate new taxes while at the same creating an element of fairness. This is an element which was lacking under the tax provisions put in place by the former Government, tax provisions which have been in place for some 20 years.

In addition, there is another aspect of the Bill which has been greatly criticized by members of the Opposition for some reason or another. I refer to the provisions in the Bill which are aimed at trying to stimulate economic growth and job creation in the country. The particular one of greater interest is the one concerning the capital gains tax exemption. I am referring to the $500,000 lifetime capital gains tax exemption. We have heard a great deal of criticism with respect to this measure from members of the Opposition. However, they were present when the Finance Committee of the House examined this piece of legislation—

[*Translation*]

The Acting Speaker (Mr. Charest): The Hon. Member for Saint-Denis (Mr. Prud'homme). For questions?

Mr. Prud'homme: I could raise a point of order under Standing Order 6, but I will refrain, for the very simple reason that I think some serious consideration is necessary, and I am

referring to parliamentary reform, because I think all this is really getting out of hand. I am not referring to my hon. friend, obviously, but really, the fact that we are still in the House at 6:55 p.m. as a result of a New Standing Order . . . I think that when we ask to have the Standing Orders of the House "changed back", Hon. Members will realize that this evening we could have abused the Standing Orders, which of course we will not do, but I think this should serve as fair warning for the future!

[*English*]

The Acting Speaker (Mr. Charest): The Hon. Member for York East.

Mr. Redway: Mr. Speaker, as I was saying before the Hon. Member's point of order, I have heard a great deal of criticism this afternoon with respect to the provisions dealing with the capital gains tax exemption. These provisions are specifically aimed at stimulating the economy and creating jobs. We have heard from members of the Opposition from time to time that they believe one way we can stimulate the economy is through tax cuts. Here is a tax cut which we feel confident will generate a great many jobs. However, for some reason or other, members of the Opposition continue to criticize this provision, probably because they wish that they had implemented it while they were in Government.

Another provision of the Bill aimed at creating jobs is the provision allowing pension funds to invest in small businesses. This, combined with the capital gains tax exemption, is aimed at stimulating the economy and creating jobs. That is exactly what they will do.

Of course, there are many other aspects of Government policy, Government agreements and Government legislation which have been introduced to stimulate the economy, measures such as the Atlantic Accord, the Western Accord and the Canadian Jobs Strategy. All of these provisions were aimed at stimulating the economy. They go hand-in-hand with the provisions of the Bill, provisions such as the capital gains tax exemption. These provisions will allow pension funds to invest in small businesses.

All in all, there are three very beneficial provisions in this legislation to which members of the Opposition have not referred at all this afternoon. This Bill is an Income Tax Act amendment. However, we all know that there are provisions in the Bill which will increase taxes. Nobody likes to see taxes increase—not you, Mr. Speaker, and not any Member of the House. Certainly, no one across the country likes to see taxes increased.

However, at the same time, Canadians are realists. They realize that when there is a deficit of some $35 billion in the current fiscal year someone has to pay for it. As well, they realize that if they are earning 65 cents a week and they spend $1 a week they have to go out and borrow the extra 35 cents. When they realize that part of that 35 cents, in fact about 23 cents, is being spent to pay for the interest on money they have borrowed in order to spend that extra $1 each week they realize that cannot go on for very long. It cannot go on for long in their own households, just as it cannot go on for long in the country. So they are realistic enough to know that tax increases provided for in this Bill will benefit them, their children and their grandchildren, whether they like and enjoy the tax increases or not. They do not, and we understand that.

The Bill really has three provisions, as far as I am concerned, which the people of Canada are looking for in a Bill dealing with income tax. The first is the provision of fairness to low income earners. I am referring to the provisions relating to family benefits, changes to the child tax credits, changes to child tax exemptions under the Income Tax Act and changes to the Family Allowance Act. All of these changes create more fairness for low income people in the country.

● (1900)

They are looking as well for fairness for middle income people. They want to make sure that there is going to be a fair tax system in place with no loophole from which other people can benefit and they cannot. This Bill does just that. It closes up some of those tax loopholes, eliminating the whole question of income splitting. They are also looking forward to the minimum tax law provisions which we expect to have in about two weeks' time. This Bill does provide fairness to middle income families. It does create a fairer tax system than we have had before.

Finally, Canadians are looking for an Income Tax Act which will help to stimulate the economy and create jobs, and that also is right here in this Bill. This Bill contains the three main features for which Canadians are looking and I hope that the House will consider it quickly and pass it before the Christmas break.

[*Translation*]

The Acting Speaker (Mr. Charest): Questions and comments. The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart).

Mr. Malépart: Mr. Speaker, since the Hon. Member attended a number of the Committee's sessions, I would like to ask him two questions, one about the deficit and the other about changes in the income support program for families with children.

As far as the deficit is concerned, I imagine everyone is in favour of reducing the deficit but we do not all agree on how it should be done. As for the example the Hon. Member gave of someone who has only 65 cents and spends a dollar, how can the Hon. Member justify his Government's spending one billion dollars to bail out the rich who have $60,000 or more in their accounts?

How can the Hon. Member justify the two billion dollars' worth of income tax exemptions, and so forth, granted to the oil multinationals? How can the Hon. Member justify wasting $56 million just to change the colour of our military uniforms? How can the Hon. Member justify spending $100 million a year, $400 million to send an additional 1,000 soldiers to Lahr

in Germany? Instead of spending their salaries in Canada, in Quebec or in one of the other provinces, these soldiers are going to spend their money in Europe and automatically create jobs. If we must reduce the deficit, how can the Hon. Member approve his Government's granting $800 million worth of tax shelters to the Reichmann brothers in the Gulf deal?

Mr. Speaker, I think the Hon. Member is honest and that he is an administrator, so as an administrator, how can he tolerate a situation where we have a high deficit and his Government is wasting taxpayers' money in such a dumb and dishonest fashion?

My second question was about changes in income support for families with children. The Hon. Member will recall that the figures I am about to quote were released by the Department of National Health and Welfare and have been confirmed. The figures clearly show that the Government will recover $15 million at the expense of families with children in 1985-86 alone, and $80 million in 1986-87—

An Hon. Member: Enough, enough!

Mr. Malépart: Mr. Speaker, would you call the Hon. Member to order?

The Acting Speaker (Mr. Charest): That will not be necessary since it is 7:04 p.m., and this House therefore stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 7.04 p.m.

HOUSE OF COMMONS

Thursday, November 28, 1985

The House met at 11 a.m.

● (1105)

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed from Wednesday, November 27, consideration of the motion of Mrs. McDougall, (for the Minister of Finance), that Bill C-84, an Act to amend the Income Tax Act and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act, be read the second time and referred to a legislative committee.

Mr. Speaker: At the time of adjournment last night there were six minutes remaining in the question and comment period following the speech of the Hon. Member for York East (Mr Redway). The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) had the floor and had finished a comment. Therefore, I recognize the Hon. Member for York East in response.

Mr. Redway: Mr. Speaker, at yesterday's adjournment the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) had put to me two questions, one concerning the deficit and one concerning the possible reduction in social expenditures. I would like to start off by commenting with respect to his question concerning the deficit.

He raised a number of issues with respect to the deficit, including the banks, the remission of taxes for Dome, the question of uniforms for the Armed Forces, the question of additional funds for our NATO forces in Europe, and the question of the Olympia & York-Gulf Oil transaction. The Opposition cannot have it both ways on the question of the deficit, but unfortunately it seems to want to have it both ways. Concerning the bank situation, the Hon. Member is aware that not only were there funds from large corporations and banks in the CCB and Northland Banks, but there were also millions and millions of dollars on deposit from pension funds such as the Canadian National Railways pension fund and the Air Canada pension fund. Money belonging to credit unions, charities and trade unions, with which the Hon. Member has been associated in the past, were and are also on deposit in the two banks concerned. Had the Government failed to come to the assistance of these depositors we would have heard from the Hon. Member and his associates a great clamour that the Government was completely unsympathetic and lacking in compassion, that it was abandoning poor depositors and pensioners and workers who had their life savings tied up in these banks. It is in this respect that the Opposition has been trying to have it both ways.

As far as the question of uniforms is concerned, the uniforms of the Armed Forces have to be replaced in any event, so it is clear that there would be expenditures in this regard one way or another as long as we have Armed Forces. Sometimes one wonders if the Opposition, when it was the Government, wanted to have any Armed Forces at all in this country. So far as the additional expenditures on our forces in NATO are concerned, that of course is in connection with an international commitment which Canada made to the other NATO countries. This Government has been living up to that when the former Government did not.

As far as the question of tax remissions is concerned, that of course was done in conjunction with commitments made by the Hon. Member's Party when it was the Government of this country. As far as any interpretation of the Income Tax Act in connection with the Reichmann and Gulf deal is concerned, that, too, is as a result of the laws with respect to the Income Tax Act which were put in place by the former Government.

● (1110)

In all of these cases it seems to me that the Opposition is trying to have it both ways. It is trying to blame the Government for all of these things, but if the Government had taken exactly the opposite position, the Opposition would still be blaming the Government, only for different reasons. We would still be hearing long and loud complaints.

With regard to the issue of income support for families, the Hon. Member is well aware that the combination of these amendments to the Income Tax Act and the amendments which were made to the Family Allowances Act is increasing benefits for lower income families and decreasing benefits for higher income families.

With regard to over-all expenditures, the Hon. Member is well aware that total expenditures in the social spending envelope for family allowances, child tax credits, pensions, the Guaranteed Income Supplement and spouse's allowances is going up and will continue to go up. In fact, more money is being spent this year than has been spent in the past in the social spending envelope and that trend will continue.

The Hon. Member is well aware that since the Government took office in September of 1984 the programs in this area have been increased. In fact, we introduced the spouse's allow-

ance. My friend was very critical of the spouse's allowance because it did not go far enough. He cannot have it both ways, Mr. Speaker. The Government is acting responsibly in light of the Budget to help lower income families in the country and to ensure that our income tax laws are fairer for all.

The Acting Speaker (Mr. Paproski): I will allow the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) to make a short reply.

[*Translation*]

Mr. Malépart: Just a short question, Mr. Speaker. The Hon. Member says we cannot have it both ways, but neither can he. He referred to legislation that allowed the Reichmann brothers to have their $800 million, but it was his Government that promised changes would be made. Why does it respect a previous commitment by the Liberals which gives the rich . . . and why does it ignore legislation passed by the Liberals that gave poor and low and middle income families . . .

I think the Hon. Member will have to admit there is a contradiction here. And what about our commitments to NATO? This Government made commitments to Canadians, and it would have been better if the Government had met those commitments first, and then, when the economy improves, consider meeting its commitments to NATO.

[*English*]

Mr. Redway: Mr. Speaker, as the Hon. Member well knows, that is exactly what the Bill is doing. It is helping lower income Canadians.

Mr. Gauthier: I have a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Order. The Hon. Member for Ottawa-Vanier (Mr. Gauthier) on a point of order.

Mr. Gauthier: Mr. Speaker, I do not like to intervene, but there were six minutes left in the Member's time for questions and comments. You told the Member for Montreal-Sainte-Marie (Mr. Malépart) that he could only make a short response because of the shortness of time. You cannot now allow the Member for York East (Mr. Redway) to ask other questions or make other comments.

Mr. Redway: Mr. Speaker, on a point of order, in the preamble to his comments the Hon. Member indicated that he wanted to ask me a further question and I was responding to that question.

The Acting Speaker (Mr. Paproski): Order. We are starting a wonderful day here, this Thursday, November 28. I appreciate what the Hon. Member for Ottawa-Vanier has said. We started this day with six minutes remaining in the time of the Hon. Member for questions and comments.

Mr. Gauthier: It's over now.

The Acting Speaker (Mr. Paproski): The Hon. Member for York East did continue a little longer than I had expected him to, but I always feel that there should be a rebuttal by the Hon. Member. I do not intend to allow the Hon. Member for York East to carry on. I am sure that we can now say that questions and comments are terminated. I will recognize the next speaker, the Hon. Member for Montreal-Sainte-Marie.

[*Translation*]

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I must admit I am very disappointed, and I am sure all Members of this House who speak to this Bill have the same feeling.

This Bill follows a series of other Bills presented by the Government which clearly shows that the Budget brought down by the Minister of Finance (Mr. Wilson) and the Prime Minister (Mr. Mulroney) is aimed at helping rich families in Canada, at reducing the incomes of middle and low income families and at doing nothing at all for the poorest families.

I see the Minister of State for Youth (Mrs. Champagne), a Minister without portfolio, who is reacting—

Mr. Desrosiers: More insults—

Mr. Malépart: —and my hon. friend from Hochelaga-Maisonneuve (Mr. Desrosiers) who also has a few comments to make. Mr. Speaker, if they would take the trouble to look at the consequences of the proposed changes to the tax system for the child tax credit and the tax advantages provided to the rich under this legislation, they might change their tune, and rise in the House to—I am not saying to criticize the Government, I would not go that far—but to ask their Government to make certain improvements and thus truly defend the interests of their constituents.

Mr. Speaker, we remember the commitments the Prime Minister made in Quebec during the election campaign. In Sherbrooke it seems the Prime Minister made more promises he did not intend to keep than anywhere else. Remember his promise to senior citizens about de-indexation, his promise to reinstate full indexation of Old Age Security pensions. Remember what was said by the Minister of Finance and the Prime Minister and all Progressive Conservative Members here in the House, when the Minister decided to de-index Old Age Security pensions. All Conservative Members in the House said it was a good decision. And remember their about-face!

I see the Hon. Member for Hochelaga-Maisonneuve, who wants me to mention the fact that he disagreed with his Government on this decision, and the Hon. Member for Abitibi, not the one here in the House but the other one, the really good Member from that area, also stood up for the interests of senior citizens at the time, and the Prime Minister was obliged to admit he had made a very serious mistake. The words Mrs.

Solange Denis spoke to the Prime Minister will go down in history: "You cheated us, Charlie Brown!"

Mr. Speaker, that was the first blunder by this Prime Minister and this Government.

The next attack came in another Bill related to the one now before the House. It was when the Government decided to take advantage of the illnesses of Canadians to reduce its deficit and levied a 10 per cent tax on 5,000 types of medication, 5,000 products that are not luxury items but essential to the survival of many Canadians and to help alleviate pain.

Here again, Mr. Speaker, as was the case with our senior citizens, the Liberals got to work. The Leader of the Official Opposition (Mr. Turner) asked his team to join patients' rights associations in putting pressure on the Government, on the Minister of Finance and the Prime Minister, in the absence of such pressure or action on the part of the Progressive Conservative Members, to make the Government backtrack on this decision and at least consider . . . and withdraw its 10 per cent tax in the case of the seriously ill, those suffering from diabetes and heart or respiratory disease.

At the time we also made representations on behalf of people suffering from arthritis-related illnesses and other conditions. Mr. Speaker, all the Government Members were saying: Everybody agrees this Budget is perfect. Again they lost face when the Minister of Finance, since this time the Prime Minister was too ashamed to admit he had been wrong, the Minister of Finance,—before the House resumed sitting because he knew perfectly well what he could expect if he did not backtrack in the case of diabetics,—again admitted it was a mistake, and that unfortunately Government Members were not defending the interests of the general public. Mr. Speaker, they are entitled to defend the interests of the wealthy. It is their right. This is what they have decided to do; they have made their choice. As for us, Liberals, we have decided to defend the rights of all Canadians, as the Leader of the Official Opposition and his Liberal team have clearly shown. The Minister of Finance had to admit that he was reversing his stand on this issue also. When all the Conservative Members had stated in their newsletters that senior citizens accepted deindexation and that the sick were willing to pay a 10 per cent tax and when these mailers had been distributed in Quebec constituencies, the Prime Minister and the Minister of Finance suddenly backed down.

• (1120)

Mr. Speaker, the other Member for Abitibi has defended senior citizens. He is the one Conservative who does represent the region well and we should pay tribute to him.

As concerns the 10 per cent tax, the Prime Minister and the Government have backed down on about 20 products out of a total of 5,000. People with arthritis have to pay an additional 10 per cent in Canada. At this time of year, people have colds, and most of you here have had young children and know that children get frostbite. You need ointments to relieve the pain, but the Government has decided to impose a 10 per cent tax on these items. The colder it gets, the more Canadian men and women will get colds. The Government will collect 10 per cent on all cold remedies, and will then say that it is a humane government. As for me, Mr. Speaker, I say what the Canadian public as a whole thinks it is a heartless Government.

Mr. Speaker, this Bill is really the limit. It takes the cake. The concept of giving everything to the wealthy is now sanctioned. Let us look at the capital gains tax exemption. What does this mean, Mr. Speaker? We all know from experience that people who are eligible for the capital gains tax exemption already have assets and money to buy something. Obviously, the 1.5 million unemployed Canadians will not be the ones to have access to the capital gains tax exemption. Neither will the millions of senior citizens who receive the Old Age Security pension. They will be entitled to it, but they do not have the money. Low and middle income families who are entitled to the tax credit will not use the capital gains tax exemption either. This provision will help a small gang of Conservatives. Just imagine, Mr. Speaker. The Government says that this will create jobs. Nonsense! What this means is that a wealthy Canadian who bought, supposedly as a business expense which would be tax deductible, a cottage in the Eastern Townships, where the Prime Minister made his many promises and misled the population, which cottage was worth $50,000 five years ago and is now worth $100,000, now decides to retire and to sell this cottage for $100,000. He will make a substantial profit. He then takes this money, since he has retired, and buys a condominium in Florida. With the blessing of this Conservative government and thanks to taxpayers' money, Mr. Speaker, this Canadian will have saved enormous amounts to retire in Florida, and he will spend his money and create jobs in Florida, without creating a single job in Quebec and in Canada.

Mr. Speaker, if the Government had implemented this capital gains tax exemption for our farmers, or for those who sell something and buy back something else to create jobs in Canada, I would have applauded its action. It would have been a good decision. The Conservatives said: We are for freedom, we are for the freedom of businessmen; businessmen should be able to do what they want.

However, when it comes to the social programs aimed at families, namely the child tax credit and family allowances, the Government says that families are getting too much.

The Conservative Member who spoke before me said so. It is a fact that there have been cutbacks. He cannot deny it as these are the Department's own figures which were quoted in committee. It is true that an amount of $15 million has been cut from family allowances. This has been established. It is also true that, next year, the cuts will amount to $80 million and that they will have reached $140 million in 1987-88, and so on up to $1 billion, just for family allowances.

Mr. Speaker, the small cheque that Canadian mothers receive every month is very much needed, even in well off families. The husband can be rich, but so conservative and so much the ruler of the household that he keeps all the money and goes out on his own, while his wife must make do with a very small budget and the family allowances to clothe the children. This happens in Canada, we should not be afraid to say it. We should not be ashamed of the truth.

Some say: "These people are getting too much, we should lower their benefits", or "This is not going to create employment, we should not give money to these people". It is better to give to the rich. True enough, conservatives have the right to defend the rich. It is their right. However, come the next elections, voters will remember it. I don't think that there is a single riding where rich people outnumber middle income Canadians, and these are the ones who will remember.

I already experienced a Government which had a tremendous majority, similar to your 211 seats. It was not long before that party moved to the other side of the House.

Mr. Speaker, let us go back to the child tax credit. Here is another initiative for the rich. The conservatives say: "We have to let them plan for a better retirement by giving them some tax breaks immediately. If we want the guy who makes $100,000 or $150,000 a year to prepare for a comfortable retirement, we have to raise the ceiling on contributions so that he can invest for his old age. Conservatives have to plan ahead, because someone who is used to live in luxury must, when he or she retires, be able to continue to afford a yatch, a cottage, trips to Florida or California, that is to say keep his or her status, to quote the Minister of State for Transport (Mrs. Blais-Grenier). For these people, status is very important, and it has to be planned for. That is why we give them more tax breaks.

Naturally, these breaks are given to everybody, but when you have to pay the rent, buy the food, educate the children, and so on, on $20,000 a year, even if the Government lets you save for your retirement, you have nothing left to save at the end of the month. Consequently, you cannot plan your retirement.

But that is nothing to worry about as far as the Conservatives are concerned. Perhaps a good many Conservative Members do not have any idea what the family income tax credit is all about, but it relates to the income of two people, say two people each earning $15,000 a year, which amounts to $30,000 all told. Anyone earning $15,000 a year is not wealthy. It has to be the employee and not the boss, and more often than not he is being exploited.

Mr. Speaker, the Government realizes that a man and his wife who each get $15,000 a year are left with $26,000 after taxes. Well, $26,000 a year is a lot of money, too much money: how can lowly workers possibly earn that much in a year? It is dangerous because they might end up having tastes similar to those of rich people.

The Liberal Government used to allow tax credits on incomes up to $26,000, but the Conservatives think it is way too much, a real scandal, so they plan to cut it down because workers might begin to behave as if they were the employer. So they reduce the limit to $23,000 a year.

The result of all this, Mr. Speaker, is that a family whose income was $26,000 last year and was entitled to the full child tax credit will now get $125 less for each child. The Conservative Government, with the unflinching support of all its members, has decided that any worker who earns $26,000 a year is rich enough. He does not have to worry about capital gains, he is not in that league. He is told the exemption is for him, but there is nothing he can do, there is no way he can save that much to plan for retirement. So there is no problem.

Mr. Speaker, that is the kind of impact this Bill will have. One has to look at it objectively and carefully. That is what we find, the consequences of the whole Conservative philosophy.

Mr. Speaker, there is another question we have to ask ourselves, and it may have to do with the misjudgement of all Governments, no matter what their political persuasion is. Is that a normal situation? Well, the Progressive Conservatives begin to panic. Obviously the Canadian Chamber of Commerce has to be in on this: it is not about to champion the cause of poor Canadians. No, Sir! Those people are paid by the rich, so they make a flat statement: Unemployment insurance is costing a bundle, Mr. Speaker, it does not make sense!

Mr. Speaker, we have to put up with the kind of Prime Minister we have—thank God, he is not my Prime Minister, I never voted for that man—a Prime Minister who has fooled the people and said in his wisdom that indeed jobless Canadians draw $162 a week in unemployment benefits, what a scandal, perhaps that is too much, let us appoint a committee. We will appoint a chairman at $1,000 a day and a few members at $500 a day each to find out whether $162 unemployment insurance benefits might not be too much.

They are prepared to pay someone $1,000 a day to study the situation, no sweat. An economist to boot, a fortune teller, no less. Well now, Mr. Speaker, Mr. Forget, the man who was appointed, may be a close friend, but it is the same thing in every field. What the Conservatives are doing is beyond the limits of common sense. Does it make any sense that somebody should be paid $1,000 a day to find out whether $162 weekly unemployment insurance benefits might be overly generous? And now they are going to push this through with their Conservative majority. Well, Mr. Speaker, we will have something to say about that. Then there will be someone to say: Why not round off the figure taking off $2—imagine the saving, $2 multiplied by so much—and come with a nice round figure of $160. That is still more than enough. Mr. Speaker, this is the kind of impact this budget has.

Let's talk about the deficit. The Hon. Member is blaming everything on us. He seems to forget that the election is over, that people do not want to hear about what happened in the

past. Instead, they want to assess what the Conservatives are doing right now because they made so many great promises they did not keep. No wonder the Prime Minister is losing all credibility according to the opinion polls. This Government has lost all credibility. Mr. Speaker, hang in a little bit more. We still have three more years to go. We don't want to have an election right away, we would win. Patience! We want people to see the true colours of this Government.

About the deficit, Mr. Speaker, the Prime Minister and all the Conservative members say that it's outrageous. However, the first thing they do, their first commitment, the first promise they keep, is to spend $56 million to change the colour of army uniforms. Not because soldiers needed new pants, Mr. Speaker, they had some of a different colour. It's only because the Prime Minister wanted to see the army in blue. All soldiers were already issued uniforms. What they wanted was a pay increase, Mr. Speaker, not blue pants. In Quebec, we already had the story of Vautrin's pants. Now, Mulroney will be tagged with the blue pants for the Army. This will go down in history.

Ms. Copps: He's got no pants himself.

Mr. Malépart: Mr. Speaker, I did not say "Mulroney". I said "le gouvernement "mal runné"".

• (1130)

[*English*]

The Acting Speaker (Mr. Paproski): The Hon. Member has been here for a few years. He must realize that it is the Right Hon. Prime Minister and not Mr. "Whoever".

[*Translation*]

Mr. Malépart: Mr. Speaker, I should like to make a distinction. I often say in French that the Government is "mal runné". It does not mean "Mulroney" but "badly run". Right. I simply wanted to make the point that in English, "mal runné" means "badly run". That is the French equivalent.

To return to the deficit, Mr. Speaker, the Government . . . Mr. Speaker, the Progressive Conservative Members are starting to wake up. It took a little time, but they are starting to wake up. There, the Hon. Member for Portneuf (Mr. Ferland) is waking up. In any case—

As I was saying, Mr. Speaker, the deficit is a very serious matter and the Canadian people . . . First of all, the Government spent $56 million to provide the military with uniforms of a different color.

And second, because he is a proud man, the Prime Minister had to spend $400 million more to send 1,000 more soldiers to Europe. Our soldiers are going to spend their pay in Germany. We know that there are various establishments over there where they can spend their money. So they will help strenghten the German economy. They are certainly not going to help the Quebec or Canadian economy where they used to be stationed.

Again, Mr. Speaker, the Government is saying: I have to fulfill my commitments. But its commitments to the Canadian people, do they not count? It could have waited until the economy had improved before sending them over. There is not going to be a war tomorrow. Although the Russians and the Americans are getting along fine, we are sending 1,000 soldiers more—

As I see that my time is about to expire, Mr. Speaker, I will conclude on this.

The Acting Speaker (Mr. Paproski): The debate is over. Questions and comments. The Hon. Member for Hamilton East (Ms. Copps) has the floor.

Ms. Copps: Mr. Speaker, the Hon. Member has made a very good speech and dealt with all the problems, but there is another phenomenon of the budget which I should like to address. A few days or weeks ago, a Deputy Minister of Finance had a private meeting with business people of the Progressive Conservative persuasion who paid $1,000 each—

[*English*]

The Acting Speaker (Mr. Paproski): Would the Hon. Member please address the Chair?

[*Translation*]

Ms. Copps: Yes, Mr. Speaker, I should like to ask the Hon. Member if he could enlighten us about this double standard of the Government, because the Deputy Prime Minister stated yesterday in the House that he did not see anything wrong with a Deputy Minister of Finance meeting business people of the Progressive Conservative persuasion who had paid $1,000 to discuss budgetary issues, although he was not willing to meet mothers and heads of single families, nor groups of workers from Quebec. He was not willing to meet them—

Mr. Vincent: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Paproski): The Hon. Parliamentary Secretary to Minister of Finance (Mr. Vincent) rises on a point of order.

Mr. Vincent: Mr. Speaker, I do not think that the point which the Hon. Member is trying to make is in any way connected to the remarks which the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) has made. I therefore question its relevancy.

Ms. Copps: On this point of order, Mr. Speaker. The point of the matter is to ask—

[*English*]

The Acting Speaker (Mr. Paproski): Perhaps the Hon. Member for Hamilton East (Ms. Copps) will let me recognize her. I am trying to get the relevancy here myself. I would ask the Hon. Member again to address the Chair please and I would ask her to make a simple comment and then ask a simple question so that there can be time for two or three other people to ask questions.

Ms. Copps: Mr. Speaker, does the Member not believe it is an absolute double standard, absolute hypocrisy, on the part of this Government to be prepared to turn a blind eye to a Deputy Minister of Finance having a private meeting with business people of the Progessive Conservative persuasion who paid $1,000 to the Progressive Conservative Party? Why will he have a meeting with them and not have a meeting with the workers from the east end of Montreal who are losing their jobs by the thousands? Does he not believe that that is hypocrisy?

Mr. Beatty: That is a tough and searching question.

The Acting Speaker (Mr. Paproski): A short reply, please.

• (1140)

[*Translation*]

Mr. Malépart: Mr. Speaker, I think that the question is perfectly relevant, because I have established in my remarks that ... and I blame neither the Progressive Conservative Party Members nor the Prime Minister for deciding to defend the wealthy, but the demonstration was made in Montreal ... it was a meeting of privileged people who could pay $1,000 and I am sure that the representations which the Minister of Finance and his Deputy Minister have heard came from a group of people who are able to give $1,000 to the electoral fund of their party. However, they refuse, as they did before in the case of the budget, to meet all these Quebecers who have joined forces to fight against the Government's decision to de-index family allowances.

Once again, Mr. Speaker, the Progressive Conservative Party or rather the Prime Minister has decided, as he has every right to, to protect wealthy Canadians, and this was made clear at the Montreal meeting, but the important thing is to let the population know where the real concerns of those people lie so it can make its own judgment.

The Acting Speaker (Mr. Paproski): Questions and comments. The Hon. Member for Hochelaga-Maisonneuve (Mr. Desrosiers).

Mr. Desrosiers: Mr. Speaker, I just have one comment to make about unemployment insurance for the benefit of our friend the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart). He referred earlier to Mr. Forget who is reviewing the whole unemployment system. I think he was being unfair when he said that we were questioning the payments of a meagre $167 a month to young people.

You must know that Mr. Forget was at one time a Minister in a Quebec Liberal government. So I think you should have a little more faith in him. As you can see, we did not appoint a Conservative. We appointed in Mr. Forget a competent man, and I suggest you should have a little more faith in his work.

For your information, a preliminary inquiry was conducted last September into unemployment insurance, and Canadians who are listening will be interested to learn the results from one Montreal office out of 26. There is evidence that the Canadian Government is being cheated out of $8 million dollars a year. Facts such as those get uncovered now that Conservatives are in office. The Liberals who held power for a hundred years never did anything to protect the unfortunate who needed greater unemployment allowances. We, on the contrary, are now revising the present system so as to allow more money to the needy and prevent those cheaters from appropriating Canadian taxpayers' money.

I have something else to tell my friend the Hon. Member for Montreal-Sainte-Marie, about military uniforms, that our listeners should know. The uniforms had to be ordered anyway. Members of the army, navy or air force must get new uniforms sooner or later. Whatever the Government decided about the colour did not make any difference, because the uniforms cost the same whether they are blue, white or khaki. We have seen demagoguery in action this morning, Mr. Speaker.

Members of the Opposition were the first to criticize the success the Canadian Government had in bringing Hyundai to Quebec. They should be ashamed of themselves!

Mr. Malépart: Mr. Speaker, I should like in the first place to comment on the three points raised by my colleague and neighbour from Hochelaga-Maisonneuve (Mr. Desrosiers). Firstly, I should like to plead the falsity of what he said. He surely tripped over something as it happens sometimes when discussing the new colour of our soldiers' pants. They were all khaki for all of them. Secondly, as far as Mr. Claude Forget is concerned, as I said, he is a personal friend, but it is the policy of all governments to pay comparable salaries whenm appointing someone to consider a special issue. Thirdly, what annoys me about my friend from Hochelaga-Maisonneuve—and this goes to show that he has become a diehard Tory—is that he finds it shameful that $8 million should be stolen from the Unemployment Insurance Commission. However, he fails to find it disgraceful when he sees the rich cheating with the income tax. When the rich are concerned, there is nothing disgraceful. But when people who are starving or are needy ... they have to eat, and raise their families ... those Tories, and he is one of them, have the gall to rise and say: The poor families, the young people who get only $156, it is a shame. These people have to steal to eat. Governments are to blame for that. However, when a rich man or a multinational corpo-

ration is guilty of tax evasion, when a dealer is guilty of false advertising, nothing is said. The Tories remain silent.

Mr. Boudria: Mr. Speaker, I would also like to make a short comment and put a question to my colleague. Firstly, I would like to congratulate him for his excellent speech today. I would also like to ask him whether he is aware that the Tory Government spent public funds twice since last week, at least that is what we have been told. Firstly, the Minister of Finance (Mr. Wilson) spent money asking the Canadian people what he was supposed to do as Minister of Finance and, secondly, the Government also asked—at a cost of $50,000—about Crest toothpaste. Does the Hon. Member think that this is the way the Tory Government should spend public funds?

Mr. Malépart: Mr. Speaker, my colleague clearly indicates once again how stupidly the Government spends public funds. Whether the Conservative Party or the Liberal Party is in power, it is still money contributed by the taxpayers.

There is another matter which my colleague should remember. It cost the Prime Minister (Mr. Mulroney) $1,000 per minute to ask Canadians to do the opposite and to have his picture on television.

Moreover, Mr. Speaker, we should not forget the $1 billion spent to save rich people when banks we know about went bankrupt. Those who had invested $60,000 and over in those banks were aware of the rules. And when we are told: Well, there were companies and pension funds... However, the Caisse de dépôts et placements had purchased some shares with funds belonging to Quebec pensioners. The Conservative Members do not care about that and these pensioners will not get their money back.

I note that the time allotted to me has come to an end, Mr. Speaker. This only shows that the Tory Members are looking after the rich people, and they have the right to do so. However, we are going to defend the interests of all low and medium income earners.

[*English*]

The Acting Speaker (Mr. Paproski): The period for questions and comments is now terminated. We shall resume debate.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, if Canadians want to know what the Government of Canada proposes to do for them in the way of providing necessary services, they have to look at the Estimates tabled by the Government. If they want to see how the Government proposes to raise the money to pay for these services, they will have to look at the various tax which the Government imposes such as income taxes, corporation taxes, sales taxes, excise taxes, and so on. We have seen for the past 25 or more years a desire, first on the part of Liberal Governments and now on that of the Conservative Government, to change the system we had in the 1940s and 1950s in which corporation taxes provided about the same amount of revenue to the Government as did personal income taxes. The percentage which corporations pay now, as compared to the percentage paid on personal income tax, is very small and I will put some figures on the record in a few moments. Changes in our Income Tax Act have permitted a very substantial number of individual Canadians and corporations in the highest income brackets to pay less and less and, in thousands of cases, no income tax at all.

It is not surprising that when groups and individuals look at the proposals contained in the Budget Speech last May by the Minister of Finance (Mr. Wilson), they react from their own point of view. So does the Canadian Chamber of Commerce which represents most large business organizations. It is on the whole very favourably impressed with the proposals made by the Minister of Finance. In fact, its criticism of the Minister's proposals is that they do not go far enough. The Chamber of Commerce has called for a major assault on budget deficits, and reducing the budget deficit is one of the major concerns of this Conservative Government of ours. The Chamber of Commerce said that the federal Government must launch a major assault on budget deficits and do so now or the Canadian economy will fall short of realizing its potential. Then the brief listed several options for government spending cuts—putting the review of social programs back on the front burner, including consideration of greater selectivity in income support programs; implementing savings identified by the Nielsen task force; a renewed commitment to privatizing Crown corporations and selling other Crown assets; and an end to bail-outs of private corporations.

• (1150)

They talk about the bail-out of private corporations. They certainly do not talk about the tremendous tax breaks given to corporations, some of which I will put on the record in a few moments.

On the other hand, there was another reaction in the same week. In a press release issued on November 27 by the Canadian Health Coalition, an organization which represents more than 2.5 million Canadians, including representatives of health, education, co-operative groups, churches, consumers, senior citizens, women, social development, agricultural and environmental groups, a contrary view of the Budget expressed about the proposal of the Minister of Finance to cut $2 billion in federal-provincial transfer payments. It indicated that cut-backs in funding to the provinces through a renegotiation of the Established Programs Financing Act were also proposed by the Minister of Finance, and that federal funding cut-backs would allow the provincial Governments to undermine the continued viability of their medicare plans and post-secondary education. Also it argued that we should not allow these cuts to occur and went on to point out that federal funding in recent years had decreased as a percentage of total health care spending.

I have illustrated two different and opposing approaches to the Budget. The Government has continued the policies, followed by the former Liberal Government with regard to

taxation, which benefit to the greatest extent corporations and people in the highest income brackets.

Let me illustrate what I mean by putting on the record what has happened. If we look at the corporate and individual shares of income tax in the 1950s, we see that corporations paid 50 per cent and that individuals paid 50 per cent of the total received. However, the estimate for 1986-87 is that corporations will pay only 25 per cent while individuals will pay 75 per cent. If we look at corporate and personal taxes received by the Government as a percentage of the federal budgetary revenues, we see that in 1975 corporation taxes brought in 17.5 per cent of the revenues while personal income taxes brought in 42.5 per cent. However, by 1985, corporate taxes will bring in only 12.1 per cent while personal income taxes will bring in 47.1 per cent. We see a continuing decline in the amount received from corporation taxes and a substantial increase in the amount received from personal income taxes.

It is not difficult to see how this has happened. Let us look at a few recent examples of the kinds of tax measures implemented by the former Liberal Government and continued and exacerbated by the present Conservative Government. A measure was brought forward in the last Budget of the Liberal Government by the then Minister of Finance, Mr. Lalonde, which was supposed to encourage investment in scientific research by permitting a tax credit for money invested in that area. It was estimated to cost the Treasury $100 million or $200 million. In fact, it was used by corporations on the advice of their tax lawyers and chartered accountants so that it did not cost the people of Canada a couple of hundred million dollars but something between $1.5 billion and $2.5 billion. We could accept that if the money had really gone into scientific research, but of course it did not.

A few days ago there was a report in *The Globe and Mail* which indicated that the Genstar Financial Corporation, through the establishment of non-taxable preferred shares, had found a way in which investors could save substantial amounts of money by avoiding payment of income taxes. Indeed, the report indicated that the big loser would be the federal Treasury. If the new type of preferred share catches on, it could cost the federal Government hundreds of millions of dollars in lost tax revenue. If it works for Genstar, others will be quick to pick up the same idea.

Also we had the purchase of Gulf Oil by Olympia & York. It used what was called the "Little Egypt Bump" to re-evaluate the assets of the corporation in such a way that it saved hundreds of millions of dollars in taxes which it was not required to pay.

In a similar way, Dome Petroleum some time ago was able to save up to $1 billion per year. When corporations can make those kinds of savings, when corporations can avoid paying the taxes which ordinary citizens and small businesses have to pay—and some of the largest corporations in Canada for many years paid no taxes at all—it is not surprising that ordinary Canadians have to pay more to make up the difference.

Let us look at the situation with regard to income taxes paid by Canadians. A recent article which appeared in *The Toronto Star* indicated the following:

> The number of high-income Canadians who paid no income tax rose sharply in 1983, tax department figures show.
>
> Some 1,120 people earned $100,000 or more in 1983 and paid no income tax, 33 per cent more than in 1982,—
>
> The figures also show that no income tax was paid by 6,662 people who earned between $50,000 and $99,999, up from 4,679 in 1982, and by 6,760 people who earned $40,000 to $49,999, up from 5,201.

We in the New Democratic Party have brought the attention of Governments—first the Liberal Government and now the Conservative Government—to the fact that there are thousands of people in the highest income brackets who have been able to avoid paying any income tax at all. We have been promised that at some point—and I suppose it will be in the next Budget—the Government will bring forward provisions so that every Canadian will have to pay at least a minimum income tax.

Mr. McDermid: Before the next Budget.

Mr. Orlikow: I hear the Hon. Member, but I am sure it will apply only to next year's income tax.

Mr. McDermid: Do you mean that we should apply income tax retroactively?

Mr. Orlikow: I want to say to the Hon. Member that we are very suspicious of what the Government will bring forward. Just as there have been loopholes for corporations and the wealthiest individuals in the past so that they have not been required to pay any income tax at all, let alone pay their fair share, we believe that anything the Government brings forward will permit many people to pay little, if anything, in the way of their fair share of taxes.

I want to talk for a few moments about the tax proposals of the Minister of Finance and what they will do for ordinary Canadians. We have calculated that, as a result of the proposals of the Minister last May, the average family, a family with two dependent children, will face a tax increase of $500. I would like to indicate how we arrived at that figure. The elimination of the federal tax reduction will cost $100. The modification to the indexing of income tax will cost the ordinary family $115. The cut in family allowance payments will cost $22.50. The increase with respect to the tax on cigarettes and alcohol will cost $75. The 1 per cent increase in sales tax will cost $150 and the increase in the tax on gasoline will cost $50. This gives a grand total of $512.50. All this at a time when the increase in the incomes of most families is running at less than the increase in the cost of living.

• (1200)

Let us consider how the Budget affects family benefits. We believe the Budget attacks the family benefits of the ordinary Canadian family because, in addition to the increased taxes in the Budget, it reduces the amount of money going to families with children. In 1986 the reduced child benefit will save the federal Government $130 million. By 1990 it will save the

federal Government $600 million. Where is the Government's commitment to the family? Why does the Government give wealthy investors and banks priority? The child benefit tax package in the Budget will provide no real gains for anyone by 1990, including the very poor.

I would like to remind Hon. Members that the number of people living in poverty in Canada is a disgrace. It has been estimated that one person in six is now living in poverty. One can visit any city in the country from Newfoundland to British Columbia and find a straggeringly increasing number of voluntary organizations providing food hampers, clothing or meals to people who just cannot make it because they are unemployed and because their welfare cheques do not meet the minimum requirements which they have.

We maintain that the tax increases proposed and being implemented in the Budget hit the poor people the hardest. The National Anti-Poverty Organization has estimated that as a percentage of income the new taxes will amount to an increase of .69 per cent for families with an average annual income in excess of $50,000. By contrast, families with incomes of less than $10,000 will pay for the increase in federal taxes at a rate of 1.39 per cent as a percentage of income. In other words, those families which have incomes of less than $10,000 will pay twice as much as those families with incomes over $50,000 as a percentage of their income. In effect, what we are saying is that the Government's proposals in the Budget benefit those who need it the least and cost those who need help the most more than it costs others.

That view has been supported by the National Anti-Poverty Organization and by the Consumers' Association of Canada, which is not a particularly radical or aggressive organization. In a press release which the Consumers' Association issued last May in reaction to the budget proposals the President stated:

> We're told to tighten our belts, while at the same time being encouraged to spend more to help rescue the economy . . . Yet business, with a clear green light from the government, has failed to lead a strong economic recovery.
>
> The promised wave of new business investment has not materialized, and it is not likely to as long as there is low consumer demand, excess production capacity and high inventories in many sectors, especially manufacturing—
>
> We have sent a clear message to the government that consumers need more disposable income, not more lectures about belt-tightening—

The views of the Consumers' Association were not given much attention at all by the Government. It is obvious that if we are to see any improvement, we have to have more purchasing power placed in the hands of the bulk of Canadians. We are not seeing anything like that.

I would like to conclude my remarks by saying that the Minister of Finance knew what would happen because documents provided to him, as reported in an article in *The Globe and Mail*, showed that he was provided with figures indicating that the benefits of the tax exemption on capital gains will go largely to the wealthy and cut incomes of low-income groups. They indicated that those earning between $10,000 and $20,000 will pay an extra $300 a year in income tax by 1990. Those with incomes above $200,000 will see their tax bill increase by an average of $1,500. This would amount to a tax increase of about 2 per cent for the low-income group and about .6 per cent for the high-income group.

I think I have conclusively demonstrated that the thrust of the Budget is to help those who need help the least and to place an increasing burden upon people in the low and middle-income brackets. We think that that is the wrong way to go, which is why we oppose these proposals.

The Acting Speaker (Mr. Paproski): Are there questions or comments?

Mr. McDermid: Mr. Speaker, I have been a Member of the House for almost seven years. I have listened to speeches from my hon. friend frequently. As a matter of fact, we spent some time on the road on a committee which travelled. I continue to hear the term "ordinary Canadian". We are told that we are being unfair to the ordinary Canadian. I have never heard anyone define the term. Does the Hon. Member define an ordinary Canadian by the amount of money that person makes? Does the Hon. Member define an ordinary Canadian by the position which that person holds in society? Is a school teacher who earns $40,000 a year an ordinary Canadian in the eyes of members of the New Democratic Party or is he making too much money? Will the Hon. Member take a run at his definition, or perhaps his Party's definition, of the term "ordinary Canadian", a term which he throws around loosely in every speech he makes?

Mr. Orlikow: Mr. Speaker, I think the Hon. Member knows what we mean when we talk about the ordinary Canadian.

Mr. McDermid: No, I do not.

Mr. Orlikow: When we talk about an ordinary Canadian we are talking about people in the low and midddle-income brackets. What we say is that if one looks at the income distribution in the country over a period of 25 to 40 years, and despite the fact that we have made major improvements in the services which we provide to the people of Canada, one will see that the percentage of the Gross national Product which goes to the people in the lowest fifth of income earners has stayed at around 4 per cent. The improvements about which I speak are improvements which have been supported if not initially when brought in then certainly after they were in operation for some time. I am talking about improvements to old age security benefits and about the establishment of the Canada Pension Plan. I am talking about the hospital insurance plan and the medical insurance plan, which is universal in the country. These plans have eliminated the fear of people not just in low-income groups but people in middle-income groups with respect to a major illness destroying their financial security. Despite everything that has been done, if one looks at the figures provided annually by Statistics Canada, one will see that the percentage of the Gross National Product which goes to the people in the lowest fifth of income earners in the country has stayed at around 4 per cent. We say that that is much too low. The percentage of the income which goes to the top 20 per cent has hovered at around 40 per cent or more. We say that that disparity is much too large. It is unacceptable

that several million people are living in poverty in a country as wealthy as Canada.

• (1210)

The Hon. Member asked who I was talking about when I talked about ordinary Canadians. I am talking about the vast majority of people who are in the low or middle-income brackets.

Mr. McDermid: Mr. Speaker, let me get this straight. When I was working as a radio announcer earning $50 per week, which in those days was not much money, I was an ordinary Canadian. Now that I am earning the salary that is paid to a Member of Parliament, some $54,000 per year, I am no longer an ordinary Canadian. Once a Canadian is no longer in the middle-income bracket, does he all of a sudden become an "unordinary" Canadian or something different from an ordinary Canadian? I do not understand the Hon. Member's definition of an ordinary Canadian.

What happens when a Canadian does well all of a sudden? What happens when someone who is poor opens a business which does well, starts to earn money and goes into the upper-income bracket? How does this person go from an ordinary Canadian to an "unordinary" Canadian? I believe members of the New Democratic Party throw the term "ordinary Canadian" around pretty loosely and do not know what the hell they are talking about.

Mr. Orlikow: Mr. Speaker, all the people who live in Canada are Canadians and if they are not Canadian citizens, they are landed immigrants. Ordinary Canadians are the majority of Canadians who are in the lower and middle-income brackets. The Hon. Member asked me about Members of Parliament. We are not ordinary Canadians because we are probably in the top 5 per cent of income earners. We are not ordinary Canadians and neither is the President of the CPR, the President of Olympia & York or the presidents of any of the large corporations. They are extraordinary Canadians and form a small minority of the Canadian people.

Mr. Parry: Mr. Speaker, first I would like to congratulate my hon. colleague for his very meticulous and detailed analysis of the way in which the total tax burden on Canadians has shifted from corporations and the wealthy to the backs of ordinary Canadians. Perhaps I could pose that difficult concept once more. I would like the Hon. Member to comment on the continuity demonstrated by the ideology of the Liberal Party and the ideology of the self-styled Progressive Conservative Party in continuing the shift of the tax burden.

Mr. Orlikow: Mr. Speaker, in the time I had available to me, I tried to show that a shift has occurred over a long period of time. It began shortly after World War II and has been continued under Liberal Governments and exacerbated by the present Conservative Government. There has been a shift in the acquisition of the money required by the federal Government to meet the costs of services it provides from income taxes paid by individuals to income taxes paid by large corporations. In the 1950s, both individuals and corporations paid about the same amount in taxes. This has now shifted so that the percentage of income collected through taxes from corporations has dropped and the percentage of income collected through personal taxes has risen. According to statements made by the present Minister of Finance, the percentage of corporate taxes will continue to drop.

This has happened because of the very complicated provisions in the hundreds of pages of the Income Tax Act which permits corporations to find quite legal ways to pay no taxes. There are many people and corporations which do not pay taxes in ways which are illegal and some of them get caught and pay the penalty. However, what has been encouraged by Liberal Governments and now by the Conservative Government is legal ways of simply not paying taxes. That is continuing at an accelerated rate.

[*Translation*]

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, I should like to deliver part of my speech in French. Please excuse my grammar and my faulty pronunciation.

Mr. Speaker, it is a privilege for me to take part in the debate on Bill C-84.

It is a statement on the economic philosophy of the Progressive Conservative Party which the Canadian people elected last year, and it is now the basis of the policy advocated by the Government of Canada.

[*English*]

In my remarks, I would like to expand upon the way in which that economic philosophy is fundamental to the legislation which we are debating today and to the series of financial and economic measures which have been and are to be debated by the House as emanating from the Budget of last spring. As well, I would like to indicate the ways in which those financial measures will achieve the objectives of the Budget and the objectives for which the Government was elected by the majority of Canadians, ordinary as well as extraordinary.

When this Government took office, it inherited a heritage of doubt. Doubt was a new sentiment in the hearts of Canadians, who had characteristically been a confident people but who, under the depressing impact of the economic policies of the previous regime, had come to feel in large part that the future of Canada might just be behind us.

The American economist, John Kenneth Galbraith, had once written that a modern industrial state had to choose between inflation and unemployment. Throughout the 1970s and into the first years of this decade, there were many in Canada who thought that the then Liberal Government had solved the dilemma by choosing both at once and by adding to them the problem of an escalating deficit, which was spiralling to such an extent that many came to believe that high technology had been invented simply to give the Government a way of accounting for the spiralling of the public debt. That was the mood of the people before September 1984.

What is now the outlook of the people of Canada as we approach the end of 1985? David Slater, the former chairman of the Economic Council of Canada, in the annual report of that respected body, predicted much better prospects for the economy of Canada, and hence for its people, during the next five years of this decade and that it will be even better as we go into the 1990s. It is a prediction which is supported by statistics. For example, it is predicted that our Gross National Product will increase by 5 per cent and will rise by an average of 3.5 per cent for at least 10 years. Inflation is now reduced to 4 per cent and will possibly be less in the 1990s. Unemployment, which just in the months before this Government took office was thought to be a permanent affliction on the social body of this country, has fallen from 11.4 per cent to 10.3 per cent. This was after it was submitted to the Canadian people that we must accept permanent unemployment levels perhaps reaching 15 per cent. However, the Economic Council of Canada now visualizes that by 1990, unemployment may be reduced to 8.1 per cent.

● (1220)

Reference has been made to the deficit by previous speakers. The deficit this country now suffers is about 7 per cent of the Gross National Product. But it is anticipated that by 1990, it will have reduced to just 4 per cent of the GNP. We may note that this is not only a prediction. In August of this year, for the first time in many years, the deficit began to fall.

In addition to the statistics we can draw from the report of the Economic Council of Canada, I submit some significant economic indicators. Employment has expanded. The labour force of this country has grown by 330,000 persons since this Government took office. There were 37,000 jobs added to the labour force in the month of October, 1985 alone. New orders for manufacturing are up 14 per cent since September, 1984. Building permits have increased by 20 per cent during the first eight months of 1985. Housing starts alone are up a full 54 per cent. We all recognize that housing starts are the most significant factor in an economy's prosperity because of the great spinoff from the housing industry. Bankruptcies are down significantly by 12 per cent.

All of this is referred to because of the way in which Government policy since September of 1984 has been one of the significant factors in the turn-around of the economic direction of Canada. It has been one of the significant shaping elements in renewing the economy. This upturn is, to a great extent, the result of the financial and economic policies such as those expressed in the legislation now before us. An economy can be renewed, can advance, can create employment and can create income for people, chiefly when there is investment and that investment results from incentive and confidence.

That is really what we are debating, in part, with Bill C-84. It is the philosophy which offers people incentive to invest, to take risks, to expand and to be creative. Since the Budget was announced declaring the philosophy to reward success, we have been told over and over again, for example, that the capital gains exemption is a give-away. No one who has ever attempted to make a capital gain would look upon a capital gains tax exemption as a give-away. There has to be effort and risk and, very frequently, there is to loss. What we are trying to do through this legislation is provide potential investors with the kind of incentive which will encourage them to move into the market-place, to take chances, to be creative, to be expansive, not only bringing rewards to themselves but bringing opportunity, employment and income to ordinary Canadians. I submit that this is the best way a Government can deal with the needs and aspirations of ordinary Canadians.

Historically we have been a nation of risk takers, all myths to the contrary. This country was built upon the vision and commitment of people to come to grips with an environment which challenged them day by day and which often demanded a risk of life itself. Confederation has been the success story it is because of those persons who gathered around a leader such as Sir John A. Macdonald and who were prepared to link one coast with the other through the construction of the CPR. That was a construction project which at one time prompted the then Leader of the Opposition, the Leader of the Liberal Party at that time, to say that the Government of the day was taking the resources of eastern Canada and pouring them down the gorges of British Columbia. That was the kind of risk which Sir John A. Macdonald, his Government and those who worked with him, had to be willing to take. It was that kind of risk which made this country a political and economic possibility.

It has been said by the Canadian historian, Desmond Morton, that the people of Canada have met the challenge of the unfriendliest environment in the world. How have we done that and achieved the standard of living which Canadians enjoy? Part of the answer comes from the willingness of Canadians to take that kind of risk. We are known, and rightfully so, as a quiet and peaceable people, but we have demonstrated that we are also adventurous and courageous. That testimony comes from the 117,000 Canadians who occupy military graves in 74 countries around this world. More important, we have demonstrated our willingness to be adventurous and courageous in coping with this harsh and challenging environment which we have transformed into one of the great industrial states of the world. This has been due chiefly to adequate incentives through the years being given to those people who were willing to be enterprising.

Basically, the legislation before us is offering this kind of tax incentive as a way of renewing the entrepreneurial spirit. That spirit is not only to be found among the high income earners and the rich, of whom frequent mention is made by the Opposition. I want to share with you, Mr. Speaker, two stories from a riding which surely contains many ordinary Canadians, namely, the riding I am honoured to represent. A few weeks ago during the recess, I spoke in one of our high schools. I addressed a class of students in economics. During the discussion which followed the address, a question was raised by a young man, a teenager, who obviously did not belong to the WASP community, which is what the sociologist John Porter has called the "charter group of Confederation". Obviously, he

did not belong to that group. Clearly, he came from a background that in my own youth would have been called "the working class". I suppose that was before someone conceived of the euphenism "ordinary Canadians". The question asked of me by the student was not how he could get more welfare, how he could get a grant or what kind of give-away he could get. The question he put to me was: "What are the steps I could take to buy some property and become an investor?" That is not an extraordinary story. Some years ago I addressed a week-end camp of young Canadians from the city of Scarborough. The camp was called "Camp Enterprise" and it was sponsored by the Rotary Club. It was filled with young people with a desire to become entrepreneurs—and that is not only the characteristic of the young people of this country, most of whom voted for this Government as ordinary Canadians, and we must give back to them an extraordinary chance to develop themselves. This is the aspiration of many senior citizens as well. I can take you to two senior citizens who have approached me for information on how they can look for financing so as to undertake an enterprise of their own. Whether young or not so young, the opportunity is in front of Canadians. Once again Canada has a Government providing incentives to and stimulation of the resources in the hearts and minds of our people, the greatest resource this country possesses.

● (1230)

Bill C-84 offers incentives and opportunity particularly for small businesses. We are giving them access to resources which in the past have not been available for the creative expansion desires of small enterprises. For example, there is access to the capital available in retirement savings and pension plans. All of these are ways in which people can do what? Perhaps they can buy an additional truck. That is the aspiration of an ordinary Canadian in my constituency. He is a one-truck operator and he wants to double his ressources. He now has an opportunity to seek capital where he did not before. This is the kind of thing which is turning this country around and producing the kinds of statistics to which I referred earlier.

Bill C-84 also deals significantly with another dimension of the tax system which is basic to incentive, namely, ensuring that it is fair. One of the ways in which we are endeavouring as Parliament and Government to add fairness to the tax system is by amending the Income Tax Act to eliminate abuses by tax collectors as under previous regimes. A lack of fairness can be a disincentive to enterprise and the new measures defining powers of search and seizure and restricting them within the parameters of fairness and justice will add to the quality of our tax system and to the spirit of enterprise in our country. I find it a considerable privilege to participate in this debate because the legislation we are dealing with will continue to add to the economic advancement of this country.

As well as improving the fairness and effectiveness of the tax system in ways designed to prevent taxpayers from using the rules in unintended and inappropriate ways to avoid taxation, we have heard reference made this morning to the Government's commitment to introduce a minimum tax measure in the very near future. Another measure which the Minister of Finance (Mr. Wilson) has referred to and which illustrates the general thrust of our legislation is the amendment regarding certain investment trusts so that they cannot be abused in ways that were never intended by the legislation.

The stock market, it is said, is often a herald of our economic future. If that is so, we can certainly share with many the confidence that a market such as the Toronto Stock Exchange is showing now. The way ahead is clear and promising and we should ask ourselves what it is that gives investors the kind of confidence which makes them as bullish as so many of them have been in recent months. It is the confidence that we have a Government which wants to meet our social problems in the private enterprise way. It wants to meet the legitimate aspirations of people in the way which has been so long the character and tradition of this country.

I share with many people on the opposite side of the House the social objectives they have, their desire to help all Canadians regardless of background to meet their human needs. I know that this feeling is held by all Member on this side. However, I point out that while we have the same objectives, what divides us is the method we use. The method they favour so much is one which has shown its failure for the last 15 years. After 15 years of combatting poverty their way, we have more poor people than ever. However, we now have a new economic policy which will offer new promise and new opportunity to all Canadians, ordinary and otherwise.

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

Mr. Johnston: Mr. Speaker, I must say I am somewhat disappointed in the speech of the Hon. Member for Scarborough West (Mr. Stackhouse). I expected a bit more from him. Yesterday, during my own comments, I exhorted Members to get away from partisan drivel and start to deal with some of the issues in this Budget which he apparently embraces 100 per cent as being a wonderful document. I know enough about the Hon. Member to believe that he sees the warts and flaws which are so apparent to everyone except, apparently, Members in the Conservative Party. He began by telling us that Canada is a country of risk takers. I must say that I suppose they proved that last September 4 when they voted for the Conservative Government in such massive numbers. Perhaps they will be less willing to take risks like that in the future because of the results.

That being said, let me ask the Hon. Member a very specific question. He makes much of the strength of the Canadian economy and the report of the Economic Council of Canada. I have read that report and there are a few comments which would suggest that there has been some improvement as a result of certain relatively minor initiatives taken by this Government. However, I see no great endorsement of anything the Conservative Government has done. In fact, I find in the opening line, regarding the medium-term outlook, these words: "The Canadian economy has made impressive gains in real terms over the past two years which have also witnessed a

slowing down in inflation. Moreover, these gains were more broadly based in 1984 than in 1983".

Is the Hon. Member telling the House and Canadians that it is the Conservative Budget which is responsible for the strong growth in 1983 and 1984, the reduction in inflation, and the consequential fall in interest rates? Is that what he is trying to tell us?

Mr. Stackhouse: Mr. Speaker, having listened to utterances such as that over the past 14 months, I have considerable experience in listening to partisan drivel.

To focus directly on the question he put, I would remind him that if he had listened carefully, had indeed stayed for my entire remarks, he would have heard me say that the policies of this Government were one of these elements. He has acknowledged that the report to which he has made reference and which he is supposed to have read acknowledges that one of the elements has been the kind of policy this Government has enunciated. We know what Canada was like before the election of this Government. We know that that was one of the reasons why this Government was elected. We now have statistical and other evidence to indicate the merits of the policies to which the Government has committed itself since the election, which have already begun to show the kind of results which I would have thought a man with his capacity for understanding would have welcomed in the interest of all Canadians.

• (1240)

Mr. Johnston: Without any preamble I will ask the Member a very specific question. Is he saying that the economic growth in 1983 and 1984, the fall in inflation, which was at around 4 per cent when the Conservatives assumed power in 1984, and the consequential reduction in interest rates, are the results of Conservative policies? That seems to be the impression which he is trying to leave.

Mr. Stackhouse: Mr. Speaker, we can see, from an objective and fair examination of the history to interest rates since the Government took office, that there has been a steady decline in interest rates during this regime with minor statistical hiccups from month to month. We now have a bank rate which is three points below that which we inherited from the Government of which he was a member.

Mr. Riis: Mr. Speaker, I have two questions for the Hon. Member on his thoughtful presentation. Would he comment on the process in which we are participating today? A very far-reaching Bill on taxation was introduced in the House. The explanations, which are quite technical, were introduced in the House a day before the debate began. There has been virtually no discussion, consultation or whatever about the implications. Yet, it is expected that this Bill will be passed within the next few days. Does the Member have some observations about that process?

I will pick up on my colleague's latest question with regard to interest rates. If the Member is indicating that the downward trend in interest rates is due, to a certain extent, to the policies of the Government, would he agree that if there were to be an upward trend in interest rates that, too, would be a reflection on the policies of the Government?

Mr. Stackhouse: Mr. Speaker, I will answer the first question first. I am sure that with the Hon. Member's seniority in the House he is aware that when this legislation passes this stage in the House of Commons it will go to committee for a very thorough study in which I hope the members of his Party will participate. I am also aware that day after day, when the Opposition does not focus its attention on matters less important than the economy and the Budget, there is opportunity for face to face encounters with the financial Ministers of the Government to debate and examine critically the implications of the legislation before us. The debate in which we are now engaged is certainly not the last opportunity for critical assessment of this legislation, as the Member knows.

With regard to interest rates, if the Hon. Member is suggesting that the Government bears any responsibility for an increase in the interest rates which so affects businesses throughout the country, including many within the Member's own constituency which I have reason to know about, I hope that he will also be willing to give credit to the Government at this time for the achievement that we and all Canadians enjoy, namely, the significant reduction in interest rates.

Mr. Riis: I am not trying to catch the Hon. Member or anything.

Mr. Stackhouse: I would never have thought that.

Mr. Riis: I appreciate that there may be some reason to think that. I am questioning this process. We are at second reading stage and after this debate the Bill will go to a legislative committee where a handful of witnesses will be heard. At that time it will come back for debate on third reading and it will be wrapped up. Is the Member really saying that that is an adequate process for a Bill which will touch the lives of every Canadian for decades to come? Does he really believe that that is an appropriate process?

Mr. Stackhouse: Mr. Speaker, I am certainly not trying to catch my hon. friend when I say that I hope he does not approve a process which I have seen in full measure in the House, namely, one whereby 70 opposition Members debate, one after another, day after day, and make speeches which simply repeat what has been said on the days before, putting forward an amendment, and starting all over again. I hope the process which he would welcome would not include that kind of obstructionism.

I hope that he would recognize as well that the process of the legislative committees examining Bills is a new one which was adopted after a recommendation by an all-Party committee in an effort to enhance the participation by Members of the House in the active examination of legislation with the assistance of expert witnesses. I have heard from some of the chairmen of the legislative committees which have been exam-

ining Bills that so many witnesses are called that they cannot keep up with the task before them. Therefore, I am really not pessimistic about the possible effectiveness of the legislative committees.

The Acting Speaker (Mr. Paproski): The period for questions and comments is now terminated.

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, we are considering Bill C-84, a very complex piece of legislation which contains hundreds of pages and any number of clauses dealing with practically every aspect of personal income tax and corporate tax, and I think we all realize that especially during the debate on second reading, it would be very difficult to consider all the issues raised by this kind of legislation. Furthermore, at the second reading stage, we are supposed to restrict our comments to the principles contained in the Bill. In fact, the legislation deals with a number of items such as capital gains tax, which will no longer apply to the first $500,000 in capital gains acquired during the taxpayer's life, and there are other aspects such as the personal deduction for dependent children, changes in the child tax credit, where the maximum income level eligible for the child tax credit will be lowered from $26,000 to $23,000, and as I said before, elimination of the exemption for dependent children.

There are also a number of other changes that affect the Canadian taxpayer by eliminating the Registered Home Ownership Savings Plan, which was very popular with young couples.

There are the surtaxes that will be introduced on individuals who will be paying a certain amount more if they are paying between $6,000 and $15,000 in income tax and there will be an additional tax for those paying over $15,000 in taxes.

There is of course the surtax on corporations. There are special taxes on banks. In fact, there are all kind of taxes, and as I said last May when the Budget was brought down, this Budget was bringing in an avalanche of taxes that will be affecting Canadian taxpayers very directly, either through their income tax or, as we have seen in a Bill considered previously, which deals with sales tax, excise tax—

On the whole, there has been general agreement with the position taken by the Hon. Member for Scarborough West (Mr. Stackhouse) who introduced the Bill, when he said it should be seen as part of the Conservative philosophy. And what conclusions are we to draw from this Conservative philosophy? The conclusion must be that between now and 1990, nearly $37 billion in additional taxes will be collected, thus bleeding the purchasing power of the Canadian taxpayer to support this Conservative philosophy.

I will elaborate on this later on, if I may, and I would now like to start my comment, since I only have twenty minutes, and try to consider Bill C-84 in the context of the Budget brought down on May 23 and also in the light of what was said by Government Members before the Budget was brought down.

Mr. Speaker, what were we told before May 23? What were we told during the election campaign, and what have they delivered today? Before the Budget the Minister of Finance (Mr. Wilson), the Prime Minister (Mr. Mulroney) and all Progressive Conservatives sang the same tune—the deficit had to be reduced.

Mr. Speaker, I have no objection, quite the contrary, because it is imperative that special measures be taken to cut down the Canadian Government deficit which now amounts to some $30 billion, a long-term mortgage to be carried by all Canadians. But the way this Government has attempted to honour its election promise to lower the deficit is enough to drive all Canadian citizens to despair. When the Government tells us that the deficit is its first priority, and warns the people that the huge deficit will lead to serious economic problems in the future, I should think that the Government's first move would be to clamp down on expenditures. Above all, that it would refrain from giving hand-outs to a select group of Canadians.

What do we find when we take a close look at the Budget context which explains the Conservative approach mentioned by the Hon. Member for Scarborough West? The first thing we find is the suggestion that wealthy taxpayers must be given tax exemptions so they will be able to spur the economy, which in turn will help those who stand on the lower rungs of the country's economic ladder. My colleague from Saint-Henri-Westmount (Mr. Johnston) had already drawn an analogy about the horse and the sparrow. If the horse gets enough to eat it will grow fat and leave droppings in the street to enable the sparrow to feed itself. That is the Conservative philosophy, as explained by the Hon. Member for Scarborough West. Let us give to the rich so that, hopefully, they will be able to fuel the economy and create jobs for other less fortunate Canadians.

• (1250)

The least we can say, Mr. Speaker, is that it is a rather strange way to proceed in a democratic society which, true to its own democratic goals, would seek to make sure that all Canadians who belong to that democratic community can derive specific benefits from their membership in that society. Personally, I believe that if there are more people in the middle-income range, we shall have more economic activity and a better distribution of wealth instead of providing every benefit for the wealthiest taxpayers that they alone might create the economic activity we want. This Conservative philosophy is reflected in the budgetary measures of the Minister of Finance. First, he will let over $8 billion, or $8.4 or $8.5 billion, go to a small number of oil companies before the end of the decade. Oil multinationals have obtained substantial benefits, and according to the data provided by the Depart-

ment of Finance, while this was not the intention at the start, it was found to be in order later on. This tax benefit given to a few companies will amount to $8.5 billion by 1990-91.

Some will say that it will be only $124 million this year, but it will be nearly $1 billion in 1986-87, nearly $1.4 billion in 1987-88, $1.6 billion in 1988-89, around $2 billion in 1989-90, and about $2.5 billion a year after that.

This coincides with the Conservative philosophy reflected in the budget. The Government started by foregoing revenue. Our friends opposite often compare themselves with the Reagan Government in the United States. However, when their American model came to power, he provided exemptions to just about everyone, while the Conservatives in Canada began by giving $8.5 billion by the end of the decade to a small number of oil multinationals. What did they do afterwards? They introduced another measure in Bill C-84, about which I shall speak further later on, to provide a capital gains tax exemption. How much will this cost in lost revenue to the Public Treasury, which is supposed to show a deficit? We are told that, this year, in 1985-86, this tax expenditure will cost $300 million. In 1986-87, it will cost $600 million. In 1987-88, the loss will amount to $750 million. In 1988-89, it will be about $900 million. In 1989-90, it will be $1 billion, and in 1990-91, it will be $1.2 billion, for a total of $4.8 billion. If we add the two figures, we find that there is over $13 billion in two taxation measures which, according to the Hon. Member for Scarborough West (Mr. Stackhouse), reflect the Conservative policy. New tax benefits of $13 billion are being given to a very select group of Canadians.

You can imagine that after giving up $13 billion in revenues, Mr. Speaker, and because it still wanted to reduce the deficit, the Government had no choice but to increase taxes. And yet, in a public statement a few weeks before his budget, the Minister of Finance (Mr. Wilson) told Canadians that tax increases at this stage of our economic life would be counterproductive, because they would reduce consumer spending and take away the purchasing power which made it possible for businesses to sell their goods and services and, thereby, to create new jobs.

If we look at the general philosophy which is reflected in Bill C-84, a Bill which is about an inch thick, and if we consider it in conjunction with the excise tax bill which we dealt with recently and the Bill to abolish the petroleum and gas revenue tax, we soon realize that these three Bills together will cost Canadian taxpayers billions of dollars in lost revenues. The whole Conservative philosophy makes it possible for us to see the whole picture of the tax provisions in Bill C-84. By the end of this decade, the tax increases resulting from Bill C-84 and Bill C-80 will amount to nearly $37 billion in purchasing power which will be taken away from Canadian taxpayers to help fulfill the purpose of the Conservative philosophy that was described earlier by the Hon. Member for Scarborough West.

They will affect a whole lot of people. We know that personal tax exemptions and tax brackets will be partly de-indexed.

You know what, Mr. Speaker? Do you know that by the end of this decade, this little piece of legislation alone will increase the amount paid in taxes by Canadian taxpayers by as much as $11 billion? That is $11 billion more to help this Government achieve its aim, that is, to make the rich richer, in order that they might create jobs. But to do this the Government will have to collect more taxes from ordinary taxpayers who will have to foot the bill, not only to cover the fiscal benefits granted to the wealthy and the multinationals, but also to reduce the deficit.

The Government has also deprived ordinary people of the $50 federal tax credit. It has also amended the whole child exemption and family allowance scheme.

But when we look at the impact of these changes which will result mostly from Bill C-84 in conjunction with a recently adopted bill, we realize that by the end of this decade—

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. When Orders of the Day are called this afternoon, the Hon. Member will have six minutes remaining in his speech, plus ten minutes for questions and comments.

It being one o'clock I do now leave the Chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 22

[*Translation*]

FOOTWEAR INDUSTRY

CLOSING OF PLANTS IN QUEBEC—FUTURE OF LAID-OFF EMPLOYEES

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I would like to inform the House that, after the unacceptable, inhuman and stupid decision of this Conservative Government, and contrary to the promise made in Sherbrooke by the Prime Minister of Canada (Mr. Mulroney), to abolish quotas, the Official Opposition, particularly the Members from Quebec and Ontario, have decided to set up a special committee to help men and women who work in shoe factories.

This morning, three of my colleagues who belong to this Quebec committee, the Hon. Member for Richmond-Wolfe (Mr. Tardif), the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano) and the Hon. Member for Saint-Maurice (Mr. Chrétien), met with the workers of Montreal East factories.

Earlier today they told me what the owners and workers in that industry have to say about the current situation.

For openers, the owner of a Montreal East company would like to know why the Prime Minister and the Minister who is supposed to look after the unemployed have decided to force him to shut down and throw 240 workers out on the street.

Another lady, age 53, would like to know what the Prime Minister has to offer in terms of retraining programs. Where will she go? Will he retrain her in aeronautics? What other job will the Government find for her? This lady wants to work, not live off unemployment insurance benefits.

Mr. Speaker, I think the Quebec Conservative Members ought to wake up. And as was pointed out—

[*English*]

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

* * *

MEDICAL CARE

ACCESS BY NORTHERN ONTARIO RESIDENTS

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, it is with mixed feelings of pride and disappointment that I rise today to comment on Ontario's new program to subsidize medically necessary travel for northerners. Pride, because after many years of persistent lobbying, northerners have finally had their legitimate concern recognized by Government. Disappointment because, as usual, the Government's response is inadequate.

Thirteen years ago my provincial colleague, Jim Foulds, began the fight for equal access to medical care for all citizens, regardless of where they live.

When I was elected to the provincial Legislature in 1975, I joined that fight, and we have carried it on ever since. We were ignored by the previous Conservative Government of Ontario and the federal Liberals. We were also ignored by the current federal Government.

However, we were able to make it a key item in the political agenda of the last provincial election when the Liberals, and at the last minute the Conservatives, realized—I suppose through their polling—that the people of northern Ontario were determined in their demand for this program and they both came on side.

The program was included in the accord signed between the Ontario Government and the provincial New Democrats and finally, after all these years, we have a program.

The program is not perfect, Mr. Speaker. The limit of 300 kilometres is too great to help many people who must travel within the north for even basic care, and the program does not allow for adequate companion travel or accommodation.

However, it is a glorious start. The onus is now on the federal Minister of National Health and Welfare (Mr. Epp) to ensure that similar programs are extended across the country so that—

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

* * *

ENERGY

PRICE OF NATURAL GAS IN OTTAWA REGION—REDUCED FUEL COSTS

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, on October 30 the Minister of Energy, Mines and Resources (Miss Carney) announced a new natural gas agreement, thus completing the process begun in the Western Accord of replacing prices set by Government with prices set by the market.

The Minister indicated that consumers will pay lower gas prices this winter than last as a result of the agreement.

In 1982 a natural gas trunkline was constructed through my riding of Nepean-Carleton. Tapping into this line is in progress, and other initiatives by local gas distributors are making natural gas available throughout the Ottawa Valley.

Yesterday the Ottawa Gas Company carried a one-third page ad in the local newspaper outlining how consumers would benefit from the natural gas agreement. A portion of the ad reads:

The Government is on your side too.

Ottawa Gas also indicated to new customers that it is now able to guarantee savings in annual fuel costs.

● (1405)

This is further evidence of how the nation is benefiting from deregulation. It is in addition to the fact that oil and gas exploration in western Canada is at its highest level in history, and oil and gas investment intentions are up by about $2 billion. All of this provides energy security, lower costs, economic benefits, and jobs right across Canada.

* * *

CRIMINAL CODE

ALLEGED THEFT OF CHEESE IMPORT PERMIT FORMS

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, I rise to commend the Government for initiatives which it has taken to prevent future offences in the administration of cheese import permits. One initiative has been the actions it has taken since assuming office to deal with the apparent theft of permit forms. Within weeks of taking office, it initiated a police investigation. It made the missing forms invalid and unusable. It prepared new forms. It increased the care taken by Customs inspectors. It seized quantities of cheese believed to have been admitted under missing permits. A second initiative has been to take steps which will lead to a basic revision of the system for distributing new permits.

In the Metro Toronto area there is reason to believe that for several years there has been a black market in quotas. Dealers without quotas large enough to meet consumer demand are said to have bought permits from permit holders more interested in trafficking in quotas than in selling cheese. So common has it been that many in the industry accept it as a fact of life and ask: "What is the harm?" The harm is that such trafficking breaks down respect for the law. The Government has done right to initiate steps which will lead to a system for distributing permits that will be fair to legitimate dealers and maintain the rule of law.

* * *

[*Translation*]

EXTERNAL AFFAIRS

SITUATION IN INDIA

Mrs. Lucie Pépin (Outremont): Yesterday, Mr. Speaker, your Government made public its decision to resume deporting Indians to their country of origin because it felt that the situation in Punjab had returned to normal. This decision will affect some 2,800 people. Well, yesterday, in India, someone tried to murder the moderate Sikh leader who had signed the agreement between Punjab and Mr. Gandhi a month ago. It is clear that peace has not really returned to that province.

During last September's election campaign, 1,000 people were arrested and, on election day, two persons died. A moderate party has come to power, which does not necessarily mean that social problems have miraculously disappeared. The social, economic and political contradictions are so blatant that one must have lost contact entirely with reality to believe that all problems have now been settled in India.

Mr. Speaker, I feel that we should up-date our investigatory methods in order to know what is actually happening abroad. Allow me to be somewhat skeptical about the political reports received from Canadians in India. Suffice it to say that even if the situation in Punjab had improved to some extent since the election date of September 25, the Government could have waited a little longer than a month before deciding that all social turmoil in that province has truly ended.

I think that three or four months from now, we will know definitely. In the meantime, a decision like yesterday's is premature indeed.

* * *

[*English*]

FILM INDUSTRY

REPORTED TASK FORCE RECOMMENDATIONS

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, with a Government known for its secrecy, we have sometimes to depend upon top-notch journalists for the news, and Sid Adilman of *The Toronto Star* may just have done it again.

His report on the government task force on films contains good news indeed.

Apparently the task force is to recommend that licensing rights to all movies and video cassettes distributed in Canada be held by majority Canadian owned and controlled companies. This will more than break the stranglehold American distributors have had in Canada. It would mean that producers would have some clout in bargaining with American distributors—"we'll show your films if you show ours".

Apparently the report also recommends a $50 million feature film fund, to be managed by Telefilm Canada, for made-for-cinema movies.

The trouble is that the Americans will not like these vigorous proposals. They have already said that movies are business, not culture, and it is a business which they do not want disturbed. Although every other country in the world supports its film industry and regulates distribution, the Americans do not want us to do so.

• (1410)

Will the Government listen to the American Ambassador or to our own arts community which is telling us to repatriate our own culture as we have done with the Constitution? The proposals of the task force on films as reported would go a long way to doing that. Is the Government listening, and will it act for Canadians?

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

PARTICIPATION OF QUEBEC GOVERNMENT IN FRANCOPHONIE SUMMIT IN PARIS IN 1986

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, the Prime Minister of Canada and the Premier of Québec confirmed on November 8 last the conclusion of a Québec-Ottawa agreement on the participation of the Québec Government in a summit of francophone countries to be held in Paris in early 1986.

At that summit, the Prime Minister of Canada and the Québec Premier will be sitting side to side with the Fleur-de-lys and the Maple Leaf. Québec will be identified as Canada-Québec.

The summit will involve two separate sessions. At the first one, political and economic conditions around the world will be discussed and the Prime Minister of Canada will be the one and only spokesman to deal with the Canadian positions on those issues.

With respect to matters concerning Québec, after consultation and agreement with the Prime Minister of Canada, the Québec Premier will deal with them.

S.O. 22

At the second session co-operation and development will be considered. The Québec government will then act as a full-fledged participant in the proceedings, in accordance with the terms and practices used by the Agence de coopération culturelle et technique.

We can only be pleased with the agreement concluded in the mutual respect of rights and aspirations of both parties.

This agreement shows that the Government wants to secure our national reconciliation. It puts an end to a flag war between Ottawa and Quebec which lasted for about twenty years.

* * *

[*English*]

AGRICULTURE

CROP DISASTER ASSISTANCE PROGRAM—AID FOR WESTERN FARMERS

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, as a prairie Member I rise to congratulate the Minister of Agriculture (Mr. Wise) on his announcement yesterday of a $150 million Crop Disaster Assistance Program for farmers in western Canada.

Some Hon. Members: Hear, hear!

Mr. Wilson (Swift Current-Maple Creek): Some 30,000 farmers will be eligible and payments will be based on yield deficiencies.

The Minister further indicated his intention to work with the provinces to revise the crop insurance programs to allow for additional disaster assistance coverage in the future.

Farmers are the backbone of the country and this announcement is further evidence to them that the Government is committed to agriculture.

Last year the Government participated in crop insurance payments in the amount of $530 million, and over $600 million this year. This spring we amended the Western Grain Stabilization Act to provide a timely interim payment of $450 million, and a further final payment of $72 million is in the mail. We provided a $30 million contribution to help livestock producers maintain their breeding herds over last winter, and a further $48 million this summer for livestock drought assistance. We have reduced the price of farm fuels by more than 20 cents a gallon. We have implemented an immediate $500,000 lifetime capital gains exemption on sales of qualifying farm land.

This Government cares about and has done more for agriculture in 14 months than the previous Government ever did or thought to do.

Some Hon. Members: Hear, hear!

[*Translation*]

LOUIS RIEL

REQUEST FOR POSTHUMOUS PARDON

Ms. Sheila Copps (Hamilton East): Mr. Speaker, we are now in November and one hundred years have gone by since the hanging of Louis Riel. I now ask that this Conservative Government exonerate the victim of the conspiracy of another Conservative Government.

[*English*]

For 100 years politicians and historians have shown that the Government purposely misrepresented the events known today as the Riel Rebellion. Letters and diaries of the participants and observers indicate unethical tactics to obtain political benefits from the rebellion. In a letter from the Marquis of Landsdowne to Prime Minister Macdonald on August 18, 1885, the Marquis wrote:

> You regard the recent outbreak in the Northwest as merely "domestic trouble" which should not be elevated to the rank of a rebellion. I am afraid we have all of us been doing what we could to elevate it to the rank of a rebellion and with so much success that we cannot now reduce it to the rank of a common riot.

The reason for the Macdonald Government's promotion of a common riot to a full blown rebellion was to win additional funding for the near bankrupt Canadian Pacific Railway. While the CPR benefited from the events of the summer of 1885, a Métis leader was hanged. Louis Riel, who died unnecessarily, deserves to be exonerated by the Government and recognized as a victim of wrongdoing.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—IMPORTANCE OF ECONOMIC RELATIONSHIP

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, as the First Ministers meet in Halifax today a major item for discussion is the issue of trade enhancement with our largest trading partner, the United States of America.

As we enter trade negotiations there is some concern in both our countries about the challenge that faces us. I wish to address the people of both the United States and Canada as many of our American friends watch this session on the special C-SPAN broadcast today.

Canada and the United States cannot afford not to work together to enhance our trading relationship. We are each other's largest customer, best friend, and most loyal ally. The unique breadth and depth of our economic relationship offers unprecedented challenges and special opportunities. Protectionist measures implemented in the past have had disastrous effects on both sides of the border. The protectionist mentality is slowly re-emerging amid a world of change, and together we must combat this mentality in all of its forms.

• (1415)

The underlying reasons for seeking a new trading relationship are clear. We have both been struck close to home by the harsh realities of unemployment and the social waste that it brings. It is in this sense that economic renewal is not only a compelling objective shared by our two Governments but a national responsibility to all.

Some Hon. Members: Hear, hear!

* * *

Mr. Speaker: I think the understanding is clear that, by special agreement, the period allowed for statements will now be extended a few moments for a special tribute.

* * *

THE LATE MAX SALTSMAN

TRIBUTES TO FORMER MEMBER

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, a month ago almost to the day, Max Saltsman held a press conference to announce that he was dying of cancer. When he was asked about his reason for making the announcement, he said he was surprised by the national coverage and the attention he received. He went on to say: "What the hell, they are my people and they deserve to know the truth". Today Max Saltsman passed away.

Max came to Ottawa as a result of a by-election victory in 1964. He came from a business background and he explained his NDP association in these words:

> Businessmen can only prosper when people have enough money to buy their goods and services. The economic policies of our Party are designed to produce full employment and higher wages, eliminate poverty, increase assistance to older people, and generally to stimulate purchasing power. Since businessmen depend on the purchasing power of their customers, they stand to gain as much, or more, from NDP policies as everyone else.

As many Hon. Members know, Max Saltsman was a nonconformist. He always had a dream. Whether it was his fight for the under-privileged, or his relentless pursuit of a Caribbean island in order that people from Canada could go south to Canada, he was never without a cause.

We in this Party, and I am sure everyone in the House of Commons who knew Max Saltsman would want to join with us, extend our sympathy to his family and his friends. We say to them, as I am sure they know, that his commitment and influence on Parliament and our country will keep him always in our hearts.

Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I too rise today in sorrow to mourn the passing of a very fine man, Max Saltsman, and I would like to associate myself and my Party with the very eloquent tribute that was just paid by the Hon. Member for Hamilton Mountain (Mr. Deans). Max Saltsman was a friend of mine. He had many sterling characteristics. He was a man of new ideas and old ideals. He was a man of reason, and he was a reasonable man. He was a man whom I respected most for his sense of

generosity and that essential streak of decency which impressed so many of us who knew him.

I was fortunate enough that I myself never had to campaign against Max Saltsman. However, I can say from my experience in the community of Cambridge that he was an enormously popular man. He was a man who always made himself available to people. He cared about people to an extent that I cannot exaggerate. Therefore, today, on behalf of my Party and my community, I say that we are saddened by his loss.

• (1420)

Hon. Herb Gray (Windsor West): Mr. Speaker, the late Max Saltsman was a person of great ability and integrity. This was certainly recognized by his constituents who sent him to Ottawa election after election, from a riding which would not ordinarily be considered one from which a member of the New Democratic Party could be elected.

Max Saltsman was an independent minded person. He was a person who was willing to take a stand even if it was in the face of a different position taken by his own Party. The Right Hon. Leader of the Official Opposition (Mr. Turner) recalls that the late Max Saltsman took a position generally in favour of that of the Government during the controversial period of the War Measures Act in 1970.

Max Saltsman was also an original thinker. Nowhere was this better demonstrated than in his long campaign to make the Turks and Caicos Islands part of Canada. Max Saltsman believed deeply in Canada and in its democratic parliamentary system. He delighted in the opportunities he had to lecture at universities about our country and its system of government.

Max was gifted with a gentle and subtle sense of humour which helped to make his many interventions in debate extremely effective and heard. Max was a strong, outspoken and courageous Canadian nationalist. Above all, he was a person of courage and this was nowhere better demonstrated than the way in which he faced his last and greatest battle.

On behalf of the Official Opposition, and on behalf of all those who knew and worked with him, I would like to extend our deepest sympathy to Max's family, and friends. We mourn his loss but certainly his example and his contribution will long live in the memories of the people in this House, and in the memories of all Canadians.

Mr. Speaker: Would the House care to join me in a moment of tribute, of memory, and of sympathy?

[*Whereupon the House stood in silence.*]

Mr. Speaker: Order, please. Question Period will take its normal 45 minutes.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

AGRICULTURE

CROP DISASTER ASSISTANCE PROGRAM

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Deputy Prime Minister. The Southwest Drought Saskatchewan Committee, in response to the so-called relief given yesterday by the Government, called for the resignation of the Member of Parliament who was responsible for the committee reviewing that drought, and quite rightly so.

The Government is spending billions of dollars to rescue uninsured, nameless, wealthy depositors in banks, yet can find only a fraction of that amount to relieve western farmers who have suffered from the worst drought in memory. Why did the Government not give the same degree of relief as in the case of the bank depositors—100 per cent—to western farmers who have been inflicted by the worst drought in living memory in Saskatchewan, southern parts of Manitoba, and Alberta?

● (1425)

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Right Hon. Member should know that the Hon. Member for Assiniboia did an extremely good job and was very conscientious.

Some Hon. Members: Hear, hear!

Mr. Mayer: He happens to be a farmer, as I happen to be, and I do not think we need to be lectured by the Right Hon. Member on what is going on, on the farm.

Some Hon. Members: Hear, hear!

Mr. Mayer: Let me tell you, Mr. Speaker, what this Government has done on behalf of western farmers. When you add it up, it comes very close to $1 billion. When you add the drought assistance for the livestock industry to what was announced yesterday by the Minister of Agriculture, it comes to $200 million. The federal Government's share of the Western Grain Stabilization Act is approximately $350 million. The federal Government's share of crop insurance is something like $250 million. If you add in some of the other programs which everybody takes for granted, it comes close to $1 billion, to say nothing of the money provided through the Western Grain Transportation Act to assist producers in getting their crops to market.

Sure, everyone would like to have more, but let us put it into the context of what this Government has done and is doing for that area of the country.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I do not think the farmers are going to be impressed by that rhetoric. The Minister knows that for farmers suffering from drought the money was too little, too late, certainly in comparison with the relief given to the banks.

TIMING OF PAYMENTS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, yesterday the Minister of Agriculture promised the farmers that they would receive this relief before Christmas. We learned this morning from the senior Assistant Deputy Minister of Agriculture that it would take until after Christmas to prepare the forms, negotiate the payments, and the money would not be in the farmers' hands until seeding time in March.

Mr. Hnatyshyn: No, wrong.

Mr. Turner (Vancouver Quadra): That is what was said this morning in committee. Will the Minister explain how the farmers who have been wiped out by the drought will be able to survive over Christmas and the winter until they receive the payments?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, with regard to the comment about being too little, too late, let me tell you what another Turner, this one happens to be the president of the Saskatchewan Wheat Pool, had to say about what the federal Government is doing. He said: "Saskatchewan farmers would have suffered a net loss of $450 million this year had they not been given government money." That tells you what another Turner is saying about what the Government has been doing on behalf of producers.

Let me assure the Right Hon. Leader of the Opposition that the forms will be available very quickly. That program will be administered by the PFRA, a well recognized and honourable institution in western Canada. The cheques will be in the mail just as quickly as we possibly can and I hope that, as quick as the farmers apply for it, they will have their money.

Mr. Turner (Vancouver Quadra): The president of the Saskatchewan Wheat Pool also called for $50 per seeded acre and the Government has awarded somewhere between $5 and $10 per seeded acre. That is what the Saskatchewan Wheat Pool thinks of this particular offer.

Some Hon. Members: Hear, hear!

AMOUNT OF ACREAGE PAYMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the face of the drought and grasshopper infestation this summer, in face of the fact that many farmers in southern Manitoba, Saskatchewan, and Alberta have suffered five, six and seven successive crop failures—

Mr. Hnatyshyn: What country are we talking about?

Mr. Turner (Vancouver Quadra): —why would the Government grant an acreage payment insufficient to cover the spraying of their fields for grasshoppers?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Right Hon. Member should know

that this Government takes what it is doing on behalf of Canadian agriculture very, very seriously. What we are attempting to do is address some of the very severe problems caused by the fiscal irresponsibility of the previous Government which saw interest rates go as high as 22 per cent.

Mr. Guilbault (Saint-Jacques): We also caused the drought!

Mr. Mayer: We are attempting to deal with the wrongheadedness and neglect which the previous Government showed toward agriculture. When the Hon. Member talks about the cost of spray he demonstrates, as far as a lot of farmers are concerned, that he does not know the difference between a pig's burp and an elevator.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member for Algoma.

● (1430)

Mr. Foster: Mr. Speaker, my question is directed to the Minister of Agriculture.

An Hon. Member: What's a pig's burp?

Mr. Keeper: What's the difference?

Mr. Speaker: Order, please. Order!

Mr. Turner (Vancouver Quadra): Here is another guy who needs a lesson.

ALLEGED THEFT OF CHEESE IMPORT PERMIT FORMS—COST TO DAIRY PRODUCERS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture and is with regard to the stolen import certificates for cheese which have cost Canadian dairy producers $5.6 million in extra levies charged by the Canadian Dairy Commission. The Minister suggested on Tuesday that he just learned of this last week, yet in fact the Federation of Agriculture made a presentation to the Tory caucus on this over six months ago to demand action. Is the Government taking action to secure restitution from the firms which have illegally imported this cheese with these stolen certificates?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member asks a very serious question on a very serious matter. I think he would agree that it is probably not appropriate to comment on it at much length except to say that it is under investigation by the RCMP. We view it as a very serious situation. As the Minister for International Trade said yesterday, as soon as the details are made known the appropriate action will be taken as long as we can ascertain where the blame lies. However, it is a very serious situation and I think we are all concerned about the length of time which is being taken to deal with it.

REQUEST FOR REIMBURSEMENT

Mr. Maurice Foster (Algoma): Mr. Speaker, I am not asking about the police investigation. I am simply asking if the Government is prepared to reimburse the dairy farmers immediately for the $5.6 million of extra levies which have been placed on them this year by the Canadian Dairy Commission, and to seek restitution from the importing firms later. Is the Government willing to do that on behalf of the dairy producers who have suffered because of this incident?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I think the Hon. Member asks a fair question. As soon as we are made aware of all the details and facts involved in this unfortunate situation, I think the intent of the Government will be to ensure that no producer is wrongly or unfairly injured as a result of what, so far, appears to be a very unfortunate and, hopefully, isolated case.

ASSISTANCE TO FARMERS

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is directed to the Deputy Prime Minister and is with regard to Government policy. There is great confusion today among prairie farmers as to their importance in the Government's listing of priorities. Depositors in the Canadian Commercial Bank can get 100 cents on the dollar when they get in trouble. Why is it that when farmers get in trouble they are only offered 10 cents on the dollar?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I wish the Opposition would get it through their heads that the depositors include municipal governments, credit unions, labour unions, religious, charitable and ethnic organizations, and many other individual Canadians as well as individual Canadian companies.

Mr. Turner (Vancouver Quadra): Give us the names.

Mr. Mayer: Ordinary people are getting their deposits back.

Ms. Copps: Ordinary millionaires.

Mr. Mayer: We are very concerned about them as we are about Canadian agriculture. If one looks at what has been contributed by the federal Government on behalf of western agriculture this year, it is very close to $1 billion.

GOVERNMENT POSITION

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, the Minister has very kindly given us a list of some people who are on the 100 per cent priority list. Can he explain why farmers are on the 10 per cent priority list?

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: Your premise is wrong.

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the premise of the question is absolute-

ly wrong. To the extent that there were farmers who were depositors in some of those banks, they would be getting back 100 per cent on their deposits the same as anybody else.

Some Hon. Members: Oh, oh!

Mr. Deans: Sit down.

Mr. Mayer: They laugh. There are a lot of farmers who are involved in credit unions. Members should know that credit unions are a very big factor in financial institutions in western Canada. I believe we have accepted our responsibility. As I said, everyone would like to do more, but if we start to do more interest rates will go up.

Some Hon. Members: Oh, oh!

Mr. Mayer: For a farmer in western Canada, the 3 per cent reduction in interest rates as a result of the Government's policies will mean a reduction of $3,000 for every $100,000 of indebtedness. That is a significant benefit to western farmers as well.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): This arrogance is contagious.

FARMERS' LOSSES

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, perhaps if I put the question another way the Minister will comprehend it a little better. Does he not see that keeping farmers viable will prevent the kinds of problems we had with the Northland and Canadian Commercial Bank! Does he not see that that is the reason for some of these bank failures? Why not attack the problem at its root? Why give only 10 cents on the dollar to farmers? We must head off these problems instead of waiting until it is no longer possible to save the economy. Why does the Government give 100 cents on the dollar to credit unions and banks while ignoring the needs of the workers and producers in the country?

Some Hon. Members: Hear, hear!

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I would be very surprised if the Hon. Member would call the $450 million interim payment made last spring under the Western Grain Stabilization Act ignoring farmers.

Mr. Althouse: Did they not pay for it?

Mr. Mayer: The Hon. Member tells me that we should be attacking the root causes of the concerns of western banks.

Mr. Benjamin: No, western farmers.

Mr. Mayer: That is exactly what the Government has done with its energy policy. That is the kind of thing that we will continue to do. To the extent that farmers are businessmen, which they are, as there are reductions in interest rates they will all benefit from the policies of the Government.

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FINANCE

ATTENDANCE OF DEPUTY MINISTER AT BUSINESSMEN'S DINNER—COMMUNICATION GUIDELINES FOR PUBLIC SERVANTS

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Deputy Prime Minister. In the "policy guidelines for public servants", *Communications with the Public*, issued by the Prime Minister on November 23 it is stated: "Off-the-record background briefings will only be permitted in exceptional circumstances and must have prior ministerial approval".

With regard to the dinner organized by the chief Tory fundraiser, David Angus, at which there was a briefing of businessmen by the Deputy Minister of Finance, when and how did the Minister of finance give his approval for such a briefing, and what were the exceptional circumstances that justified it?

Mr. Foster: A thousand dollars each.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the question gives me the opportunity to refer to yesterday's question of the Member for Saint-Henri-Westmount in which he made allegations that all of those in attendance were members of and contributors to the Five Hundred Club. That statement, Sir, was absolutely false. It goes to show—

Mr. Gray (Windsor West): Answer my question.

Mr. Nielsen: —the extent to which they are prepared to go to try to erect a straw man out of absolutely nothing.

Mr. Deans: Maybe he will answer your question tomorrow.

Mr. Turner (Vancouver Quadra): Give us the list.

Mr. Nielsen: The hon gentleman's question was answered yesterday.

Mr. Gray (Windsor West): No it wasn't.

Mr. Nielsen: It was answered last week. If he persists, I will read the answer to him again. It was a perfectly legitimate meeting for perfectly legitimate purposes. Such meetings will be repeated in the search for consultation and advice from all parts of the country.

APPLICATION OF GUIDELINES

Hon. Herb Gray (Windsor West): Mr. Speaker, I must repeat my question. Exactly when and how did the Minister of Finance give the approval required by the Prime Minister's own guidelines to the special briefing given by the Deputy

Minister of Finance at the dinner organized by David Angus, and what were the exceptional circumstances? If he does not give a straight answer to that question, we will know what he is hiding.

Some Hon. Members: Hear, hear!

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): There is nothing, Sir, being hidden whatsoever.

Mr. Gauthier: Tune in tomorrow.

Mr. Nielsen: The Hon. Member is trying to link guidelines to press briefings which have no connection whatsoever. The fact is that a dinner was held for the purpose—

Ms. Copps: Publish the list.

Mr. Nielsen: —of consulting business persons and soliciting information, views, and opinions from the private sector. What is so wrong with talking to the people?

Mr. Gauthier: Publish the list.

* * *

AGRICULTURE

CROP DISASTER ASSISTANCE PROGRAM—BASIS FOR PAYMENTS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister responsible for the Wheat Board and is with regard to the drought assistance plan. As the Minister knows, the farmers asked for $50 an acre and are only getting about $5 per acre. I have had calls from farmers this morning who want to know how the Government is going to make the pay-out under this new program. Will it be based, as the Minister suggested, on a three-year average which, in the rural municipality of Bengough, comes to about 13 bushels per acre, or on a more accurate ten-year average which comes to around 23 bushels an acre? Which will it be, a ten-year average or a three-year average? If it is three years, the farmer will be short changed.

● (1440)

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): First, Mr. Speaker, the Hon. Member should know that under the formula to be used it is my understanding that the maximum payment in the most severely affected areas could be as high as $15.

He should also know that we are sensitive to the types of questions he has raised. For instance, if it is necessary to use crop insurance figures and they are based on previous production, it becomes very difficult to qualify. These things will be taken into consideration so that the people who have suffered the most from drought over a number of years will not be penalized. We will treat them as fairly as we possibly can, relative to others who have only had one or two crop failures.

Mr. Nystrom: The Minister has not answered the question.

GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, why are the farmers being short changed? They asked for $50 an acre and they are getting about $5. The banks were not short changed; neither was Syncrude nor Dome. Why were the farmers short changed? Was it "Erik the Axe" cutting back the budget again?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, when the Hon. Member talks about Dome Petroleum I assume that he is talking about some alleged tax breaks. He should also know that Canadian farmers have an opportunity on an ongoing basis to defer grain sales in order to assist them in taxation matters. He should know that at the end of most calendar years there is as much as a billion dollars in grain sales deferred in order to assist farmers in their tax planning. He should know that this action is taken on behalf of farmers to assist them with their taxation problems.

Perhaps he wants to consider the amount of money that is being put in by the provincial Governments that are co-operating with us, especially Alberta and Saskatchewan. Unfortunately, I cannot say as much for my own Province of Manitoba. However, when you consider the money being put in by the federal Government and the two provincial Governments, it comes very close to covering the $2.5 billion loss that is estimated on the Prairies as a result of the drought this summer.

* * *

CROWN CORPORATIONS

PROPOSED SALE OF DE HAVILLAND CORPORATION

Hon. Bob Kaplan (York Centre): Mr. Speaker, we are hearing from the Minister that Liberal tax policy toward farmers was pretty good.

In the absence of the Minister of Regional Industrial Expansion I will direct my question to the Deputy Prime Minister. It concerns the rumours about the future of de Havilland that are now being reported in some detail in the media.

Will he bring the House up to date and indicate whether an agreement is in the works to sell de Havilland Aircraft Corporation so that it will become a wholly owned branch plant of Boeing in Seattle? Will he also confirm that a Canadian group, the Rimgate Group, which wanted to put in a bid, has not been given a fair opportunity to do so and has not been given the details that were given to Boeing to permit it to do so?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman would not expect me to answer in any other way than to say that any announcement with respect to de Havilland will be made in appropriate terms at the appropriate time.

Oral Questions

REQUEST FOR PARLIAMENTARY EXAMINATION

Hon. Bob Kaplan (York Centre): Mr. Speaker, if there is to be a sale of de Havilland, will Parliament be given an opportunity to examine that sale before it takes place? Will it also be able to examine the alleged multimillion dollar finder's fee which is to be paid to Burns Fry in connection with that transaction?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, quite apart from the hypothetical nature of the question, I will not add any fuel to the vivid imagination of the hon. gentleman and the speculation which he has propagated.

* * *

REFUGEES

RIGHT OF REFUGEE STATUS CLAIMANTS TO ORAL HEARINGS

Mr. Dan Heap (Spadina): Mr. Speaker, in the absence of the Minister of State for Immigration, my question is directed to the Minister of Labour who, I understand, is taking those questions which I have discussed with the officials of the Department this morning.

On April 4 the Supreme Court of Canada ruled that everyone in Canada who claims refugee status, including Sikhs and Tamils, has the right to an oral hearing before those who will make the decision which, if it is mistaken, could send him or her to imprisonment or death.

Will the Minister assure the House today that his Government will not remove from Canada those Sikhs or any other persons who have made refugee claims and who have not had their oral hearings, regardless of whether they have completed all other legal procedures?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, as a result of the actions taken by the Minister responsible, the processing of those who have claimed refugee status in Canada is now the same as for all nationals who have sought refuge in Canada. The process being used for the Indian nationals whom the Hon. Member mentioned is the same process that is used for other nationals.

SITUATION OF TAMILS IN CANADA

Mr. Dan Heap (Spadina): Mr. Speaker, the Minister has not answered my question but has chosen a different question that I did not ask. Let me be more specific. While the Tamils are being killed by Sinhalese troops in Sri Lanka, it is reliably reported that the Government of Canada has agreed with the Governments of France, the United Kingdom, Netherlands, and Switzerland to begin in December removing Tamils from Canada and sending them back to Sri Lanka.

Will the Minister assure us that no Tamil who has claimed refugee status in Canada will be removed from Canada without an oral hearing?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I can only repeat my answer to the Hon. Member. The process that is being used for those nationals who have sought refuge in Canada is the process that is available to all who seek refuge in Canada. That is the policy that has been enunciated by the Government, and it will continue to be the policy.

* * *

INDUSTRY

IMPACT ON SUSAN SHOE INDUSTRIES OF IMPORT QUOTA REMOVAL

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Acting Minister for International Trade. This week, Susan Shoes Industries, makers of Cougar shoes, sold its Oakville plant and shelved plans for Hamilton expansion as a direct result of the Government's decision to abandon the Canadian shoe industry. What can the Minister say to Joan Malcom of Burlington who not only lost her job but saw two of her daughters lose their jobs as a direct result of the Government's announcement last week?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I can only repeat what the Minister for International Trade said in the House very often. The tribunal studying shoe quotas reported to the Government and we have acted on increasing protection for Canadian consumers. We are only protecting that part of the industry that we believe cannot compete, while the rest of the industry can. We will be making appropriate policies for people in the event that they are displaced.

GOVERNMENT POLICY

Ms. Sheila Copps (Hamilton East): The Minister knows that for every dime saved a dollar will be spent in added costs of unemployment insurance and other lost revenues to the Government.

Sixty-five per cent of the workers in the footwear industry are women. How can the Minister justify annihilating an estimated 20,000 Canadian jobs so that some Canadians can wear cheaper Guccis?

Some Hon. Members: Oh, oh!

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, this tribunal was set up by the former Government and we have acted responsibly in response to its results. I think it is time that the Hon. Members opposite recognize this.

TRADE

CANADA-UNITED STATES NEGOTIATIONS—IMPACT ON WOMEN

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, first, may I welcome back to the front benches the Hon. Member for Frontenac.

Some Hon. Members: Hear, hear!

Mr. Langdon: I trust that his contribution to the free trade debate will help us.

Conspicuous by its absence from the list of Government free trade studies was any analysis of the impact of these negotiations on women in the economy, despite the strongly expressed fears of the National Action Committee on this issue. Will the Deputy Prime Minister explain why the Government has not commissioned studies to examine how women may be hurt by free trade and why it has not formally consulted with the National Action Committee about this issue?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I do not accept the preamble to that question or the allegations contained in it. I believe that the Hon. Member was here yesterday when the Secretary of State for External Affairs completely and fully answered questions with respect to studies undertaken by the Government.

Mr. Langdon: I think that we may have listened more carefully to his answers than you did because they did not deal with the question of studies of the impact on women.

NATIONAL ACTION COMMITTEE

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I ask my question quite specifically because the National Action Committee has told us this. Why has there been absolutely no discussion with NAC, the umbrella group for women, about the free trade impact on them? Why is the Government ignoring a key part of our economy?

● (1450)

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I do not accept that premise, Mr. Speaker. I have said once before that the answers of the Secretary of State for External Affairs did not preclude the possibility that that kind of paper exists. In any event, the method of consultation adopted by the Government includes very much an ongoing process, and does not mean the end of the consultation process with one study.

ENVIRONMENTAL AFFAIRS

LAKE ONTARIO—UNITED STATES PROGRAM TO CLEAN UP CHEMICAL DUMP

Mr. Alan Redway (York East): Mr. Speaker, in the absence of the Minister of the Environment, my question is for the Parliamentary Secretary.

An announcement was made this week regarding the Hyde Park chemical waste dump located in New York State. Can the Parliamentary Secretary advise the House whether the Government is satisfied that this clean-up program will solve the problem, bearing in mind that seepage from this dump is contaminating Lake Ontario and endangering the drinking water of the four million Canadians who draw their water from Lake Ontario?

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the Minister of the Environment has initiated an assessment of the proposed settlement agreement. This agreement is now a public document for a period of 60 days before a court in the United States will consider it and allow it to be passed.

On the positive side of the proposal is the fact that after six years of delay we now have a containment proposal, and a proposal that will see elimination and destruction of some of the chemicals that would have seeped into the river and into the lake.

Our response will be seeking assurance that the techniques suggested will be effective in relieving the pressures, and in keeping with our position that we must see complete removal and destruction of the chemicals seeping into the river.

* * *

[*Translation*]

FOOTWEAR INDUSTRY

CLOSING OF PLANTS IN QUEBEC—FUTURE OF LAID-OFF EMPLOYEES

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I would also like to welcome back the Hon. Member for Frontenac, and I am convinced that, after living through the stress of knowing that he could lose his job, he will vigorously defend the men and women who work in the footwear industry.

My question is for the Acting Secretary of State for External Affairs. This morning, my colleagues for Richmond, Ville d'Anjou and Saint-Maurice met with representatives of the footwear industry and some of its employees, and a management representative whom we met on this occasion would like to know why the Government has condemned his industry to death, causing the loss of 240 jobs.

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, there is no question of this industry dying off. I

think the kind of fear and panic that is being spread by the Hon. Member is not helpful to a discussion of the issue.

[*Translation*]

INQUIRY WHERE 53-YEAR-OLD LAID-OFF EMPLOYEE WILL BE RE-EMPLOYED

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, if the Minister were willing to get down from her ivory tower and to meet real people, she would see that this is not simply panic.

My supplementary is for the same Minister. A 53-year-old footwear worker who will lose her job would like the Minister to tell her in what occupation she will be retrained and where another job will be found for her.

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, my colleague, the Minister for International Trade, has indicated to this House before that, in the event of any disruption within the industry, the Government will be looking at active policies to help people.

Ms. Copps: People are losing their jobs.

Mrs. McDougall: It is important for all Canadians, Mr. Speaker, that we have a realistic and competitive industry. Where people are hurt, this Government has already made a commitment that it will look after them.

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ATOMIC ENERGY OF CANADA LIMITED

RADIOACTIVE WASTE DISPOSAL—INQUIRY CONCERNING SITE LOCATION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. The Minister will probably know of the concern expressed by many residents of Manitoba about the latest application by Atomic Energy of Canada to acquire more Crown land near its Lac du Bonnet site for hydrogeological research with respect to disposal of radioactive waste.

Given that the concerns of many of those residents have to do with whether or not Manitoba may become an eventual site for a radioactive garbage dump, can the Minister now assuage those fears by ruling out, once and for all, the possibility of Manitoba becoming the final site for radioactive waste disposal?

Mr. Hnatyshyn: You already have Howard Pawley.

Some Hon. Members: Oh, oh!

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I would suggest that the Member's question is hypothetical. AECL, which is the agency involved, has already said that it has no plans to use these sites in Manitoba for the nuclear waste disposal which the Hon. Member discusses.

REQUEST FOR MINISTERIAL ASSURANCE

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I want to hear it from the Minister, I want to hear it from the Government, that Manitoba has been ruled out for a radioactive garbage dump. I do not want to hear it from AECL, which has a habit of lying through its teeth anyway.

Some Hon. Members: Oh, oh!

Mr. Blaikie: I want to hear from the Minister, from the federal Government, not that there are no plans at this time nor any of that double-talk. I want to know that Manitoba has been ruled out completely.

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, there are no plans, there are no applications, there is no movement in this direction, so my answer to the first question will stands. It is a hypothetical question.

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YOUNG OFFENDERS ACT

INTRODUCTION OF AMENDMENTS—MINISTER'S POSITION

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is for the Solicitor General and it concerns the Young Offenders Act. I wish to applaud the Solicitor General for his prompt and sensitive response to the concerns expressed by many Canadians, including police forces and other people.

Since the Solicitor General wisely arranged to hold public hearings across the country, would he share with us some of his preliminary views about the Young Offenders Act? What changes might be made and when may they occur?

Ms. Copps: Where is your apple?

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, I will be pleased to do that. We have had a series of consultations in various centres across the country. There is another scheduled for Moncton on Monday.

As a result of these consultations it has been made clear to us that there are deficiencies in the Act as it relates, in some cases, to records provisions, and in other cases relating to open and closed custody and various other administrative issues. I think the goal of all of those involved is to ensure that the philosophy espoused by Parliament, that young people should be held accountable for their actions, is made to work well and work wisely, and that is our intention.

VISIBLE MINORITIES

INTERNMENT OF JAPANESE CANADIANS DURING WORLD WAR II

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of State for Multiculturalism. Last December the Government, in a press release, announced two very important steps with regard to Japanese Canadian redress, first, that it would enter into negotiations regarding compensation with the community, second, that it would negotiate with and through the National Association of Japanese Canadians.

Since it appears this week that those promises have fallen by the wayside, can the Minister reassure this House and the Japanese Canadian community that the Government will maintain its promise to enter into official negotiations with the National Association? Is the Minister prepared to give us this guarantee?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker, I can see that the Hon. Member is grandstanding again, because he asked the exact question in committee two days ago. I answered it in detail then, but I will be happy to answer again.

Our Government—unlike the Liberal Government—

Mr. Turner (Vancouver Quadra): Outrageous arrogance.

Mr. Jelinek: —the previous Government, which said it would never apologize to the Japanese community—will, in fact, be making a statement of apology. We will be putting together a redress package on behalf of the Japanese Canadians who experienced the atrocities some 43 years ago.

It is my view that I have to get as broad a spectrum of input into my deliberations before making recommendations to Cabinet. I made that clear to the National Association of Japanese Canadians in several discussions with them. They understood. I am getting that input from the provinces and other interested parties—

Mr. Caccia: This is a speech.

Mr. Jelinek: This is not just a Japanese-Canadian problem, Mr. Speaker. It is a Canadian problem and it will be dealt with accordingly.

Some Hon. Members: Hear, hear!

NEGOTIATIONS INQUIRY

Mr. Sergio Marchi (York West): Mr. Speaker, every problem that we treat in this House is a Canadian problem and it is shared by everybody.

Some Hon. Members: Hear, hear!

Mr. Marchi: I would like to ask a supplementary question. This Minister is misleading the House—

Some Hon. Members: Oh, oh!

Mr. Marchi: —when he said that the Japanese community is understanding of his position. His Prime Minister and his Government—

Mr. Speaker: Order, please. Please put the question.

Mr. Marchi: Will the Government maintain its commitment to negotiate officially and not discuss the issue in airport lobbies? Will he tell us whether he is going to negotiate with the National Association as he said he would, or is this simply another broken promise by the Tory regime?

• (1500)

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport) and Minister of State (Multiculturalism)): Mr. Speaker, I am glad to see that the Hon. Member who represents a Party which has said that it would never even discuss the issue, let alone apologize, has so much interest in this matter.

Mr. Gauthier: Answer the question.

Mr. Jelinek: The Prime Minister of Canada, when he was Leader of the Opposition, made a commitment. That commitment still stands. However, it would be irresponsible of me, as the Minister responsible, to discuss these matters with Canadians and to make a decision before I have had input from the broadest cross-section of Canadians as is possible, which includes the National Association of Japanese Canadians. If the Hon. Member has a suggestion, I would be glad to listen to him.

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AGRICULTURE

ALLEGED THEFT OF CHEESE IMPORT CERTIFICATES—REQUEST THAT B.C. CHEESE PRODUCERS BE COMPENSATED

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Acting Minister of Agriculture. Irrespective of whatever police investigation is taking place into the stolen import certificates, can the Minister give B.C. cheese producers a guarantee that any losses which they may have experienced as a result of stolen import certificates will be covered, either by the Government or by the importers of the illegal cheese?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I think the Hon. Member asks a fair question. I do not think he would expect a total guarantee to be given in this kind of setting. However, I have said that the Government is willing to look at it and try to do the best it can, to see that no one is taken advantage of financially for a circumstance over which they had no control. We are sensitive to the concern. We will take everyone's concern, including that of the Hon. Member on behalf of B.C. cheese producers, into account. I might mention that the same concerns have been raised by our own Members from British Columbia as well.

LOSSES SUFFERED BY PRODUCERS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, in light of the sensitivity which the Minister declares and the concern which he says his caucus expresses, does he think that it is fair for the innocent parties in this scam to bear the loss of $4 million to $6 million because of this illegal importation of cheese?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, before we move along the lines of giving guarantees, I think it is very important that the total situation be understood and that the total facts be known. Referring to the import of his question as to whether it is fair, certainly all of us sympathize with that and do the best we can to address the situation so that, I say again, people who lose financially through no fault of their own are not unduly disadvantaged. We are sensitive to that and will do the best we can in that circumstance.

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CUSTOMS AND EXCISE

ADMISSION OF UNITED STATES MAGAZINE

Mr. John Nunziata (York South-Weston): Mr. Speaker, my question is directed to the Minister responsible for Customs and Excise. It concerns the December issue of the American *Hustler* magazine which was allowed into Canada by his officials. This particular issue depicts and describes sex in a manner which is violent, degrading and dehumanizing to women. It contains scenes of bondage, sex with urination, sex with violence, sex with an apparent child, and extreme racism. Its entry into Canada is in clear violation of Section 159 of the Criminal Code and the Customs Tariff. In view of the fact that the magazine is illegal, how and why was a magazine which is offensive and degrading to women allowed into Canada?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I thank the Hon. Member for bringing this matter to my attention. The Minister is not in the House today because he is at the First Ministers' Conference. I will raise it with him and with his officials and get back to the House as soon as possible.

Mr. Nunziata: The fact remains that the magazine was allowed into Canada. Someone fell asleep at the switch.

REQUEST THAT MAGAZINE BE REMOVED FROM STORE SHELVES

Mr. John Nunziata (York South-Weston): Mr. Speaker, my supplementary question is directed to the Acting Minister of Justice. Will he immediately instruct provincial Attorneys General to remove the offensive magazine from the shelves and to prosecute distributors and retailers who refuse to do so?

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, on behalf of the Minister of Justice I will gladly take notice of that question.

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TRADE

CANADA-UNITED STATES NEGOTIATIONS—LUMBER EXPORTS

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, my question is directed to the Deputy Prime Minister and it concerns a matter of government policy. Various U.S. spokesmen, including Clayton Yeutter and key Congressmen, have urged Canada to accept voluntary export restraints on lumber sales to the United States. Will the Government, now that it has accepted talks with the U.S. on this issue, state clearly and without equivocation that Canada will not accept such voluntary restraints?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, that question was answered yesterday, in a similar question, by the Secretary of State for External Affairs.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): It was asked, not answered.

Mr. Nielsen: I hear groans. If my hon. colleagues in the House would like me to read those answers into the record again, I will willingly take up the time of the House to do that. He was here; he heard the answer.

Mr. Turner (Vancouver Quadra): It was a non answer.

NATURE OF TALKS

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, yes, I was here and I did hear the answer, and I did not hear it today, the one I am looking for.

An Hon. Member: Ask the right question.

Mr. Angus: The Government of Canada will have talks with the United States on lumber. If the question of voluntary restraints is not on the table in those talks, then what will they be discussing?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Trade issues, Sir.

ENVIRONMENTAL AFFAIRS

NIAGARA RIVER POLLUTION—UNITED STATES CLEAN-UP PROPOSAL

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in the absence of the Minister of the Environment I will direct my question to his Parliamentary Secretary. It has now been six weeks since the Minister of the Environment received a very specific proposal from his American counterpart on how to clean up the dump sites along the Niagara River. There has been silence ever since. When will this veil of silence be lifted so that Canadians will know how their health and their water will be protected by the Government?

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the working group, which includes representatives of the Province of Ontario and members of the federal department of the Environment, has been working ever since the time of the first meeting with Mr. Thomas and the Minister some six weeks ago. Its members are now down to a point where they are considering in detail four or five specific proposals, which I understand can in fact be agreed upon. We hope to be able to release those by the beginning of the year.

GOVERNMENT POSITION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, can the Parliamentary Secretary assure the House that the final package will be in keeping with the commitment and promise made last May to the predecessor of the present Minister of the Environment?

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, not being entirely clear on the exact premise of the question, I do not think I can give the Hon. Member that complete assurance. I can tell him that we will be acting on behalf of the Canadian people who will be required to use that water in the future. We will be doing our best, in co-operation with the Province of Ontario, to ensure that the standards which we all want are met.

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CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of one, presented by Hon. Members on November 27, 1985, meet the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for Victoria-Haliburton (Mr. Scott) does not meet the requirements of the Standing Orders as to form.

I am in receipt of a notice of a desire to raise a point of order by the Hon. Member for Windsor West (Mr. Gray).

POINT OF ORDER

ANSWER OF MR. NIELSEN DURING QUESTION PERIOD

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to raise a point of order with respect to today's Question Period. When I asked a question of the Deputy Prime Minister (Mr. Nielsen) with regard to the policy guidelines for public servants in communications with the public, issued by the Prime Minister (Mr. Mulroney) on November 23, 1984, the Deputy Prime Minister said that my question had already been asked and answered.

I carefully checked *Hansard*, and I found nowhere a question pertaining to these guidelines, and nowhere an answer as to whether or not the Minister of Finance (Mr. Wilson) specifically gave the permission required by the guidelines and demonstrated exceptional circumstances. These guidelines, by the way, apply not only to dealings with the press but to dealings with the public generally. I feel this must be noted in terms of the proper order and conduct of the Question Period.

Mr. Speaker: The Hon. Member knows that I must say that that is not in fact a point of order. I invite him to use the late show procedure if he wishes to pursue the matter further.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

STRIKING COMMITTEE—THIRTEENTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour to table the thirteenth report of the Striking Committee, in both official languages.

• (1510)

AGRICULTURE—THIRD REPORT OF STANDING COMMITTEE

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, I have the honour to present the third report of the Standing Committee on Agriculture, in both official languages.

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

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to ask the Government House Leader the customary question as to the business of the House which he proposes for the coming week.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, as the Hon. Member knows, the House Leaders will be meeting immediately after Routine Proceedings and I intend to discuss the business of the House of next week with them. I will come back to the House and seek the indulgence of Hon. Members to announce the business after that meeting.

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PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCE

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I have a number of petitions from Ville Saint-Pierre in my constituency. In these petitions the petitioners ask that the Government of Canada abandon its regressive decision to deindex family allowances. This decision, if implemented, would further reduce the buying power of the truly needy in Canada.

UNEMPLOYMENT INSURANCE—PENSION INCOME DEDUCTIONS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I have the honour to present a petition on behalf of a number of my constituents who ask the Government to rescind the policy with respect to the calculation of retirement benefits and the availability of unemployment insurance payments.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Mr. Les Benjamin (Regina West): Mr. Speaker, I have a number of petitions. The first is from petitioners in my constituency. I have another two petitions from Wascana Hospital in Regina signed by 37 people. I have a further 19 petitions from citizens of the City of Regina. All petitioners in these 22 petitions pray and call upon the House to maintain full indexation of universal family allowances and to rescind unfair tax increases, for which they, and I, will forever pray.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I have a petition from a number of western Canadians who are concerned about the Government's cut-back in the cost of living increase to family allowances and who are asking the Government to reinstate the full indexation of the universal family allowance. They also ask the Government to rescind a number of unfair tax increases which were introduced in the last Budget and which are presently before the House.

DEVELOPMENT OF TOURIST INDUSTRY IN WELLAND CANAL AREA

Mr. Allan Pietz (Welland): Mr. Speaker, I have the honour to present a petition today on behalf of 600 residents of my riding and other areas in the Niagara Peninsula. They call upon Parliament to look closely at the potential which exists in the Niagara Peninsula and, more particularly, on the Welland Canal lands and recreational waterway for attracting more tourism to Canada and to develop lands toward that end.

[*Translation*]

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Guy Ricard (Laval): Mr. Speaker, I have the honour to table a petition from people in my constituency about family allowances.

[*English*]

CALL FOR INQUIRY INTO USE OF TEST RANGE AT NANOOSE BAY

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I have a number of petitions on two particular topics. The first group are petitioners who request that the Government investigate their concerns about the test range at Nanoose Bay before further negotiations are proceeded with.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Mr. Stan J. Hovdebo (Prince Albert): The second group of petitions are from citizens of the Prince Albert district who are concerned about the deindexation of universal family allowances. They call upon the House of Commons to reinstate full indexation of the family allowance and to rescind unfair tax increases.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have a number of petitions from residents of Winnipeg, in particular—people in my riding, who take note of the fact that the deindexation of family allowances will not be offset by the child tax credit and that even the poorest of families will be worse off by the year 1990. These citizens call upon the Government to rescind its efforts to deindex the family allowance.

[*Translation*]

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have the honour to present today a petition from the Casselman area which was given to me by Mrs. Nicole Leduc of that community.

The petition asks the Government of Canada to reverse its decision about deindexing family allowances.

[*English*]

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I have petitions from residents of my constituency in the Towns of Lanigan, Humboldt, Drake, Meacham, Plunkett and Colonsay who point out that in their opinion deindexation of the universal family allowance and the massive cut-backs in the public commitment to child benefits are an unfair tax on women and families with children. They call upon the House of Commons to reinstate full indexation of universal family allowance and to rescind the unfair tax increases.

UNEMPLOYMENT INSURANCE—PENSION INCOME DEDUCTIONS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the honour and responsibility to present several petitions dealing with a common subject. The first is from Local 6500 of the United Steelworkers of America. It has some 85 signatures.

The next petition is from bank clerks of quebec which contains some 75 signatures, 37 of them collected by Mr. John R. Syme of North Bay.

The next petition contains 30 signatures from the Ontario Retail Council of Ontario. The next petition is from the Lethbridge City Fire Fighters' Union with 40 signatures.

All of these individuals deplore the fact that the Government intends to change the Unemployment Insurance Act effective January 1, 1986, whereby pension income will be considered earned income for unemployment insurance purposes. They call upon the Government to rescind this particular provision.

* * *

PETROLEUM INCENTIVES PROGRAM ACT

MEASURE TO AMEND

Hon. Pat Carney (Minister of Energy, Mines and Resources) moved for leave to introduce Bill C-85, an Act to amend the Petroleum Incentives Program Act.

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

QUESTIONS ON THE ORDER PAPER

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

[*Translation*]

Mr. Speaker: Shall all questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

INCOME TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of the motion of Mrs. McDougall that Bill C-84, An Act to amend the Income Tax Act and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act, be read the second time and referred to a legislative committee.

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, when the debate was adjourned before lunch, I was trying to demonstrate that the philosophy on which the Budget was based, which we find again in Bill C-84, consists in giving tax benefits to large corporations, to the wealthy, and in significantly increasing the tax burden on middle income taxpayers.

I also touched on the child tax credit issue, and I wanted to point out that the combined effect of Bill C-84 and the legislation on partial deindexation of family allowances would be that Canadian families would lose altogether $1,210,000 between now and the end of this decade. In other words, the child tax credit will provide certain benefits for families, but the reduction in tax exemptions and deindexation of family allowances will represent more than twice the amount of those benefits. If total benefits amount of $1,100,000, there will be a $2,300,000 drop in income as a result of the combined effect of reducing and deindexing the exemption and deindexing family allowances.

Mr. Speaker, if I may refer to the debate in committee on Bill C-70, we must consider the fact that the provinces, with the exception of Quebec, will also have a $100,000 increase per year in revenue at the expense of middle income families. These figures were taken from the debate in committee on November 19, 1985, and were given by the Deputy Minister for Health. Therefore, the real loss for Canadian families will be enormous.

• (1520)

Mr. Speaker, finally, in the few minutes I have left I would like to comment on the provisions of Bill C-84 dealing with the capital gains tax exemption. We have often said in the House, and I have maintained this outside the House as well, that in this legislation the very principle of the capital gains tax exemption is unfair and that the legislation fails to meet the objectives laid down by the Government in its Budget policy.

Among the measures proposed by the Government, the $500,000 exemption will give the wealthiest in our society tax benefits totalling $4.5 billion between now and the end of this decade. The exemption is unconditional, and so we have no

assurance that the tax benefits thus enjoyed by our wealthiest taxpayers will go to finance new investment.

Last night, for example, I watched television and listened to my friend the Hon. Member for Mississauga South (Mr. Blenkarn) referring to tax statistics. He said it is not true that rich people would benefit most from this measure.

Mr. Speaker, I would refer all Hon. Members of the House to page 277 of the 1985 edition of documents on tax statistics. One can see how tax benefits are shared and who are the people who will benefit most. They show as well in which sector of activities the benefits will be most generous. There is no doubt that people who deal in real estate stand to gain most and, as it happens, real estate transactions are the source of huge capital gains. That was the point raised by my colleague from Saint-Henri-Westmount (Mr. Johnston). I think the Hon. Member for Mississauga would be well advised to re-read those statistics very carefully before making the kind of statement we heard from him last night.

Besides, Mr. Speaker, we are not the only ones to speak against this unfair and unequitable measure to average income taxpayers. On May 31, not long after the Budget, the *Globe and Mail* reported the comments made by academics, tax experts and accountants who said that this measure was inappropriate under the circumstances and that it would not deliver the expected benefits.

More recently the *Financial Post*, definitely not a leftist publication, gave a very detailed report on the remarks made by tax experts attending a Canadian Tax Foundation meeting. Here is what those people said: Despite the fact that those consultants . . . Perhaps I should quote the *Financial Post* in English:

[*English*]

They will earn hefty fees from the fancy tax planning the exemption will spawn. But even so, many of the 1,500 accountants and lawyers attending last week's Canadian Tax Foundation conference here criticized the proposal as ill-conceived and poorly designed.

They now think it likely to spawn dozens of new tax avoidance schemes that could lead to pressure for big modifications to the exemption, or some sort of substitute.

Further on, the article reads:

However, after studying the proposal in more detail, the experts say it is badly flawed—

The exemption has been criticized in some circles as a gift to the wealthy. But that's not the primary concern of the tax technicians. They're alarmed that the proposal will create additional avenues for nonproductive tax abuse, and will foster more complexity in the tax system.

[*Translation*]

Mr. Speaker, I could go on quoting experts who state outright that the Conservative Government's proposal to exempt from taxation up to $500,000 in capital gains is not only unfair politically and philosophically, but also technically unapplicable.

The Acting Speaker (Mr. Paproski): Questions and comments. Debate. The Hon. Member for Kenora-Rainy River (Mr. Parry) has the floor.

[*English*]

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, again it is my duty to rise to speak to the measures the Government has put before us today in the form of Bill C-84. This Bill enshrines the Government's present intentions regarding the tax system and the fiscal situation and it brings into concrete form many of the measures which I and my Party criticized and will continue to criticize.

Many of the measures that were announced in the May, 1985, Budget we saw as being regressive and retrograde in terms of economic opportunity and equality for Canadians. We saw them as being essentially ill conceived and only attacking the deficit, something we all acknowledge is a problem, from the single angle of adjusting the tax system. We also saw these measures as ignoring much of the revenue potential that exists in very real form in the Canadian economy. As well, we saw them as perpetuating some of the injustices that were instituted by the late unlamented Liberal Government which completely lopped off the upper end of the once progressive income tax system.

In examining these proposed changes, we should examine not only the form but the substance of them. My colleague, the Hon. Member for Laval-des-Rapides (Mr. Garneau), quoted from a report in the *The Financial Post* on the rather ill-conceived capital gains tax exemption that the Government is proposing. It is very interesting to see, after the way in which members of the Progressive Conservative Party vaunted their ties with the business community and bragged about trumpeted their connections, that they should bring in a proposal which is manifestly generous to the upper-income levels, particularly in that business community, and yet should now be seeing that proposal criticized in a lively and intelligent fashion by the chartered accountants and tax practitioners. It must in some way seem a bitter pill for Government members to swallow when they notice that something that they thought was such a great pay-off for their support bloc is now being looked at in the manner of a gift horse. I think it does great credit to the practitioners who stand to benefit most from this fertile and fecund source of potential new loopholes that they are themselves prepared to criticize them.

I believe my Party could have lived with adjustments for inflation within the capital gains tax system. We all acknowledge that a large part of the capital gains that have been taxed over the past 15 years since capital gains taxes were introduced was due to inflation and was not fair game for tax purposes in the single sense that it simply resulted from a deterioration in the value of money *vis-à-vis* other commodities, goods and investment vehicles. It did not result from bona fide appreciation or gain that the taxpayer could tangibly use for an investment in a similar vehicle or commodity.

We might even have been persuaded to swallow the idea that capital gains should continue to be taxed at a rate of only 50 per cent. Of course, this is something that flew in the face

of the wisdom of the Benson Commission which made the statement, deathless in its wisdom, "a buck is a buck is a buck". I believe we might have stomached that break, and it was a break. It was a break because it only taxed half of the actual income. I know that I could have persuaded members of my Party to approve of something which was one part of the Income Tax Act but was taken out by the Liberal Government, the concept whereby those who realized capital gains were only taxed when the gains were actually received. As we know, of course, the previous Liberal Government decided that that was a little too close to commercial reality to be allowed to persist. It decided that capital gains tax should be paid over three years no matter if the proceeds of the sale were received over 5, 10, 20 or 25 years.

● (1530)

I do not believe it can be said that my Party has in any way taken an unreasonable stance toward capital gains as an income phenomena. I believe, for example, that those inflation adjustment regulations should have been incorporated into the Income Tax Act, that we should have extended the principle which was granted to farm capital gains, that a gain should not be taxable until it was invested in a different medium, until it was realized for the personal consumption of the investor or until it was taken for other purposes by an investing corporation. The gain should remain non-taxable while being reinvested into a similar property as so many of us find in the common practice of trading up on homes. I suppose that exists in other sectors of the economy, for example, trading up in farms or the trading up of hotel and motel owners into properties which require more money to purchase. I think that is something we could have gone along with. However, the Government did not look at any of these intelligent alternatives. It decided it would take a broadaxe approach, that it would take a decisive measure within the capital gains tax system by granting this lifetime exemption. Well, the game is up, Mr. Speaker. This has had some detailed study and has been weighed in balance by those who are probably best capable of doing so, and it was found to be wanting. I, too, would like to quote from *The Financial Post* report which states:

> It (the exemption) is going to be abusive, and there will be many varieties of abuse. These won't be understood for some time because of their complexity.

That I believe is the kernel of this problem. We have seen what happened to the previous Liberal Government with the scientific research tax credits which were granted. Thank heaven, this Government did at least have the sense to put an end to those shenanigans. The way in which those things were being traded around the Canadian economy, we were going to need some form of commodity exchange just to keep track and regulate the trafficking in those research tax credits. It was the same with other little loopholes the Liberal Government chose to introduce. However, in having put an end to one form of folly and one source of exemptions, mostly unearned, and after putting an end to one form of trading in paper and property shuffling, the Government in its wisdom, finite as that wisdom is, decided that it would introduce a lifetime capital gains exemption for people up to the level of $1 million. That really is not going to encourage investment in Canada. We know that this capital gains exemption will apply to an investor's property wherever that property may be. This capital gains tax exemption could be used to cover the profit on land in Florida, be it swamp or drained land. It could be used to cover the profits on a condominium in Hawaii or a share in a future film being produced in Hollywood, California. I am afraid it is going to be a boondoggle. The people who are examining this have only just plumbed the surface of potential abuse of that tax exemption.

I believe the Government decided it would do something which would be attractive to the constituency which did so much to elect it. I believe it decided that it would introduce a measure which, certainly on the surface, was very simple and understandable. I think we are only just beginning to realize that what may appear clear and straightforward superficially can be a real mine field and fertile ground for the sharp practice of tax avoidance shading into tax evasion.

This much having been said, I do not want any Member of this House to say that I rose to speak without saying something good about the changes enshrined in Bill C-84. I am glad to see the Government has picked up on the idea of the *Fonds de solidarité des travailleurs du Québec* and has enshrined a similar measure in Bill C-84. I think that is a socially worthwhile objective. I feel that the opportunity to invest one's wages in labour-sponsored venture capital organizations in one which will increase understanding of the roles of the different players in our economy and I feel that is a worth-while objective in itself. Hopefully, it will also lead those who will be in receipt of the investment funds to understand a little more of the perspective, needs and aspirations of those who will be providing them.

Looking at the RRSP provisions, I believe it is fair to say that some increase in the limits was called for and the best thing would have been for the previous Government, obviously, to have indexed those limits to inflation rather than setting them in dollar terms. What we are looking at now, frankly, is a system which will again provide significant tax sheltering opportunities which will only be available to the upper-income earner. I feel that the limits which are proposed are somewhat excessive in that context.

The investment of pension plans in small businesses I think again has some considerable merit. The concern of the New Democratic Party hinges more on the nature and extent of the opportunity which is being granted than on the basic idea that underlies that opportunity. We see, for example, that a pension fund will be allowed to invest $3 outside of Canada for every $1 it puts into a small business investment corporation. I have to question whether we really want to make that sort of measure, to that degree, available. I think, frankly, that when we see the nature and extent of capital, commodity, and property investment markets in the United States, we can understand that there is a very considerable attraction toward investing in that country. However, I think we also have to bear in mind that it is those same investment opportunities which induce capital flows.

I believe that we do have a problem in Canada with the extent to which Canadian capital is invested outside of this country and, conversely, the extent to which investment in Canada depends on imported foreign capital. We might be better able to control our own economic destinies if fewer dollars flowed out from Canada and, conversely, fewer dollars flowed in. It seems to me in looking at those ratios that replacing the figure of 10 per cent allowable at the moment with a figure of 75 per cent, it is going to be something like the situation of imports within the Canadian Football League. What is intended as an upper limit becomes transmuted into a *de facto* standard. I think the lesson which has been learned from the multiple use residential building exemption is also one which should be applied here. It seems to me that in the enthusiasm to take advantage of those tax incentives, several people have got into investments where, perhaps, the underlying values of the investment were not so closely scrutinized as they should be. I am not saying there were major scams involved, I am just saying that having that tax incentive available seems to have given some the opportunity to charge a price which the investment would not otherwise commend.

● (1540)

Both I and my Party have stated our opposition to deindexation of personal exemptions and tax brackets. All this is designed to do is to increase tax revenue. It does not accomplish any other useful goal. It is simply a cynical revenue raiser. It will just tick away year after year producing more and more money for the federal treasury and reducing the protection Canadians presently have in the tax system against inflation of their taxes as well as being taxed on inflationary income gains. It is expected to cost Canadians about $650 million over the next two years alone and more after that. Similarly, the elimination of the federal tax reduction is a piece of penny-pinching and cheese paring on the part of the Government which we all know will affect lower and middle-income Canadians to a greater degree than the wealthier.

The temporary surtax on upper-income earners is something this Party supports. Perhaps it would be worth while to again make the point that this would not be necessary but for the 1981 Liberal Budget which removed the progressive rates of taxation from the income tax system.

Turning to the corporate changes, I think it is worth putting on the record some of the problems experienced in small business today as a result of the Government's slowness in bringing forward the extension of the small business bond program. This is something we strongly support, something that should go ahead, but I have to say that over the past week I have heard of several cases where people have been given different information by the banks. It seems they are not able to adequately interpret the legislative program and advise their clients precisely where they are going to stand on January 1, 1986. That is obviously something that could have been and should have been handled rather earlier. My Party also has no quarrel with the temporary tax on larger financial institutions. However, we do feel that the under-contribution by the corporate sector to the coffers of the national exchequer should be addressed in a more systematic fashion and not by a rather *ad hoc* looking tax, to use a perhaps pejorative phrase. This does not look at the over-all contribution of the corporate sector to the federal treasury as was outlined so well by my colleague, the Hon. Member for Winnipeg North (Mr. Orlikow), this morning.

To turn from the sector which is getting off most lightly to that part of society which will feel most the brunt of Bill C-84, we have the changes to child benefits. After those changes are phased in, to quote *The May Budget and the Poor*, a publication of the National Council on Welfare:

> After the various changes are phased in—raising the child tax credit, lowering the turnover point for the child tax credit (the level of net family income above the credit is reduced) reducing the children's exemption to the annual family allowance, and partially de-indexing all child benefits—even the poorest parents will receive less than they would from the existing child benefits scheme.

We in the NDP view that with frustration and sadness and even with disgust. We know how it flies in the face of the concrete promises trumpeted by the Progressive Conservative Party before it became the Government last September. We believe that this is a signal to Canadians that the value of child raising and the value of the family is being depreciated by this Government. I am not going into a rhetorical flight of fancy on this. I am not one to say that the Government is turning families out on their ear or throwing them overboard. However, the fact remains that the assistance given to families, and of course the poorest families, is going to be gradually reduced over the next few years. That is one of the major flaws in this Budget. It seems to continue the Liberal Party emphasis on ensuring that those who have the best ability to pay are those who will not be asked for as full a contribution as they would be under a progressive tax system.

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, I am pleased to speak today on second reading of Bill C-84, an Act to amend the Income Tax Act and several related statutes. In September of 1984 this Government was given a mandate by the people of Canada, Canadians who felt a sense of alienation, who were fed up with acrimony and division, weary of high interest rates and sick of record unemployment. Clearly Canadians opted for change and a new direction. The themes of this Government have been and continue to be economic renewal and national reconciliation. That is what the Budget and this Bill are all about.

This Government inherited an extremely serious fiscal situation. Expenditures exceeded revenues by 50 per cent with the result this Government faces annual deficits in the range of $35 billion to $40 billion. The accumulated national debt is close to $200 billion. Interest on the debt consumes one revenue dollar in three or one expenditure dollar in four. Clearly, serious and meaningful action is called for.

The road toward economic renewal began last November with the economic statement which enunciated the obvious. Priority had to be given to the Herculean task of restoring order to the Canadian fiscal house. That statement contained a series of restraint measures which totalled over $4 billion. These included reductions in the level of spending on pro-

grams, improved program management, reduced overhead, deferral or cancellation of capital expenditures which were not absolutely necessary, a reduction in the rate of personnel growth and increased revenue generation. The rate of expenditure growth in the Main Estimates in February was the lowest in 17 years. Non-statutory expenditures, those matters of spending to which the Government is not already locked in through existing legislation, are expected to rise negligibly this year. The Nielsen task force has undertaken the massive job of reviewing literally hundreds of Government programs in order to identify further opportunities to reduce the cost and financial burden of Government.

Then came the May 23 Budget which encouraged private initiative, improved Government effectiveness, controlled the national debt, secured economic renewal and created jobs. The underlying message is that meaningful economic growth can occur only by utilizing the dynamism and entrepreneurial spirit of individual Canadians in the private sector. Economic renewal is the objective and it will be achieved first by personally encouraging private initiative. That is the key to productive growth and job creation. Secondly, it will be achieved by providing Government effectiveness, cutting waste and reducing the magnitude of the Public Service. Thirdly, it will be achieved by controlling the national debt because we can have more responsible deficit reduction.

These changes must be effected fairly and realistically. This Bill implements many of the significant measures in this Government's first full Budget. In examining the legislation we must ask some questions about the nature of a budget Bill. Clearly it must implement new taxes and increase others. By way of analogy, I compare a budget Bill to the situation of a cancer patient. There is a symptom of pain or malfunction. The patient did not put the malignancy in his body but, nonetheless, he has been diagnosed. He is in deep trouble and corrective surgery is necessary. It is possible that the disease is beyond cure. The patient could lash out a the doctor, the staff or the hospital, but the problem will not go away, it can only get worse. He really has no choice but to have the surgery and pray that it works.

● (1550)

Sad to say, Mr. Speaker, in fiscal terms Canada is a cancer patient. The malignancy is the deficit. The symptom is the pain and misery caused by interest charges on the cumulative national debt. The cancer is there and it will not go away, it can only get worse. The only difference is that we know the cause: 20 years of Liberal Government. Canadians lashed out in anger and got rid of the cause last year. They know that treatment is now necessary. Part of that treatment will be found in Bill C-84 which represents another step in the long and arduous climb back to fiscal responsibility in the country.

This Bill contains a number of measures. The first and foremost is a lifetime $500,000 capital gains exemption for all Canadians. The second is improvements to the rules governing investment in small business by pension and other retirement income plans. The third measure is an expanded definition of disability to benefit some 120,000 Canadians. The fourth is a capital tax on larger financial institutions to ensure that they bear an appropriate part of the tax load at a time when deficit reduction is a high priority. There is a temporary deficit reduction surtax on higher income individuals and large corporations. Individuals are permitted to collapse Registered Home Ownership Savings Plans free of tax. The seventh measure is the implementation of rules to prevent taxpayers from splitting incomes among family members to reduce tax. The eighth measure is the modification of Revenue Canada's power to audit and examine taxpayers' books and records, including its power of search and seizure. The much-abused scientific research tax credit has been eliminated. The rip-off whereby investment tax credits were allowed on third party cash rebates has also been eliminated. A further measure is the modification of indexation of personal exemption and tax brackets to prevent further widening of the gap between revenue shortfall and exemption increases.

The lifetime individual capital gains exemption of $500,000 is the single most important measure. Indeed, I believe it to be the single most significant tax measure to be instituted in the 1980s. Having dealt with farmers, ranchers, small business people and other individuals in southwestern Saskatchewan on a daily basis for the past 20 years, I have seen first-hand the stifling effects of a tax regime which gave no incentive and no hope for the entrepreneur. The tax system caused many to opt not to go the extra mile. In that tax system the spectre of capital gains hung like a poisonous cloud, particularly over the farm community.

Agriculture predominates in my constituency. Farmers and ranchers never really have any great amount of cash because they plough their money back into their operations, particularly into their land base. The farmer and rancher often have the fruits of a lifetime of hard work tied up in the ground. That ground has, until now, been subject to a capital gains tax imposed in 1971 by the present Official Opposition. The incidence of that was softened for a while through income averaging annuity contracts which, in turn, were retroactively taken away in the infamous MacEachen Budget. That cruel and unfair tax has penalized initiative and taxed inflation.

Capital gains tax has distorted and impeded the normal flow of farm land transactions for the past 10 years in western Canada. Indeed, even simple parent-child transactions at a reasonable price—less than fair market value but more than the parents' ACB—were obstructed, delayed and even prevented by this odious tax.

The farm community now rejoices in the freedom to move provided by this lifetime capital gains exemption of $500,000 which is available immediately effective January 1, 1985, on qualifying farm properties, that is, land which has been actively farmed by the vendor, vendor's spouse or children for any five years since valuation day. This measure will allow an entire generation of older farmers to retire in dignity while permitting the younger farmers to enter into agriculture without a crushing debt burden.

For Canadians other than farmers the lifetime $500,000 exemption will be phased in over six years with cumulative limits of $20,000 in 1985, $50,000 in 1986, $100,000 in 1987, $200,000 in 1988, $300,000 in 1989, and the full $500,000 in 1990 and subsequent years. This measure, incidentally, will not reduce the present exemption on the sale of a principal residence. This major initiative was designed to encourage risk-taking investment by individual Canadians and small and medium-sized businesses.

Our priority goal is jobs for Canadians. Clearly, job maintenance and job creation requires a strong and healthy business sector. We recognize that some 700,000 small and medium-sized businesses across the country are the most dynamic forces for growth and employment. New ideas are implemented, new activities generated and new jobs created through capital investment. It is the thrust of this Bill and the May Budget that Canadians will respond to the challenge of taking a direct stake in the future if they are encouraged by the Government rather than discouraged.

The Government wants to encourage risk taking, but in a way that lets individual Canadians choose what to do with their own hard-earned money. Government ought not dictate to Canadians where and how to invest. Surely it should be left to the individual to decide as he or she sees best. This exemption will attract new equity investment to business and will improve the financial health of Canadian companies. It will assist small business in raising capital to pursue new ideas and directions. It will help generate funds for research and development.

The bottom line is as stated by the Minister of Finance (Mr. Wilson) on May 23. I quote: "This is a broadly based incentive that allows individual Canadians to decide where to put their money and how to create wealth, economic activity and jobs. It is central to our philosophy. The decision should and will be made by individuals across Canada, not by politicians or public servants here in Ottawa. With this measure we are sending a clear signal to Canadians across this country: Invest in Canada's future; help build the strong and prosperous country we all seek; help create those jobs".

Canadians now know that the successes they achieve will be rewarded. This knowledge is a vital element in the rising surge in the level of confidence in the economy of the country; confidence which dates from September 4, 1984. Bill C-84, in recognizing the over-riding importance of small business, contains other innovative measures to enable small business to tap into new sources of equity investment. Thus, it gives small business access to RRSP and pension plan funds and will benefit both the businesses and the administrators of the plans.

Essential to any taxation system is the concept of fairness. To be effective the tax gathering system must not only be fair, it must be seen to be fair. To this end, Bill C-84 introduces several measures I earlier mentioned: prevention of income-splitting trusts, the elimination of the SRTC, the temporary surtax on high income individuals and corporations, imposition of a capital tax on financial institutions, and elimination of the business investment tax credit on third party cash rebates. These measures, combined with the introduction of a minimum tax on personal income in 1986, will promote and improve the fairness of the total tax system.

Also included in this Bill are advances in procedural fairness set out in defining Revenue Canada's powers to ensure that administration of tax law complies with the Canadian Charter of Rights and Freedoms. As well, there are specific and complicated rules inserted to prevent the conversion of normal income into capital gains. The capital gains exemption is designed to encourage risk taking and growth, but abuse would diminish the fairness of this system. Therefore, anti-avoidance rules are incorporated regarding business income, corporate capital gains, and the shifting of exempt capital gains between individuals in order to ensure that the exemption fulfils its policy goal while not being subject to abuse.

The Opposition may suggest that some of these measures are unfair and inequitable. I disagree, of course, but we have no choice in any event. We have reached the point of no return in this country. Canadians are caught between the proverbial rock and hard place. The deficit is growing at such a pace that the modest spending cuts and tax increases we make barely take care of the increasing interest charges on the national debt. We must never lose sight of the fact that we were placed in this position by the profligacy of the Liberal Party which wantonly rang up a deficit of historic proportions. We cannot, Mr. Speaker, continue to spend more than we take in. As individuals we cannot, as families we cannot, and collectively as a nation we cannot.

• (1600)

I firmly believe that most Canadians understand the importance of this Budget and the very necessary change of direction manifested in Bill C-84. The thrust of this Bill is economic renewal. The Bill represents another step in the Government's plan to effect that economic renewal. The progression of initiatives since November last are clearly manifesting themselves in concrete positive economic indicators.

Since the election of the Government, employment has risen. Interest rates are down. Investor confidence is strengthening. Consumer spending is rising. Prices are stable. Bankruptcies are declining. The Canadian economy is out performing the American economy.

Our GNP is up over 4 per cent in real terms. Some 330,000 new jobs have been created, 37,000 in the month of October alone. The unemployment rate has fallen from 11.6 per cent to almost 10 per cent. While that is still unacceptable, it is improving. The Bank of Canada rate has fallen 3.5 points. The prime rate is at 10 per cent, the lowest level in seven years. The rate on five-year mortgages has fallen to 11.75 per cent, which is the lowest level in six years.

Capital spending plans are up 55 per cent and business investment intentions are up considerably. Consumer spending is rising and retail sales are up. For instance, motor vehicle sales have risen by 27 per cent and housing starts by 54 per cent. The inflation rate, as evidenced by the Consumer Price

Index, remains stable in the 4 per cent range. That is the lowest since 1971.

After a decade of increasing deficits there is finally light at the end of the tunnel. For the first five months of this fiscal year the federal deficit is actually 1.5 per cent less than the same period a year ago. Total revenues increased 12 per cent while spending rose only 7 per cent. If debt charges were excluded, federal spending would have increased by only 2.7 per cent, an increase that is less than the 4 per cent annual rate of inflation. This indicates that the Government is, in real terms, spending less this year than last. These are hard economic facts. It is proof positive that the steps taken by the Government are contributing to a boost in investment and are producing jobs, jobs, jobs.

We are facing up to the fiscal reality. We have to face up to the unfair consequences to all Canadians of taking the easy road. It is that old road so well travelled by our predecessors—the road of writing bad cheques, the road of mortgage tomorrow to pay for today's excesses. We cannot allow the Government's fiscal policy and the economy to deteriorate further. The Government has set a clear goal and all its measures are designed to reach that goal of a healthy economy that provides greater opportunity for all Canadians. Bill C-84 is fair, reasonable and absolutely necessary. I call for speedy passage of these measures.

Mr. Orlikow: Mr. Speaker, I wish to direct a question to the Hon. Member for Swift Current-Maple Creek (Mr. Wilson). He gave us his reasons for supporting the $500,000 exemption on capital gains. I suppose that one could support part of the exemption, particularly with respect to farmers and if one could be convinced that the savings to an individual would be ploughed back into projects that would provide employment for Canadians.

However, let me quote for the Hon. Member the views of William Lawlor as reported in this week's *The Financial Post*. Mr. Lawlor is national tax partner with Ernst & Whinney and in 1984 was technical adviser to the Conservative Task Force on Revenue Canada. This is what he said in part with respect to the $500,000 capital gains tax exemption:

> Its scope is too broad. Although many would support lower taxes from the sale of Canadian common stock, practitioners fail to see how tax-free gains on the disposition of jewellery, summer cottages, or Florida condominiums provide much benefit for the economy.

Then he says:

> The exemption destroys the neutrality which has existed between the taxation of dividends and capital gains.

He goes on to say:

> Individuals' tax returns will become much more complicated because of Ottawa's need to monitor the extent to which they have used up their lifetime gains exemption.

These are not the views of some wild radical or rabid socialist. These are the views of a chartered accountant and tax expert who is obviously sympathetic to the position taken by the Conservative Party on most issues. However, he is quite critical of this $500,000 lifetime exemption on capital gains.

Will the Hon. Member comment on this view, which is not mine but that of a man who is an expert in the field and sympathetic to the general philosophies of the Conservative Party?

Mr. Wilson (Swift Current-Maple Creek): Mr. Speaker, I thank the Hon. Member for his question. I am not surprised to notice that it is the same question which he put to one of my colleagues yesterday.

Mr. Orlikow: I did not get an answer yesterday.

Mr. Wilson (Swift Current-Maple Creek): I believe that the answer is fairly clear. The essence of this Budget, particularly the capital gains provision, is to try to promote initiative in this country. We must put forward a system of reward for those entrepreneurs who are putting themselves at risk. They are the ones who would employ people. They are the 700,000 small business people in this country who will make things tick and create the jobs.

Ms. Copps: No women.

Mr. Wilson (Swift Current-Maple Creek): Here we go. We talk about civility and decorum. We are into it already. I appreciate the intervention by the Hon. Member for Hamilton East (Ms. Copps) and look forward to receiving some questions from her before we are finished.

In answer to the question with regard to the newspaper article, I dare say it would be possible to find a clipping from any newspaper in the country which would back any particular position. I believe the man is entitled to his opinion. Of course, the Government must look at the total picture. There is a harsh reality which we must face. We are in a catastrophic situation.

When I originally thought of using the analogy between the state of the economy and the cancer patient, I was reluctant to do so. However, upon reflection it seemed to me that perhaps it was appropriate because there is a very serious cancer eating away at this country. It is the deficit—more particularly the carrying charges on the deficit—which truly hamstring the Government in terms of planning and in terms of the future. If some concrete, important and necessary steps are not taken to contain the deficit at this time and stimulate activity to put people back to work in order to contribute to the system, we will be in serious trouble. Clearly, by the 1990s the entire tax revenue generated in this country will have to go to pay the carrying charges on the debt. That would put all Canadians in an untenable situation.

Therefore, I believe that we are in a position of tossing out a life preserver with the hope that people will grasp it so that we may come to the rescue. The course that has been charted over the past 20 years clearly has not worked. The evidence is there for all of us to see. A new direction is necessary and must be regarded as a total package. That is our position in regard to this Budget.

Mr. Johnston: Mr. Speaker, I found that quite a remarkable piece of circumlocution. The question posed by the Member for Winnipeg North (Mr. Orlikow) was very direct. I have sat on committee with the Member for Swift Current-Maple Creek (Mr. Wilson) and I am sure that he has his own view to express about this particular provision.

He somehow managed to scramble from the question asked to the issue of the deficit, which is quite unusual given that there is a proposed tax loss here that runs into the billions of dollars by virtue of that capital gains provision. In fact, according to the Department of Finance's own projections, there will be a tax loss of $1.2 billion by the year 1990. I do not know how he squares that with his rhetoric about the problem of the deficit.

Is he prepared to admit that this provision could be improved? Yes or no.

• (1610)

Mr. Wilson (Swift Current-Maple Creek): Mr. Speaker, I want to thank the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) for his questions. I do appreciate them because I have had the opportunity over the past number of months to serve with the Member on the Standing Committee on Finance, Trade and Economic Affairs. We have had the opportunity to deal with a number of very serious problems relating to deficiencies in the financial system. We have appreciated the benefit of his wisdom and experience, even though it might be said that a goodly amount of trouble relates to items that arose during the course of the Member's administration.

I note also that the Hon. Member for Saint-Henri-Westmount has invented the time-lag theory. Both he and his colleague, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) have resorted this week, in the face of these overwhelming statistics indicating that the Budget is a success, to the time-lag theory which somehow states that as things get better they relate further back in the past to the goings-on of his administration. Clearly, nothing could be further from the truth, Mr. Speaker.

I noted in today's Question Period that the Right Hon. Leader of the Opposition (Mr. Turner) resorted to quoting one John Wiebe, head of the southwest drought committee as some sort of authority on the funds which farmers in the drought-stricken western prairies should receive. I think one should be very careful in terms of expecting a response to particular individuals whether it be Mr. Wiebe of the drought committee or whether it be the particular gentleman referred to in *The Financial Post* article. I am sure that all of us are quite able to find articles in newspapers from across the country to back up our particular positions.

The Hon. Member quite correctly points out in a theoretical sense the lifetime exemption on capital gains could result in a loss of revenue to the federal treasury. However, it is important to look at the other side of the coin at the expectation that this system of rewarding initiative and risk-taking will produce much greater revenue than the loss the Member could project.

While we are talking about initiatives and attempts to improve the situation, we can never lose sight of the scientific research tax credit, which the Hon. Member's Government put forward, I am sure in good faith, which is projected to result in a loss of some $5 billion to the public treasury. That should put things in perspective, I think.

The Acting Speaker (Mr. Paproski): Questions and comments have now terminated.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for York West (Mr. Marchi)—Refugees—Expression of concerns. (b) Backlog of refugee status claims; the Hon. Member for Lévis (Mr. Fontaine)—Shipbuilding—Request for clarification of project to build second CN Marine factory; the Hon. Member for Papineau (Mr. Ouellet)—Air Safety—Inquiry into Air India disaster. (b) Airport security measures.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of the motion of Mrs. McDougall (for the Minister of Finance) that Bill C-84, an Act to amend the Income Tax Act and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act, be read the second time and referred to a legislative committee.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am sorry that I did not have a chance to ask questions of the Hon. Member for Swift Current-Maple Creek (Mr. Wilson). His speech has to be about one of the most blatant cases of unadulterated balderdash that I have heard in this House over the last number of months. The Member euphemistically tells the people of Canada that the Government has chosen to allow holders of RHOSPs to fold them over with no taxation for the purposes of collapse. That is a euphemistic way of saying the Government has put the final nail in the coffin of the RHOSP.

The Government has ended the RHOSPs. The Government has said to young families and young couples that the Government is not going to give any tax breaks and when the Government forces people to collapse their plans, they will not be taxed. Of course, people could not be taxed on it because the Government has not yet given itself the right to retroactive taxation. When money was put into RHOSPs it was put in in good faith by young couples who believed they would be able to accumulate money for the purchase of a new home at some point in the future.

I cannot believe that the Member for Swift Current-Maple Creek can stand in this House and justify the half a million dollar capital gains write-off in the fight against, what he calls, the cancerous deficit at the same time as his Government is prepared to give out $1 billion in bank bail-outs and pay-offs to anonymous depositors, which include millionaires who themselves were not the risk-takers, who themselves put the money into the Canadian Commercial Bank because they knew they would get a better interest rate than they would in other conventional banking facilities, who took the risk and who knew that the CDIC would insure up to $60,000 and who put more money into that bank out of their own choice.

Now we have the Government and this Minister of Finance (Mr. Wilson) and this Prime Minister (Mr. Mulroney) who are prepared to pay out $1 billion to anonymous depositors without even giving the Parliament of Canada a list of the names of the people who put their money into that bank. It is shameful. It is incredible. It is a Conservative job. It is the biggest "con"servative job that we have been in this House in a good many months. At the same time, Mr. Speaker, the Government and its members with their prepared texts have the audacity to tell the families that they will have to pay by a reduction in the increases to the baby bonuses. We hear the Prime Minister say: "Well, the bank presidents should not be able to benefit from baby bonuses". However, Mr. Speaker, if you examine the impact of this Wilson-Mulroney insidious sneaky tax grab Budget, the people who will be the hardest hit are those families earning $10,000, $20,000 and $30,000 a year. The figures will show that a family of four earning $20,000 over the life of this Budget—and these are not Liberal figures, these are figures from social welfare groups who have taken the time to examine the consequences—

An Hon. Member: The same thing.

Ms. Copps: The same thing the Member says. I am happy to be allied with the National Council of Welfare. I am happy and proud to be allied with the Canadian Council on Social Development and I am happy and proud to be allied with the social policy reform group who have exposed this Conservative con job for what it truly is. It is a tax grab on the middle-class. It is a tax grab on poor families so that it can give to those people who are the top 4 per cent of the population who can take advantage of capital gains tax with no conditions.

We have heard the cries in this House by an all-Party committee that capital gains should be exempted for farmers. The Government did not choose to make an exemption for farmers. It chose to say to any person in Canada "If you want to buy South African diamonds, European art or a condominium in Florida, wite it off at the Canadian taxpayers expense", but it does not say that to a family of four earning $20,000, who are not exactly sitting pretty in the Canadian economy. But then I suppose Conservative Members say those people are not risk takers. Maybe it is just the poor guy working in the steel mill supporting a wife and two children. He is not a risk taker. He risks his life every day on the job in the coke ovens. If you have ever worked in the coke ovens, you will know that it is not an easy job. But he is not moving money around so he is not a risk taker. The Government is going to slap him with a tax grab which will mean that over the life of this Budget that family of four earning $20,000 will lose almost $1,000 as a direct result of the measures we are voting on and discussing in the House today.

A family of four earning $10,000, below the poverty line by any definition of in any part of this country, will lose almost $300 as a direct result of this Budget measure, notwithstanding the capital gains exemption and notwithstanding the other giveaways, and anonymous bank bail-outs. The Government has chosen in its wisdom to favour a certain segment of society, to favour the segment earning $80,000 a year or more. By the calculations, not of the Liberal Party, but of the social policy reform group which it represents, I believe people of all political stripes, a family of four earning $80,000 will receive $1,708 more as a direct result of these Budget measures.

• (1620)

That is Tory fairness. That is Tory risk taking. That is the Tory attitude which exposes Canadians to the kind of con job that was done to all of us on September 4, 1984. The Tory con job sees a Member of Parliament standing and reading from a prepared text which tells young families of Canada that they will be allowed to collapse their RHOSPs with no tax disadvantage.

Let us look at the increased costs faced by those same young families, such as the increased cost for guaranteeing mortgages through the Canada Mortgage and Housing Corporation. Let us also look at the impact of the cut in RHOSPs and at the increase in the cost of building materials. As a direct result of the actions of the Government, the cost of homes across Canada has increased about $1,600 on average. This is a direct result of construction cost increases, as well as other measures which increase the cost of a mortgage guarantee under the Canada Mortgage and Housing Corporation.

Let us look at a two-earner family who put $1,000 each into the plan over the life of the plan, that is, 10 years. In fact, such a couple does not represent the many single-parent and economically depressed Canadian families. In any event, if they each had $1,000 per year to put away toward the purchase of a home, the combination of those measures could have allowed them, over the course of a 10-year period, to put together an amount which would equal more than the $40,000 for a down payment on a house.

In one fell swoop, the Minister of Finance, the Minister of State for Finance (Mrs. McDougall) and the Prime Minister have said no to homeowners. They have said no to young families in the case of deindexation. They have said no to those people who want to get into the housing market with a little direct Government help. Fundamentally, the Government does not believe in any kind of intervention. Fundamentally, it is a free enterprise Government. In the words of the Hon. Member for Swift Current-Maple Creek, it rewards risk takers, people who move money around and stockbrokers who do nothing to create the wealth which is created by people who work with the sweat of their brow. Those are the people who are favoured in the Budget. Those are the people who will take advantage of the $500 million capital gains write-off. Those are the people who are targeted in the kinds of secret meetings like the one that took place recently in Montreal involving the Deputy Minister of Finance.

Mr. Caldwell: Secret?

Ms. Copps: It was a secret meeting. Where is the list of the people who attended the meeting? Where is the list of the $1,000 contributors to the Progressive Conservative Party. A list of those who attended that meeting should be tabled in the House.

Mr. Caldwell: Where is David Peterson's list?

Ms. Copps: David Peterson ran what was advertised as a fund-raising dinner.

Mr. Caldwell: What names were on his list?

Ms. Copps: David Peterson is an elected politician. Stanley Hartt is a public servant who has no business in the Progressive Conservative back rooms. The Hon. Member should not try to cast aspersions upon politicians who are prepared to stand for what they believe in. Has the Government so co-opted the Department of Finance that Stanley Hartt is now running for office? Will Stanley Hartt and the Minister of Finance meet with the steelworkers in my riding?

[*Translation*]

Mr. Speaker, I should like to know whether Mr. Stanley Hartt, this so-called Progressive Conservative Member, is prepared to meet with workers from my riding. Is he prepared to meet with workers from the shoe factory which has just been sold in Oakville? Is he prepared to meet the 750 working men and women in the Hamilton area who will lose their jobs as a result of the Government's decision to abolish the quota system for Canadians?

I assume that Stanley Hartt, this so-called Deputy Minister of Finance, is not prepared to meet these people because he will only meet and listen to those who can affort to pay $1,000 to have contacts with higher officials of the Department of Finance.

The response, Mr. Speaker, which was given in the House today, yesterday and the day before by the Deputy Prime Minister who, rising in his place, told the Canadian people that there was really nothing wrong with that, is similar to the response which this Government made following the infamous meeting between the Sollicitor General of Canada and the outgoing Premier of New Brunswick.

An Hon. Member: He is not out yet!

Ms. Copps: But he is going to be out very soon, that is for sure.

That, Mr. Speaker, is the policy of the Conservative Government. It is utter rubbish. P.Q. or P.C., what is the difference, Mr. Speaker? We know for instance that in the province of Quebec, the Prime Minister (Mr. Mulroney) was at one time in favour of the Hyundai deal. Then he turned against it. At first he was in favour of sending someone to the press conference. Then, he decided not to send anybody. First, he wanted to support the P.Q. Government in the province of Quebec. Now, he no longer supports that Government, because it has no policy except that of surviving and making their rich friends jump for joy.

Mr. Speaker, the Bill before us clearly demonstrates to the Canadian people that when a Government is willing to dump $1 billion on the laps of millionnaire depositors . . . It is the Bill that should be dumped, Mr. Speaker. Anyway the Government is ready to give billions of dollars to anonymous depositors who are not prepared to come forward. Who are these millionnaires? Who are they? Are they friends of this Progressive Conservative Government? Why is the Government afraid to let the Canadian people know the names of the people who will get these billions of dollars? At the same time, Mr. Speaker, it is about to deprive working men and women of $100, $200, $300 or $500 in family allowances, not to mention $800 in de-indexed taxes.

Mr. Speaker, we in the Liberal Party have always firmly believed that the single person who is well off and is earnings the average wage of $35,000 a year and who has no dependent should pay more taxes than the married man earning $35,000 a year and who has a wife and children or a spouse to support. That is a basic tax principle which was introduced by the Liberals. The fact is that the Government is responsible not only for supporting the have-nots, but also the families.

The Government must always have the family in mind when implementing any taxation policy, income tax credits, family allowances, because that is one way of telling the people: Listen, with the cost of living as it is in Montreal, raising a child until the age of 18 costs over $100,000.

An Hon. Member: What did you do before?

Ms. Copps: I did not do anything before. I hope to do something soon. Anyway, I am blushing. He caught me there, for the first time.

Anyhow, in Montreal it costs $100,000 to raise a child until he is 18 years of age.

• (1630)

That money which is paid for the indexation of taxes cannot be used to raise a child. We know it quite well. Many of our costs will be even higher because the federal Government has decided to reduce transfer payments to the Provinces. The costs of education, health care, social services such as child care will be increased.

If the Government now wants to stop supporting the family, it will do so at its own risks. Canadians who earn $25,000, $30,000, $35,000 and have three or four dependent children at home, actualy need the support of the Government to help them bear the costs of their children's education. So what they are doing now is take that money which, under the previous Liberal policy, was used to help families.

An Hon. Member: What about the deficit?

Ms. Copps: He talks about the deficit. He always talks about the deficit. The Progressive Conservatives simply cannot understand why we talk about people, about jobs, about the unemployed; we do not talk about statistics and so-called deficits, we talk about individuals who stand to lose almost $1,000 each. Each Quebec family will lose $1,000 on the average as a result of the Conservative policies which are a betrayal of the promises made by the Prime Minister (Mr. Mulroney) when he was in Sherbrooke and everywhere else in Quebec, making all kinds of promises while knowing exactly what the deficit was at the time, $7 billion less than it is now.

Mr. Speaker, they can find $1 billion for the banks, they can find $2 billion for the petrochemical industry, they can find thousands of dollars for handouts to the major petrochemical multinational companies, but they cannot find pennies for families and people who earn less than $20,000 a year. I should think that Canadians, who gave a massive mandate to this Progressive Conservative Government on September 4, 1984, will remember that day in history as the day of betrayal, the day when the supposedly neo-Liberal Mulroney Government promised the people—

Mr. Malépart: "Malrunny"!

Ms. Copps: "Malrunny"! His policy was to say: "We will not reduce family allowances". He said the same thing in the House in answer to the Hon. Member for Laval-des-Rapides (Mr. Garneau)—and you were all present because you were in the process of reducing the old age security pension benefits. Last December the Prime Minister promised in the House that he would not de-index the child tax credit. He even gave his word to the House. The Prime Minister gave his word. I think it was last December 13 or 17 in answer to a question put by the Hon. Member for Laval-des-Rapides. It is recorded in *Hansard*. Mr. Speaker, it has been quite some time since the word of the Prime Minister in the House meant something, when people believed in him.

When Prime Minister Trudeau made statements in the House, people believed him, because he did what he said. He was a man of his word.

When Mr. Turner became Prime Minister, he told the people what the deficit was. He promised not to spend more than we could afford, but he also promised he would never reduce the deficit at the expense of the workers, at the expense of families, at the expense of single-parent families, which is what this Progressive Conservative Government is doing and what has truly shocked Canadians. They are going to pay for this after the election in—

The Acting Speaker (Mr. Paproski): I am sorry to interrupt the Hon. Member. Questions and comments. The Hon. Member for Hochelaga-Maisonneuve (Mr. Desrosiers).

Mr. Desrosiers: Mr. Speaker, I certainly feel I should comment on what the Hon. Member just said. We hear all these attacks on the Progressive Conservative Party, but Canadians know what the real situation is today. Our national debt is nearly $224 billion, and this only fifteen years after the Liberals came to power. As for their comments, I find this lack of respect offensive. Puns like "Malrunny" are just not . . . In the House of Commons we must have a minimum amount of respect, especially for our men in public office.

We have never attacked Mr. Trudeau, a man who was admired for his previous work in certain areas and certain movements. We respect people and what they represent. And I think that was more or less my comment, Mr. Speaker. Fortunately, the Canadian people know that the Progressive Conservative Party is here to change things.

In fact, we are giving an extraordinary performance and an entirely new direction to Canada's history, and therein lies the true greatness of the Progressive Conservative Party. I am proud to be a member of this party, and I am proud of the greatest Prime Minister of all time: the Hon. Brian Mulroney.

Ms. Copps: Unfortunately, when the Hon. Member for Hochelaga-Maisonneuve (Mr. Desrosiers) talks about change and about people in Parliament, he tends to forget that sometimes there are women in Parliament. He talks about men only in Parliament as if there were no women here, as was the case in 1867 and 1877. I might remind the Hon. Member that we are here, and that we are here to fight the policies of the Government which are now being used to oppress workers. We in the Liberal Party go and meet union members in our ridings, unlike the Hon. Member for Hochelaga-Maisonneuve who refuses to meet union workers from Vickers because he is afraid to tell them his Government's policy is to close shoe factories and textile plants and to let Montreal East go down

the drain. He is the one who isn't looking after these issues, his riding and the union employees at Vickers. I think he would be much better off looking after his own work instead of calling people names in the House of Commons.

Mr. Desrosiers: Mr. Speaker, I am willing to hear all kinds of things, but not that I am not working on the Vickers problem. I find this terribly offensive. However, nothing should surprise us coming from the Liberal Party. We have known them for a long time. I wanted to tell the pretty Hon. Member that I do work on the Vickers problem and that I am always available. We are going to have good news later on and this will certainly please you. You may not be happy to learn these good news, but we are going to help the people at Vickers, and you will then see that I have taken the time to work on the Versatile Vickers problem. The Canadian public will then realize, dear lady, the terrible things that you are saying today. You are admittedly quite young and new to this great career, but you are in the wrong party. You may eventually understand the truth, as many Canadians have done already.

Ms. Copps: Mr. Speaker, if we look at Parliamentary records, they show that I have been in politics about seven years longer than the Hon. Member. If he wants to speak about inexperience, I would point out that he should look at the Conservative Members. In addition, Mr. Speaker, when I spoke about his lack of involvement and lack of concern about Vickers, these were not the words of the Hon. Member for Hamilton East, but those of the union president, who is in a position to know who has been working on the Vickers issue. It was the Liberal team that got involved. It was the Liberal team that forced the Government to recognize what was happening in Montreal East and at Vickers. As for the Conservatives, for the silent Members from Quebec, they stay in their seat and never say a word, even when textile and footwear plants are closing everywhere. We have heard nothing from them because they are so afraid to speak that they stay in their seat, like movie extras, sheep or followers, and they do not get involved in Quebec politics. The Liberal Party is the one to urge the Government to do something, even if it is very little.

Mr. Desrosiers: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The Hon. Member for Hochelaga-Maisonneuve (Mr. Desrosiers) on a point of order.

Mr. Desrosiers: Mr. Speaker, I rise on a point of order because I believe that what the Hon. Member has just said is completely inaccurate. The situation in Montreal East has existed since 1974.

• (1640)

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. Would Hon. Members please be seated. Would all Hon. Members please be seated. Please speak one at a time. I will recognize this point of order and then I will recognize the Hon. Member for another point of order.

[*Translation*]

Mr. Desrosiers: Mr. Speaker, I cannot leave such a statement unchallenged. What has just been said is quite inaccurate. The situation—

[*English*]

The Acting Speaker (Mr. Paproski): That is not a point of order. The Hon. Member simply does not agree with the other Hon. Member.

[*Translation*]

Mr. Rossi: Mr. Speaker, the point of order was . . . first of all, it was not a point of order, and second, you have recognized the Hon. Member for Sainte-Marie.

[*English*]

The Acting Speaker (Mr. Paproski): Just so that we all agree, that is fine.

[*Translation*]

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, you have no doubt added the time wasted on the point of order. I think that the Hon. Member for Hochelaga-Maisonneuve, who is my neighbour, should be careful before suggesting that what my colleague said is not true, because I am well aware the facts and what my colleague repeated we have proof of because the newspapers reported it

However, I will not carry on with this matter and I do not think that we could settle those issues.

I should like my colleague to comment on the report of the Canadian Health and Welfare Council which clearly indicates . . . It is a neutral and non partisan organization which has definite proof that families with a yearly income of $15,000 or less stand to lose $1,879 under that budget. Families with an income of $35,000 will only lose $3,452.

I would like my colleague to comment on the matter, namely that it is a budget for the rich people.

Ms. Copps: Mr. Speaker, there is worse that that, for even if we accept the statistics of the Canadian Health and Welfare Council, it may also be proven that people earning over $80,000 will not be losing a cent. They will be gaining if we include the half billion dollars in capital gains which will not be taxable.

On the whole, we can see that families with a yearly income of over $80,000 will be richer, and this because of the Wilson budget, while the lower income families, that is those with a yearly income of less than $15,000, will lose close to $2,000.

Such is the fairness of the Conservative Government, Mr. Speaker.

• (1650)

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. I regret that the Hon. Member's time has expired.

[*Translation*]

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I am very pleased to take part in this debate on the Income Tax Act and related statutes.

Mr. Speaker, I want to begin by listing some of the legislative provisions we support, in part. I know that Members on the other side have long been under the impression that the Opposition often makes negative criticism.

An Hon. Member: It is true.

Mr. Keeper: It is true that we make negative criticism, but we are justified. That is why I want to begin today by mentioning the provisions we approve in these acts.

For instance, Mr. Speaker, the House was considering today a measure which would grant a $700 tax credit to an individual who invests in a capital fund to which workers can contribute. Reference to this fund in the measure can be found on the first page of the Bill because of the FTQ. The FTQ is the *Fonds de solidarité des travailleurs du Québec.* That is the union to which my colleague belongs. It is a good measure and, because of that, it has our support.

Mr. Tremblay (Lotbinière): It is not the right reason though.

Mr. Keeper: Mr. Speaker, the Bill contains other measures we like. For instance, there is a measure under which pension funds will be invested in small businesses. That is another very good provision and we support it. That is why I commend the Government for taking those measures.

Mr. Tremblay (Lotbinière): Excellent!

Mr. Keeper: But there are some weaknesses, Mr. Speaker. For example, the definition of small businesses includes those worth up to $35 million. In my riding, however, any company worth $30 million or $35 million is not a small business by any means. That is a weakness in an otherwise good measure, Mr. Speaker.

There is another danger in this otherwise good measure, because this Bill allows more investments outside of Canada. There is a danger that investment funds which are so badly needed in Canada might leave our country.

Mr. Speaker, there is another provision in this Bill that I will support. It is the 5 per cent surtax on upper-income earners, and it has a lot of merit. Although we support this measure, we know it is a temporary one. Why? If it is a good measure, why not make it permanent?

Mr. Tremblay (Lotbinière): We might raise it to 10 per cent; we shall see!

Mr. Keeper: Mr. Speaker, although I cannot give this Bill my full support because of some weaknesses, I think that the Government should be praised when it deserves it, but also criticized. I will first deal with criticism, Mr. Speaker.

Criticism is necessary. The most unfair feature of this Bill is the changes made to the capital gain exemptions. It is a gift to the wealthy. It makes the income tax system even more unfair. It will benefit people earning more than $500,000 a year.

Mr. Speaker, it will cost the ordinary Canadians nearly one billion dollars, over the next two years—one billion dollars given away to the rich. While the rates for ordinary Canadians will increase, the wealthy will be handed a present. It is an unfair measure and the Government must reconsider and withdraw it.

It is also unfair because it allows investors through this legislation to invest outside of the country which will not spur the recovery of our Canadian economy, but will promote activities in countries outside of Canada. It is unfair.

I would like to point out another weakness in this Bill, and it concerns pensions. An increase in "The Registered Retirement Savings Plan" will benefit upper-income earners; for example, people earning $80,000 and more will save more than $2,500 with this measure, while people earning $20,000 will not benefit from it.

Mr. Speaker, a tax bill that gives away $2,500 to people who earn $80,000 a year, while at the same time giving nothing to the ordinary people who earn $20,000 is not fair. It is a Bill that must be withdrawn by the Government.

There are other measures in this Bill to amend the Income Tax Act which are not fair, but I would like to make a more general comment. Because this legislation was initiated in the last Budget I would like to comment on the impact this Budget has had on ordinary people, on ordinary Canadians. The consequence of this Budget is to transfer $4 billion, not $4 million, but 4 billion. This burden is transferred from corporations, from big business, to ordinary people. This $4 billion burden will be transferred from the rich to the poor by 1990.

My party and I think that it is unfair, and yet such is the policy, the philosophy, the approach of the Progressive Conservative Party.

Mr. Speaker, who benefitted from the last Budget? What people in our society got something out of that Budget? I would like to give some examples. A two-income family of two children earning $15,000 lost almost $2,000 per year, exactly $1,884 on account of the last budget.

At the same time, a similar family but whose income is $80,000 did not lose as much. It has lost only $1,000, or half as much as the low income family.

Mr. Speaker, in the case of a two-children family where only one parent works, the $80,000 income family gained $5,000 and the one with an income of $15,000 lost $2,400. It is unfair. It is obviously unfair, and that is why we oppose the provisions now before the House. That is why we think the Conservative government is an unfair government, a government for the wealthy, against the poor people and the middle class.

Mr. Speaker, senior citizens have also lost with the last budget. While they won a great battle against this government and forced it to retreat on the de-indexing of their pension, they stand to lose with the last budget. They will lose because they will have to pay higher sales taxes and because the $5 federal tax cut is eliminated. Because of measures such as those, senior citizens have also lost ground in the last budget.

Mr. Speaker, I want to point out who was favoured in the last budget. Two groups of people were big winners. They are now ahead by $6,350 a year. Independent professionals will improve their situation by $6,000 and investors by as much. They are the ones who benefitted from the last budget.

[*English*]

I would just like to say briefly that while there were some measures in the legislation before us today which we support, by and large, the tax changes in the legislation are totally unjust and uncalled for and hurt ordinary Canadians. They take money out of the pockets of the middle class and the poor people and put it into the bank accounts of the rich. It is because of this that we believe the measures in the legislation before this House should be withdrawn and, in particular, the give-away of capital gain tax which has no conceivable economic benefit for ordinary Canadians. That measure is blatantly unjust and needs to be withdrawn. This Government has to wake up to the fact that Canadians know it is favouring its rich friends, the people who bankroll the Party, and Members opposite should back up and get this measure out of the House.

• (1700)

The Acting Speaker (Mr. Paproski): It being five o'clock p.m., the House will now proceed to consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*Translation*]

YOUTH

ADVISABILITY OF ESTABLISHING PROGRAMS

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie) moved: That, in the opinion of this House, the Government should consider the advisability of reviewing its policy on youth and establishing programs more adequate to their needs.

He said: Mr. Speaker, before starting my speech I would like to congratulate the Hon. Member for Winnipeg North Centre (Mr. Keeper) on the quality of his French.

Mr. Speaker, I feel that when people work this hard, they should be encouraged, and I would urge the Hon. Member to keep up the good work.

I would now like to get back to the motion I moved today, namely:

That, in the opinion of this House, the government should consider the advisability of reviewing its policy on youth and establishing programs more adequate to their needs.

Mr. Speaker, I have here the statistics for October 1985, which show that youth unemployment has gone up. I could also quote the headings of newspaper articles describing the problems encountered by young people. In the newspaper *Le Droit*: "One hundred and seventy thousand unemployed too many. Challenge 1985 a failure." "On campus: Budget cuts for employment centres," "Youth march for jobs gets off to timid start." "Poverty of others no excuse for poverty among young people." "One thousand young people bring up rear of big job march." This last quote was from the newspaper *Le Devoir*. Again from *Le Devoir*: "Non-profit agencies deprived of federal summer job grants." "Summer jobs becoming scarce in Quebec City." This from the newspaper *Le Soleil*. Again in *Le Soleil*: "For young people, getting a job has been main concern." In the newspaper *Le Droit*: "Little change expected for unemployed youth." And again in *Le Droit*: "Future difficult for young unemployed workers."

Mr. Speaker, I could mention commitments made by the Progressive Conservative Party or the Liberal Party and speeches made by Members of this House, but I am sure all Members will agree that we have not done enough. It is not enough when we consider there are still 1.5 million Canadians unemployed.

Of course we could argue here in the House which of the three parties is better and smarter and more understanding than the other two, but the fact is that we still have more than one million people out of work and that this is discouraging for our young people.

Mr. Speaker, I would like to take advantage of this opportunity to set aside all political partisanship and invite my colleagues to pool their experience and try and find a way to deal with the youth unemployment problem once and for all.

I think that all of us here must remember how difficult it was to find a job upon completion of our studies, the representations we had to make, and so on. Nevertheless, we have been luckier than most young people who presently drop out of school or who did so one, two or three years ago, and statistics show that in the Province of Quebec, there is chronic youth unemployment.

We can be proud of all the efforts that have been made: the Liberals did one thing and the Conservatives may boast of doing another. But, I humbly believe that this is not good enough, Mr. Speaker. It is not good enough because there are still too many unemployed.

Mr. Speaker, I want to make a contribution. I don't pretend to have the miracle solution to the unemployment problem because if I did, I would not run for Prime Minister of Canada but for Prime Minister of the world.

Mr. Speaker, I think we should really set up a committee, some organization including young people, where all parliamentarians would meet regularly to review the whole employment program policy. I do not want to blame the Government or anybody else. I think that at present, they are all trying their best but, unfortunately, the end result is always the same: the young are living in harsh conditions.

In my own province, the young are faced with dramatic situations, because at the time when they were job opportunities, the Government decided, believing that youth on welfare were lazy, to cut the income of those under 30 and give them $156. I don't want to argue with the validity of the decision at the time but six months later, Canada, the Province of Quebec and the whole world were going through an economic crisis and there were no more jobs, Mr. Speaker.

The number of young unemployed has increased. Even though they could not find a job, even upon completion of their studies, they were not entitled to unemployment benefits. In Quebec, they had to turn to welfare. I can tell you, and I am convinced that not one single Hon. Member in this House will stand up and say: In my constituency, young people are heartless, they are lazy. It is true that you can find one here and there, Mr. Speaker, but the vast majority of young people are as good and as willing to work as we were when we were young and just out of school.

However, circumstances are such that there are no jobs. The impact of the decision that a young Canadian living in an apartment will have $156 a month because he is under 30—

An Hon. Member: At the provincial level!

Mr. Malépart: —yes, at the provincial level, Mr. Speaker— For some people, the only way to survive is by stealing, and you know that in those circumstances there is no lack of fences; all kinds of shady people take advantage of those young people because they have to eat, they can get those young people to steal because they have to survive.

Prostitution among young people has become a very serious situation in Montreal, and I am convinced that it is the same in the other provinces, Mr. Speaker.

Others, because of the lack of income, because of the need to survive, are under the same pressure from advertising. Those young people have a right like other people to have ambitions, but nobody can live, have an appartment, eat, buy clothes with $156 a month, Mr. Speaker. This is what happened because of economic changes, and I do not want to blame any government that made the decisions at that time.

Mr. Speaker, if we look back on past experience in trying to bring about changes, I think we should keep in mind the mistakes made by previous governments, whatever their colour, so that the people in power will not make the same mistakes over and over again.

Mr. Speaker, there is an important question we should ask: Is it true that the private sector and the public sector can cope with one and a half million people officially unemployed, as well as with all those who are not officially registered? I for one think it is impossible. It is impossible now for the private sector and the public sector, and everyone will agree that the public sector is saturated and outgrown, and the private sector, what with the technological and industrial changes, automation ... In all other areas, businesses have to be competitive and whenever a plant is modernized, whenever a new job is created in a new technological field, whenever a worker with higher skills is hired in one field, whenever a worker with higher skills is hired in one field, there are workers engaged in more manual activities being laid off.

Mr. Speaker, I for one would like the Government to examine—and I made that suggestion when we were in power—consider earnestly whether we should not in the first place reduce retirement age to 60 because at the same time, we have young men and women who are willing to work, who have been taught skills in colleges and universities and who would like to get some practical experience and are willing to be of service. There are thousands of people who are at present employed and who would like to retire simply because they have been working for 25 or 30 years. And there are women who very often have held two jobs as compared with men. Very often, working women, in addition to working normal hours, have also had to have a normal working day at home. And very often, those people who are 55, 57 or 60, are getting tired and are not in very good health ... and in my opinion, after working in an industry, after serving their country for 30, 35 or 25 years, they should be allowed to retire.

I am told, and the figures are accurate, that the cost of allowing free retirement at 60 might run up to $3 billion. However, the problem with our system, the way our Parliament is run, is that we figure the possible cost to the Department of National Health and Welfare, but no one figures out what the Department of Employment and Immigration would save in unemployment insurance and social welfare.

• (1710)

I believe this is something which should be reviewed by a working committee. Union leaders are advocating a reduction

in the number of working hours. However, the question is this: If working time is reduced, will the workers keep their full present salaries? Would it be the same hourly rate . . . less money at the end of the week? I believe this is an alternative that should be studied. I also believe governments, industry and labour will all have to streamline their positions somehow, because Canada will not be allowed to survive forever when some people have everything while others have nothing. Gradually, we are moving toward retirement and we will be succeeded by a lost generation of disillusioned young people.

No one in this House, I am sure, whatever his or her political stripe, wants this situation to continue. But it will continue if we leave it to the federal administration, because no matter how well intentioned our civil servants are, they are very often in large office buildings, far removed from reality. At least, we in our ridings have more contacts with the real problems and we should say: "Enough is enough. It cannot go on for ever". Some workers are unionized, and with the help of their unions they get better wages while next door, in another company, other workers just as dedicated, do not make the same kind of progress because they have no union, but they do not mind.

If we want to avoid social unrest, if we do not want to disillusion our young people, we will have to create those jobs. We will have to sit together, to agree on something. We will have to forget our political differences and meet some place, maybe outside Parliament, outside the provinces, maybe abroad, with all the participants, not only the federal and provincial governments, but also our municipal governments which are responsible for much job creation. Our school boards and trade unions have a role to play as well. Being a union member myself, I know there are conflicts between different trade unions and that their leaders are politicians just as we are. They have to be elected and therefore must please their electorate. For my part, Mr. Speaker, I am not a trade unionist but a simple unionized worker. I am one of those who pay for the boss, for the trade union president. Thus, my hands are not tied in any way.

Employers should take part too. Seeing the kind of measures the Canadian Board of Trade advocates, they will have to change their attitude and recommend more constructive job creation measures. We will have to invite advocacy organizations or groups that care for ordinary people as a whole, whether they are unionized or not. The National Anti-Poverty Organization, the Canadian Consumers Association have both a vision that differs from that of the Quebec employer's council or of the president of any given trade union. They have their own approach and, as we have seen these past years, an increasing number of organizations, whether at the local, provincial or national levels, have gained much expertise in this area. They are developing a new approach in order to help society as a whole without any consideration of trade category, salary scale, or situation as an employer or manager. They want to help the Canadian consumer, no matter his trade, profession or earnings. This is what I call a fourth power in our society, Mr. Speaker, and Governments had better consult with it. These past years, Governments have been of all political hues, including the NDP at the provincial level. But we always end up with the same result and the same problem: We have unemployment in Canada, and I am sure no one wants unemployment in this country.

I think if we could change the membership of the usual groups . . . Take the Macdonald Commission, the Commission of Inquiry on Unemployment Insurance. What did they do? They appointed an academic. They got a labour representative and they got a representative from the business world. For years and years, we have always ended up with the same group and the same philosophy. And with the following result: the expert, the academic, the company president, the economist and management submit a report. They agree. The union president has a dissenting opinion, so there is a minority report. Mr. Speaker, we always get the same split along the same lines. It is not a matter of personalities. Put us there, and because of our mandates and our convictions, we would probably end up with the same result.

I think that when the Government appoints new committees, it would be well advised to add members from consumer associations who take a broader view and who could act as mediators. When the union president says: Just a minute, those wages have to be doubled, and when the management representative says: That is too much, no way, the consumer representative would say: Just a minute, this is all very well, and everybody wants to earn as much as they possibly can, but can consumers afford it? We must remember that the consumer is both employee and employer. Mr. Speaker, I think this is a very important point. I am sure all Members of this House would like to see the day when there are no more unemployed in Canada. However, we will have to start designing structures and approaches for a committee to involve the greatest possible number of participants, so that we can find a way to set up a full employment strategy. Establishing a full employment strategy, Mr. Speaker, does not simply mean jobs; it also means preparing young people for the future and giving them practical job experience in addition to formal training. I see that my time has expired, Mr. Speaker, and I am sure all Members will agree with me that we must do something for our unemployed youth.

Mr. Geoff Scott (Parliamentary Secretary to Secretary of State of Canada): Mr. Speaker, first of all, I would like to congratulate the Hon. Member for Winnipeg North Centre (Mr. Keeper), who made his first speech in French this afternoon. I do not agree with his sentiments, but I do want to congratulate him once again, on his second—third language.

• (1720)

[*English*]

Unfortunately, he has left the Chamber. However, I do extend to him my congratulations and the congratulations of all of us on this side. Besides, I must do so because my new responsibilities as Parliament Secretary to the Secretary of State include Canada's Official Languages Act. I am glad that I am getting support from the Hon. Member for Winnipeg North Centre (Mr. Keeper).

In rising to speak to the motion proposed by the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) it is my pleasure to draw the attention of the House to the themes and programs undertaken in 1985, the International Youth Year. The three themes of the International Youth Year are participation, development and peace.

[*Translation*]

Participation means that young people take charge of their own affairs and have a say in decisions that affect them.

Development means the individual enrichment of every young person and of youth as a whole. As young people develop their skills and talents, they will increase their influence on the community in which they live.

Peace means mutual respect and understanding among peoples. Personally, I would be delighted if this year brought us a little closer to this objective. I like to think that youth, above all, will be able to help us determine what factors contribute to maintaining peace in our society. We can help young Canadians become interested in youth in other countries, where fighting for peace is a daily struggle.

[*English*]

As the former Parliamentary Secretary to the Minister of Communications, I will address these themes in relation to culture and talk about the role of the Minister of State for Youth (Mrs. Champagne).

The mandate of the Minister of State for Youth is to address the needs and aspirations of young people. The Prime Minister (Mr. Mulroney) appointed the Minister of State for Youth with the responsibility of co-ordinating the national program of activities for the International Youth Year and to act as the spokesperson within the Government and Cabinet for young people and youth organizations.

To fulfil this role successfully, the Minister is the channel of communications between young people and the Canadian Government. She is listening to young people, learning more about their problems and their achievements. Canadian youth are being shown that they have an advocate in the Minister of State for Youth, who is determined to draw attention to youth in this country and to their concerns.

Over the past year, youth have been participating in a wide range of projects in all facets of society. I would like to take this opportunity to reiterate the involvement of youth in the cultural arena with which I have had some experience.

Youth Programs

A few months ago a national survey was conducted by the Minister of State for Youth to identify projects in which young people took initiatives which affected their own situation and that of their community in an innovative way. The projects did not necessarily have to form a part of the activities for International Youth Year. In fact, some were the work of our precursors, initiatives started by the former Liberal Government. Nor do they need to have received funding.

The research team contacted youth organizations and groups across the country and asked them to name projects which were both innovative and reflected the initiative of the participants. More than 700 such projects were reported.

Youth across this country are participating. In Ontario, for example, a project involved the publication of a weekly newsletter by and for volunteers working in a national park. The project provided work experience for young people interested in pursuing a career in journalism. Believe me, having been young once and having pursued a career in journalism, I can certainly identify with that kind of initiative.

A youth performing arts centre in Manitoba was initiated. The project included a nine-day cabaret in May. On an ongoing basis, this group undertakes a variety of activities aimed at counteracting the negative media attention concerning city youth and to provide entertainment for youth under 18 who are excluded from drinking establishments and need challenging involvement outside of school.

Participants in a Newfoundland town produced a community television program and slide presentation which had the duel benefit of giving the community a positive and optimistic sense of itself, as well as providing the youth involved with a direct experience of working with the audio-visual media.

This provided morale for the rest of the province, an opportunity for young people to be seen engaged in skilful activities which were supportive of the community, and an opportunity for youth across the province to view and understand the difficulties encountered in a one-industry town. These projects are but a few of the initiatives taken by Canadian youth.

During this very special week, there are possibly as many as 23 million Americans—almost the entire population of this country—viewing the proceedings in this Chamber. I hope that our American friends are taking note of some of the important initiatives that we in Canada are taking on behalf of our country's youth. These projects which I mentioned are but a few of those initiatives. Such innovations, coupled with the special projects for International Youth Year, serve to emphasize the enthusiasm, commitment and hard work of young people in communities across the country. In April the Minister of State for Youth announced the approval of $630,000 in grants for 78 special projects to mark International Youth Year. Projects range in scope from national to local and include activities such as workshops and conferences on youth issues, cultural projects and leadership development initiatives. These projects are but a part of this Government's commitment to our youth because our youth is our greatest national resource. I am sure that every Member of the House would

agree that in a very real sense our youth is the future of this country.

It is because our youth is our most valuable resource that great emphasis is placed on such programs as Open House Canada. That is an educational exchange program in which groups of young Canadians 14 to 22 years of age make reciprocal visits. The program is designed to expand the knowledge of Canadians of their country. I do not have to remind our American friends that we are a very large country. It is designed to expand Canadians' knowledge especially of regions other than their own and of federal institutions, and to build understanding between communities.

During exchange visits individual members of visiting groups are welcomed into the homes of their hosting "twins". The host groups are responsible for preparing activities that provide their visitors with a complete program of study on the economic, political, cultural, social, historic and geographic aspects of their community. Within six months of the initial visit, members of the first group to travel play host to their "twins" and provide a similar program. Approximately 27,000 young people are expected to participate in 1984-85.

Developing effective means of communication between youth and between youth and Government has been and continues to be a fundamental aspect of the mandate of the Minister of State for Youth. In order to facilitate open lines of communication, an International Youth Year advisory committee has been established. Regional forums have been held. A national forum is in the planning stages and emphasis has been placed on developing links with youth of other countries.

These initiatives are already showing positive results. Early in 1985 the Hon. Minister of State for Youth named 24 young Canadians to serve on the Youth Advisory Committee.

Broadly speaking, the mission of the members of this committee is to make Canadians of all ages more aware of the themes and objectives of International Youth Year. They are encouraging young people to participate in planned activities. They are also advising the Minister of ways to improve the youth program. More specifically, these young men and women representing all regions of the country have been helpful in the planning of the regional forums and will be involved in the upcoming national forum. These forums encourage young people and their partners in the social process to engage in a constructive dialogue, a dialogue that is fundamental to a successful consultative process.

● (1730)

Together, our Government is working together to develop strategies for promoting a better understanding of the position of young people, enriching their development and enhancing their participation in all aspects of society. While links among youth are being strengthened across Canada, international exchange programs are serving as a vehicle through which young people may become acquainted with peers from different countries.

There are many international development programs. Through the Canadian International Development Agency, the federal Government provides funds to several non-profit, non-governmental organizations that offer opportunities for Canadian youth to train for, or participate in, international development projects. These organizations include Canada World Youth, Canadian Crossroads International, Canadian University Services Overseas, World University Services of Canada and the International Co-operation Study Centre. For the most part, these programs encourage sensitivity to cultural diversity and an ability to adapt to different cultures.

For those of us who have been involved in these international initiatives through the World University Service and other associations, it meant so much to be able to see another country, to see and talk to people and learn about their regions, their cultures, their politics and their economies. It is an experience that none of us who have ever done it as young people in the 14 to 22 age group and perhaps a few years beyond that, will ever forget.

Cultural exchanges cannot help but foster the building of mutual respect and understanding among people. To quote the Minister of State for Youth:

> I would like to think, with youth leading the way, we may identify factors conducive to a more peaceful society.

Canada, Mr. Speaker, is a proud young country. It is a land where people have fulfilled dreams and it remains a land rich with promise. The fulfilment of this promise rests with our youth.

In that connection, I want to commend the Hon. Member for Montreal-Sainte-Marie for the spirit of his motion and move an amendment. I move that Motion No. 222 be amended by striking out all the words after the word "should" replacing them with the following words:

> Continue reviewing its policy on youth with an aim of further enhancing programs that are adequate to their needs.

The motion would then read:

> That, in the opinion of this House, the Government should continue reviewing its policy on youth, with the aim of further enhancing programs that are adequate to their needs.

I submit the amendment. I would ask for any further comments or debate on that amendment.

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I would like to congratulate the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) for having brought before this House the complexity of issues that affect a portion of our population. How our modern society impacts on them has been a matter almost totally disregarded in this House, in so many other sectors of Government at all levels and in so many parts of our community.

I have been engaged for the last six weeks in conversation with young people about their concerns. We have been told repeatedly that young people are apathetic, that they do not care. I suppose that the most significant finding that resulted from our encounters with young people in this international youth year is not at all that young people are apathetic. On the contrary, it is their view that we, who have gone beyond the age of youth, are the apathetic ones.

When one considers the concerns of the youth all over the world, it is that they are disregarded, certainly in terms of their feelings about issues and in terms of effective action to be taken in response to them.

I want to emphasize that young people are not just concerned about what society does for youth *per se*. Youth is concerned about the kind of society in which they live, although it is certainly true that they share a complexity of problems which are unique to their age class, and quite different from the experiences we have shared in the past.

I suppose one might get an idea about our attitude toward the young when we hear young people referred to as our richest natural resource. I asked some young people what they thought about that. They said: "Fish are a resource and they get a lot of attention. Forests are a resource and get a lot of attention. Minerals are a resource and get a lot of attention. If it is necessary to dehumanize ourselves to such an extent that we are matched with fish, forest and minerals in order to get that attention, then let us be natural resources."

We have heard a discourse by the Parliamentary Secretary about the involvement in international year of very many of our young people who have had the support of grants and other kinds of support. We got the impression of a creative, innovative energetic, well educated portion of our society. It is certainly true that young people today are much more informed as a class than we were in the past. It is also true that they have contributed much and will still contribute much.

To emphasize, as was done in that intervention, the kinds of activities that the relatively privileged youth in our country indulge in, is to mislead the public, to mislead the House and ignores all too much that which must be dealt with by this House, this Parliament and by other responsible sectors of Canadian society.

It was sad to behold that, although unspoken by virtually every young person to whom we spoke, there resides in the hearts of so many youth around the world a dreadful fear that they will not survive, one young lady said, beyond thirty. It is a fear so deep that it remains unspoken because the fear is too dreadful to utter.

● (1740)

They hear adult politicians talking about peace, about disarmament, about spheres of international influence and about national interests, without realizing that what they say communicates to the youth that the immortality to which youth has normally been heir is dead. We must realize that we are talking to a group within our community which has fears which we never had in our lives.

I ask the House to think of what I say. We send young people to war because they have a perception that they will not die, that they are immortal. We know young people tend to be reckless at times, as we were because we had a sense of immortality. Now we find that young people believe that the world will not survive to their adulthood. International Youth Year was not initiated by the United Nations for the purpose of celebrating how well off are our young people and how much they have to contribute. It has always been presumed that young people would grow up and replace us, and hopefully do better than we have done. What happened was that the nations of the world began to realize that there was an imminent crisis among young people. In western Europe, they looked to Bristol, Livepool, London, Paris, Berlin and Rome to find disenfranchised youth engaged in violent activity and riots against the system because so alienated were they that they could expect nothing from the system. Therefore, they challenged it just simply out of frustration.

Many young people in the world and in our country are not merely unemployed. Unemployment is an issue which affects many people. Unemployment has occurred in the past, but it has never occurred before where there has been such a total reorganization of our international economic relationships or where there has been such a marked transfer of jobs to machines, to technologies and to robots. I have had young people ask me: "If robots are going to build robots that are going to build cars, what robots are going to buy those cars?" That conjures up a vision. Not only are young people unemployed, but they may never get jobs. Too many of our youth cannot share the assumptions which all of us could, that when we finished school, or even dropped out of school early, we would be almost certain to have a job. We assumed that when we got that job, we would get married, have children and have a house. We assumed that we would share in the benefits of the community and contribute to the community. We assumed that we would live a happy life with family. There are youth all over the country who regard that as a dream shared by their predecessors, not by themselves.

Our youth are living in a world which changes extremely rapidly, a world where information is poured into their ears day by day about issues, conflicts and crises affecting them and others, with which they cannot deal. This produces a far different point of view or perception of reality than we share.

Another aspect of modern society is that the family is far more mobile than it used to be. More parents are unemployed than used to be the case. More families are split by divorce than used to be. People are far more preoccupied with material things than they used to be. Families are less concerned about relating to youth and their problems than they used to be. Huge portions of our population feel that they are ignored in the decision-making processes in which we engage. A large number of young people feel that they can no longer communicate with their families and with other parts of the community which they should be able to expect will serve them but do not.

We hear young people talking about an educational system in which they are not taught but are told what to learn. They talk about an educational system which is difficult for them to relate to the world in which they must live. They talk about an educational system which does not provide any guidance in respect of jobs. They talk about an educational system which denies them the personal relationships and contact with other understanding human beings that helps them to deal with the

problems youth have always had but, more important, with the far more critical problems they have now.

We have a world of young people to whom we have not listened. If it is the intent of the Hon. Member for Montreal-Sainte-Marie that the House of Commons and other portions of our community with responsibility will begin to listen more to young people, then I support him. Young people are not only saying that they want jobs for themselves. They need those jobs. They need that future. They understand that jobs must mean jobs for everyone. They have a notion of the country which they sometimes think we do not share. They know that jobs cannot be created merely by the production of commodities, by the making of a car, by the cutting of a tree or by the fishing of a fish. They also know, from their own experiences, that there are many needs out there to be met. They know that there are one million Canadians who are illiterate, by any appropriate definition of the term. They know that there are four million Canadians who are functionally illiterate. They know that in the City of Toronto there are 135,000 people, many of whom are on the street, who can barely read or write and need help. They know, as was indicated by the young native lad with whom I talked, that unemployment and violence on native reserves are such that a young person, 18 years old, can tell me that to find a body in a ditch is not a shocking experience any longer. So rampant is unemployment, so rampant is violence as a consequence of frustration, there are young people walking the streets as prostitutes. Our reaction to that is to pass legislation which does not address the problems of those forced into prostitution but infringes upon human rights and pretends, at the same time, that the problem will go away by putting everyone in jail.

They look at the House and they must ask, as they have asked me, serious questions about the directions which we are taking. They look at our post-secondary educational system and find that the whole system is deteriorating to a point where there is an obvious inconsistency with the expressed intent of Government to produce economic growth based upon technological and scientific development, while young people across the land are being denied an opportunity to attend university or college.

It is not only that universities and colleges are being underfunded. It is that we are increasingly creating a system which denies opportunity to many youth who wish that opportunity. We have a situation in which young people, who are not sons and daughters of the rich—those who represent people in our society who have not been in universities or colleges before—must commit themselves to debts totalling from $40,000 to $50,000 to gain access to the opportunities presented in that sector, even before they get their degree. We have a secondary school system which does not respond to the needs of young people. They hear us talking about investments in research. They hear us talking about wage equity. They hear us talking about free trade. They hear us talking about so many things in ways that do not seem to address their needs. I will tell Hon. Members one thing about the young Canadians with whom I have been speaking—they are seriously concerned about the future and destiny of Canada and what type of nation it will be. They are deeply concerned that being a Canadian will continue to mean something unique in the world. They are deeply suspicious about the potential dangers to our culture, our economy, employment and our unique characteristics presented by free trade. More than any of us here young people regard themselves as Canadians with something significant which they can potentially contribute to the world at large.

• (1750)

However, if there is one message—and it is a positive one—which comes from International Youth Year and the relatively few who benefited from the Government sponsored programs, it is that young people have found that if they are given an opportunity to engage in activities involving their own interests with other young people there is much to do toward solving the problems they share. That means young people, whether in universities, unemployed, as prostitutes on the street, those who have been in jail recently for doing things which unemployment forces them to do, say: "Look. Give us the opportunity not just in International Youth Year but on a continuing basis to engage in the types of activities with other young people which some young people had an opportunity to engage in during International Youth Year". They say: "We can solve some of our own problems but we want you to listen to us".

When the Hon. Member for Montreal-Sainte-Marie says there should be some type of national committee with a broad representation to address the issues affecting youth, I am concerned that the umbrella will be spread too widely. There are issues which particularly and specifically affect youth which ought to be addressed. One of these issues has to be education. Young people all across the country have said there has to be something done about education at the national level in order to establish some standards based on not only the needs of our economy but on the needs of our young people. They should be involved in this process. It should not involve just adults and those involved in youth serving organizations, but young people must be intimately involved in determining the agenda for education themselves in order to adopt the type of national standards for education which will address all their needs, as the United States has done.

Somehow, we have to bring about not only a more coherent approach to the education and training of young people but, surely, it is obvious that to engage in improvements in our educational system and in our training experiences it is useless if we cannot provide these young people with jobs. We must listen to them. They tell us that there are jobs out there for everyone. Let us get our priorities straight and those young people will be able to fulfil the promise. Perhaps they will create a world and a Canada which is a lot better than that which we seem to be on the way to creating in the absence of having sufficient consideration of the interests and views of young people.

The Acting Speaker (Mr. Paproski): The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Amendment (Mr. Scott, Hamilton-Wentworth) agreed to.

The Acting Speaker (Mr. Paproski): The debate is on the main motion, as amended. The Hon. Member for London-Middlesex (Mr. Clifford).

Mr. Terry Clifford (London-Middlesex): Mr. Speaker, I appreciate this opportunity to speak on the motion which is before us. The people of Canada, particularly the young people, in September of 1984 overwhelmingly showed their support for a new Government. That support has not gone unnoticed. Our Minister of State for Youth (Mrs. Champagne) has taken this matter keenly in her considerations and in her actions. I wish to speak about the Minister's actions because they have been underplayed this afternoon.

The atmosphere which has been created in Canada which the young people have noticed is one of enthusiasm and openness. The economic renewal is something which they voted to see and are now finally seeing. It reminds one of what Voltaire must have seen when he was in Paris in 1789 when he spoke to the young French people and said:

[*Translation*]

Young people are lucky, they will do great things.

[*English*]

Our Minister went to the young people of Canada and said: "Give us an advisory council so you can tell the Government what it should know. You cannot just advise, you can tell us the things which should happen." She went from coast to coast speaking to youth forums. I know this because she came to London-Middlesex where she met over 100 young people. They were not the well off; they were the unemployed, the disadvantaged, the young people in the high schools and community colleges and, indeed, in the universities. They came from all walks of life and they had something to tell our Government. Basically, they pointed out six matters to us and to our Minister which make up their main concerns. These are education, employment, their status in our society, socio-economic concerns, peace and the environment. There has been a great deal of action taken with respect to this.

The Acting Speaker (Mr. Paproski): Order, please. I regret to interrupt the Hon. Member but it is time to put the question.

The question is on the motion, as amended. Is it the pleasure of the House to adopt the motion as amended?

Some Hon. Members: Agreed.

Motion, as amended, agreed to.

Adjournment Debate

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, as promised earlier this afternoon, I have now finished my meeting with the Opposition House Leaders. I would like to take this opportunity to announce the business for next week.

Tomorrow it is my intention to call as the first item of business Bill C-74. The back-up to Bill C-74 will be the Bill which we have been discussing for the last two days, Bill C-84, an Act to amend the Income Tax Act and other Acts. On Monday there will be debate on Bill C-84. I would like to designate next Tuesday as an allotted day. I believe this will be the fourth allotted day in this supply period.

Wednesday has been designated as a day for the debate on provisions contained in the Western Grain Transportation Act. We have discussed other initiatives which might be considered on Wednesday and Thursday of next week. I hope to make further progress in our discussions with the House Leaders of the Opposition in that regard.

On Thursday we hope that we can make progress on the Bills which are before the House. In this regard I have mentioned Bill C-74. There is also Bill C-79 and Bill C-83 on which we might be able to make some progress. As usual, I will continue to monitor the progress from time to time and to consult with my colleagues, the opposition House Leaders. If there is to be any change in the order of business, I will report to the House at my earliest convenience.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 is deemed to have been moved.

REFUGEES—EXPRESSION OF CONCERNS. (B) BACKLOG OF REFUGEE STATUS CLAIMS

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased to participate in the Adjournment Debate to review a question I asked in the House of Commons during Question Period of the Minister of Employment and Immigration (Miss MacDonald) on November 21. Unfortunately, both Ministers responsible for immigration were absent that day so the Minister of Labour (Mr. McKnight) took the question as notice. I am very hopeful, as are others, that the Parliamentary Secretary, or perhaps one of the Ministers, will have an opportunity to be somewhat more forthcoming and to offer some substance in response to a very important question.

My question concerns the entire issue of refugee status in Canada. As you are well aware, there are some 20,000 refugees waiting for determinations to be settled by the Government. I asked the question the day after some 300 refugees from all parts of the country representing eight different countries and some 13 different organizations, gathered on Parliament Hill to bring the message to the Minister and the Government that they are feeling uncomfortable about the situation. The 300 people who were present were representing the 19,700 other individuals who are in the same situation, a situation that is quite painful.

That situation was made evident to me at the meeting I attended with the 300 refugees, a meeting that was filled with emotion and despair, despair over the fact that they know that they are here today, but certainly with the fear that tomorrow they will be sent packing to another country and perhaps even to their original homeland. I would submit that that is not the best way to live one's life.

At the meeting there was despair in that these people have substandard living conditions and many do not hold full-time jobs. Those who do have full-time jobs certainly do not have the parity in wages that other Canadians in general enjoy. Part of the reason is that employers take advantage of many refugees. The Socal Insurance Numbers given to a great many of these refugees are of a particular series of numbers that identifies them as refugees. Employers have come to know this, and some have to come to this knowledge in an abusive way.

There was also despair because of their inability to provide satisfactory long-term education for their children. There was despair over three important factors, living conditions, employment and educational opportunities, as well as the feelings that come into play when a refugee leaves his homeland; the pain that comes from being separated from one's loved ones.

There is also a second issue at play here. Is it fair that we ask individuals who have been here for three, four and sometimes even five years to once again pack their bags and go back home? There is a terrific example of this in my own riding. One family from Argentina was forced to leave Buenos Aires when the parents were purged by the former military Government. These individuals were first forced to leave because they were school teachers in their home country. The school system was one of the areas on which the military regime cracked down very hard. Therefore, they came to this country and for the last five years have been living in Toronto. Both the mother and father have learned English very well; both have found jobs in the community. They have two daughters, neither of whom speak Spanish, only English. They have tried to become involved with the Toronto community, specifically with the Latin American Community Centre in my riding. This is a perfect example of a family which has set its roots in this country. They have learned our language and our way of life. But for lack of a piece of paper, they are in fact as Canadian as, perhaps, you and I, Mr. Speaker.

• (1805)

The immigration authorities have asked them to return to Argentina because the Government of the day has changed. However, there is no guarantee that the persecution they faced at one time will not occur again. Is it fair to expect these individuals who have contributed to the way of life in my riding of York West and the way of life as we know it in Canada, to be asked to pack their bags and leave once again?

One aspect of my question revolved around the Gunther Plaut report. We are familiar with his first report submitted on the question of refugee status. But, he submitted a second and confidential report to the Minister of Employment and Immigration dealing solely with the backlog of refugees and the solutions he proposed. Thus far, Mr. Speaker, you and I have no knowledge of what is in that report.

My question was twofold; what is the Government planning to do with the serious backlog of refugee claimants as manifested by the 300 refugees in Ottawa some weeks ago? Second, is the Government prepared to share with us the confidential report by Gunther Plaut on the bottleneck of refugees? That was the essence of my questions in the House of Commons. I look forward to the Parliamentary Secretary providing answers which will be satisfactory to some 20,000 refugees whose future depends strictly on this Government.

Mr. Gerry Weiner (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I share the concerns of the Hon. Member. Fifty per cent of my constituency is made up of visible minorities. Twenty-five per cent of the population of St. Laurent, the largest city in my riding, falls into that category. As the former mayor of my city, I have had constant consultations with those citizens.

I am pleased to have the opportunity to respond to the questions raised by the Hon. Member. First, I would like to remind Hon. Members that Bill C-55 has been reported back to the House and will receive third reading shortly. The primary purpose of the Bill is to increase the personnel of the Immigration Appeal Board and thus enhance its capacity to deal with an increasing case-load of appeals and refugee determination applications.

The Bill will allow for more expeditious oral hearings at the redetermination stage for refugee claimants whose claims have been unsuccessful at the first instance. This can only be good news for bona fide refugee claimants currently caught in the backlog. The group that demonstrated on Parliament Hill on November 20 maintained that Bill C-55 will thwart the Supreme Court decision that guarantees an oral hearing. In fact, Mr. Speaker, the contrary is true.

At the same time, I must emphasize that it has always been the Government's position that Bill C-55 is a limited interim response to the caseload situation at the Immigration Appeal Board and should not be seen as part of the comprehensive refugee legislation reform package now being developed. More comprehensive measures will be introduced into Parliament when we have completed our study of the many complex recommendations contained in Rabbi Plaut's study on refugee

determinations in Canada and the public impact that report has attracted.

This brings me to my second point. There is a certain irony in the fact that among those groups demonstrating against a so-called lack of progress in presenting a new system are several respondents who made strong representations to have the consultation period extended. Such persons should realize that they cannot have it both ways. In fact, the consultation period was extended and for good reason. The views of many interested groups and individuals are relevant to the process and are being given serious consideration. If the Government's response to the Plaut report has not been as rapid as some would wish, I suggest it is not because we are insensitive but because we are proceeding with care to avoid the mistakes of the past which have led to this difficult situation.

I am pleased to say that our efforts should bear fruit in a few weeks, but it must be evident to all Hon. Members that even if we can achieve the rapid passage of upcoming legislative amendments, the full implementation of a new system is at least several months away. Therefore, until we have a new framework for a fair and expeditious refugee claims process, the only practical approach is to speed up the existing process, which Bill C-55 will facilitate.

• (1810)

I note as well that the Hon. Member referred on November 21 to a "second and confidential report dealing solely with the refugee backlog that was submitted to the Minister by Rabbi Plaut." I must advise that no such secret report exists. Contrary to the Hon. Member's suggestion that the Government is sitting on a follow-up study by Rabbi Plaut, the full report was released on June 17. If he is sufficiently interested, he may wish to refer to pages 215 through 221 which contain proposals for transitional arrangements which Rabbi Plaut presents as a means to clear the backlog.

In conclusion, I regret the lack of understanding displayed by those who characterize Canada's response to the plight of refugees as insensitive and inhumane. Canada's humanitarian concerns have found repeated expression time and time again in recent years. Canada has a tradition of generosity of which we can be proud, and our current efforts to create a speedy and equitable system are part of that tradition.

[*Translation*]

SHIPBUILDING—REQUEST FOR CLARIFICATION OF PROJECT TO BUILD SECOND CN MARINE FACTORY

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, on November 22, 1985 I asked the Minister of State for Transport (Mrs. Blais-Grenier) when the Government would make a decision concerning the construction of a second ferry for CN Marine.

As you know, Versatile Davie and the Department of Transport are holding negotiations concerning the construction of this second ferry.

Lauzon's Versatile Davie management have assured us they are prepared to build a second ferry for exactly the same price as the first one, $127 million. A similar ferry is now being tested and just about ready for delivery to the customer, CN Marine.

Mr. Speaker, I would draw to your attention the fact that Versatile Davie's offer is a pretty good indication of the effort made by the company to keep costs from exceeding the tender price.

Versatile Davie workers and all subcontractors within the greater Quebec City region have been asked to co-operate, so the company was able to offer to build a second ferry for the same price as the first one.

We have to keep in mind that the immediate construction of a second ferry at the Versatile shipyards has many advantages.

First of all, it will enable the company to hire 1,500 workers who otherwise will have to make do with unemployment insurance benefits and very soon depend on measly social welfare payments.

Second, if our workers have to spend too much time on unemployment insurance and social welfare, they will lose both their incentive to work and their skills with the result that the Lauzon Versatile Davie shipyards will no longer be very competitive on the market.

Third, CN Marine's responsibility is to run a ferry service and we know that the users have been asking for such services.

Fourth, this project has involved the participation of 19 municipalities in the Quebec City region, not to mention the municipal conference which includes all Lévis county municipalities that have given their support to the second ferry construction project. The Quebec Urban Community as well has decided to join the group.

In a telegram sent to the Hon. Michel Côté in early October this year, the economic council of Lévis-Lauzon expressed its growing concern about this matter and the employment situation in Lévis.

Then, on November 14, 1984, Mr. Mazankowski had this to say concerning the rationalization of ferry services:

> —this will have a tremendous impact upon the shipbuilding industry and, therefore, will create jobs.

The day after, November 15, 1985, Mr. Mazankowski said, and I quote:

> As a matter of fact, we have a number of initiatives to stimulate the shipbuilding industry, and part of the rationalization for the upgrading of the eastern ferry system involves the acquisition of a new vessel. There will be four new vessels coming on stream, one of which is already built. They will, among other things, provide more capacity, faster service, greater flexibility and, equally important, provide the shipyards with some needed activity.

● (1815)

In addition, it is imperative that the Government make up its mind quickly, for it would be the logical result of the initiative taken by the Hon. Sinclair Stevens who, on March 15, 1985, announced the acquisition of Davie Shipbuilding by Versatile Davie, with a $15 million grant to the new Versatile Davie Inc. In doing so, the Government was making a formal commitment to the future of the Lauzon shipyards and recognizing the reputation of a company whose experience and know-how are unique in North America.

Considering what we have already accomplished, Mr. Speaker, and also considering our formal commitments, we now have an obligation to proceed quickly in the matter of reaching a decision on the construction of a second ferry.

In concluding, Mr. Speaker, I think we should be very careful about the proposals and reports being submitted by CN Marine concerning certain alternative solutions for the second ferry. In fact, CN Marine is suggesting to the Department of Transport the purchase of a foreign vessel. Does this proposal contain all the elements of a cost-benefit analysis, and not just the capital cost but also operating costs, not only the book cost but also the economic cost? Do these recommendations by CN Marine take into consideration aspects such as jobs, technology, and our reputation and competitive position on international markets?

Has CN Marine given the authorities at the Department of Transport several alternatives or has it presented only one proposal without offering an alternative to the acquisition of a foreign vessel? Has it given no alternative to acquiring a foreign vessel?

Mr. Speaker, I have serious doubts about the quality of the data prepared by CN Marine for the Department of Transport and thus for Parliament. It is in the long term interests of Canadians that we get a quick decision that will preserve jobs and improve our technology.

Mr. Gerry Weiner (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, first of all I want to thank the Hon. Member for Lévis (Mr. Fontaine) for his continued interest in and hard work on an issue that will be of major importance to his constituents. This may be the kind of stimulus we need to get some action as soon as possible.

Hon. Members are aware that one of the elements of the upgrading plan for ferry services which was ratified in 1984, was the delivery by Versatile Davie of Lauzon of the ferry *M.V. Caribou*, to be put into service early in 1986.

As indicated several times by the Minister, various aspects of the matter are being analyzed, and a study will be submitted to Cabinet within the next few weeks.

The use of new, bigger and more efficient vessels will result in a significant reduction in operating costs and increased passenger and cargo capacity, thus providing a better service for the people of Newfoundland.

The House will recall that the Minister of Transport (Mr. Mazankowski) has an obligation to ensure that transportation services are provided safely and efficiently, at the lowest possible cost.

In fact I would like to take this opportunity to express the Minister's thanks for the excellent work done by the Hon. Member for Lévis in connection with the report submitted to the Minister on the whole issue of the shipbuilding industry in Canada. Mr. Speaker, if my hon. friend does not mind, I would like to give him a few statistics which I think will convince all Members present of the government's concern for this industry.

Today, 90 per cent of contracts for building ships in our shipyards are Government contracts. In addition, 60 per cent of the work in repair shops is done on government ships. The Canadian Coast Guard's current building program includes eighteen vessels, with contracts totalling over $465.2 million.

Ports Canada and CN Marine contracts for the construction of new vessels will total $143 million.

Furthermore, Transport Canada and several Crown corporations are expected very shortly to allocate $50.7 million for repairs to 21 vessels.

Mr. Speaker, these projects are being directed to shipyards, large and small, across the country.

● (1820)

[*English*]

AIR SAFETY—INQUIRY INTO AIR INDIA DISASTER. (B) AIRPORT SECURITY MEASURES

Hon. André Ouellet (Papineau): Mr. Speaker, yesterday I asked a question of the Minister of Transport (Mr. Mazankowski) prompted by a Canadian Press article which indicated that the lawyer representing the Canadian Government at the New Delhi inquiry into the June 23 crash of an Air India jumbo-jet off Ireland was attempting to make the point that the inquiry should not determine who was responsible for the incident.

The article stated:

> At issue was whether the week-old inquiry should decide who was responsible for airport security before the Boeing 747 left Toronto and Montreal for Bombay.

Obviously, the answer will be crucial in civil litigation. As you know, 329 people died in this incident.

The Minister's answer was that he wanted to wait until the inquiry was completed before commenting on the inquiry. However, what is at stake is the conduct and attitude of the lawyer representing the Government in this inquiry. Why was the lawyer trying to prevent this inquiry from getting at the consequence and responsibility of this incident?

I suggest that on the one hand the Canadian authorities do not want anyone to know if they are responsible for the

incident. On the other hand, it seems that the Indian authorities do not want anyone to know if Air India was responsible for the incident. Therefore, this inquiry is taking place for no reason than just to find that indeed there was an accident. The exercise in New Delhi seems to be purely unnecessary because the judge has decided that according to the court, all questions of responsibility will be disregarded. I find this absolutely incredible and certainly not in the best interests of our country.

I also pointed out to the Minister in my question that despite the series of measures that had been taken to better protect air passengers at our airports, there are still a number of failures in the system. Last week the Transport Committee heard witnesses on the document "Freedom to Move". At the time of this hearing in Vancouver the Brotherhood of Railway and Airline Clerks presented a memorandum to the committee indicating that in fact there have been a number of failures. Let me briefly read into the record some of these failures. This is what the union organization said:

> The first is that, despite every intent to adhere to the new policy, the pressure of competition can result in the waiver of rules. Although there is an extensive effort to ensure that all passengers who have checked in, are on board, there has been at least one instance recently when, in the interests of "on-time" departure an international flight left Vancouver airport without reconciliation of passengers on board.
>
> Another problem exists with passengers travelling internationally who must first connect through another city. For example a passenger leaving Calgary for Tokyo, will not have his baggage x-rayed. During the change of plane in Vancouver the passenger is supposed to pick up the luggage and re-check it in order that it may be cleared through security. Often passengers neglect to claim their luggage and the responsibility falls to the airline agent (a BRAC member) who must physically handle the baggage by processing it through the x-ray procedure. This naturally puts the employee in a potentially dangerous situation should an explosive device be contained in the luggage.
>
> A third situation, which is of grave concern, is the through handling of baggage originating outside Canada, destined for another country.
>
> ● (1825)
>
> This baggage is not subject to any X-ray check unless the originating country has a procedure in place. For example, baggage originating from South Pacific locations destined for Europe will not go through any security clearance.

I want to submit, Mr. Speaker, that these three cases presented by the union are very important. I appreciate the Minister is doing his best to improve security at airports, but I submit there are still grave problems that have to be corrected. I appreciate that the Parliamentary Secretary will be doing his best here tonight in trying to answer us. I would have preferred to see the Minister of Transport (Mr. Mazankowski) or the Minister of State for Transport (Mr. Forrestall) handle it. I have confidence that the Parliamentary Secretary will certainly convey to the Minister this great discrepancy in terms of security at airports.

Mr. Gerry Weiner (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, in this Parliamentary Secretary you are getting a man who has been marked for life by the going down of Air-India's Flight 182. Many of those who died were my constituents. I spent much of the summer in constant consultation with the families. I have been watching this file and the proceedings very carefully. In addition, I lost a personal friend, an outstanding pharmacist, Gaston Beauchesne, a director, a colleague, and a member of the Order of Pharmacists. I too share the concerns, and I am watching the proceedings most carefully.

[*Translation*]

Mr. Speaker, the Hon. Member for Papineau (Mr. Ouellet) would know indeed that no Minister of the Crown may comment on a judicial inquiry. Even so I would like to remind him of the words of Mr. Justice Kirpaul:

[*English*]

What this court has to do is to find the cause and circumstances of the accident and not apportion blame.

[*Translation*]

I believe those remarks were taken from the same report which the Hon. Member must have read on that subject.

In addition, Mr. Speaker, as the Minister of Transport (Mr. Mazankowski) said in the House on several occasions, our airport security has been considerably boosted. We have added $6 million to the $36 million already earmarked for airport security in 1985 and 1986.

Twenty-seven X-ray devices for monitoring checked luggage have been installed; 23 more have been ordered and will be delivered before March 31, 1986; 26 explosive vapour detectors will be installed in international airports by December 15, 1985.

The Prime Minister has set up a special study sponsored by the interdepartmental committee on security and intelligence. The final report has been received by the Minister and the implementation of its recommendations is being considered.

Mr. Speaker, we are trying to reverse the action taken over the past five or six years by the previous Government in which the Hon. Member was involved to reduce security measures and expenses at our various airports.

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

The House adjourned at 6.28 p.m.

HOUSE OF COMMONS

Friday, November 29, 1985

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 22

[*English*]

AGRICULTURE

ALLEGED THEFT OF CHEESE IMPORT CERTIFICATES—DAIRY FARMERS' LOSSES

Mr. Maurice Foster (Algoma): Mr. Speaker, the Government places a low priority on agriculture in Canada and on its importance to the Canadian economy. After the recent theft of Government import certificates for cheese the Government forced the importers using these certificates to pay a 10 per cent fine and return the illegally imported cheese to the country of origin. That may have been an appropriate action if there was no illegal action by the importers.

What is not appropriate and not fair is the treatment that has been handed out to Canadian dairy producers. They have been assessed over-quota levies of millions of dollars because some civil servant stole a bunch of import certificates and peddled them to make a fast buck. Why are these producers being fined by having this unfair levy imposed on them? The Minister's defence of the Government's action is as full of holes as Swiss cheese.

The Government should stop picking on the farmers and reimburse them for these levies which have been estimated by the British Columbia Federation of Agriculture Dairy Committee to be $5.6 million. The Tory caucus has known about this for six months. We need action from the Government now.

* * *

[*Translation*]

CANADA MORTGAGE AND HOUSING CORPORATION

SALE OF HABITAT 67

Mr. Dan Heap (Spadina): On Wednesday, Mr. Speaker, Canada Mortgage and Housing Corporation sold Habitat 67 to a speculator despite the fact that two-thirds of the tenants had made a bid for the entire housing complex.

Forming an association, 100-odd tenants offered close to $10 million. They stated that they wanted mainly to continue to live in their units and, "above all else we want Habitat 67 to remain in its present conditions as part of our national heritage".

In its purchasing offer the tenants' association made a commitment to protect the existing structure and the exterior appearance of the building. It also asked CMHC management to give it an opportunity to make a counter-offer and the corporation had promised to negotiate with respect to the highest bids.

Just the same, CMHC sold the complex to a speculator for $10 million without giving the tenants an opportunity to defend their own interests.

This is most unfair on the part of this Conservative Government which as usual gives priority to the interests of speculators over those of tenants and workers.

* * *

[*English*]

INDIAN AFFAIRS

FUNDING OF PACIFIC NATIVE FISHING ASSOCIATION

Mr. Jack Scowen (Mackenzie): Mr. Speaker, I rise to commend the Native Brotherhood of B.C. for their hard work in securing the position of native fishermen in the B.C. fishing industry. I also want to commend the Minister of Indian Affairs and Northern Development (Mr. Crombie) for providing $11 million to the Native Brotherhood of B.C. These moneys are to be administered by the newly formed Pacific Native Fishing Association which will operate under the auspices of the Native Brotherhood of B.C.

The Association will provide financial assistance to native fishing vessel owners, assist former operators of rental vessels such as the Cassiar Native Rental Fishermen to purchase their own boats, provide basic business management training, and ensure that native fishermen who wish to leave the industry pass their vessels and licences to other natives through a purchase plan managed by the new association.

Today the Minister announced the members of the board for the new fishing association. These members were selected by the executive of the Native Brotherhood of B.C. I want to extend my best wishes to the Native Brotherhood of B.C. as they meet today and tomorrow in Masset, B.C., for their annual convention.

S.O. 22

[*Translation*]

TERRORISM

CANADA'S DECISION TO PARTICIPATE IN ESTABLISHING INTERNATIONAL AGENCY TO COMBAT TERRORISM

Mr. Fernand Ladouceur (Labelle): Mr. Speaker, on Saturday, November 23, we watched, shocked and helpless, as a tragedy unfolded that was to end in the death of two Canadian citizens, innocent victims of an act of international terrorism in Malta. I am sure that this tragic accident has once more aroused in Canadians feelings of indignation and disgust at these thoughtless acts of terrorism, at a time when terrorism has become common as a form of protest, but at what price!

Despite the tragic outcome of this incident which aroused general consternation among the Canadian public, I would like to point out the excellent work done by officials of the Department of External Affairs, their speedy intervention, their close co-operation with the bereaved family and their sense of duty.

I am sure that Canadians were very pleased and vastly relieved at the announcement yesterday by Canada's ambassador to the United Nations that Canada has decided to help set up an international agency to combat terrorism. Mr. Speaker, the purpose of this agency will be to defeat international terrorism, since no one can be entirely safe from its effects. We therefore have a duty to support the action taken by our Government, so that tragic events such as the *Achille Lauro* affair, the EgyptAir incident and the attack against the Turkish Embassy will never happen again.

* * *

FOOTWEAR INDUSTRY

REQUEST FOR CLARIFICATION OF PROGRAMS TO HELP LAID-OFF

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, last week in Quebec, more than 500 community agencies set up a coalition to ask the Government, and more specifically, the Minister of Employment and Immigration (Miss MacDonald), to review her decision on criteria for job development programs, which now make it compulsory for all futur employees in these programs to have been unemployed for 24 of the 30 last weeks. If the Government does not change its decision, it will mean that all those who have agreed to work under the Government's Canada Works program will be excluded from subsequent programs, and that if the Government maintains this attitude, community agencies in Quebec and the other provinces will have to close their doors.

Mr. Speaker, this particular coalition includes the *Regroupement des maisons des jeunes du Québec*, the *Association des centres de femmes du Québec*, the *Mouvement d'action populaire et d'action communautaire du Québec*, the *Association québécoise pour la défense des droits des retraités et des préretraités*, and the *Confédération des organismes provinciaux pour personnes handicapées* and various shelter facilities. All those agencies are asking the Government to remember that community agencies can do excellent work for the public while at the same time providing manpower training, provided they are allowed to hire people with experience.

* * *

• (1110)

[*English*]

NATIONAL DEFENCE

SINKING OF FISHING VESSEL *LADY MARJORIE*

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I wish to call to the attention of the House the sinking off the coast of Nova Scotia of the fishing vessel *Lady Marjorie*, by the Canadian Navy vessel H.M.C.S. *Nipigon*. The Navy will undoubtedly resolve the procedural problems internally to prevent a recurrence of this type of event in the future. However, the Conservative Government has a clear responsibility to compensate the owner of the vessel. The owner of the *Lady Marjorie* must be compensated for the loss of the vessel in such a negligent and dangerous manner.

In addition, the owner owned a small fish processing operation based on production from his vessel. That plant employed 15 people. As a result of the sinking of this vessel by the Navy, that plant is closed and 15 people are out of work.

The Minister of National Defence and Deputy Prime Minister (Mr. Nielsen) must act quickly on the matter. I also note that no member of the Conservative Party from Nova Scotia has seen fit up to this point to raise this important matter in the House of Commons and urge the Government to move quickly toward compensation. It is important that they join the NDP and speak up on behalf of the people whom they were elected to represent. The Government must provide compensation, and provide it quickly.

* * *

TOURISM

CENTENNIAL CELEBRATIONS OF NIAGARA PARKS COMMISSION

Mr. Allan Pietz (Welland): Mr. Speaker, 1985 is the centennial of the Niagara Parks Commission and I would like to draw the attention of the House to some of the work the Commission is doing to promote tourism in Canada. Many people do not realize that the Commission is completely self-supporting and is run as a business. Moneys are raised through gift shops, restaurants, attractions, and through water rentals to power companies. Funds are used to maintain not only the lands and gardens but also the buildings and roadways. The Niagara Parks Commission has its own police force as well as 1,400 employees.

Last week the third annual winter Festival of Lights, an international light show that runs for three months, began. Along with the nightly illumination on the falls, 30,000 lights are strewn over 55 giant trees. Private companies have joined the celebration, making the winter Festival of Lights a real community celebration.

This Festival has resulted in an increase of over one million tourists visiting the Niagara area and has been an incredible boost for local merchants and business people. The Niagara Parks Commission is to be congratulated not only for its tremendous work over the last 100 years but for its continual leadership in the tourist industry.

As I mentioned yesterday when I presented a petition, there is tremendous potential for attracting tourists to Canada by way of the attractions of the Niagara Peninsula and we need to encourage this in any way we can, both federally and in conjunction with the province.

* * *

INDIAN AFFAIRS

STATUS OF WOMEN—GRANT TO NATIVE WOMEN'S ASSOCIATION OF CANADA

Mrs. Mary Collins (Capilano): Mr. Speaker, I, along with many women in Canada, was pleased to hear the Minister of Indian Affairs and Northern Development (Mr. Crombie) announce this week that the Native Women's Association of Canada will receive a grant of $1.062 million to help in the implementation of Bill C-31.

As my colleagues in the House know, the passage of Bill C-31 ends years of discrimination suffered by many Indian women in Canada, enabling those who were previously struck off the Indian Register to be reinstated to Indian status. Already over 18,000 applications have been received for reinstatement. It is expected that 70,000 to 80,000 native people will be reinstated under the provisions of the Bill.

The grant to the Native Women's Association of Canada will help them inform their members and families of the intent of Bill C-31, and assist them in applying for status and membership. The funds will also enable the Association to monitor the progress and implementation of the Bill, and prepare a report to the parliamentary committee which will review this issue in 1987.

Finally, as these Indian women take their rightful place again in their bands, I know their contribution will have a significant and positive impact on the economic, social, and political progress of all native people.

* * *

RESEARCH AND DEVELOPMENT

LEVEL OF FUNDING CRITICISED

Mr. David Berger (Laurier): Mr. Speaker, we are lucky that Thomas Edison did not have to invent the electric light under the Conservative Government's research and development policies, for we would still be sitting in the dark.

Unfortunately the science community is being kept in the dark because of the Government's long and inexcusable delay in providing funds for its most important activities. With increasing frequency we learn of Canadian scientists leaving the country for a more favourable R and D climate south of the border. Not a day passes without us receiving dozens, if not hundreds of letters expressing outrage at the Government's failure to recognize that, without funds for research today, we are saying "no" to the jobs of tomorrow.

• (1115)

Perhaps if this dangerous delay is caused by the lack of clout of a junior Minister, we would be better off to absolish the Ministry of Science and Technology and make scientific research and development of responsibility of every member of the Cabinet. Science and technology affect every aspect of our lives. If the Government does not give urgent priority to research funding, we will all end up in the dark, while Mr. Edison's light bulb will illuminate the road to the United States for the most brilliant brains of our country.

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

ORAL QUESTION PERIOD

[*English*]

AGRICULTURE

CROP DISASTER ASSISTANCE PROGRAM

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of State for the Canadian Wheat Board. He knows, coming from a farm family, that western farmers are in deep trouble, particularly those who have been hit by the drought. He should also know now, by reason of the reaction out on the Prairies, that the new drought relief program of the Government is considered to be absolutely pathetic. I suppose that the real villain is the Minister of Finance, but I will direct my question to the Minister. Would he go once again, with his colleague, the Minister of Agriculture, to the Minister of Finance and explain to him, in the strongest possible terms, that we have a crisis on the family farm in western Canada, and that the program for drought relief just will not do the job?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I appreciate the Right Hon. Member's question. Perhaps I could read into the record what the Vice-President of the Saskatchewan Pool said. He said: "I am sure you know in the minds of a lot of people that it is a great deal of money, and it is a great deal of money". Certainly $150 million is a lot of money. In connection with that, there

was an additional $48 million which was paid earlier in the fall to assist livestock producers.

Mr. Turner (Vancouver Quadra): Which Saskatchewan took into its own treasury.

Mr. Mayer: No, it did not take it into its own treasury; that is not the case at all. The Right Hon. Member should know, based upon the amendments which were put through with his Party's support—and we appreciated it—last February, that in all likelihood there will be another interim payment or advance payment under the Western Grain Stabilization Act next spring, which will assist producers in getting their crops into the ground.

As I pointed out yesterday, when we consider the amount of money which has already been committed by the Government to assist western farmers directly with their financial problems, it comes very close to $1 billion. That is a substantial amount of money. Also, as I said yesterday, we know that everybody would like more. However, if we put it in that kind of context, I think everybody would have to admit that it is a reasonable amount of cash which will support western producers.

TIMING OF PAYMENTS TO FARMERS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the programs to which the Minister referred were enacted long before his Government took power, as he knows. Would he not admit that yesterday he and the Minister of Agriculture misled western farmers by promising that payments under the drought relief program would be available before Christmas? Does he still insist upon telling the House, the country and, more particular, western farmers that they will receive benefits and payments under the program before Christmas? Or, will he give us the realistic date of when that will be done?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I am not aware of any comments which I have made saying that payments would be made before Christmas. What we have said is that the money would be available just as quickly as possible. However, he should know that in the case of British Columbia, where the province has decided to participate in a fashion different from that of the other provinces, there is at least a possibility for some of that money to be made available before Christmas. Certainly we are doing everything we can to get that money out as quickly as possible. The Right Hon. Leader of the Opposition will know, as we all know, that when you do not have money sometimes the timing of it, whatever amount comes, can be just as important as the amount.

• (1120)

We are very sensitive to that and we are doing whatever we can to get the money out as quickly as we possibly can.

REQUEST FOR REVIEW OF PROGRAM

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would hope that as a result of this exchange and the exchange yesterday in the House of Commons the Minister would again go back to his colleague, the Minister of Finance, and tell him in the strongest possible terms that farmers consider the drought program to be a token gesture, particularly in view of the fact that western bank depositors are receiving 100 cents on the dollar and the western farmers are receiving 10 cents on the dollar.

Would the Minister give an undertaking to the House that he will review this program with the Minister of Finance at an early opportunity?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I do not think anybody would consider $200 million, spent in western Canada to support people who had problems with the drought, a token gesture.

Let me tell you, Mr. Speaker, what one of the press people said yesterday: "The day that the Opposition Members of Parliament have praises for Government intiatives, there will be two moons in the sky and one in the backyard".

Some Hon. Members: Oh, oh!

Mr. Mayer: That is one of the concerns we have. Certainly we would all like to do more, but let us give some credit for the amount of money that has already been put in there. Let us tell them that we will try to do everything we can on behalf of western agriculture and all agriculture. As the Right Hon. Member well knows, agriculture is probably the one sector of the economy that is not experiencing any kind of an income increase that we see occurring in other areas, for instance, increases in car sales, in housing sales, and in drilling activity. The agriculture industry is not experiencing that—

Mr. Speaker: Order, please.

SASKATCHEWAN WHEAT POOL OFFICIAL'S STATEMENTS

Mr. Maurice Foster (Algoma): My question, Mr. Speaker, is for the Acting Minister of Agriculture. We note that he is very defensive about the Disaster Assistance Program. He knows that neither the Minister of Finance nor the Prime Minister have visited the drought area, as has the Leader of the Opposition who has put forward a program that was very well accepted by the Saskatchewan Pool.

Does the Minister agree with the comment of Avery Sahl, vice-president of the Saskatchewan Wheat Pool, when he said: "This is a token gesture that hardly equals one treatment for grasshoppers", a problem which many of the drought area farmers experienced this summer? This is aside from the costs incurred by the farmers in planting the crop and so on?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I know that Mr. Sahl, and I just quoted him, said that it is a great deal of money. When he talks about not doing anything and being taken gestures, again to go back

and put it into perspective, we will, as a federal Government, have spent close to $1 billion supporting western agriculture as a result of the drought situation. I do not understand why anybody would call that a token gesture, Mr. Speaker.

ASSISTANT DEPUTY MINISTER'S STATEMENT

Mr. Maurice Foster (Algoma): Mr. Speaker, it seems to me that if the Minister had attended the agricultural committee meeting yesterday morning he would have heard the senior Assistant Deputy Minister of Agriculture, Dr. Trant, point out to the committee that payments would not be made until next March or April. Why do the Minister responsible for the Wheat Board and the Minister of Agriculture continue to mislead farmers that payments will be made by Christmas? The Minister reponsible for the Wheat Board knows that the program will not even be negotiated by then, let alone application forms being made available until some time after the first of the new year, and payments not until next March or April, as was outlined by the senior Assistant Deputy Minister to the committee yesterday.

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the senior Assistant Deputy Minister can make statements at committee. Let me tell the Hon. Member it is my understanding that as of this morning, in the case of British Columbia where it will be a different arrangement, there is the possibility—and I emphasize the possibility—that some of that money could be in producers' hands before Christmas.

As far as not having this money available, announced by the Minister of Agriculture on Wednesday, until March or April, that is not the case. If it were the case, it would be unacceptable to us. We would do something to make sure it would get there faster.

● (1125)

ASSISTANCE TO FARMERS WITHOUT CROP INSURANCE

Mr. Vic Althouse (Humboldt-Lake Centre): My question is for the same Minister, Mr. Speaker. Last December the Minister of Agriculture stated that if farmers choose not to protect themselves under crop insurance programs, they will find themselves without assistance for crop losses. Since this matter was not addressed in the statement of the other day, I should like to know whether this is still the Government's position. Or will farmers in the drought zone who did not have crop insurance this year receive this payment?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, farmers in the drought zone who do not have crop insurance will be receiving the payment for this year.

SIZE OF PAYMENTS

Mr. Vic Althouse (Humboldt-Lake Centre): A supplementary question. If there are two farmers in the same area suffering the same drought, one with crop insurance and one without, will they receive identical payments on an acreage basis, or will the farmer without coverage receive a supplement?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I do not have a definite answer for the Member. I shall have to check to determine how the program will be administered. I can say that it will be administered on as fair a basis as possible, based on the actual loss that the farmer has suffered, without regard to whether or not that farmer has crop insurance.

We will try to ensure that no farmer is disadvantaged by virtue of his not having had crop insurance.

REQUEST FOR PROGRAM DETAILS

Mr. Vic Althouse (Humboldt-Lake Centre): A final supplementary, Mr. Speaker. We waited three and one-half months for the report from the Member from Assiniboia. In that time, we had expected that all of these details would have been finalized.

Why is it that we do not have these kinds of details? The only detail the Minister was able to give us in his initial statement was that there would be $150 million available. Will the Gustafson Report be tabled in this House so that we can see what he did or didn't do for the farmers of western Canada?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member should be well aware that as the summer progressed and as we got into fall, there were a lot of circumstances that changed. A lot of people ended up in difficulty because of the wet harvest conditions, quite apart from those who suffered losses as a result of the drought and the grasshopper influx.

One of the reasons for the delay was to give us sufficient time to treat everyone as fairly as we could, based on the loss suffered and regardless of the cause of that loss.

We will be dealing with probably 30,000 farmers under this program, and in order to ensure that everyone is treated as fairly as possible we have taken the time necessary to work out the details in respect of the compensation program.

Ideally, things should have happened quicker; but we are doing everything we can to put things in motion as quickly as we can.

Mr. Althouse: Will the report be tabled?

[*Translation*]

FOOTWEAR INDUSTRY

INQUIRY WHETHER STUDIES WERE MADE OF IMPACT ON LAY-OFFS

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the acting Minister for International Trade. Yesterday, your Government stated that lifting quotas on shoe imports would not result in loss of jobs. However, the unions and the Canadian Manufacturers Association do not agree. They say that as many as 5,000 jobs would be lost in Quebec. Mr. Speaker, I wish the Minister would inform the House whether serious studies have been done to determine the social cost of losing these jobs.

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, in taking this decision, a decision that was taken in response to a Liberal Party established tribunal, we took into account the interests of the economy as a whole, and that includes consumers, and producers, and workers.

My colleague, the Minister for International Trade, has stated many times in this House that the competitive part of that industry is expected to remain competitive, and that where there is particular hardship he will be taking a look at it.

[*Translation*]

INQUIRY CONCERNING UNEMPLOYMENT INSURANCE AND WELFARE PAYMENTS

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I think the Minister did not quite answer the question. I would like to know how much Canadians will be paying in unemployment insurance and welfare benefits and whether those amounts will exceed the savings to the public as a result of eliminating the quotas?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I do not accept the premise of the question. As usual, the Liberal Party is trying to spread fear and panic among the Canadian people.

If there are difficulties in particular sectors, then those will be dealt with. It was because this Government is sensitive to that, and sensitive to the need for this country to have a competitive shoe industry, that we took the action that we did.

* * *

AGRICULTURE

ANNOUNCEMENTS OF ASSISTANCE TO FARMERS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is for the Acting Minister of Agriculture—and I hope that becomes a permanent position.

Canada's grain producers are pleased with the restraint shown by the Minister in not taking credit for the final payments in respect to grain. It is the farmers' money.

I would ask the Minister why, in the last few weeks, he and his colleagues have been insisting on taking credit for other pay-outs, pay-outs which are producer-financed, such as payments under crop insurance programs, the Western Grain Stabilization Act, and so forth—payments which would have been made regardless of the Party in power.

• (1130)

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, if the Hon. Member is wishing me well in a permanent acting career, I certainly thank him for wishing me that kind of luck. I appreciate the comment the Hon. Member made regarding the federal Government staying away from making announcements dealing with the Canadian Wheat Board and its final payments. We have not at all done anything different.

Any announcements that have been made have consistently pointed out how programs are funded. We have always said that regarding the Western Grain Stabilization Act. It is a one-third—two-thirds shared cost between producers and the federal Government. I do not see any change, and I have very consistently made that point whenever I have issued press releases, made statements, or spoken. I do not know where the Hon. Member gets that kind of indication.

GUSTAFSON REPORT RECOMMENDATIONS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, in the last two days the Minister has done quite differently. Does the Gustafson Report make the recommendations for the miserly pay-out that was made? Does the report make a recommendation for long-term disaster pay-outs? Will the Government table the report or must the Hon. Member for Assiniboia be maligned by the idea that he would make this kind of recommendation on behalf of his neighbours?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, with regard to the first part of the question which dealt with some of the announcements made recently, the statement that was made in the House regarding a $522 million pay-out indicated that $350 million of that, about two-thirds, came from the federal Government. I did not use the larger figure.

With regard to the Hon. Member for Asiniboia being maligned, everyone knows the kind of work and dedication he put into that report this summer. He lives in the area. He did not have to go to visit it as some other Members must do. If the Hon. Member were to talk to the producers, and if he watched some of the interviews on television last night emanating from the Agribition, he would know that, far from being maligned, the Hon. Member for Assiniboia is being very well received and thanked for the work he did on behalf of the farmers this summer.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF HEALTH AND SOCIAL SECURITY OF BARBADOS

Mr. Speaker: May I draw the attention of Hon. Members to the presence in our gallery today of Senator, the Honourable O'Brien Trottman, Minister of Health and Social Security for Barbados.

Some Hon. Members: Hear, hear!

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[*Translation*]

FOOTWEAR INDUSTRY

LOSS OF JOBS—REQUEST FOR DETAILS OF GOVERNMENT AID PROGRAMS

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Minister of State for Finance and concerns the elimination of quotas on shoe imports.

The Minister admits that the Government will have to take steps to help those who will lose their jobs. Now, workers in the footwear industry, through their spokesman and union leader, Mr. Jean-Paul Hétu, President of the CSD, would like to know what kind of programs the Government intends to set up to help workers. Are these old programs, new programs, or new funds applied to old programs? It is high time we got some information in this respect.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, it was the Hon. Member's own party that ordered this inquiry.

[*English*]

I suppose if that Party were still in office, it would have ignored the results. This inquiry provided a very rational view of the shoe industry. The Minister has said in the House many times that the competitive part of the industry will lose its quotas and that, where there is a particular problem in one sector of the industry, the quotas will remain. The disruption to the industry will be minimal and will be dealt with.

[*Translation*]

INQUIRY IF FUNDS WILL BE AVAILABLE TO HELP WORKERS WHO LOSE JOBS

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, the Minister is not answering my question, but if she would only get her head out of the sand, she would realize that this will have a very serious impact.

On December 20, just five days before Christmas—and a Merry Christmas when 100 people will be laid off at Daoust-Lalonde!

I would like to know the following from the Minister and the Government: Is she going to release funds to help those people who are going to lose their jobs? That is not hypothetical. That is going to happen.

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, the Minister of Trade has said in the House that the Government supports the results of the tribunal on the shoe industry.

Mr. Guilbault (Saint-Jacques): We know that. What are you going to do?

Mr. Speaker: Order, please.

[*Translation*]

Mr. La Salle: You knew that five years ago and you did nothing!

[*English*]

Mr. Prud'homme: Watch your blood pressure, Roch.

Mr. Speaker: Order, please.

[*Translation*]

Mr. La Salle: It was up to you people, Malépart!

[*English*]

Mr. Speaker: Is everyone finished?

Mrs. McDougall: Mr. Speaker, the Minister for International Trade has said that he will meet with the people who are affected should there be major disruptions in the industry, but that will not happen.

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CANADA LABOUR CODE

CANADIAN IMPERIAL BANK OF COMMERCE VIOLATIONS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for the Minister of Labour. We now have clear evidence of the high-handed, arbitrary, and unfair attitude which is being displayed by the Canadian Imperial Bank of Commerce not only to its employees but also to its customers. Is the Minister aware that the Canada Labour Relations Board has found that this bank, among others, is guilty of numerous violations of the Code? Will the Minister move now to require an investigation and an industrial inquiry into the labour relations practices of this bank under the Canada Labour Code?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I am aware of the negotiations that have taken place between legally constituted bargaining units and the bank in question. I am aware of the process put down in legislation which those people in Canadian labour have available to them under the Canada Labour Code. That process is fair and will continue to be maintained.

BANK'S NEGOTIATIONS WITH EMPLOYEES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I assume that that means that there will be no inquiry. Does the Minister really believe that a bank that would display the kind of attitudes that this bank has displayed toward its customers can be trusted to sit at the negotiating table and work out an agreement with its employees? Why will the Minister not move now to have an inquiry into the practices of this bank as displayed at and beyond the negotiating table, in order to try to solve what is a very difficult problem for a great many quite innocent people?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I find it very, very strange that a member of the New Democratic Party would demand that the Government become involved between two legally constituted bodies that are trying to come to a negotiated agreement. That is the premise of the practice of bargaining collectively in Canada. I cannot understand the Hon. Member or his Party suggesting that the Government impose its will upon one or the other partners in negotiations.

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[*Translation*]

SHIPBUILDING

DEVELOPMENT STRATEGY FOR SHIPBUILDERS—GOVERNMENT POSITION

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion, but in his absence, I shall direct it to his closest colleague, the Minister of State for Small Businesses.

The Minister of Regional Industrial Expansion was supposed to provide a development strategy for ship and drilling rig builders in Canada. Can the Minister give us any information about this matter?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, I first want to thank the Hon. Member for Lévis for his interest in the shipbuilding industry. That sector was seriously affected by the decision of the previous Government to cancel its shipbuilding program.

I shall take the question as notice and check with the Minister of Regional Industrial Expansion, and I shall report back to the Hon. Member as soon as possible.

* * *

[*English*]

CROWN CORPORATIONS

PROPOSED SALE OF DE HAVILLAND CORPORATION

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Deputy Prime Minister. Yesterday I asked him about the possible tokeover of de Havilland Aircraft by Boeing. This morning I learned that notices have been put up in the de Havilland plant calling all employees to a meeting at 3.30 on Monday afternoon. I presume this meeting is to announce a sale to them. Meanwhile the United Auto Workers and Bob White have been trying for a month to have a meeting with the Government and have been refused. And the only Canadian bidder interested in this matter has not been given an opportunity to know the facts. Why is the Government so obsessed with selling that company to a foreign owner?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, any announcement with respect to de Havilland, if made, will be made at an appropriate time, at the appropriate place, and in the appropriate terms. Parliament will be informed should anything be in the allegation of the Hon. Member who asked the question, at the appropriate time and in the appropriate words.

• (1140)

REQUEST FOR PARLIAMENTARY EXAMINATION

Hon. Bob Kaplan (York Centre): Mr. Speaker, the Minister is telling us that the sale will be announced as a completed sale. Will the Minister give Parliament the opportunity to look at the matter in order to give the Canadian bidder an opportunity to make his bid and to give the auto workers a chance to be reassured about jobs? Will the Minister agree that that pre-examination will take place before any sale of such an important part of the aerospace industry is permitted by the Government?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman is referring to "the sale", which are his words and not mine. I can tell the hon. gentleman that, in contrast with the experience which I had on the benches on which he now sits, there have been more opportunities for discussing matters in the House of Commons and its committees than there ever were while he was on this side of the House.

Some Hon. Members: Hear, hear!

REQUEST THAT GOVERNMENT MEET UNIONS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, we have heard a great deal about consultation from the Government. My question is for the Minister of Labour. Why has the Government refused to meet with UAW leaders and de Havilland workers with respect to sales plans for the company, despite weeks of union requests for this type of meeting? Why has there been a refusal to meet?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, the premise to the Hon. Member's question is completely inaccurate. I have never—and I repeat never—had a request from the leader of the Canadian United Auto Workers Union or from the workers of de Havilland to meet.

Mr. Deans: You are wrong.

MINISTER'S POSITION

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, that just shows the lack of communication on the part of the Government.

Some Hon. Members: Oh, oh!

Mr. Langdon: Bob White wrote personally weeks ago to the Government, specifically to the Minister of Regional Industrial Expansion, requesting a meeting.

Some Hon. Members: Oh, oh!

Mr. Langdon: Does the Minister not see it as part of his role as the Minister of Labour to see to it that when workers make a reasonable request for a simple meeting to discuss plans which will affect their company that he should ensure that such a meeting takes place?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, now it becomes more clear. The Hon. Member is talking about a letter sent to a Minister of the Government which was not apparently "copy" to me. Therefore, I take it that there was not a request put forward to the Minister of Labour. However, I can say that I will meet, if requested at any time, with both employers and employees who come within the responsibility of Canada Labour when I am requested and when I am able to do so. I have done that in the past and I will continue to do it.

* * *

CUSTOMS AND EXCISE

IMPORTATION OF AMERICAN MAGAZINE

Mr. John Nunziata (York South-Weston): Mr. Speaker, my question concerns the December issue of *Hustler* magazine. I gave notice of my question both to the Deputy Prime Minister and to the Minister of State for Finance. I also offered to show the Minister of State for Finance a copy of the magazine but she declined.

In April of this year the Minister of State for Finance said that the Government regards the control of obscene and hate material as a matter of utmost urgency. If that is true, and if the Government is serious about stopping the importation of pornographic material into Canada, will the Government indicate what steps have been taken to get this magazine off the shelves? Do Canadians have to wait until the Minister responsible returns from his constituency before action is taken?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, we do regard this as a matter of some urgency. The circumstances were that although the magazine came across the border the two offensive pages were removed before the magazine hit the stands. Personally, I find the entire magazine offensive. However, if the two pages which do not fall under the guidelines were removed before the magazine was on the stands, and if that magazine is still on the stands, then it becomes a matter for the provincial Attorneys General since the matter falls under Section 159 of the Criminal Code. Once it is in the country it is no longer a Customs matter. However, the Department has looked into the matter and there will be a full report by Monday morning.

Mr. Nunziata: The Minister is indicating her ignorance of the matter. Customs and Excise indicated that 16 pages were offensive and contravened the Criminal Code of Canada. Notwithstanding that, the magazine was allowed into Canada.

STAFFING OF CUSTOMS SERVICE

Mr. John Nunziata (York South-Weston): Mr. Speaker, what does the Deputy Prime Minister intend to do with respect to his decision to cut 120 positions from Customs and Excise with respect to cut-backs in the Civil Service? Will he give his undertaking today that he will not cut back with respect to Customs inspectors, in order to give the inspectors sufficient opportunity to stop the influx of pornographic material into Canada?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman's accusation that I recommended a cut of 150 Customs inspectors is absolutely false.

Mr. Skelly: It is absolutely right on.

* * *

AGRICULTURE

ADVANCE PAYMENTS FOR UNHARVESTED CROPS UNDER SNOW

Mr. Albert Cooper (Peace River): Mr. Speaker, my question is for the Minister responsible for the Canadian Wheat Board. It relates to the Old problem of getting cash into the hands of farmers. About one month ago the Minister talked about reviewing the possibility of supplying advances on crops which are sitting under the snow. Will the Minister look at the matter now in light of the need for cash by farmers, in particular those in the Peace country?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member for Peace River comes from an area which, I understand, has left 50 per cent to 60 per cent of its crops in the field. I am happy to announce today that last night we completed arrangements to make emergency cash advances available for unthrashed grain. It is in the form of an interest-free loan which will be administered by the Canadian Wheat Board. Preprinted forms in this respect will be in the mail today. Producers should be in a position at the first of next week to go to their elevators and apply for an interest-free cash advance.

Some Hon. Members: Hear, hear!

Oral Questions

CORPORATE AFFAIRS

MARKETING OF PHOTOGRAPHIC DEVELOPING MACHINES

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, in these depleted times my question is for whichever Minister is acting as the Minister of Consumer and Corporate Affairs. It concerns the notorious one-hour developing machines marketed in Canada by Key Independent Systems, and known to their owners, approximately 50 of whom have gone bankrupt in Ontario, as the "KIS of Death". In a letter to the Leader of my Party on August 19 the former Solicitor General stated that the complainants are to be interviewed with a view to laying charges under the Act. Will the Minister advise the House when these charges will be laid?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, the Hon. Member will appreciate the fact that the Minister of Consumer and Corporate Affairs is with the Prime Minister and the provincial Premiers in Halifax today and therefore unavoidably absent from the House. I will be glad to take notice of his question and ensure that the Minister gets back to him with a response.

Mr. Parry: Supplementary question, Mr. Speaker.

Mr. Speaker: The Hon. Member for Gander-Twillingate (Mr. Baker).

Mr. Parry: Supplementary question, Mr. Speaker.

Mr. Speaker: The Hon. Member for Gander-Twillingate.

* * *

ENERGY

WESTERN ACCORD—INTRODUCTION OF LEGISLATION

Mr. George Baker (Gander-Twillingate): Mr. Speaker, in the Atlantic Accord which was signed on February 11 the federal Government undertook to deal with legislation enacting the agreement within one year of the signing of the agreement. We have not seen a Bill introduced nor has notice been given with respect to it. Therefore my question is directed to the Deputy Prime Minister. Does the Government intend to follow the letter of the agreement and introduce legislation forthwith?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I am glad to be able to report to the Hon. Member that the matter of this legislation will be dealt with in accordance with the undertaking of the Government. I expect that shortly after we return in the new year there will be legislation introduced and available for the Hon. Member to see that we on the federal side will be carrying out entirely the undertakings and agreements arrived at with the Province of Newfoundland.

Mr. Baker: I know that the agreement will be changed somewhat in the legislation.

REQUEST FOR CHANGE

Mr. George Baker (Gander-Twillingate): Mr. Speaker, my supplementary question is directed to the Deputy Prime Minister. Will the Government also undertake to change Clause 54 which prohibits industrial development in Newfoundland from use of its own off-shore oil until all other industrial needs are satisfied for the existing industrial capacity in eastern Canada, which is a stab in the back for Newfoundlanders?

• (1150)

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I can only reiterate that this Government, in its relationship with the provinces, always operates on a co-operative basis. We have demonstrated our great success in accommodating provinces, particularly in this instance. Those parts of the legislation covered by the provisions the Hon. Member refers to are proceeding with the full co-operation and to the satisfaction of Newfoundland's interests.

* * *

AIR SAFETY

PACIFIC WESTERN AIRLINES—LABOUR RELATIONS DISPUTE

Mr. Les Benjamin (Regina West): Mr. Speaker, my question is directed to the Minister of Transport and concerns passenger safety on Pacific Western Airlines' flights during the current labour dispute. This morning I sent the Minister a list of 16 incidents reported to me, incidents such as a plane taking off tail-heavy due to miscalculation of weight, another taking off with a cargo door open, and another which had to return to the ramp because it was 7,000 pounds under-fuelled. These incidents and others are a direct result of this airline using inexperienced help to replace those on strike.

Can the Minister tell the House what additional monitoring and inspection procedures he has put in place to assure the safety of the public during this dispute, and whether or not he or his officials had any prior knowledge of these 16 and possibly other incidents?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, first of all, I checked with my office and I have not received as yet the letter to which the Hon. Member refers. I will certainly look at it as soon as it is available to me. I want to assure him that surveillance has been beefed up substantially. I also want to assure him that the training courses are monitored and that the standards are prescribed by Transport Canada officials. They are fully qualified. The level of safety, I am informed by the reports we are receiving, is normal.

However, bearing in mind our interest in ensuring safety and security for all passengers, I will certainly undertake to look at any allegations or incidents to which the Hon. Member has referred.

MONITORING OF SECURITY

Mr. Les Benjamin (Regina West): Mr. Speaker, I am sorry the Minister did not receive the list. We sent it over about two and a half hours ago. However, I will give him a copy immediately.

I am sure the Minister realizes there have been three labour disputes in three major airlines in a previously harmonious industry, since he became Minister. Will he ensure that this increased monitoring is put in place because it deals not only with safety but also with security? We had an incident of unchecked firearms, embargoed or restricted cargo being shipped as checked baggage, and a host of other such things. Will the Minister investigage all of these and prohibit an air carrier from overworking people crucial to the safety or an aircraft, and also prohibit them from using untrained and under-trained people during a strike?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the Hon. Member is fully aware of the very comprehensive audit procedures undertaken at all airports with respect to our methods and procedures respecting safety and security of passengers. There are a number of steps being taken, new equipment is being procured, and we are increasing resources by way of RCMP and other personnel. All standards and procedures are being evaluated. A number of those recommendations are currently in the process of being enacted, and of course we are always concerned and always cognizant of any incidents brought to my attention.

I think the Hon. Member recognizes that we are living in a different era and we are trying to correct this situation as quickly and as comprehensively as we possibly can.

* * *

AGRICULTURE

CROP DISASTER ASSISTANCE PROGRAM—DIRECT PAYMENTS TO FARMERS

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, my question is directed to the Minister of State for the Canadian Wheat Board. The $150 million Crop Disaster Assistance Program will be a tremendous shot in the arm for western farmers. However, I am concerned that some Saskatchewan farmers may be under the misapprehension that this federal initiative will be paid to the Province of Saskatchewan as part of that province's cash advance program. Could the Minister clarify the situation?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I appreciate the Hon. Member's comments on the package announced by the Minister of Agriculture. Let me assure him that the $150 million is entirely separate from any provincial programs. All these programs are designed to work with and complement each other, but in no way will any of this money go into provincial government coffers as people previously thought. It will be paid entirely to the producers directly, and let there be no confusion on that.

Mr. Hovdebo: That is what you thought about the cattle, too.

* * *

SEARCH AND RESCUE

OCEAN RANGER ROYAL COMMISSION RECOMMENDATIONS

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Deputy Prime Minister and Minister of National Defence. Winter drilling in the offshore areas is already under way and the weather is colder and windier than normal this time of year. When is the Minister going to implement the recommendations of the Royal Commission on the *Ocean Ranger* concerning search and rescue, instead of endangering even more lives in the offshore?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): As the hon. gentleman knows, Phase I has pretty well all been implemented. Phase II is well along. The matter should be before Cabinet early next month.

IMPLEMENTATION OF RECOMMENDATIONS

Mr. Russell MacLellan (Cape Breton-The Sydneys): The Minister is misleading the people of Canada. The major recommendations of that Royal Commission have not been implemented and are not being given consideration by the Government. Why does the Minister insist on ignoring these recommendations on search and rescue? Why will the Government not implement the recommendation of the Hon. Member for St. John's East and put this whole question before a parliamentary committee?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Why does the Hon. Member persist in not hearing me? I said to him, Mr. Speaker, that the matter should be before Cabinet early next month.

* * *

EMPLOYMENT

INCO—EFFECT OF PRODUCTION CUT-BACK

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Deputy Prime Minister. Late yesterday afternoon Inco announced that it will be cutting back its production of nickel in the Sudbury Basin by some 10 per cent in 1986. This will result in some 6,500 hourly rated and 1,900 salaried workers being laid off for over two months. This will have serious effects in the Sudbury Basin.

Can the Deputy Prime Minister tell this House now what specific steps he intends to take to help alleviate an unemployment situation which is already quite serious?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, as the Hon. Member should have noticed, the Minister of Employment and Immigration is at the First Ministers' Conference. I will ensure that his question is brought to her attention. However, I am certain that, given her usual vigour and attention to matters raised by the hon. gentleman, appropriate steps will be taken by her and the Government to alleviate any situation such as that which he describes.

Mr. Rodriguez: Supplementary, Mr. Speaker.

Mr. Speaker: No.

Mr. Rodriguez: I am tired of the—

Mr. Speaker: Order, please.

Mr. Rodriguez: —utterings from the Deputy Prime Minister.

Mr. Speaker: Order, please.

Mr. Rodriguez: I want to know—

Mr. Speaker: Order, please.

Mr. Rodriguez: The country does not grind to a halt just because of this conference.

Some Hon. Members: Sit down!

Mr. Speaker: Maybe I should explain. The practice of putting supplementary questions when Ministers have simply taken notice is a difficult one. I think today I am going to go to the Hon. Member for Hamilton East.

* * *

EXTERNAL AID

COSTA RICA—PAYMENTS TO GOVERNMENT MINISTER

Ms. Sheila Copps (Hamilton East): Mr. Speaker, in light of press reports which show that the Government turned a blind eye on a questionable payment to a Minister of a foreign Government, I want to ask the Acting Minister of External Relations if the Government is not ashamed that, instead of building housing for needy Costa Ricans, our aid is going to pay the salary of a political hack who earns 25 times the salary of a Costa Rican farm worker?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, that matter was brought to our attention last July by the Ambassador and by the Minister for External Relations when she visited there recently. She has indicated that that practice will be terminating at the end of the year and the Costa Rican Government itself will be bearing those expenses.

GOVERNMENT POSITION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Minister involved has been aware of this situation since last June. The program has been in place for almost a year and not a single house has been built. Is the Acting Prime Minister not ashamed that the Government is spending foreign aid money to pay the salaries of political hacks and Ministers instead of building housing for the needy and desperate people in the Third World who need our assistance?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): The Hon. Member has misrepresented the facts. The fact of the matter is that the problem was identified by the Ambassador, brought to the attention of the Minister, and it is being rectified at the earliest possible moment.

* * *

● (1200)

[*Translation*]

THE FRANCHISE

REQUEST THAT RIGHT TO VOTE BE GIVEN TO ALL PRISON INMATES

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the Solicitor General of Canada. In view of the important ruling of the Federal Court granting Federal convicts in Quebec the right to vote in the provincial elections Monday, can the Minister assure the House that he will respect the Canadian Charter of Rights and Freedoms and grant the basic right to vote to all convicts in provincial and Federal elections, and if not, why not?

[*English*]

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, these are essentially the same questions the Hon. Member put to me in committee yesterday. As the Hon. Member knows, it is the Government's intention to comply with the decision of the court that inmates in federal institutions will be able to vote in the provincial election in Quebec on Monday, but is doing so without prejudice to its right to appeal. We will study the court decision and make a decision on whether to appeal following that.

COURT DECISION—GOVERNMENT POSITION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, yesterday a Tory M.P. urged the Minister to use the over-ride provision of the Charter of Rights should the courts allow prisoners to vote. In view of the fact that prisoners are deprived of their liberty, but not stripped of all other civil rights, will the Minister assure the House that he will respect any decision of the court in this matter and not use the over-ride provision to subvert the Charter of Rights?

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, as the hon. gentleman knows, the question is simply hypothetical. There is presently a case before the courts which is considering the Canada Elections Act passed by Parliament which denies inmates the right to vote in federal elections. We will want to hear the decision in that case and then guide ourselves accordingly on the basis of what the facts are at that time. My colleague, the Government House Leader has responsibility for any amendments to the Canada Elections Act, not the Solicitor General.

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CLERK OF PETITIONS' REPORTS

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

The petition presented by the Hon. Member for Laval (Mr. Ricard) does not meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

MANAGEMENT AND MEMBERS' SERVICES

PRESENTATION OF FOURTH REPORT OF STANDING COMMITTEE

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I have the honour to present the fourth report of the Standing Committee on Management and Members' Services. If the House gives its consent, later I intend to move, seconded by the Hon. Member for Prince Edward-Hastings (Mr. Ellis), concurrence in this report.

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

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TRANSPORT

TABLING OF ERRATA TO REPORT ON CROW BENEFIT PAYMENTS

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, pursuant to Standing Order 47(2), and for referral to the Standing Committee on Transport, I wish to table, in both official languages, as required under Section 62 of the Western Grain Transportation Act, errata to the report of the Committee of Inquiry on Crow Benefit Payments which was tabled in the House of Commons on April 30, 1985.

PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Dan Heap (Spadina): Mr. Speaker, it is my honour to present a number of petitions from citizens of the country residing in Spadina and other parts of Toronto who have pointed out that the Government's current legislation proposing to deindex the family allowance is unfair, particularly to poor families, especially when we consider the Government's hand-outs to the rich and the large corporations through capital gains tax breaks and straight hand-outs. Therefore, the petitioners humbly pray and call upon the House of Commons to reinstate full indexation of universal family allowances and to rescind the unfair tax increases.

I have another petition which is not exactly the same, but to a similar effect, from a number of people in Scarborough who ask that the Prime Minister immediately withdraw Bill C-70 which would reduce the indexation of family allowances. They say that children should be everyone's responsibility and the principle of universality should be maintained.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I continue to receive petitions from my constituency with regard to the deindexation of universal family allowances. I have three petitions today on that topic. The petitioners request the Government to maintain full indexation of universal family allowances and rescind unfair tax increases.

* * *

CANADA DEPOSIT INSURANCE CORPORATION ACT

MEASURE TO AMEND

Hon. Barbara McDougall (Minister of State (Finance)) moved leave to introduce Bill C-86, an Act to amend the Canada Deposit Insurance Corporation Act.

Mr. Speaker: Is it the pleasure of the House that the Hon. Minister shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I wish to advise the House that question No. 460 will be answered today.

[*Text*]

ENTRANCE FEES AT NATIONAL PARKS

Question No. 460—**Mr. Corbett:**

1. How much revenue does the Government estimate it loses annually because of the absence of entrance fees at Kouchibouguac National Park?

2. What other National Parks do not charge an entrance fee and, in each case, for what reason?

Hon. Tom McMillan (Minister of the Environment): 1. Approximately $125,000 in the current fiscal year.

2. Seven other national parks do not levy motor vehicle licence (entrance) fees: (i) Georgian Bay Islands, Northern Yukon, Nahanni, Auyuittuq and Mingan Archipelago. None is accessible by road. (ii) Wood Buffalo and Kluane are accessible by road, but the number of visitors is so low that collection of motor vehicle licence fees would not be cost effective.

[*English*]

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

Mr. Speaker: The question enumerated by the Hon. Parliamentary Secretary has been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

REPRESENTATION ACT, 1985

MEASURE TO AMEND

The House resumed from Tuesday, November 26, consideration of Bill C-74, an Act to amend the Constitution Act, 1867 and the Electoral Boundaries Readjustment Act and to provide for certain matters in relation to the 1981 decennial census, as reported (without amendment) from the Standing Committee on Privileges and Elections; and Motions No. 4 (Mr. Rodriguez), and No. 5 (Mr. Foster) (p 8837).

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, I welcome the opportunity to speak on Bill C-74. It is an important piece of legislation on which I would like to provide some input. Some Opposition Members have left the impression that members of the Conservative Government from northern Ontario have been avoiding the issue. Mr. Speaker, the Member for Nipissing (Mr. Mantha), the Member for Sault Ste. Marie (Mr. Kelleher), the Member for Timmins-Chapleau (Mr. Gervais) and I have not been avoiding the issue. We are very pleased to be able to address the issue today.

Since my election in 1982 I have repeatedly dealt with the issue of boundary readjustment. It is an issue which is important to all Members from northern Ontario and one to which northern opposition Members have no special claim. For many years the riding of Timiskaming has been subjected to threats of boundary changes and reorganizations. Since October 12, 1982, the riding of Timiskaming has been continually dealing with boundary changes, redistribution and the numerous problems which it may face due to the realignment of northern Ontario. The situation has been on-going during the three years that I have been the Member of Parliament for Timiskaming.

Before I appeared before the Electoral Boundaries Commission of Ontario in 1983 I contacted nine townships on the outskirts of my riding and 26 within the boundaries of my riding, including the Towns of Onaping Falls, Black River, Matheson, Iroquois Falls and Springer Township. I should mention that the Hon. Member for Nipissing was the reeve of Springer Township at the time. I congratulate him again for now being the Member of Parliament for Nipissing.

I got in touch with the reeve of Chapleau, the Townships of Ratter, Dunnet and Foleyet and the Timiskaming Municipal Association which represents roughly 26 municipalities in Timiskaming. My riding of Timiskaming stretches from James Bay, Moosonee and Moose Factory south to the town of Verner, west to the communities of Matawotchan and Elk Lake and east to the towns of Thorne and Eldee. During the election campaign, Mr. Speaker, when I was elected on October 12, 1982, many residents who were included in the riding of Timiskaming in the late 1970s believed that there was no reason for their being in that riding. The boundary change was simply to increase the population in the riding of Timiskaming. I came through with my promise that, if elected in 1982, I would do my utmost to serve the entire riding of Timiskaming. In doing so, I set up constituency offices in the northern and southern parts of my riding in order for everyone to have an input into the problems affecting a riding as large as Timiskaming.

• (1210)

The question of a need for change has been addressed again today. My riding borders on the Ontario Northland Railroad which provides a north-south link between strong community interests that should be maintained. A Member of Parliament must represent his constituents in every way possible. In such a riding, with great distances and sparse population, one's travel commitments make it very difficult to represent one's constituents. Therefore, I believe that this Bill is an adequate response to this problem. Timiskaming his comprised of roughly 77,000 square miles and has a population of approximately 56,000 people.

Let me make some general comments before dealing with Bill C-74. When our Government was elected in September, 1984, it was the first time that northern Ontario had sent four Members from the Conservative Party to represent areas in northern Ontario. It is an area that had never been given the opportunity to maintain and expand its population. During the past 50 years, previous Governments never addressed the

problems of northern Ontario. Those Governments were very willing to remove the resources from northern Ontario but never put enough back in to encourage our young people to stay and build on the strength of that area. That is why we have had so many problems in northern Ontario. Previous Governments never addressed those problems or encouraged population growth in northern Ontario. They simply continued to remove our resources.

Mr. Rodriguez: You are doing the same thing.

Mr. MacDougall: Here we have the Member for Nickel Belt (Mr. Rodriguez) from the rump of the Liberal Party. They are the ones who voted to get rid of the 1979 Conservative Government that would have assisted northern Ontario. What happened?

Mr. Deputy Speaker: Order, please. May I ask the Hon. Member to speak to the Bill.

Mr. MacDougall: The problem we faced in northern Ontario was that every time we attempted to do something in the last 50 years, the two Parties on that side of the House got together and destroyed northern Ontario.

Mr. Rodriguez: Mr. Speaker, I rise on a point of order. I think the Member should remember that we had 42 years of Bill Davis and the Progressive Conservatives in northern Ontario.

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

Mr. MacDougall: The Province of Ontario has always been well represented by the Conservative Government for years and years—

Some Hon. Members: Oh, oh!

Mr. MacDougall: In fact, Mr. Speaker, if you want to talk about that for a moment, the new Liberal Government in the Province of Ontario has a Minister for northern Ontario who told the press that they will put a tourist operation in Timiskaming—

Mr. Deputy Speaker: Order. I ask the Hon. Member to speak to the Bill.

Mr. MacDougall: I would be glad to get back to the Bill. Let me address a few comments to Members opposite and illustrate what we have done in the short period of time that we have been in office. During the 15 years that the former Member for Kenora-Rainy River held office, the Grassy Narrows and Whitedog fish reserve issue was never addressed. However, the Minister of Indian Affairs and Northern Development (Mr. Crombie) has solved the problem with a $2.75 million agreement. It took our Government to do it.

Mr. Foster: Bill Davis would not settle it.

Mr. MacDougall: I would remind the Member for Algoma (Mr. Foster) that it was our Government that brought in natural gas to his area. The Hon. Member for Nipissing was there for the official opening. He has shown what a new Member can do. Some of the initiatives taken by this Conservative Government in northern Ontario include mining and the development of access roads to resources in northern Ontario, job training and the concerns of small municipalities.

Some Hon. Members: Oh, oh!

Mr. MacDougall: Listen to the chatter over there, Mr. Speaker. They are embarrassed because we are doing what they could not accomplish in the last 25 years. It is glorious to witness what is happening on the other side of the House. While we hear many promises during an election campaign, it takes a Conservative Government to get things done.

Mr. Gauthier: Get back to the amendment.

Mr. MacDougall: Now we will get back to the amendment.

Bill C-74 brings us closer to a fair balance between the ideals of representation by population and regional representation. It ensures that provinces with stable or declining populations will not lose seats or that growing provinces will not be punished. It provides for a simpler distribution formula that is easier to understand.

In addition, I am sure this will be re-evaluated before 1990 and adjusted to fit our future needs. This is an important part of the process which we should not overlook. Furthermore, this formula will slow down the process of an ever-expanding House of Commons. We believe that the quality of representation is just as important as the quantity of representation.

We hope that this Bill will give some stability to the electoral boundary process, which I and my constituents welcome. Bill C-74 ensures that for the first time Members of Parliament will have input into the commission's stages of deliberation in boundary redistribution. At the same time it will provide for a truly independent commission that is free from political pressure.

Many Members have raised concerns about the effect of this Bill. Although we may have different opinions about northern Ontario, I believe we are all concerned about the future of northern Ontario. I believe that the Government is taking the proper action to address this problem.

I commend our House Leader for the hard work he has done on this Bill.

Some Hon. Members: Oh, oh!

Mr. MacDougall: Again, we hear chuckles from the other side. Once again, our Government has addressed this problem in a way that will help northern Ontario in every way possible. Continued assistance from the Government will benefit future stability in northern Ontario. It is unfortunate that these problems were not addressed during the last 50 years.

It is a great honour for me to stand, as a representative from northern Ontario, and support this Bill as a means of addressing the problems of redistribution in northern Ontario.

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, little did I think that I would see the day when a Member from northern Ontario, in his second term of office in the House of Commons, would need to read a speech on a topic as crucial to representation in northern Ontario as that of electoral redistribution.

Let me begin by correcting a couple of fundamental errors made by the Hon. Member for Timiskaming (Mr. MacDougall). First, I think all Members of the House should be aware of the chemistry that is taking place here. Obviously, the Hon. Member has given up all hope of influencing his Government, and hence the continued excursions into topics which, though worthy in themselves, are totally irrelevant to the Bill. Hence, the bluff, bluster and another word beginning with "b" which should fit there, of which the Hon. Member treated us to a good portion—

Mr. Lewis: That is the baloney that we are getting now. Why don't you say it?

Mr. Parry: The Hon. Parliamentary Secretary should know why I cannot say it. It is unparliamentary.

Mr. Lewis: It is the baloney we are getting now.

• (1220)

Mr. Parry: The question of representation is one that will continue, and has continued for some time, to be of great significance to the people of northern Ontario.

A book was published recently under the aegis of the former unlamented Progressive Conservative Government of the Province of Ontatio entitled *A Vast and Magnificent Land*. No single phrase sums up northern Ontario better than the phrase "a vast and magnificent land".

I should count it as a reproach to myself if, for example, I did not know the names of the other ridings in northern Ontario. The Hon. Member for Timiskaming refers to the riding of Rainy River. There is no such federal riding. There is a provincial riding. As the Hon. Member for Timiskaming observed, the Member for the provincial riding sat in a provincial House for a long time without having very much impact. I think that in this House a Member from northern Ontario should take some pride in being able to denote correctly the names of other ridings in a province as some of us almost think of northern Ontario, but which is that part of the great province of Ontario which is the greatest part.

I should also point out that, while I am giving the Hon. Member, despite his absence, a lesson in geography, there is a White Dog Falls in my community and there is a White Fish Bay. There is not a community answering to the name that he attempted to give it in conjunction with that of Grassy Narrows.

I would draw upon my own riding, since that is the one I know best, for some example of the effect that will occur if this amendment is not accepted by the Government and incorporated into the legislation.

My riding is slightly larger than Germany, not East Germany, not West Germany, but slightly larger than the whole of Germany. Within that riding sit not a mere 30 or 40 communities but fully 110 communities, of which half are Indian reserve communities.

Mr. Lewis: Right now they are poorly represented.

Mr. Parry: In that riding, there are some 77,000 people, which places my riding in the very unusual position of having not only the largest area geograpahically, but one of the largest populations in northern Ontario.

By most possible standards distribution, my riding is unlikely to change very much, either in terms of numbers of people or in terms of size of the geography. When one is used to dealing with 110 communities, the thought of adding two or three, or substracting two or three is not terribly daunting.

I am on my feet today because I believe representation in northern Ontario is a key issue. Despite the fact that there are four Progressive Conservative Members, for example, who represent a combined geographical area and a combined number of communities slightly smaller than the area I represent, I know that representation is an issue for every Member of this House from northern Ontario. That is why, Mr. Speaker, I am prepared to stand on my feet and do something to protect the boundaries of their ridings. Under the present proposal there is no necessity for me to try to protect and advocate the boundaries of my own riding.

We have in the Government's Bill one reasonable objective, namely, to contain the growth and the rate of growth of this House, and another reasonable objective is to contain the costs involved in running the House of Commons.

It goes without question that we could easily augment our Budgets if we would only take the common sense and practical approach of abolishing the Senate. The Senate has never been of the slightest bit of use to northern Ontario, nor will it be for as long as it continues. We know, and even the Progressive Conservative Members know, that in order to represent northern Ontario, you have to do a lot of travelling.

I hark back to the previous Member who represented Timiskaming. I recall the gentleman, a dedicated Member who lost his life in a car accident. It was probably because he was too tired to be driving over the distance he was driving. Those are risks, and they are very real risks, that Members from northern Ontario accept. I do not believe that Members from northern Ontario, any of us, need to shoulder an increased load in the representation of our communities by having to spread ourselves even thinner than we do at the moment.

We have a system of distribution in Canada that might politely be described as paying lip service to the idea of representation by population, unfortunately, paying much more service to tradition and history. We have a situation whereby—I say this not to be derogatory—the Province of Prince Edward Island, which could fit into the lakes in my riding, is allowed four Members for a population of 122,000.

I do not feel that the growth of areas like northern Ontario, and now the levelling off of that growth, has ever been adequately acknowledged or recognized in the representation process.

I feel, similarly, with large urban ridings that we just do not have a system that adjusts to the dynamics of this country, in spite of having a Government that has paid great lip service toward the ideas of the free enterprise system, which obviously implies population shifts, but is not prepared to bring in a representation system to recognize that. Nor does it appear that the Government is prepared to address the difficulty of representation of areas whose greatness is measured as much in terms of their geography and the distribution of their population as in the size of that population.

It saddens me to think that the discourse of the previous Member might have been motivated by a belief that already the Government has put thumbs down on this amendment. I would have hoped he would have been much more positive and active, and I would have hoped that he would have been much more influential within his own caucus and able to accomplish something in terms of getting these amendments accepted.

If these amendments go through, northern Ontario will be a co-respondent, so to speak, in the action that will be taken to limit the number of seats in Ontario which is, of course, a fast growing province and a large one to start with. We do not feel that it would be fair. We entreat our colleagues from the southern part of the province to remember the burdens that northern Ontario shoulders for the entire province and to remember the contribution—the one thing the previous speaker was able to describe adequately and eloquently—that northern Ontario is making to the Province of Ontario and to the country.

My riding is the only riding that bisects the entire country, stretching as it does from the shores of Hudson's Bay to the American border slightly below the 49th parallel. I feel it would be a tragedy if other Members of this House, by failure to pass this amendment, had to face a similar load.

Mr. Moe Mantha (Nipissing): Mr. Speaker, I would like to bring to the attention of the House that we were accused last week or this week of not being too interested in this Bill that has been presented.

Mr. Althouse: Whatever week it was.

Mr. Mantha: I would like the Opposition to know that I was in Vancouver and in Winnipeg this past week. At the beginning of this week I was in Halifax. I want to reaffirm and tell the Opposition that I am concerned about northern Ontario.

● (1230)

If I may, I will start with why I do not support the amendments of the opposition Parties. I want them to listen to what I have to say. I do not support the motion to freeze the number of seats in northern Ontario, that number being 11, as was suggested by my hon. friend, because I advocate fairness in the proposed Bill. I support development and growth in northern Ontario.

I have faith in our wonderful democracy. I realize that the Bill meets the requirements of fairness and equity. The formula has enough merit to be supported by Hon. Members. I care about northern Ontario and the rest of Canada.

Today, I wish to address an important matter dealing with the Electoral Boundaries Readjustment Act. It is a very critical issue with ramifications for every riding and every region across Canada. Due to time constraints, I intend to limit my remarks to the following areas. I intend to review the contents of the Act and specifically how the proposed Act will affect northern Ontario. In order to accomplish this, it is necessary to examine the background of the Act, its particulars and, finally, the substance of the Act. I intend to dwell briefly on the make-up of the Electoral Boundaries Readjustment Commission.

Mr. Rodriguez: What about my amendment?

Mr. Mantha: I wish the Hon. Member for Nickel Belt (Mr. Rodriguez) would pay attention.

Mr. Rodriguez: Mr. Speaker, I rise on a point of order. We are supposed to be debating Motion No. 4, an amendment which limits or freezes the number of ridings in northern Ontario to 11. The Hon. Member for Nipissing (Mr. Mantha) is peregrinating all over the Bill, and I wish he would stick to the particular motion before the House.

Mr. Deputy Speaker: Is the Hon. Member for York South-Weston (Mr. Nunziata) seeking the floor on the same point of order?

Mr. Nunziata: Yes, Mr. Speaker. The Hon. Member for Nickel Belt (Mr. Rodriguez) used a certain word; I am not sure what it means or whether it is parliamentary. Could Your Honour render a ruling on whether "peregrinating" is parliamentary?

Mr. Benjamin: It is not a falcon.

Mr. Deputy Speaker: Order, please. We are now debating Motions Nos. 4 and 5 together.

Mr. Mantha: Mr. Speaker, I just wanted to draw to his attention that he was talking specifically of northern Ontario. The background I am about to give involves all boundaries. If it is good for Canada, it is good for nothern Ontario.

In addition, the Electoral Boundaries Readjustment Act proposes to accommodate the ever-increasing population of our nation, by ensuring that all Canadian citizens will continue to receive fair and equitable treatment in all regions of Canada. The primary purpose of the Act is to prevent unchecked and costly growth in the number of federal ridings across the country. As amended in 1975, the Constitution Act, 1867, provided for the number of Members of Parliament allotted to each province to be adjusted. These adjustments were to be made according to a formula which took into account the

demographic significance of each province, as well as the particular status of the Province of Quebec. Over the years, as a result of these adjustments, an ever-increasing number of Members of Parliament filled the House to near capacity. Under the present formula, the distribution of the increased number of seats, based upon the results of the 1981 census, would increase the number of seats to 310 after the next general election. It has been estimated that direct costs to accommodate extra Members would amount to $90 million.

Application of the present formula would increase the number of Members to 343 by 1991 and to 369 by the year 2001. Needless to say, this will result in a host of problems. It would mean additional administrative costs which would have to be borne by Canadian taxpayers. The physical lay-out of the Chamber is unable to accommodate that number of Members. The significant increase in the number of Members may have an undesirable effect on the character of the House. Private Members would have relatively fewer opportunities and less effectiveness in the House. It has been suggested that the sense of collegiality may suffer. Finally, it is not certain whether an increase in the number of Members in the House would automatically mean that the electorate would be better served. More members does not mean better representation.

The new adjustment formula, as proposed in Bill C-74, while respecting the need for representational equity among the provinces, will slow the rate of growth in the number of Members of Parliament and will thus lessen the operating costs of Parliament.

Let us examine the proposed formula. The draft Bill intends to accomplish three important goals. First, Bill C-74 intends to limit increases in the membership in the House of Commons to levels which are moderate, fair and equitable. Second, the Bill will ensure that no province or Territory will lose seats in the House of Commons through redistribution. Third, it will enable provinces with growing populations to get additional seats in a fashion which reflects the need to maintain the House of Commons at a level close to its present size.

Under the proposed formula, the House would increase to 288 Members after the 1981 census, as compared with 310 Members under the present formula. By 1991, the number of Members in the House would be elevated to 292 as opposed to 343 and, by the year 2001, to 296 as opposed to 369, when I hope to retire as the Member for Nipissing.

Some Hon. Members: Hear, hear!

Mr. Mantha: I thought that would rattle my colleagues. I will have a little white beard by that time.

In summary, Bill C-74 provides that each province will retain, at the very least, the same number of seats. I have tried to paint a picture for the Opposition by indicating that to give confidence to northern Ontario, we should not put on a cap of 11 seats. If there is an increase in population, we are proposing that we should gain seats in northern Ontario. It would not remain at 11 seats, as the Opposition wants.

On a real positive note for northern Ontario, let me indicate that we want to increase the population in that area. In the Sudbury riding, Inco had over 23,000 people working for it.

Mr. Rodriguez: Are you kidding?

Mr. Mantha: Now the number is down to about 6,500. We are trying to guarantee jobs in that area, as well as in my area of Nipissing.

Mr. Rodriguez: Get back to your speech.

Mr. Mantha: I will now deal with Nickel Belt, for the benefit of that friendly little fellow over there. There has been a decline in jobs at Falconbridge. I would like the Opposition to be positive. It should not let things go down the drain. We want industry in the North. We have raw materials. We can create our own jobs.

The Hon. Member for Algoma (Mr. Foster) wants to put a cap on the number of seats, to freeze it at 11. We do not want to do that. We want to go with the population. However, my other friend from Nickel Belt just skates around the whole thing. He says what we are saying and he says what the Hon. Member for Algoma is saying.

Mr. Rodriguez: You are the skater.

Mr. Mantha: He is sitting on the fence and not saying anything. The Commission will make the boundary changes. It should have been done by the previous Government. Members of the Official Opposition are saying that they are being professional about this matter. They had the opportunity to do something about it. The people voted for a change; they voted for us.

I want to represent Nipissing here, as well as other Canadian people. We in northern Ontario invite entrepreneurs to come north to develop and create jobs for our people. That is why we are becoming involved in deregulation, to make transportation cheaper so that people will come to northern Ontario to create jobs for us.

We do not propose to put on a cap of 11 seats. We are encouraging growth in the North, and that growth will provide us with more seats. If the opposition Parties have their way, if there is an increase in the population, we will not gain any seats. We in northern Ontario are positive that we want to increase our population.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I must say that I did not intend to take part in this debate, but I was quite surprised by the remarks of the previous speaker, the Hon. Member for Nipissing (Mr. Mantha). It is the first time I have seen as disciplined a Member defend the interests probably of the President of the Privy Council (Mr. Hnatyshyn) who must have drafted a few good notes. It is fitting and quite acceptable.

● (1240)

[*English*]

The Hon. Member speaks not only against his personal interests—and I think he should be given a medal for that—but against the interests of northern Ontario.

I come from the Province of Quebec, a province which, under this new scheme—

An Hon. Member: We will not hold that against you.

An Hon. Member: That is Quebec's problem.

Mr. Prud'homme: I know that some of the Members opposite feel very frustrated any time there is mention of the Province of Quebec. The Members opposite seem to get very nervous whenever the Province of Quebec is mentioned. "Quebec" is a great name—as great as the name "Ontario".

As a Member from the Province of Quebec, I am rather surprised at the speech delivered by the Hon. Member for Nipissing (Mr. Mantha).

As I said earlier on, here is a Member who, in the name of Party discipline, stands up and speaks against, not only his own personal interests, but the interests of northern Ontario.

It is well understood, Mr. Speaker, that the principle of representation by population is the principle that we should always adopt. However, we have already agreed that, given the vastness of this country, exceptions to that principle would be made. For example, we have made an exception in the case of the Northwest Territories and the Yukon Territory—and I do not think any Member will disagree with those exceptions.

Also, because the Constitution provides that no province will have fewer Members in this place than the number of Senators representing that province, exception from the principle of representation by population is made in the case of Prince Edward Island and at least one other province of the Atlantic provinces.

Canadians fully understand that some protection has to be given in these circumstances. At the moment, I am the Chairman of the Management and Members' Committee, a committee which has put forward some proposals in respect of Members' budgets.

While the provision of the same budgetary amount for all Members of Parliament would seem to be the appropriate and proper thing, the Management and Members' Services Committee realizes that exceptions have to be made.

I see the very competent and able Vice-Chairman in his seat, and I know that he agrees with me on this point.

The committee is of the opinion that provision should be made in Members' both in terms of geography and of population. Those proposals have now been placed in the hands of those who will ultimately decide.

It would be unfair, for example, that a Member for a constituency with a population of over 180,000 should have the same budget as that of a Member whose constituency has a much smaller population; it would be unfair for Members representing districts larger than some of our provinces to have the same budget as Members representing constituencies of a much smaller size.

We are trying to find some means by which the budgets of such Members can be increased so as to allow those Members to better exercise their duties as parliamentarians.

I do not mean to exaggerate, but the same principles should apply in respect of northern Ontario. We do have in the Province of Quebec the same situation as exists in northern Ontario. The commissioners who will be appointed to revise—

Mr. Mantha: A point of order, Mr. Speaker. The Hon. Member is trying to put words in my mouth. I did not say what he has said. My point of order, Mr. Speaker, is—

Mr. Deputy Speaker: I do not consider that to be a point of order. It is a question of debate.

Mr. Prud'homme: The Hon. Member is not following my remarks very attentively. What prompted me to speak was the fact that my hon. friend, in his speech, was not protecting the interests of northern Ontario. That is what brought me to my feet. The rest of what I say is my own speech.

I am not quoting the Hon. Member, so I do not see where there is a point of order.

Mr. Mantha: A point of order, Mr. Speaker—

Mr. Deputy Speaker: The Hon. Member for Nipissing (Mr. Mantha), on the same point of order.

Mr. Mantha: On a point of order, Mr. Speaker, my comment in relation to the boundaries was that I am not for freezing the number of seats at 11. What I said is that if there is an increase in population, we could gain seats, in the same way that—

An Hon. Member: Come off it! That isn't so.

Mr. Prud'homme: Mr. Speaker, I should like to have a debate with the Hon. Member. If there is no protection in this respect for northern Ontario, there will be fewer and fewer seats from that area every time there is a redistribution.

The Hon. Member makes a general invitation to Canadians to come and live in northern Ontario so that some seats may be saved.

[*Translation*]

But that brings to mind Quebec's revenge of the cradle, you know, more children to open up new lands—

[*English*]

Everybody was promoting the opening up of the northern regions of Quebec for farming. Well, I do not think people are going to do that just in the interests of the survival of that region.

[*Translation*]

So, Mr. Speaker, what I wanted to say is that if we were to accept . . . I see several of my Quebec colleagues here and I

hope that when I repeat the word Quebec I do not make our colleague too nervous, for he seemed to be very miserable a moment ago . . . I think it is the Hon. Member for Simcoe North (Mr. Lewis) who looked unhappy when I referred to Quebec. Some people are a little bit unhappy like that, but things change.

I would suggest that if we were to accept the principle whereby Northern Ontario needs protection, the commissioners to be appointed in each province would conclude that the thrust of this debate was that the larger communities in each province must be protected. For instance, the province of Quebec . . . I think it would be very unfortunate if representation were strictly applied to Northwest Quebec. I am not defending Liberal interest, since at the present time, these ridings are represented by Government Members. I don't think we should apply the same principle we apply for instance to Montreal, where I come from. I represent a Montreal ridings, and my constituents realize that I can go everywhere in my riding on foot, and so I don't have problems in that respect. I do have some problems linguistically speaking, because about 50 languages are spoken in my riding, which is a different problem altogether.

Quite frankly, I think we can go along with the principle of giving certain regions within a province certain guarantees. In fact, these are provided in the Bill.

However, if this principle, which is being supported in an amendment by our colleagues in the New Democratic Party and the Liberal Party, were acceptable to the House, and I do not see why it should not be . . . I am not accusing my hon. friend from Nipissing, but I want him to understand that applying the principle across the board would mean that my hon. friend here who represents the Northwest Territories . . . They would not even have a Member! And that would be unfortunate—

[*English*]

It would be absolutely unacceptable for the Northwest Territories to have no representation. As a result, an exception was made for that region. It is an immense area with very few people, and an exception was made. The people of that region, the majority of whom are native people—and those are the true Canadians, having been here long before either the French or the English arrived—would not have their own Member of Parliament if the principle of rep by pop were strictly applied. To my mind, the Northwest Territories should have three seats.

In so far as the Yukon Territory is concerned, I think we have more than enough in one Member for the moment. It may be that some day we will want to have two Members representing the Yukon Territory.

I would not like to have a double of the present Member for the Yukon Territory.

An Hon. Member: Where would you find two Erik Nielsens?

Mr. Prud'homme: And boy, has he ever changed since moving to the other side! He can no longer attack the Government. Instead, he has to endure in silence. But soon we will serve him with what I call the "Yukon book of tactics». We are studying the tactics he has used for the last 20 years, and certainly we will have a lot of fun with those in the next session.

To come back to the subject, I think that the principle—

An Hon. Member: You have no original ideas of your own.

[*Translation*]

Mr. Prud'homme: My hon. friend was not here 20 years ago, or he would be singing a different tune. In any case, I would hope, and I know my fellow members from Quebec and in fact the Members of all parties in the House will agree, that the same principle, namely to help underrepresented regions by allowing them to have fewer constituents, should also be applied to Northwest Quebec.

I also hope that when the commissioners decide whether to allocate three or four ridings in Northeast Quebec, they will consider that like the Lac Saint-Jean area, the region is a historic entity, an entity that should keep all four of its Members, even if that does not exactly correspond to the rule of so many constituents, so many Members . . . The same principle should apply also in the area—and it does apply now because there an exception—in the Gaspé area, which you know very well and visit every summer with your family, Mr. Speaker, instead of going abroad, as other Hon. Members do. Because of this very principle, I, both as a Quebecer and a Montrealer, am pleased to join with others to fight for the interests of other provinces.

Because this is true federalism, provided that one day, when asked, the Hon. Member for Simcoe North will be as sympathetic to the representation made concerning Quebec as I am today concerning the representation made concerning Ontario, so that the House as a whole may reflect more accurately not only the Canadian population but also the geography which we know so well in Canada.

• (1250)

[*English*]

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

Some Hon. Members: Question.

Mr. Deputy Speaker: We have just debated Motions Nos. 4 and 5 together. We will vote on them separately.

The question is on Motion No. 4 standing in the name of the Hon. Member for Nickel Belt (Mr. Rodriguez). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Section 3 of Standing Order 13, the recorded division stands deferred until six o'clock, Monday, December 2, 1985.

The question is on Motion No. 5 standing in the name of the Hon. Member for Algoma (Mr. Foster). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Section 11 of Standing Order 81, the recorded division on the proposed motion stands deferred. We will now be dealing with Motion No. 6.

Hon. Ray Hnatyshyn (President of the Privy Council) moved:

Motion No. 6

That Bill C-74, be amended in Clause 6 by striking out lines 15 and 16 at page 4 and substituting the following therefor:

"12;

(*b*) the commission shall consider the following in determining reasonable electoral district boundaries:

(i) the community of interest or community of identity in or the historical pattern of an electoral district in the province, and

(ii) a manageable geographic size for districts in sparsely populated, rural or northern regions of the province; and

(*c*) the commission may depart from".

He said: Mr. Speaker, I will be very brief with respect to this particular motion. As Hon. Members will know, this motion is one which I undertook to move at committee stage on the basis of representations made by members of the committee and, most particularly, the Hon. Member for Oxford (Mr. Halliday) and the Hon. Member for Churchill (Mr. Murphy). It seemed to me that during the course of the deliberations and discussions in committee, a point was made that would strengthen even more the mandate to the electoral boundaries commissions so that they must indeed take into account things such as the manageability in geographic terms of the size of constituencies as well as other matters of historical areas which may be included within constituencies, community of interest and the like. I think this was a very important ingredient in the initiative we have taken on this particular legislation.

I have been listening with great interest to the discussions that have taken place. For the first time now, we have made provision under our legislation that these particular items must be considered by electoral boundaries commissions in the creation of new boundaries. I believe all Members whish to have that sensitivity in place as part of the mandate of the electoral boundaries commissions which are independent commissions that will be reviewing the boundaries in each of the provinces.

I know this particular motion is one which was promoted in the course of the committee hearings and one with which I am glad to agree on behalf of the Government. At this point, I would once again thank those Hon. Members who participated in the committee hearings. I think we had a very useful and constructive discussion with respect to the Bill. On behalf of the Government, I was happy to be able to accept suggestions put by Members from both sides of the House with respect to improving this legislation, a legislation which I think is good in the spirit in which it was brought forward initially.

With those few words, I hope the House will be able to accept this particular motion so that we can carry on with third reading of the Bill at an appropriate time.

Mr. Maurice Foster (Algoma): Mr. Speaker, I would like to indicate our support for the amendment put forward by the President of the Privy Council (Mr. Hnatyshyn). It does make clearer community of interest, historical voting patterns and electoral districts in northern areas.

I was really disappointed that we did not have the support of the Hon. Member for Nipissing (Mr. Mantha) with regard to maintaining 11 seats in the redistribution. I think the Hon. Member for Timiskaming (Mr. MacDougall) seemed to indicate that he was in favour of maintaining the floor of 11 seats for northern Ontario. We are still waiting for the Hon. Member for Timmins-Chapleau (Mr. Gervais) and the Hon. Member for Sault Ste. Marie (Mr. Kelleher) to indicate whether or not they will be voting for those amendments when they are put at six o'clock on Monday. We certainly hope they will vote for them and we hope they will be able to make the President of the Privy Council and the Government caucus reconsider this matter, which is very, very important for representation in northern Ontario in the years ahead. However, we do want to indicate our support for Motion No. 6 which stands in the name of the President of the Privy Council.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, in these closing moments before one o'clock, I would like to indicate our support for this particular motion. I will have more to say about it after lunch. I would like to call it one o'clock now, Mr. Speaker.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Deputy Speaker: When the House adjourned for lunch the Hon. Member for Nickel Belt (Mr. Rodriguez) had the floor.

Mr. Rodriguez: Mr. Speaker, as I indicated before lunch, we in the New Democratic Party support the motion in the name of the President of the Privy Council (Mr. Hnatyshyn). Indeed, we are pleased that the Minister has brought forward such a motion. It was at the insistence of representations made by my colleague, the Hon. Member for Churchill (Mr. Murphy), as well as the persistence of the Hon. Member for Oxford (Mr. Halliday), that the provisions in this motion were brought forward in order that they not be left to the inclination of the Electoral Boundaries Readjustment Commission.

What is particularly interesting in the motion is the fact that it recommends that the Electoral Boundaries Readjustment Commission shall consider such matters as community of interest, community of identity or the historical pattern of an electoral district in the province, as well as a manageable geographic size for districts in sparsely populated areas, such as parts of northern Ontario. What the motion states is that the Electoral Boundaries Readjustment Commission shall consider these matters. No longer is it a matter of the commission either being able to do so or not; it is now mandatory.

We have no difficulty with supporting this motion and we urge all Hon. Members to support it.

Hon. Bob Kaplan (York Centre): Mr. Speaker, my colleague, the Hon. Member for Saint-Denis (Mr. Prud'homme) and I each have a short statement which we would like to make with respect to the motion which is before the House. This is something which was recommended to the Government by Members of my Party when we saw the Bill. Although we disapprove of the Bill in general we think it is greatly improved as a result of this motion. Not only do we support it but we are surprised that the Government House Leader and the President of the Privy Council (Mr. Hnatyshyn) would have brought forward a Bill which did not recognize the long standing practice of taking into consideration community of interest, community of identity or the historical pattern of an electoral district in the province and the manageable geographic size for districts in sparsely populated rural or northern regions of the province.

I can speak from personal knowledge with respect to the importance of the former point because in my region, the metropolitan Toronto area, although it may seem like a rather homogeneous agglomeration to outsiders, it is made up of traditional communities. Some of these communities are very old and have become knit together by population increases. However, the people in these communities think of themselves as living within pretty categorically identifiable areas of the city. This was demonstrated when there was an attempt, which succeeded to a large degree, in the matter of postal zoning for the city, which overlooked the fact that there was a Municipality of North York, Downsview and quite a number of other areas in which people feel that they live in a community and prefer to be identified as such as opposed to simply being a numbered unit inside a pretty large diverse metropolitan area. Thus, this principle is even more strongly applied to the matter of electoral boundaries.

To use my own riding as an example, there are three communities in it which are divided by my present riding boundaries. When the present boundaries were established representations were made to try to draw the boundaries so that the people of a community, for example those people in Downsview, might be able to look to one Member of Parliament in relation to a particular problem which they may have with the federal Government for resolving that problem. When the boundaries do not take account of historic communities that continue to exist in these areas, it tends to undermine the spirit of community which is important in Metro Toronto.

● (1410)

This amendment is one we approve of, but it does not change our minds about the Bill as a whole. However, we will vote for this amendment.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): As I was saying this morning, Mr. Speaker, I just do not understand why the President of the Privy Council (Mr. Hnatyshyn) should always vote against the amendments introduced by Hon. Members of the New Democratic Party and the Liberal Party and why he should come up with reasons which resemble somewhat what our colleagues from Northern Ontario have already brought before the House.

Our Ontario colleagues wanted to be more specific. They said: "A manageable geographic size for constituencies in sparsely populated regions."

I think that with that description, the Hon. President of the Privy Council meets the concerns of our colleagues from Northern Ontario, but I wish the House had accepted the two amendments introduced by the Liberal Party and the New Democratic Party, because they provided concrete examples of what the Minister is seeking today under paragraph (*b*) (ii). I think the Commissioners would then have known about the wishes of the House and would have been provided with concrete examples of what we are seeking through the amendment moved by the President of the Privy Council.

I am afraid that with considerations of such a general nature, the Commissioners, I think, could go just about in any

direction. But if the House had accepted the specific amendments introduced by our colleagues this morning, the Commissioners would say: We are going to use this concrete example and apply it *mutatis mutandis* to the other Provinces, wherever similar cases exist. Again, I hope that when the Commissioners for the Province of Quebec are asked to deal with the Quebec electoral boundaries, they will remember that the House wants remote ridings such as that of Lac-Saint-Jean to maintain their representation, and ridings in North Western Quebec which, geographically speaking, are of an enormous size to be allowed a smaller population. But that principle is merely stated today, because we have no concrete examples to give them of the strong will of Parliament.

But, in this House, the majority has ruled differently. Being a democrat, I bow to this decision, I have no choice.

I should like to deal also with the concepts of community of interests and community of identity.

[*English*]

Here I would like to get the attention of the President of the Privy Council (Mr. Hnatyshyn). I know he is very busy now with the Minister of Transport (Mr. Mazankowski).

Mr. Hnatyshyn: I am sorry.

Mr. Rodriguez: He is going somewhere.

Mr. Prud'homme: Most likely. They are all good friends.

The phrase "community of interests" is well translated in French. I do not know if the text was prepared in French and translated into English or vice versa, but when you translate "community of identity'—

[*Translation*]

—by "identité culturelle'—

[*English*]

—I am not sure that we are not talking about two different things. We will have to be very careful because a commissioner in an English province could use the English text and a commissioner in Quebec, depending on his or her first language, could use the French text. Those texts will have to be reconciled to make sure that they really mean the same thing. If they do, forget about my comment; if not, then come back to the House at the first opportunity and clarify the situation. Then, by unanimous consent, everything can be done, including the acceptance of my fourth report from the Committee on Management and Members' Services later on this afternoon.

Mr. Hnatyshyn: I promise I will do my level best to get that through.

Mr. Prud'homme: I want you to know it is not my report, it is a majority report voted by a majority of Members supporting the Government.

I want to draw your attention, Your Honour, to the fact that I very proudly represent a district, which is more than what Canada is used to having. I am glad to see my colleague from the Northwest Territories back because I am very highly respectful, not only of the two founding races but of those who were here before us, the Indian and Inuit. We have to remind ourselves always of what Canada is all about. I have the honour to represent a district which is most likely the most multicultural district in Canada. There is no doubt about that.

We have the immense additional problem of having to function in languages other than the two official languages of Canada, and that makes our life more difficult. I am afraid that my electors are not as well served as they may be or should be, and perhaps certain considerations should be given to them because of the fact that very few districts are like Saint-Denis. Some in central Toronto and central Montreal are similar, but when you have over 50 languages spoken, many by people who speak neither of the two official languages when they arrive in Canada, you understand the immense difficulty in serving them well. Out of respect we should at least try to understand them in their own language until they have the ability to speak either one or both of the two official languages of Canada.

The Minister very correctly put in the wording that the commission shall consider the community of interests or community of identity when considering reasonable electoral district boundaries. We were talking about that during lunch. We will have to be very careful about what we mean by community of identity and community of interests. I would hope that community of interests would not mean that the very rich should stay together and the very poor should stay together. I hope it does not mean that the multicultural people should stay together and the Anglophones and the Francophones should be given a seat. That is why I would like to get more precision as to the meaning of community of interests.

I do understand very well the requirement for a manageable geographical size for a district which is sparsely populated. There is no doubt that that is clear. In the past many commissioners have split villages which traditionally and historically belonged somewhere farther away and for reasons we never understood were put them together. It is good that the commissioners will read the speeches we are making and we hope they will understand the sensitivity and historical background of this country, as well as be very sensitive as regards the notion of community of interests.

Last but not least, it is an old tradition of mine to observe a full census every 10 years, and I am going to go through the fourth census in my career. So I have to be very careful.

• (1420)

When the commissioners sit down to design the new boundaries they will design them according to 1981 figures. We should give the commissioners some flexibility, and I ask the Minister to consider that between now and next week. That was a wish of the Chief Electoral Officer.

In Toronto there has been a switch of population since 1981. There has been immense new development. The same thing has taken place in Montreal. Downtown Montreal is becoming less and less populated, to the benefit of the west of the Island

of Montreal. I am not being political because both extremes of the Island of Montreal are represented by members of the majority Government for the time being. Therefore, it is not a question of being partisan. But downtown Montreal has been developed commercially and there has been immense developmeng going on in certain districts of Montreal since 1981. The same thing is happening in Toronto. I see my hon. friend, the President of the Equality Projects Task Force. His riding is one of the best examples I can find.

If the commissioners were to design the map according to the 1981 census, as the law says they should, they will already be *dépassés par les événements* and we will not have a map which is representative of what exists today. Therefore, flexibility should be given to the commissioners.

Another consideration is the fact that since 1981 in the major centres, as populous as they are, there have been changes in the population, and that should be taken into account in the redesignation of the map.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I appreciate the opportunity to speak on this redistribution Bill. I want to thank the Hon. Government House Leader (Mr. Hnatyshyn) for moving this particular motion which recommends that in determining reasonable electoral district boundaries the commission shall consider the community of interest and a manageable geographic size.

I come from a part of Saskatchewan where both of these factors must be looked at. The new boundaries that have been established for the Prince Albert constituency contravene both parts of that clause. Neither the community of interest nor the geographic size have been well established in the new map. For example, the proposed Prince Albert constituency takes in well over half and nearly two-thirds of the Province of Saskatchewan. The area is 750 kilometers long and 500 kilometers wide, which makes it an area of unmanageable geographic size.

I appreciate that this amendment gives the commissioners more direction and recognizes a couple of factors which I think must be recognized. If instituted, it will give those groups of people least likely to be heard in the House an opportunity to send a Member to Ottawa who would represent them more directly than is often the case.

I would like to refer specifically to the first part of that clause, the community of interest. In the proposed Prince Albert constituency there are approximately 30,000 people of native ancestry. There is a fairly large but sparsely populated agricultural area which is intermingled with a forestry area. There is, as well, the very small city of Prince Albert with a population of between 30,000 and 40,000, approximately half the total population of the constituency. Therefore, I agree that we should request that the commission review this in the case of the Prince Albert constituency in Saskatchewan. Prince Albert is only one of the constituencies that both of these clauses deal with and I use it as an example because I am familiar with it.

Besides the fact that there may be several different communities of interest in a constituency of that size, the difficulty in representing such an area should be considered. I have found it very interesting to listen to the debate regarding the difficulty in representing northern Ontario with 11 Members. The area that the Members were concerned about is probably only twice as large as that which is now being proposed for the Prince Albert constituency. Travel, which is necessary to represent a constituency, is very difficult in those circumstances.

I visited most of northern Saskatchewan while I was the director of education for the area. Unless one is to take several months, many places can only be reached by aircraft. Unless the Government starts supplying aircraft to northern Members, they cannot afford to travel to those places. Although the size of the constituency remains large, the number of people can be reduced, which would allow the Member the opportunity to visit more of his constituents in order to gain first-hand knowledge of them. There is a second area which is as large as my present constituency which has a road system and about a third of the population of the total constituency.

Besides that, in this constituency as well as in many others along the northern fringe of the country, knowledge of a number of languages is required in order to do a good job of representation. In the Prince Albert constituency four languages are spoken: Cree, Chipawin, French, and English. The ability to represent communities depends, to some extent, upon the ability to speak the language or the languages of the community.

The basic principle of representation, representation by population, has been honoured by its breach in many places across Canada. I think that situation must be accepted. For instance, at present there are 80,000 people in the proposed constituency of Prince Albert. If we take away the northern area of Prince Albert, which would have a population of over 30,000, that would cause the other smaller constituencies in Saskatchewan to be increased by a population of 3,000 or less. That is not really a major factor as far as an individual Member is concerned. This is true for Churchill and for some other new constituencies as well.

• (1430)

I am suggesting that while the representation by population principle is acceptable and should be a basic principle, we should not consider it as the only way to divide the country. For example, the Hon. Government House Leader represents half of the City of Saskatoon. I believe it would be much easier for him to represent the entire City of Saskatoon than it would be for a Member from Prince Albert to represent more than half of the province. That must be taken into consideration when the boundaries are being drawn up.

It is important that we maintain the fairest representation but that it be not always defined by representation by population.

Mr. John Nunziata (York South-Weston): Mr. Speaker, I appreciate the opportunity to speak to Bill C-74, an Act to amend the Constitution Act, 1867 and the Electoral Bound-

aries Readjustment Act. I am particularly pleased to be speaking to Motion No. 6 which deals with the powers of the commission with respect to the definition of electoral district boundaries.

As all Members are aware, it is no easy task for the commission to decide how a particular constituency should be defined and what would be reasonable boundaries. There are many factors which must be taken into consideration.

Motion No. 6 states that the commission shall consider the following in determining reasonable electoral district boundaries. First, the commission can look at the community of interest or community of identity in the historical pattern of an electoral district in the province. The legislation would require the commission to consider certain matters. What does it mean when it says that the commission must consider the community of interest with respect to a particular area? That might present a problem to the commission in the sense that it would have to define first what the community of interest is and then determine how to adjust the boundaries to take that particular community of interest into account.

The motion goes on to say that the commission must consider the community of identity. In my view that might present more difficulties in terms of trying to understand what it means. Does it mean that the commission must consider what particular ethnic group is predominant in a particular area and, in deciding where to draw the boundaries, must the commission try to encompass the whole of a particular ethnic community?

There are arguments for and against that particular suggestion. The argument against it is that it might result in the ghettoization of a particular ethnic community. Some would argue that that is a desirable right, while others would not, but the effect of this motion is to require the commission to look into that particular issue.

Of course, the commission must also look into the historical pattern of that particular electoral district. I do not believe there is any difficulty with the commission doing that in certain areas. In my riding, for example, certain municipalities used to exist but because of changes by the provincial Government through amalgamation and the expansion of particular municipalities, the municipal make-up of Metropolitan Toronto has changed.

A number of years ago we had the old town of Weston that was a distinct municipality in Metropolitan Toronto. There were a number of similar municipalities, the number of which were reduced through amalgamation some years ago. However, the historical feeling of the people in those municipalities has not changed. They still refer to their place of residence as being the Town of Weston, for example, or the Town of Leaside or the Town of Mimico.

It is important that the commission take into account the historical nature of a particular a rea and try to keep it intact as much as possible. We would not want the commission to dissect these historical municipalities that perhaps may no longer exist in law but still exist in terms of the feeling of its particular residents.

I represent the riding of York South-Weston. I do not represent the Town of Weston, only the part of it which lies south of Lawrence Avenue, but because the name of my particular riding is York South-Weston, many people outside of my riding believe that I represent them. That is the problem with dissecting particular communities.

The commission would also be mandated by this amendment to consider, in determining reasonable electoral boundaries, a manageable geographic size for districts in sparsely populated, rural or northern regions of the province. We have no difficulty with that particular provision. While the Liberal Opposition supports this particular amendment, we do point out some of the difficulties that might result with respect to the problem of defining or understanding what this particular legislation might mean.

In the few minutes that remain, I would like to speak generally about redistribution. As Canadians know, at present there are 282 seats in the House of Commons. There was a previous proposal to increase the number of seats to 310, an addition of 28 Members. If those Members were Liberal, of course no one on this side of the House would complain. However, all joking aside, the concern raised by a number of Members is that if we continue to use the same formula that at present exists which results in an increase in the House with every census, sooner or later we would run out of room in this place. Perhaps there would be a couple of Members sitting beside you, Mr. Speaker, being able to look at your notes. There would be no more aisles and there would be benches similar to the British House of Commons. I suppose ultimately we might have that program some time down the road when each and every one of us has long gone to other places.

• (1440)

I think there are problems with respect to trying to limit the representation or the number of seats in the House, recognizing the very practical problem of trying to house the extra Members in the House. One has to consider the very basic premise from which we all work, our British parliamentary history that there should be representation by population. That is where you begin. That is a fair place to start. One vote should mean just as much in one area of Canada as it does in another.

We all recognize because of history, and because of our particular history here in Canada, that one has to deviate from the important concept of representation by population to take into account the regions of Canada that are not as densely populated as others.

In the City of Toronto, from where I come, or in any other major city, you do not have the problem of lack of representation in the House of Commons. You do have that problem in the Yukon, the Northwest Territories and in other provinces, including Prince Edward Island and New Brunswick. These areas are not as densely populated as the larger urban centres. We have to deviate from the principle of representation by

population to say that in certain areas we will not insist on a certain number of people or on a certain degree of population.

I note, Mr. Speaker, that you are indicating that my time has expired. It is unfortunate because I wished to raise several other points.

Let me reiterate our position. We support Motion No. 6, notwithstanding some minor difficulties with respect to interpretation that we might have. Generally, though, we are in opposition to the Bill.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I have just a couple of words—

Some Hon. Members: Oh, oh!

Mr. Baker: —that will take maybe just a minute, that is all.

As far as this amendment is concerned, I think some Members should be more forthright in expressing their own opinions about this amendment as they see it for the ridings they represent.

Some Members in this Chamber who represent rural areas would say that there should be fewer people in their riding than in a riding considered to be urban. Those Members would say that the urban ridings should have twice as many people in them as in a riding considered rural. Then you would have another Member who would say that if you have what is classified as being rural urban, that should fit into the same category as being completely rural. If they do not say it they should come clean and be honest about it. If they were not trying to follow the Party line or anything like that, the reason that a Member, who represented a rural urban riding or a completely rural riding in Canada, would say that is that those areas are by their very nature 95 per cent non-industrial.

What does that mean, Mr. Speaker?

Some Hon. Members: Oh, oh!

Mr. Baker: It means that those Members have more phone calls than the other Members.

An Hon. Member: I doubt it.

Mr. Baker: They get more letters from constituents than other Members. They have a different function in Parliament than the other Members have. Let us be honest about it. There are certain ridings in Canada, and it has always been the case, where residents of the riding would not know who their Member is. A name would come up and they would say: "We do not know if that is municipal, provincial or federal". But go to a rural riding, go to a non-industrial riding and ask who the Member of Parliament is, bang on. And if you ask who the provincial Member is, bang on. You ask them who their municipal Members are, again bang on.

Some Hon. Members: Hear, hear!

Mr. Baker: There is an exception to that. In certain urban areas there are some very popular people in the House of Commons, like the Hon. Member who spoke a few moments ago.

Mr. Rodriguez: The hustler.

Some Hon. Members: Oh, oh!

Mr. Baker: However, Mr. Speaker, not wanting to get away from the subject under consideration, here is the fact of the matter.

Mr. Hnatyshyn: What about the amendment?

Mr. Baker: The Government House Leader asks about the amendment. As I read the amendment, it is twofold. The amendment which the House Leader introduced says that the Electoral Boundaries Readjustment Commission will look at the connection that one part of a riding has with another and will not destroy any historical or traditional links. The second part of the amendment says, "Let us look at geography in the total consideration of the Bill on redistribution."

There is another element coming in here, that is, the type of riding and area that a person represents. I do not wish to make excuses for Members of Parliament but I can tell you, Mr. Speaker, that there are some Members here who sometimes do not know how far to go on a certain problem they get. For example, there are Members of Parliament who are asked to look at an appeal to the Unemployment Insurance Commission, an appeal to the Veterans Allowance Board or an appeal to this or that. Then the constituent says: "We want you to represent us before that board". After that is over, a second appeal comes. Perhaps it is before a court. On one case you are perhaps tied up with two or three days of actual work. You say to yourself, like some Members do who have a 100 or 150 cases of appeals before the Federal Court or the Tax Court of Canada; "Am I really doing justice to these cases?" Some Members are not lawyers. They appear before a judge to get a decision regarding a constituent. I am not saying that there are some Members here who, out of necessity, work ten times harder than other Members. There are certain ridings that require more attention than other ridings simply because of geography and a practically non-existent industrial base.

There is a third element here. Who makes the decision on the third element, I do not know, but it should be taken into account in making decisions on where boundaries lie. In some areas of the country there should be two Members. If this Bill were not before the House, perhaps geographically speaking there would be a separate riding for Labrador. Under this piece of legislation that cannot be so. All it does is to rejuggle the boundaries within the Province of Newfoundland.

● (1450)

I should like to make a point which I think is a very legitimate one. Some Members of Parliament deserve smaller areas of coverage than others, simply because of the circumstances in their ridings. As the House well knows, that determines what is done by a Member of Parliament. I mean, there are only so many hours in a day. A Member of Parliament is

either a constituency man or is involved in committee work and everything else in the House of Commons. We cannot do both. That should be a major consideration. In rural areas it is the Members of Parliament who speak on behalf of the people. In other ridings, associations and organizations prepare briefs. Sometimes we do not know one from the other, there is so much representation. However, in rural areas it falls back to Members of Parliament. That should be a third consideration when we are dealing with the particular amendment before the House.

I cannot see anything wrong with the amendment. I cannot see any great good coming from it. The reports of the boundaries commission which I have read always made the point that an area was a concise geographical one, that one area was connected to another, and used rationale to divide it up. They have always indicated geographic, historic and economic reasons for an area being as it is. However, there is nothing wrong with including that in the actual Act. It certainly re-emphasizes the wishes of the House of Commons. I think we agree with this particular amendment.

Mr. Sergio Marchi (York West): Mr. Speaker, it gives me great pleasure to follow the articulations of my colleague from eastern Canada. There are few Members in the House who can approach the Hon. Member's knowledge of electoral ridings, commissions and so on.

I, too, am in favour of the amendment as proposed. However, I have some concern about the English and French versions of the amendment itself in that they seem to give a different perspective. In English the amendment reads:

—the commission shall consider the following in determining reasonable electoral district boundaries:

(i) the community of interest or community of identity in or the historical pattern of an electoral district in the province,—

The French version identifies the community of interest or the community of identity on a cultural basis as well. That strikes me as being somewhat odd, in the sense that the word "cultural" was not used in the English version but appeared in the French version. I think that is quite significant. It ought to be consistent in both languages, of course, but there is also the importance of the word "cultural". If we are to draw boundary lines based upon cultural group, cultural identity or cultural neighbourhoods within a certain metropolitan or rural area, then I am at odds with such a philosophy. If we base ourselves upon cultural lines, perhaps we are trying to ghettoize something we ought not to ghettoize.

There are a number of different ethnocultural communities in my riding, comprised of Canadians who came from different parts of the world or Canadians whose ancestries were certainly in other parts of the globes. Should we draw a line around a community of predominantly Italian Canadian extraction and another line around a community which may have a Spanish background? I think not. I think we must preserve the integrity of communities, whether the delineations be physical or otherwise. However, it disturbs me somewhat that the word "cultural" was included in the French translation of the particular amendment.

Perhaps we ought to look a litte closer at this particular amendment, to ensure that we will not draft boundary lines based upon culture. Certainly one is a Canadian, whether one is of Canadian Italian background or of Canadian Portugese background. I am somewhat surprised that the word "cultural" entered into the question of boundary guidelines.

In addition, it makes sense to preserve the sense of community in our deliberations. Obviously the legislation will result in new public hearings to solicit support and recommendations from the public at large in terms of where delineations should be drawn. The last series of public hearings conducted by the previous administration were ignored by the present Government. One thing which came through loud and clear in many of those deliberations was the importance which people attached to the sense of community. People were very sensitive to any community being delineated in a way which would perhaps radically change their way of life. Individuals and neighbourhoods came forward, be they businessmen's or ratepayers' associations. Perhaps they were used to doing the community work in their own market areas and being delineated according to those boundaries. They were the last ones to want communities to be cut in half or otherwise. This amendment speaks very boldly and forcefully to the sentiments which were expressed by Canadians from coast to coast. Therefore, it makes sense that the commission be instructed by the House, by parliamentarians, that when it has hearings across the country, these guidelines will be the parameters of the debate. Certainly the debate will be representation by population, but the parameters will be to safeguard what is there now, to safeguard the way of life enjoyed by individuals in their communities. At the same time it should be recognized that we need an equation which will assure Canadians of the best possible representation in the House of Commons.

However, I return to the word "cultural". Perhaps in the ensuing debate, in committee or at the public hearings, that word could be somewhat better defined. As I indicated, it appears in the French version but not in the English version. I do not think we should get into boundary disputes on culture. That is the last thing at which we should look. I am pleased that the House provided me with an opportunity to include my comments in the equation.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Mr. Marchi: On division.

Motion No. 6 (Mr. Hnatyshyn) agreed to.

Income Tax Act

INCOME TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed from Thursday, November 28, consideration of the motion of Mrs. McDougall (for the Minister of Finance) that Bill C-84, an Act to amend the Income Tax Act and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act, be read the second time and referred to a legislative committee.

● (1500)

Hon. Bob Kaplan (York Centre): Mr. Speaker, I reflected upon the capital gains provisions contained in Bill C-84 as I listened to the Prime Minister of Canada (Mr. Mulroney) trying to explain to the provincial premiers in Halifax yesterday why the federal Government was going to have to change the formula for EPF funding, a change which will result in the provinces receiving $6 billion less over the next number of years for use in hospital funding and post-secondary education funding. The Prime Minister's words were that the money had to come from somewhere; that the federal Government had a big deficit that it had to reduce.

When I heard the Prime Minister talking about that, I could not help thinking about this measure, a measure which will benefit well-off Canadians by allowing them free capital gains appreciation over the next five years up to the tune of $500,000 each.

I have seen a number of assessments as to how much of a drain that represents on the fisc. It struck me that had the Government of Canada been somewhat more rational in approaching the Budget, it would have been possible for the Prime Minister of Canada to maintain whatever goal he has in terms of deficit cutting while still being able to respond positively to the provincial premiers yesterday in terms of their desire to maintain the traditional federal assistance provided to those very important provincial programs.

I do not think it is digressing at all to talk about the hospital funding programs in Canada. While I was not in the House of Commons at the time, I can recall the kind of encouragement and leadership the Pearson Government provided in convincing the provincial Governments to establish hospitalization programs and eventually to establish universal medicare for all Canadians. Part of the consideration was the promise that the federal Government would be a solid supporter of these programs. Indeed, during the years since—years when there have been largely Liberal Governments in office—the federal Government has stood behind those programs, and it has done so notwithstanding the consequences for the federal financial position. The federal deficit is much larger than it would be had the provinces been left to take care of medicare and hospitalization funding at their expense, as the Constitution provides for programs of that nature. In a spirit of co-operative federalism, the Pearson Government made a strong financial commitment to those programs, a commitment which this Government is backing away from under the guise of reducing the deficit.

The cost of the proposal in respect of capital gains contained in this measure is one of the principal reasons why this Government is not in a position to support these provincial programs—programs that were undertaken in the 1960s on the understanding, on the basis of the agreement entered into between the Liberal Government of the day and the provinces, that the federal Government would provide transfer payments to assist in their funding.

We do not approve of this capital gains tax exemption of up to $500,000 in one's lifetime. We are going to vote against it. While we agree that the federal Government has to be concerned about the provincial hospitalization and education programs. We in the Liberal Party do not find acceptable the introduction of a shiny new loophole available for the well-to-do in Canadian society while the general tax burden is being increased on lower and middle-income Canadians. That is not something that is acceptable to the Liberal Party, and for that reason we intend to vote against the proposal that there be this capital gains lifetime exemption of $500,000. The Liberal Party does not object to the use of the Income Tax Act to provide certain incentives. Capital gains are already taxed at a lower rate than other forms of gain or income.

I appreciate all of the theoretical arguments that distinguish capital appreciation gains from earned income. However, from the point of view of the morality of it, there is a very good argument in favour of imposing the same rate of income tax on capital gains as applies to earned income. We do not do that in our system because of the incentive that we want to provide for investment. As a result, capital gains are taxed at a lower rate than earned income.

However, this Government is going further. This Government wishes to reintroduce the inequities that the Carter Commission criticized in its report—a report that came out at the end of the 1960s—as a result of which the capital gains tax was first introduced. I very much regret this big opening in the Income Tax Act, an opening which will benefit only that relatively small number of Canadians earning capital gains.

The suggestion made by my leader—a suggestion which I shall repeat—is that we would be more comfortable, if the Government wants to encourage investment by Canadians to see the incentive, the encouragement, focused on the type of economic activity that is truly beneficial to the Canadian economy, the type of activity that creates jobs and economic activity in our country. But, as my leader has pointed out, the way this exemption is drawn, not only does it give tax favoured treatment to the individual who invests to create jobs and to create economic activity, but the same beneficial tax treatment is available to those who buy and sell condominium apartments in Florida or those who buy and sell works of art from the Middle Ages. In other words, any type of investment qualifies for this capital gains tax lifetime exemption, to a maximum of $500,000.

Part of the reason that the Minister of Finance (Mr. Wilson) puts forward for going with this much wider exemp-

tion than one which we would have been able to support is that he wanted something simple, something that would be easy for taxpayers and investors to understand. To our way of thinking, it would be far better to add a few technicalities to the measure—technicalities which would focus an exemption on encouraging investment of the kind that is useful in job-creation and in building up our country—thereby saving, as some people have estimated it, up to three-quarters of the total cost of this particular tax incentive.

Objective people who have reviewed this proposed exemption have indicated that 75 per cent of its benefit will go to those who make investments that have absolutely no positive impact on the Canadian economy. It is a measure that will encourage the sale of businesses, which is something which may not necessarily be beneficial to the Canadian economy; it will encourage the selling of an apartment in some other part of the world, if one is lucky enough to own one; it will encourage the turning over of works of art.

Can we expect the Canadian taxpayers to support that kind of activity and to view it as something that should receive favourable treatment under the Income Tax Act? We say no. The Prime Minister of Canada, yesterday, said that the federal Government could no longer afford to provide the same level of increased support for hospitalization and medicare, programs administered by the provinces, because of the large deficit. I wonder how many Canadians are going to believe that. I wonder how many will not be able to see that this is done to try to finance some of the mistaken fiscal policies of this Government, including the one before us in this measure.

I want to deal, as well, with the personal individual surtax of 2.5 per cent for incomes of $29,500 to $60,800 and 5 per cent for incomes over $60,800 in 1985. It is pointed out that these rates will double in 1986. Of course, these rates, as much as they are being increased and as much as a surtax is being created, do not result in one additional nickel being paid by those taxpayers who organize their affairs so that they pay no taxes at all. The Government promised in the Budget that it would deal with the situation of Canadians who have high incomes and who pay no income taxes at all. I would like to talk about that problem for a moment.

• (1510)

The reason there are individuals with high incomes who pay no taxes at all is that those individuals have organized their affairs to take advantage of a great many incentive opportunities under the income tax laws which permit individuals to save taxes by making certain kinds of investments and by organizing income receipt opportunities in ways recognized by the Income Tax Act. I recognize that virtually all of those incentives were put in place during the Liberal administration but it certainly was a trend which concerned the former Government and purportedly concerns the present Government. Something should be done about it. No matter what incentives of which an individual wishes to take advantage to reduce his income tax, he should not be able to reduce it below a certain minimum tax.

This Government made the promise during the last election campaign that it would introduce a minimum tax so that the situation for which they criticized the Government of which I was a part would be corrected. The temporary individual surtax which the Government has proposed is not the answer. That is not a measure that will increase the taxes of Canadians who pay no taxes at all because of the way they organize their affairs.

When the Budget was introduced, the Minister of Finance indicated that a paper would be introduced and there would be some answer on a minimum tax to be imposed on that category of Canadians by the end of this year. We have yet to see any of the answers. Some of the options have been put forward, but as the end of the year draws nearer and with few days for parliamentary business remaining before Christmas, there is still not a Bill before us to implement that minimum tax.

Another thing that makes this Bill unacceptable to us is that while those who will be paying the minimum tax when it is introduced are free of paying taxes in the meantime, the other provisions of the Budget which increased taxes imposed on ordinary Canadians and reduced the effective amount they receive through family allowances and the old age pensions have already been put into place. They are now beginning to affect the incomes of average and lower-income Canadians.

Whatever Conservative Members said about their constituents and however much they made appeals to lower and middle-income Canadians during the election campaign, what has become clear when looking at their way of organizing the Budget and the way taxes have changed since they have come to office is that the beneficiaries of their policies will be the Canadians who are better off. The people who will bear the burden are the middle and lower-income Canadians. We object to that part of the income tax Bill that is before us and we intend to vote against it as well. I had wished to make some further points, but I will stop now and allow the debate to be taken up by one of my colleagues.

Mr. Deputy Speaker: Questions or comments. Debate.

[*Translation*]

Otherwise, we will resume debate. The Hon. Member for Lévis (Mr. Fontaine) has the floor.

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I welcome this opportunity to rise in the House today, to speak to Bill C-84, An Act to amend the Income Tax Act and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act.

I am pleased to be able to continue the debate started by the Minister of State for Finance (Mrs. McDougall) on November 27, 1985.

The ultimate purpose of this legislation is to restore our country's economic growth and thus provide jobs and enhance the well-being of Canadians. Its purpose is to give each and everyone of us a chance to have a better life and especially to

give our business people a much-needed stimulus for business development and expansion.

Mr. Speaker, the provisions of Bill C-84 will have the effect of giving our small- and medium-sized businesses, especially, a free rein. They will also give private enterprise the priority it deserves in our country's economy. We have 750,000 small- and medium-sized businesses in this country. We have a million and a half unemployed, a legacy we received from our Liberal predecessors.

As soon as we came to power in September 1984, we tackled the unemployment problem. In November 1984, the Minister of Finance (Mr. Wilson) presented his agenda for economic renewal. Basically, this agenda proposed giving the private sector a free rein and opportunities for profits. It received the confidence of the private sector, which immediately understood, upon reading the agenda for economic renewal, that the new Government would try and save money by cutting Government spending. These measures, in addition to others, should eventually help us to reduce our deficit.

Subsequently, in his May Budget, the Minister of Finance announced to Canadians concrete measures aimed at stimulating economic recovery. Further to this agenda for economic renewal and the May Budget, our Government opened the door to foreign investment by eliminating FIRA and introducing legislation to establish Investment Canada. From now on, instead of pestering foreign investors, we are providing a climate that is attractive for and welcomes investment.

Our Government has also started to dispose of Crown corporations. We will soon be able to announce further significant developments in the disposal process. Canadians will then be in a position to manage, on a profit-making basis, assets which until now were managed by Government technocrats lacking the profit incentive or any other kind of incentive, who moreover were not accountable for their actions, not even to Parliament.

We have also started a very important series of negotiations with our U.S. partners. If these negotiations are conducted successfully, and we intend that should be the case, they will open up a market of 250 million customers, enabling our businesses to become more specialized and to maximize their production processes.

Incidentally, I have the pleasure to inform you, Mr. Speaker, that I have been appointed chairman of a special committee that will regularly monitor and analyze developments in Canada-U.S. negotiations, with special emphasis on the interests of the Province of Quebec.

We also signed the Atlantic Agreement and the Western Agreement. We put an end to the climate of confrontation, the arrogance and the insatiable appetite of the Liberals who were never able to reach a consensus with the provinces concerning the development of Canada's plentiful natural resources.

As promised to the people we have begun deregulating the oil industry. We scrapped the National Energy Program in which the previous Liberal administration had sunk billions of dollars.

Respecting small- and medium-sized businesses, we amended the legislation in order to allow banks to lend them money at preferential rates, and our Government guarantees the repayment of those loans along with the interest. The legislation gives Canadian bankers more operating room and does not create further administrative red tape for small- and medium-sized businesses.

To ease the administration of the act we liberalized a number of significant matters, particularly concerning the caisses populaires which, because of their position, did not enjoy the same privileges as banks did. We lifted some of the restrictions thwarting the business of several caisses populaires so that those institutions, which are well acquainted with promoters and their environment, can now lend them money with the backing of the State.

• (1520)

The Liberals failed to recognize the importance of the caisses populaires.

During the period set aside for questions, the Liberals, unable to analyze the impact of our economic program and envious as they are of our successful efforts have to ask specific questions.

Today, Mr. Speaker, I must also make specific comments. While our Government tells Canadians they may have to put up with some restraints, our Prime Minister (Mr. Mulroney) willingly takes a 15 per cent annual salary cut-back and all Ministers agree to make do with 10 per cent less. The Minister of Transport (Mr. Mazankowski) who is here today happens to be one of those who have accepted a 10 per cent cut in his salary. These are some of the details which the Liberals would rather not mention.

I want to add, Mr. Speaker, that the Leader of the Opposition, Mr. Turner, I think, did not accept to have his salary reduced by 10 per cent. As for Mr. Broadbent, the leader of the socialist party, who is so close to working men and women, to the needy and to widows and orphans, he did not accept to reduce his salary by one cent.

As for the results of our program, they have been extraordinary. We have enabled the creation of over 340,000 new jobs in the last 15 months. The interest rate has gone down by 3.6 per cent. For instance, a smaller business with a debt of $300,000 will save $1,000 in interest costs because of this 3 per cent decrease in the interest rate.

Thanks to these savings, our businesses can reduce their costs and be more competitive on international and American markets, which is very important in this period of intense trade negotiations with our southern neighbors.

The lower interest rates on mortgages, securities and lines of credit for smaller businesses will allow them to increase their sales and therefore their production, which means that they will be able to hire more workers.

At the consumer level, a lower interest rate is even more significant if we think about Canadians with a $50,000 mortgage on their home. They will now save $150 in interest costs, and if we consider the impact of the taxation system, at a marginal tax rate of 50 per cent, that is the equivalent of a $3,600 a year pay increase. It is important to point out that a 3.6 per cent decrease in interest rates is the equivalent of a $3,600 a year pay increase for Canadian families.

In addition, Mr. Speaker, unemployment has gone down by 1.3 per cent generally and by 2 per cent among young people.

The Bill proposes measures which have already proven to be effective because of the positive reaction of Canadians. One of the most important and appropriate of these is the capital gains tax exemption of up to $500,000. This provision is economical for the Government because it will not deprive us of more than $600 million in revenue and its positive effects are incalculable.

Mr. Speaker, everyone is sensitive to an increase in his on her assets. The system created under the Liberal Government discouraged the accumulation of assets and therefore prevented businesses from prospering. The proof of this is that the Government had to invent all kinds of public schemes to replace private initiative. Our population had lost all motivation. The possibility of making non-taxable profits thanks to the capital gains provisions will allow our citizens to invest, especially in smaller businesses, and so improve their capital structure and reduce their borrowings.

This Bill also provides for the creation of small business investment corporations, for the purpose, among others, of promoting the provision of venture capital. These corporations will pay no income tax.

Bill C-84 allows Canadians to set up limited partnership investment corporations to deal with small businesses.

The possibilities offered by Bill C-84 will facilitate capital raising for high technology companies. They are the companies of the future, that will be competitive on the North American markets. That, Mr. Speaker, is one way of improving the lot of Canadians.

High technology development used to be done by technocrats in Government laboratories, but as a result of this Bill, private enterprise will be able to generate its own capital and, given the creativity, initiative and fighting spirit of its managers, to develop new technologies directly for its own use.

This Bill also closes some tax loopholes. The objectives set by the Liberal Governments which implemented them could never be reached, due in part to the shrewdness of business people and the lack of foresight of the Liberal legislators. Our Government plugs these tax loopholes while streamlining the Act.

This concludes a few comments on the most important aspects of our legislative program. I know very well that the Liberals are going to do their utmost to delay passage and Royal Assent of this Bill. That is the way they work. They have no regard for the priorities of our country. They act on only two fronts. They question minor details and reach a consensus only on the use of filibuster, both in the House and in Standing or Legislative Committees. People should know that Liberals will try anything to delay what we are trying to achieve. That is one reason why they will stay in opposition for a very long time.

Mr. Deputy Speaker: Questions or comments? The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria).

Mr. Boudria: Mr. Speaker, I could not miss this opportunity to make a comment and ask a question. I note that the Hon. Member is blaming the Opposition because his Government does not know how to govern. Frankly, I think he exaggerates a little. After all, the Opposition is not responsible if this Government keeps struggling with increasingly serious problems, unable to solve them and constantly embarrassed.

If the Government took more time to manage the country instead of appointing Conservatives on committees and to various other jobs, the country would perhaps be better governed.

Mr. Speaker, I have a specific question to ask. The Hon. Member has just praised his Government and told us that it has plugged, to use the word, the loopholes in the legislation. And if such is his Government's intention—Mr. Speaker, I would never have accused him of belonging to the extreme right as the other Conservatives do. I thought he was more fair-minded, but I see that I was mistaken and he is just as bad as the others.

However, I would ask the Member opposite why this Government who wants to plug loopholes has taxed the poor this year? Why does the Government want to de-index family allowances? Why did the Government try to tax senior citizens while taking no action against the rich until next year or even later?

Mr. Fontaine: Mr. Speaker, I thank the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) for giving me the opportunity to answer a few matters of particular interest. I would ask him firstly why your Leader, or you so-called leader, did not agree to a 15 per cent cut in his salary for the benefit of the poors, those who need it, as you claim? If he were to set the example as a Leader, it might have a significant impact.

I would also tell the Hon. Member that we have created 340,000 new jobs since September 1984.

I would also tell my hon. colleague that, unless he has no mortgage on his house, that the average Canadian—

An Hon. Member: I have none.

Mr. Fontaine: Great, congratulations, Sir. The average Canadian saves $1,800 a year on mortgage interest costs and I have explained that those savings amount to a $3,600 salary increase. This was done through the involvement of our Government, and it is a significant achievement.

Mr. Champagne: Mr. Speaker, I believe what my hon. colleague just said is very true—

Mr. Boudria: Go ahead, congratulate him!

Mr. Champagne: If the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) wishes to stand up to contratulate him, he is welcome to join me. The question I would like to ask my hon. colleague, and he will call me to order if I stray away from the subject matter of our debate, is the following. The Hon. Member for Glengarry-Prescott-Russell said earlier that our Government wanted to de-index, wanted to harm old people, families, poor people, mothers with children, but Mr. Speaker, this is what I would like to ask him: When did the former Government when they were in power introduce an income tax for the wealthiest people in the country? Mr. Speaker, when did those Members on the side of the previous Government who claim to be supporting the poor and the low income families, when did they stand up? When did the Members opposite stand up, Mr. Speaker, when family allowances and old age security pensions were cut? When did they stand up? Really, I would like to know, Mr. Speaker, because since they have been in Opposition, all they have been doing is yelling around. That is what they do. They come to our constituencies and tell people things that are just not true at all. I would like to know, Mr. Speaker. And that is why I am asking my hon. colleague, so that for once at least the people of Canada, all our constituents, including the people of Quebec, will know what the Liberal Members have been indulging in the past few months: cheap political rhetoric.

• (1530)

Mr. Fontaine: Mr. Speaker, I would like to remind the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) that when his party came to power, just after his Government took office, one could fiil a large food basket with $100 or even $50. However, when you left, one could hardly fill a grocery bag with this same $50. This is how you treated Canadian consumers, all the while reducing family allowances and old age security pensions. Under your regime, the size of a food basket shrank significantly.

It was your policies which started the inflationary spiral throughout Canada.

[*English*]

Mr. Nunziata: Mr. Speaker, it is somewhat difficult to believe what we are hearing. Was it not the Hon. Member's Leader, the Prime Minister of Canada (Mr. Mulroney), who stood up on the election platform in Sherbrooke, Quebec, in July of 1984 and said to the people there and, through them, all the people of Canada, that he would not touch senior citizens' pensions? Was it not his Minister of Finance (Mr. Wilson) who issued a Budget which was a direct attack on the senior citizens, a Budget which attempted to reduce the deficit on the backs of our seniors? Was it not his Minister of Finance who tried to deindex senior citizens' pensions notwithstanding the fact that his Leader, the Prime Minister of Canada, promised those senior citizens during that election campaign that OAS was a sacred trust and would not be touched?

We fully recognize that the Leader of the Conservative Party was thirsting for power and was prepared to do and say anything in order to gain power. Would it not lead one to seriously question the credibility and integrity of this Conservative Government when, during the election campaign, it made promises to the disadvantaged in our society and then, the moment the Government came into office, forgot all about the promises? The Hon. Member talks about caring and compassion, honesty and integrity. Was it not his Prime Minister who made that promise, yes or no?

[*Translation*]

Mr. Fontaine: Mr. Speaker, even though we have inherited from the Liberals a pitiful administration, a poor financial situation and huge difficulties, we are still able today to allocate $45 billion of our $105 billion budget to social programs and had it not been for the $25 billion in interest payments, we would allocate today 57 per cent of our spendings to those programs. We are still able to do it in spite of the problems we have inherited from you. We have done that while creating 340,000 jobs.

Mrs. Pépin: Part-time jobs.

Mr. Fontaine: We have reduced interest rates. We have reduced unemployment. Our Minister of Employment and Immigration (Miss MacDonald) has increased by $1.8 billion the funds earmarked for retraining programs available to Canadians. That is what we are committed to achieve, Mr. Speaker, and what we are achieving.

Mr. Prud'homme: I would simply like to ask a question from my hon. colleague and friend. He is blaming us for the deficit but in fact, the previous Government was never blamed by the then Official Opposition. I understand that the Hon. Member is new here and incidentally, I welcome him to this House, but I have one thing to tell him: I have sat on the opposite side and I don't want to be nasty gratuitously but I have already been there and as far as I remember, the Official Opposition which now forms the Government never blamed us at the time for what he calls abuse and deficit. On the contrary! We had to

hold them back. Instead, Mr. Speaker, we had to hold back Opposition members who were asking us to take a thousand other steps that could not be paid for given the financial needs of the Canadian people. Therefore, do not blame us for that.

If it is true that . . . I conclude, Mr. Speaker. If it is true that we are presently in a period of restraint in Canada, how can he explain to his constituents in Lévis that one of the first useless expenditures of this Government consisted in spending almost $55 or $60 million on something as useless as new uniforms? How can he explain that to his constituents of Lévis if we really have to limit our expenditures, at a time when all over the world and particularly in Geneva, in Europe, people talk about a reduction in armaments, in the military staff of both big alliances of NATO and of the Warsaw Pact? However, at the same time, the Minister of National Defence and Deputy Prime Minister, who controls about everything in the House, the protector of the Conservative Party and of everything, proposes to increase our NATO forces by 1,250 soldiers at an added cost of $100 million a year. Extra millions, hundreds of extra millions, and if those things had not been done, they would not increase the deficit. I would like to understand how he can feel justified in blaming us for some things for which his party did not blame us when they were in the Opposition since those people asked us for more expensive programs. Now those things are happening under his administration. How can he justify all those military expenditures? I recognize the importance of military spending. But how can he explain that to the people of Lévis? I would like him to tell us how he explains this to the people of Lévis, whom I know, because personally I have not found a way to explain such extravagant military spending to the people of Montreal-Saint-Denis.

Mr. Fontaine: Mr. Speaker, I would like to thank the Hon. Member for Saint-Denis (Mr. Prud'homme) for his excellent remarks. However, the Hon. Member will not lead me today from a Budget measure with financial repercussions to a debate on an international level. When the Member for Saint-Denis tells me that the opposition never talked about the deficit, I have to remind him that it is not the opposition who gave us this mandate on September 4, but the Canadian men and women; they are the ones who have sent here 211 of us to reduce the deficit and rebuild the economy, to give them back hope, to revive businesses, to reduce interest rates and unemployment and to raise the standard of living of the population. The Opposition did not give us that mandate on September 4, 1984: the Canadians did. And I have to tell the Member for Saint-Denis that the honorable Member for Lévis was also given that mandate and that he is proud to participate today in its fulfilment.

• (1540)

[*English*]

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, it is clearly a Friday afternoon. We face the prospect of this meagre piece of legislation before us—two hundred and how many pages? With the normal expectations of Friday afternoon, we even see the rebirth of the "Rat Pack", the rebirth of what we thought, for the sake of the Liberal Party, was long buried.

Mr. Mazankowski: The leader left town.

Mr. Gauthier: We have the grasshopper pack now.

Mr. Langdon: It seems to be back and re-emerging. I must say I am reluctant, Mr. Speaker, to stand up and interfere in the re-emergence of the Rat Pack because it gave us a sense of—

Mr. Marchi: Envy, jealousy.

Mr. Langdon: —Liberalism in its true essence. But I have to confess, Mr. Speaker, that today I am speaking with some chagrin about the Americanization of Canadian politics, particularly about the Americanization of NDP politics.

Mr. Gauthier: That's tough.

Mr. Marchi: Do you have any?

Mr. Mazankowski: You had to hire an American pollster.

Mr. Langdon: We confess, Mr. Speaker, to having had an American pollster. I remind the Chamber that the American pollster was faced with a difficult task, that of taking a Party at 10 per cent at the polls and putting it back into its rightful place as a powerful political movement across the country.

Mr. Mazankowski: You are dreaming.

Mr. Nunziata: This guy is dreaming in Technicolor.

Mr. Langdon: Mr. Speaker, it succeeded. We found the right American to give us help. Unfortunately, the Conservatives, in their search for an American to give them guidance and direction have clearly stumbled on the wrong American. Perhaps Will Rogers was the one they sought, but I fear that the man they found was the mighty Mencken whose notion of a beautiful day was one with sleet replacing a blizzard, whose notion of happiness was a newspaper strike.

Mr. Nunziata: What's he talking about?

Mr. Langdon: Mr. Speaker, the Conservatives found their Mencken, they found a man who could guide them as they sought political popularity through reshaping their tax policy. Mencken gave them advice. It was, I can see, remarkable advice. It is advice which I would have taken with some scepticism. However, with their customary sense of complete faith in things American, with their commitment to continentalizing our political system, they took the advice of Mr. Mencken.

Mr. Mencken's advice to the aspiring politician would have sounded something like this: Young man, if you wish to become a successful Prime Minister—

Mr. Nunziata: What about young women?

Mr. Langdon: We realize, Mr. Speaker, that there is a tradition of ghosts leading Prime Ministers. In this case the ghost must have been that of Mr. Mencken and it must have been speaking to our present Prime Minister (Mr. Mulroney). The message must have been this: "Young man, if you wish to be Prime Minister, for a short four years"—and perhaps the Prime Minister did not quite pick up that phrase "four years"—"here, Mr. Prime Minister, is the course to follow. It is an easy course, Mr. Prime Minister, a course which recommends itself to me as a humourist in the American tradition. First, Mr. Prime Minister, you tax the middle classes because the middle classes are forever likely to complain and by taxing them at least you give them a target at which to direct their complaints. Tax them seriously, Mr. Prime Minister, because if you do it in a half-hearted way I fear the middle class will not notice because the Canadian middle class tends to be a little comfortable. So tax them and tax them hard."

Perhaps, Mr. Speaker, the ghost of Mr. Mencken quoted to the Prime Minister the comments that he made during the Leader's debate when he said he intended to tax the rich and tax them hard. "Then, just to make sure your political future is well established, take taxes away from the rich. Make certain that the taxes you take from the rich are taxes which are completely undeserved. Make certain that the tax breaks that they receive are something that they do not have to earn. Do that and you can be assured of a place in the history books of Canadian politics."

So, Mr. Speaker, a Budget came down with magnificent tax breaks for the rich for which they had to do nothing. They could put their money into the paintings of French impressionists with which I have no quarrel. French impressionism is something I respect. They could put their money into Florida condominiums. Again, I would not want to quarrel with the sunshine of Florida. They could put their money into real estate in Wisconsin. Now, frankly, real estate in Wisconsin is a bit risky in my mind. However, they could put their savings into real estate in Wisconsin and they could receive their capital gains without paying a single penny of tax. We could build up this nice contrast between the poor, hard-working, salaried, middle-class members of our society, whose taxes were increased by this Budget, and the rich with their condominiums in Florida, their investments in Wisconsin, and their French impressionists on the walls.

However, Mr. Speaker, Mencken was not through because the ghost of Mr. Mencken recognized that a full piece of satire had to have its complete exclamation mark. It had to include taking money from the mouths of babes. You could not just tax the middle class and give tax breaks to the rich, you had to also have a system that took from the mouths of children. Then, if you succeeded in putting a package like that together, you could have the ultimate in this country—a tax proposal that infuriates everybody. Therefore, because we believe that Mencker had clearly been listened to, we tested whether there had been this sense of infuriation across the country, thanks to the Conservative's tax measures.

• (1550)

Mr. Nunziata: Mr. Speaker, I rise on a point of order. I hate to interrupt the Hon. Member during his most eloquent and interesting speech, but I would like to bring to your attention Standing Order 6. It appears that we do not have a quorum in the House. However, in view of the fact that I see a number of Conservative Members scurrying to their seats, I would not ask that you ring the bells. I would simply request Hon. Members opposite—

Mr. Mazankowski: There is only one Liberal in the House.

Mr. Deputy Speaker: We do have a quorum in the House now.

Mr. Thacker: Just wait until the next opposition day.

Mr. Langdon: Mr. Speaker, I thank my hon. colleague for helping to expand the audience for the advice which I am giving to these poor misguided souls on the other side of the House.

We wrote to thousands of Canadians across the country, indicating that we were launching a campaign this fall for fair taxation. We asked these people to respond to our questionnaire. Most Members of the House send out questionnaires with their regular reports from Parliament. I consider an average return on those questionnaires to be perhaps 250 to 300 a week over a period of three or four weeks. In one week we received 600 responses to our fair taxation questionnaire. These responses run 98 per cent in favour of the yes position on each of these questions. First, we asked our constituents, "No one should make an income of $50,000 a year or over and pay no taxes. We need a minimum tax now to make sure everyone pays their fair share". A yes answer was supplied on virtually every return that we received. I note that the Government, despite its promises, has not yet come through with a minimum tax which it proposed during the election campaign.

Mr. Mazankowski: It is coming.

Mr. Langdon: The Hon. Minister says that it is coming. So is winter, so is Christmas, so is spring. I hope that the minimum tax reaches us before Christmas.

The second question was: "We need an end to a capital gains tax exemption that lets a few wealthy Canadians earn up to a half million dollars tax free while ordinary families will pay up to $1,000 more a year in taxes". Over 98 per cent of the respondents said yes, they agreed with our position.

The third question which we put was: "We are against the proposed tax changes that hurt the ordinary family by taking $635 million out of the child tax benefit system". Again, on that question, 98 per cent said yes, they were against that as well.

Finally, we said: "Tax concessions to corporations must be used to create jobs, not to let big corporations take a tax holiday. The Mulroney Government should give tax breaks and grants to small businesses and local projects to create jobs

instead of giving it to big corporations". Again, there was overhwelming support for that statement.

I brought some of these questionnaires to the House to share some of the extemporaneous comments which come back on questionnaires such as these. For instance, there is a questionnaire which says at the bottom—forgive me for breaking parliamentary decorum but it is not me, the questionnaire—"Mulroney is a liar". Forgive me for quoting from this list—

Mr. Lewis: Mr. Speaker, I rise on a point of order. I think the Hon. Member knows better than to read into the record something that is unparliamentary, purportedly said by someone else. I would ask the Chair to consider the matter and suggest that in his considerable speech material he pick something that is more appropriate. Furthermore, he should pick something that is true rather than that lie.

Mr. Deputy Speaker: Of course, the Hon. Member is aware that that cannot be done. I am sure he will withdraw the words. I understand that he was quoting in the first place, but he knows that he cannot do indirectly what cannot be done directly.

Mr. Langdon: Of course, I would never suggest in the House—though it may happen elsewhere—that our Prime Minister is a liar. However, I felt that I had to quote directly from the material which I received.

I have a few more quotes which I think might possibly be within parliamentary decorum. In any event, it is not me, but my constituents who say: "We should get rid of Mulroney and his cronies". It is signed by "a very highly burdened taxpayer". Another one reads: "For our country's sake, dump Mulroney".

Mr. Deputy Speaker: I would ask the Hon. Member, when he talks about the Prime Minister, to refer to him as the Prime Minister, not by name.

Mr. Benjamin: Mr. Speaker, I rise on a point of order. I do not know if there is anything in the rules, but you can educate me if you like—

Mr. Lewis: Lord knows that we have tried.

Mr. Benjamin: I do not know of anything in the rules that prohibits a Member form reading his mail, as long as it is germane to the debate. He can read what other people are saying about anyone in this place or anything that is done here. It happens every day in the press. In fact, the Hon. Member could read parts of the telephone book as long as it pertains to taxation. I do not understand why there is a call to order. The Hon. Member is not saying these things himself. He is quoting from the mail he has received from his constituents.

Mr. McKnight: Unidentified.

Mr. Mazankowski: Call it four o'clock.

• (1600)

Mr. Langdon: Mr. Speaker, I rise on a point of order. If the Hon. Member wishes to identify them, I would be quite prepared to table them before the House and 600 more.

An Hon. Member: Read them out.

Mr. Deputy Speaker: Order. The Hon. Member knows that he cannot do that. As far as the comments made by the distinguished Hon. Member for Regina West (Mr. Benjamin), Beauchesne's clearly indicates that an Hon. Member cannot, in a quotation, cite something which would normally be disorderly in the House. The Hon. Member for Essex-Windsor (Mr. Langdon) will of course have the right to continue his speech the next time the matter is debated.

It being four o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

HEALTH

ADVISABILITY OF DEVELOPING PLAN TO REDUCE TOBACCO SMOKING

Ms. Lynn McDonald (Broadview-Greenwood) moved:

That, in the opinion of this House, the Government should develop a comprehensive plan to reduce tobacco smoking, its attendant diseases and specifically, that the Government commit itself to discussing co-operative measures with the provinces and introduce the necessary legislation within the coming year.

She said: Mr. Speaker, the House seldom has the opportunity to discuss a matter as important as the one with which we are dealing this afternoon. We seldom have the opportunity to discuss real life and death issues. The issue of tobacco smoking for Canadians is one which affects every person in the country. The problem is very much greater than people realize. As many as 35,000 Canadians die every year as a result of tobacco-related diseases. When we consider that the toll of Canadians in World War II was 45,000 for the entire war, we have some idea of the scope of the problem before us. There are 350,000 deaths in the United States every year and, when we consider the rest of the world, it is into the millions. For Canada, smoking is the number one preventable health problem. Canada is the fourth highest country in the use of tobacco products, and we have the highest rate of tobacco smoking in the industrial world.

Tobacco smoke contains 3,800 chemical compounds, 50 of which are known to be carcinogenic. For some of these compounds, no level of exposure is known to be safe. Sidestream smoke—and that is what we all breathe, whether or not we

smoke and whether or not we like it—contains an estimated 50 times the number of carcinogens in mainstream smoke. We are all badly affected by it. The symptoms of healthy adults exposed to secondary smoke include eye irritation, nasal congestion, headache, cough, sore throat, hoarseness, nausea and loss of appetite. Loss of appetite will become relevant when we consider the level of pollution of VIA Rail. It just may be one of the reasons that the railways company which has the worst food in the world also has the most polluted railway cars in the industrial world.

Twenty-one per cent of Canadians have conditions aggravated from exposure to secondary smoke. This goes from the serious extreme of cystic fibrosis, to the use of contact lenses at the other end. In between, we have people with heart disease, asthma, hay fever and angina, whose lives are indeed troubled by exposure to unwanted tobacco smoke.

Relatively low amounts of carbon monoxide significantly impair driving ability by reducing braking time and by delaying recovery of vision from glare. In short, cigarette smoking causes accidents on the road.

The cost to the economy is estimated at $8 billion. That is the cost in terms of health care costs, medical costs, loss of time at work and fires. A quarter of fire deaths are due to smoking. Only $3 billion is brought in by taxes. In short, we have a $5 billion deficit every year due to tobacco smoking. For a Government which says it is concerned about the deficit, one has to wonder about the $5 billion, year after year, added to the cost to the economy. It is time to act now. All medical associations, including the Canadian Medical Association, provincial groups, physicians, surgeons and the public, are looking to the Government to act.

Prior Liberal Governments failed to act. We can look back to an excellent report of a committee of the House, the "Isabelle" report of 1970. It contained excellent recommendations on how to deal with the problem and excellent documentation. In that time there was the introduction of some Bills, even a Government Bill to ban advertising of smoking in 1971. It was never even debated. That is how much attention the Liberals gave to this most important problem.

Government bodies, such as the Canadian Transport Commission, Air Canada, CN, VIA and all such organizations with federal Government responsibilities, have been given the responsibility to protect the public from tobacco smoke but they do not act. In fact, the Canadian public is exposed to secondary smoke as a result of their failure to act. Not only is the Government failing to act, it is making the problem worse. It continues to encourage the tobacco industry. There is the proposal of a national tobacco marketing board to subsidize exports of Canadian tobacco to Third World countries where the increase in smoking is at the order of 4 per cent per year. It is immoral to continue this. We should be encouraging farmers to switch to other more wholesome crops. Farming is badly hit, in any event, by production in Third World countries. The idea that we should make up for this economic trend by subsidizing exports to Third World countries is flagrantly immoral. Yet, that is what the Conservative Government is considering.

Who, in conscience, can recommend subsidies for a product which is killing 35,000 Canadians per year, as well as people all over the world? According to the President of the Canadian Medical Association, each tobacco farm is indirectly responsible for the deaths of 10 Canadians every year.

[*Translation*]

We are beginning to recognize the problems of secondary, passive smoke.

Medical authorities estimate that 5,000 Canadians die each year from the inhalation of tobacco smoke pollutants, that is that out of the 35,000 who die each year, 5,000 were nonsmokers. That death rate is five times that caused by driving while intoxicated.

Inhaling tobacco polluted air is equivalent to smoking ten cigarettes a day. I have not even yet raised the ill-effects for pregnant women and their babies, or for children at home. Twice as many children of smokers' families suffer from respiratory diseases as children of nonsmokers' families.

Air polluted by tobacco smoke has become a major problem in the work place. A great many companies allow their staff to smoke on the job even though ventilation is woefully inadequate, with the result that illness strikes employees including nonsmokers, and the public. Customers are also badly served.

Female workers are forced to file complaints through their union representatives. Members of the public and customers have no recourse, nor do non-unionized employees.

Time has come to respect the rights of all Canadian workers to breathe fresh air. Such toxic substances would not be tolerated if they were the by-product of manufacturing processes. They would be banned from the work place, and people would ask for adequate air conditioning devices to get rid of such pollutants.

[*English*]

I have received letters and telephone calls from people recounting the problems they have had at work. People have had to quit their jobs because of the danger to their health. The problem for Canadians who smoke is particularly high because more Canadians are heavy smokers. Therefore, the problem is worse for their non-smoking friends who have to work around them.

The same goes for smoke in airplanes, trains, buses and stations. VIA Rail is the most toxic and most polluted train service in the industrial world. What a record that is! Neither it nor airline companies provide real non-smoking air space. The Department of Transport and the federal Government which are responsible for the unhealthiest treatment of the travelling public in the industrial world are our Government and our Department of Transport. I have written in and complained, as have others. The Railway Act is simply ingored. There is no enforcement. Employees who complain are told that it would cost too much to give them decent air in stations or at their place of work.

[*Translation*]

And the smokers themselves? Both sexes are concerned here since an increasing number of women are now smoking and have fallen victims to this habit. In most cases, today's adults started smoking when the ill effects of cigarettes were not well understood. And the vast majority of smokers, and I mean 90 per cent, would cease smoking but they find it hard to do. We have to help these people quit smoking. The great majority of smokers now admit that smoking is also harmful to non-smokers. They would endorse stricter regulations if they were introduced in a reasonnable and sympathetic way.

But children are the most pitiful victims of smoking. They now start to smoke when twelve years old. And it is a well known fact that advertising is aimed at the young people, especially at teenagers. One must not forget that the child who starts smoking will be losing, on average, 8 years of his or her life.

● (1610)

[*English*]

Because tobacco companies are losing customers—who quit or die—they are directing their efforts at the young. This is forbidden in their own so-called advertising code, and that code itself is a farce. One tobacco ad agency strategy was leaked to the United States Federal Fair Trade Commission. Let me quote from it. It is very interesting. The following is that agency's recommendation:

> An attempt to reach young smokers, starters, should be based upon the following major parameters:
> —present the cigarette as one of the few initiations into the adult world;
> —present the cigarette as part of the illicit pleasure category of products and activities;
> —create a situation taken from the day-to-day life of the young smoker but, in an elegant manner, have this situation touch on the basic symbols of the growing-up process, the maturity process;
> —to the best of your ability, considering legal constraints, relate the cigarette to "pot", wine, and beer.
>
> Altogether, provide starters with a rationalization to start smoking.

And, of course, the cigarette companies are going after women increasingly because men, very sensibly, are quitting in large numbers.

The advertising code is a farce. Complaints do not result in billboards being taken down, even when they are close to schools. Not one billboard respects the provision for a prominent display of the warning against smoking cigarettes. The warning, if you can see it—and sometimes it is hidden behind the lighting—is one to two inches in height. It needs to be six inches in height to be read, and 12 inches in height to be considered prominent.

The warning itself is inadequate. It is voluntary, and the reason for that is that previous Liberal Governments never legislated the warning. The warning is weak. In the United States, for example, the warning says such things as: "Smoking causes lung cancer, heart disease, emphysema, and may complicate pregnancy." In Australia, the warning says: "Smoking is addictive. Smoking kills." That is certainly true. In Iceland, it is: "Protect children from tobacco smoke. Tobacco smoke pollutes the air and is a health hazard." Yet in Canada we have only a very vague warning. It does not mention at all that smoking is addictive; it does not mention at all that it is harmful to children in the family. It suggests that one should "avoid inhaling"; in other words, it is suggesting that the smoker cause more harm to people around him by forcing those people to breathe in secondary smoke.

Fortunately, Canadian athletes are speaking up about the hypocrisy of having tobacco companies sponsor sporting events. The organization Physicians for a Smoke-Free Canada counts among its members prominent athletes. They accuse the tobacco industry of "deliberately trying to link cigarettes with sport," and a "flagrant violation of any acceptable standards of corporate or advertising behaviour." I quote:

> While tobacco manufacturers continue to pose as exemplary corporate citizens, thousands are dying. These are not good corporate citizens. They are pushers in pinstripes. The fact is that the children are most aware of the brands that do sports sponsorships.

It seems that sport sponsorships are the ideal form of advertising to get young people to start smoking. While adults—especially men—are quitting, young people, especially girls and young women are beginning to smoke. Now more girls smoke than boys, and among young women in their twenties, the percentage who smoke has gone from 36 per cent to 49 per cent in the last three years. It is not uncommon to have 11 and 12-year-olds smoking.

This is shameful and very distressing. The companies are going after young people to get them to start, with the hope that once they get them started, they will not be able to quit. The tobacco companies never admit that smoking is habit forming, that it is addictive; that it will be hard to quit once one starts. They get people hooked when they are young.

Organizations supporting a ban on cigarette advertising include the Canadian Medical Association, the Royal College of Physicians and Surgeons, the World Health Organization, a number of city councils, a number of boards of education, the Canadian Cancer Society, the Ontario Heart Foundation, and the Canadian Home and School and Parent/Teacher Federation. A report of this House in 1970 recommended a ban, unanimously. A Bill was introduced by the then Minister of Health and Welfare, Mr. Munro, but it was never debated.

Previous Governments have simply capitulated in the face of pressure from the Tobacco companies. It is shameful that the Governments in this country have been prepared to put the interests of the tobacco companies ahead of the health of Canadians. We do not know how much money political parties get from these companies by way of campaign contributions, but certainly that type of consideration has been put ahead of the health of Canadians.

Tobacco companies like to say that a ban on advertising will not make any difference. But we wonder why they are fighting it so hard if they really think that. Let's be very clear: partial bans do not work. Adbvertisers of tobacco products simply shift to other media, as they did when television advertising of tobacco products was stopped in Canada. At that time, they concentrated their advertising efforts on billboards and maga-

zines. In the United Kingdom when tobacco advertising was stopped on the broadcast media, the switch was to gift coupons, various kinds of promotions and giveaways, and sport and cultural promotions. These other avenues of advertisement have proved very effective. As a result, there has not been a ban in actuality. Advertising especially affects young people, as demonstrated by the studies in Britain which show that children smoke the most popular brand. Conversely, where there has been a ban on advertising, as in Norway, the rate of smoking among young people has decreased.

It is an interesting fact that the differences in life expectancy as between women and men are coming together, the reason being that women are increasingly smoking and men are quitting. As a consequence, the life expectancy for men is going up, while at the same time it is going down for women. We have the horrible possibility that we will achieve equality in mortality rates before we achieve equality in any of our economic aspirations or aspirations for political representation.

I am asking the Government to today give a commitment to bring in a comprehensive serious program to deal with this problem. Any such program would have to include a ban on all forms of advertising of tobacco products. Such a ban could be phased in over a two-year period. Along with it, there should be a positive counter-advertising program aimed at discouraging young people from starting to smoke. Secondly, there should be a phasing out of all supports to tobacco production, research and marketing, with those moneys redirected to crop substitution and aid to farmers to get out of tobacco production and into something that would add to the health of Canadians.

There should be legislation to require that there be smoke-free areas in the work place, in places where the public is admitted, and in all modes of transportation under federal jurisdiction. As well, there should be an increase in the taxation of cigarettes, with the moneys so derived directed to counter-advertising, health promotion, research, quitting programs, and crop substitution. In other words, the tax revenues that result from cigarette sales should be utilized in programs aimed at reducing tobacco consumption.

[*Translation*]

I charge this Government with having neglected the health and the life of Canadians. I charge this Government with yielding to the multinationals of the tobacco industry, with allowing them to make profits out of the health and the lives of men, women and children across the country. On behalf of all Canadians, I call for a realistic and humane program that will stop this butchery.

[*English*]

Mr. Speaker, we have had enough of rhetoric and gesture. This Government has not taken the problem seriously. It is behind Canadian public opinion in that regard. I ask the Government to stop following Canadian public opinion and to start setting it. I ask this Government to do what Canadians are asking, that being to take public health seriously, to take Canada's number one preventable health problem seriously. I ask this Government to bring in a comprehensive program which puts the health of Canadians first.

[*Translation*]

Mr. Charles-Eugène Marin (Gaspé): Mr. Speaker, I am very pleased with this opportunity to speak to a subject that is so important to the health of Canadians, and I would like to thank the Hon. Member for Broadview-Greenwood (Ms. McDonald) for presenting this motion.

As we all know, the Department of National Health and Welfare is aware that tobacco has a very severe impact on the health of Canadians. It is estimated that annually some 33,000 deaths can be attributed to tobacco smoking. Canada is one of the countries in the industrialized world with the highest tobacco consumption per capita, despite a decrease in the percentage of people who smoke, which has slowly dropped to 42 per cent among men and 37 per cent among women. In 1981, this group represented about 40 per cent of Canadians over 14. One item in the figures for 1981 is particularly alarming. In that year, 42.6 per cent of Canadians between the ages of 15 and 24 were smoking 40.5 per cent of Canadian men and, surprisingly, 45 per cent of Canadian women. If we look at the statistical trends for certain illnesses, this could explain why lung cancer is gaining ground and starting to catch up with breast cancer as the form of cancer responsible for the greatest number of deaths among the Canadian female population.

• (1620)

A number of organizations are taking an active interest in tobacco consumption and its effect on health. Programs to deal with the problem have been set up by non-governemental organizations such as the Canadian Medical Association and the Association for Non-Smokers' Rights, as well as by provincial departments of health. As far as the dangers of tobacco smoking are concerned, it seems public awareness is quite significant and increasing rapidly. It is also important to note that society is becoming increasingly reluctant to approve or even tolerate tobacco consumption, not only because of health considerations but also from the esthetic point of view.

Mr. Speaker, the issue becomes really urgent when we consider our young people, who constitute a group that is particularly vulnerable and easily influenced. Is it not true that, often, habits acquired at that age stay with us for the rest of our lives? The consumption of tobacco and other substances that become addictive or create a kind of dependence may result, years later, in the deterioration of our health. We must not forget that tobacco smoking definitely increases the risk of death and also increases the burden on the health care system used by those suffering from tobacco-induced illnesses or a handicap resulting from their condition.

Since the problem can largely be avoided by a change in lifestyle, the Department of National Health and Welfare has both a moral and a legal responsibility in this area. However,

there is no easy solution. Tobacco is not an illegal product, and thousands of Canadians depend on the tobacco industry for their livelihood. It has even become a tradition in certain families. It is a fact we cannot ignore when considering measures or programs aimed at reducing tobacco consumption. If tobacco sales were to stop tomorrow, this would trigger a major economic crisis.

In designing relevant programs and to achieve some progress in the area of tobacco consumption, the Department has opted for a specific and methodical approach, using all the resources available to a national federal agency.

In accordance with its mandate by law which is to protect the health of Canadians, the Department of National Health and Welfare directs monitoring programs through its Health Protection Branch. Data on the prevalence of diseases in Canada and their distribution according to age, sex, occupational group and region are collected regularly in co-operation with cancer associations, provincial Health Departments, educational institutions and other federal departments such as Statistics Canada. These data are then transmitted to health care staff and those responsible for health policy, through the medical press, government publications such as "Geographical Distribution of the Death Rate in Canada", conferences and other informative meetings in which the Government takes part.

Such monitoring activities make it possible to establish the incidence of cancer, respiratory ailments and cardiovascular troubles—diseases which strike smokers more than others. After analyzing those data and comparing them with tobacco consumption statistics, we can draw projections not only, to help us draft provincial and federal policies, but also to treat patients, give them advice concerning their specific case, and urge Canadians to adopt a healthier way of life.

The Health Protection Branch also makes tests to establish the toxicological effects of tobacco components. Branch technicians study the genetic effects, analyze the various components of tobacco, and then provide the medical community with their findings.

Since tobacco regulations do not fall within the realm of a specific authority, the DNHW has taken the initiative to come to grips with the health hazards inherent in the use of tobacco. Negotiations with the tobacco industry have been going on for a number of years, more precisely since scientific evidence has shown that tobacco is definitely a health hazard. As a result of those negotiations, a warning appears on all packages of cigarettes, cigars and pipe tobacco. There is full co-operation with respect to grading measures and standardization of lab tests. Technical meetings are also held regularly for researchers of the department and their colleagues in industry.

The industry has agreed to voluntary restrictions to tobacco advertising. A many faceted formula restricts advertising to localities and designs that leave every discretion to consumers. This agreement practically precludes all advertising directed at younger people who can be influenced more readily.

In cases where voluntary guidelines might not go far enough, the department takes up the cudgels for Canadians and attempts to convince the industry to change its approach. It must be said that, generally speaking, the tobacco industry has been willing to co-operate with the department on this issue, and that relations between both parties remain positive and friendly.

The department has hired the services of private agencies to come up with advertising campaigns aimed at urging Canadians to smoke less. For instance, in co-operation with the Department of National Health and Welfare, the Canadian Pharmaceutical Association launched an information campaign under the slogan "Pharmacists, Take Position".

In addition, through the Health Protection Branch, the department keeps the public aware through releases on various questions, and responds to regular requests for information from interested groups.

However, the Department of National Health and Welfare is not the only federal department involved in the quest for a solution to the serious problem caused by tobacco consumption. It remains in contact with the other Federal organizations concerned and, under certain circumstances, it takes together with them corrective measures. For instance, the increase in Federal tax on tobacco has resulted in a reduced consumption of this commodity. The Department of Regional Industrial Expansion and the Office of the Auditor General have set up policies to limit smoking in the working place. The Department of National Health and Welfare has just put forward a policy to restrict smoking to specific designated areas identified as "smoking areas". A program is also being offered to encourage civil servants to quite smoking. The Department has adopted this policy on the basis of a survey of its employees who strongly supported the idea of restricting smoking to designated areas. Having consulted a great many people, the Department is now in a position to advise other institutions on the tendencies that emerge and the orientation to give proposed policies in the fight against the use of tobacco. In addition to conducting research on tobacco and providing support to those carried out by various organizations everywhere in this country, the Department subsidizes research in this area through its national program on research and development in the area of health and, indirectly, through the Medical Research Council. That way, the Department is helping channel the efforts of scientific researchers to maximize results.

The Department already has structures allowing it to develop acceptable political options for the purpose of implementing an exhaustive plan to reduce tobacco consumption.

Under the guidance of the Deputy Minister, experts in the Health Protection Branch, the Health Service and Promotion Branch as well as in the Policy Planning and Information

Branch are working together on this problem. The Department can then communicate with the industry, the various Provincial Governments as well as with non-governmental organizations and groups, as well as co-operate with other Departments. Thanks to this organization, the Department has inaugurated major programs like the non-smoking generation and the national program to fight against the use of tobacco.

The Department can rely on the advice of specialists in various areas such as tobacco toxicology, health promotion, clinical medicine, economy, policy planning and legal services. It can focus their efforts toward the finding of solutions to tobacco related problems, while taking into account the impact which these proposed programs are likely to have on the economy of the industry.

The Department of National Health and Welfare has developed guidelines on the use of tobacco for instance in collective transit systems. The Department has also helped other federal agencies and Departments, Crown corporations and private organizations to prepare their own programs.

Finally, the Department provides assistance for outside initiatives in this area, by suggesting for instance anti-smoking guidelines for health facilities and private industry.

Because of the Departmental structure, the Federal-Provincial Community Health Advisory Committee approved in April 1985 the joint development of a national anti-smoking program directed first and foremost at young people, but also at Canadians generally.

The first phase of the program for young people, entitled "For a generation of non-smokers", was launched in October 1985 by the federal Government and provincial and territorial authorities. This is an extension of the "Generation" program of the Department of National Health and Welfare.

The federal Government has therefore already shown its commitment to joint initiatives of this type, and constantly explores other avenues of co-operation with the provinces, industry and relevant organizations.

The mechanism for federal-provincial co-operation allows the Department to take on the role of leader in many aspects of the fight against smoking and of the promotion of health. In addition, the Department supports provincial programs which need it and mobilizes considerable human and financial resources to bring Canadians to adopt a healthier lifestyle.

● (1630)

[*English*]

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I would like to congratulate the Hon. Member for Broadview-Greenwood (Ms. McDonald) for bringing to the attention of the House a very important and serious matter.

Needless to say, the ill effects of smoking have to be discussed far more seriously than we have discussed them in the past. It is not a matter of which political Party has done or not done enough in the past. Collectively, no one has done enough in the past at all levels of Government with respect to this issue. I think we have to be more conscious with respect to the matter. Statistics have demonstrated beyond a shadow of a doubt that smoking is injurious to one's health. Together, as elected officials, we have to give signs of encouragement to those people in the Department of National Health and Welfare, the Minister, and others to increase and strengthen government policies which are now in place in order to encourage our young people never to start smoking and to encourage all others who are still smoking to quit.

Hon. Members know that in its wisdom the Government decided to mount a publicity campaign to encourage people not to smoke. The publicity campaign on television is aimed at young people. It has all types of jingles, music and other things which are meant to tell the young people of Canada that, indeed, they should not start smoking. Of course, that is very laudable. I have watched the ads carefully and they are not quite as convincing as I would like to see them. They do not demonstrate to me the ill effects of smoking. Rather, they portray young people dancing. The idea that you do not have to smoke in order to enjoy yourself is the theme. This is fine. However, we need to have a far stronger message than that for young people.

The other matter with respect to the advertising campaign with which I took exception was the fact that the Government of Canada earlier this month decided to award a contract for an anti-smoking campaign to a company whose claim to fame is the fact that it is the advertising agency for Imperial Tobacco. One wonders about the credibility of the campaign when one considers this fact. Obviously, our young people at whom this advertising is aimed are not fools. They know there is a certain element of hypocrisy in a process which would hire the firm which does advertising for Imperial Tobacco to mount a campaign to tell young people not to smoke.

In my hand I have an editorial dated Thursday, November 14, from one of the Toronto newspapers. It deals with this matter. It is entitled "King size mistake" and states:

> At McKim Advertising, they have it both ways. First, the firm is handling more than $6.6 million a year in advertising for Imperial Tobacco, the cigarette manufacturer. And now it has a $800,000 job from the federal government to create an anti-smoking ad campaign.
>
> But we shouldn't worry. Jim Mintz, the federal Health Department's marketing chief, sees no potential conflict of interest. "That was a concern, I might tell you," he told The Star's Martin Cohn this week. "The department and the minister were satisfied that there was no conflict."

That is most assuring. When one reads a little further in the article one will find out why the Minister was so assured. It states:

> Why? One explanation is that McKim convinced government officials that it would not play down its anti-smoking ad campaign to avoid offending Imperial Tobacco.

I ask Hon. Members: How on earth can we determine that? First, the company got the contract, which was an untendered contract. Therefore we do not know whether the Government is obtaining the most effective ad which it could for its advertising dollar. As I pointed out earlier, the whole credibili-

ty of the advertising process to encourage our young people not to smoke is damaged tremendously by the fact that this company is the advertising agency for Imperial Tobacco. However, there is another thing wrong with the whole process. Let me read further and I am sure you, being a very non-partisan person, will identify it right away. I continue to quote from the editorial:

● (1640)

Another might be that Health Minister Jake Epp is well acquainted with the creative talents of Ron Telpner, McKim's senior vice-president and Winnipeg manager, who has played a key role in Tory election advertising in Epp's home province of Manitoba.

You can see how the Minister was apprised right away of this person's qualifications. The editorial continues:

Telpner denies that he is on the receiving end of a patronage pay-off. "It (the patronage charge) absolutely outrages me," he says.

I can understand how a Conservative getting a Tory job could be outraged by the fact some people are pointing out that he is a Conservative getting a Tory job. Reading further:

Expressions of outrage and perceptions of patronage are one thing; conflict of interest is another. The Health Department has made the wrong choice in McKim and McKim has made a king size mistake in playing both sides of the street on such a controversial issue.

I bring this to your attention because the worst thing we can do is treat the subject of smoking lightly because it is so important. Think of the increase in heart attacks in people who smoke. Think of the lung diseases, some of which are caused entirely by smoking. In other words, we have diseases which would cease to exist if people did not smoke. We are spending countless millions of taxpayers' dollars to eradicate all kinds of diseases, and we are doing so with a certain amount of success. As a nation we have an excellent health care system. I am beginning to wonder whether the Government will put the axe to some of that with the way it is cutting back on transfer payments to the provinces but, be that as it may, by and large we have a good health care system. In recent years that system has assisted in increasing the life span of our citizens. It has worked well. However, if we all got together and really drove home the message of how bad smoking is for our health, if we did it with the serious attention it deserves and in a manner as proposed by the Hon. Member, then we would be a lot further than we are now.

I want to let other Members have a chance to say a few words on this subject, or perhaps we could immediately vote in favour of this good resolution, but I also want to say that I am very concerned about a trend we are seeing now. No doubt the Hon. Member has noticed this herself. We are seeing older Canadians quit smoking and that is very encouraging. In the case of my own family, my mother quit four or five years ago and my father only recently. I am very encouraged by that. However, as I travel throughout my constituency and elsewhere I have been particularly alarmed to see the number of young people who are still smoking, especially the number of young women. I do not have exact statistics on it and perhaps others who are knowledgeable could inform us, but it seems to me there is a shifting between the sexes among younger people who smoke. Unfortunately I smoked when I was a teenager. I managed to give it up a while back. However, I seem to recall that many young men smoked but few young ladies smoked. Today it seems to me there are as many if not more women smoking than there are men. I know the number of young men smoking has gone down and perhaps that accounts for a portion of it, but it has to be more than that. I am convinced that the number of young women smoking is also on the increase. No doubt the reasons for this are peer pressure, the bad example set by adults and so forth. Nevertheless, we should aim the campaign at them in particular because the side effects from smoking are damaging to anyone but particularly to young women. As they get closer to child-bearing age, it is of particular concern because health statistics demonstrate that there is potential harm to the unborn child because of smoking.

I was at a meeting only a few weeks ago in my constituency. One of the moderators was a young woman who was seated beside me and it was quite obvious she was expecting a child in the not too distant future. She was also puffing away at cigarettes. I did not count how many she had during the short meeting of an hour or so but I'm sure it was a half dozen or so. I watched her smoke and the only thing that crossed my mind was why could this person not understand the harm she was doing not only to herself but to the child she was going to bear in the very near future. I am very concerned about that, as I think a lot of Members are. We have to increase the work we are doing there. We have to consider very seriously this motion proposed by the Hon. Member. We should all support it and congratulate her for the work she has done.

[*Translation*]

I know that the Hon. Member herself opposes smoking, perhaps even with fervour, at least from what I hear, and I do not blame her. It is sometimes difficult for us who have public duties to speak out vigorously against those who smoke, especially when people who come to our offices start smoking. Most of us seem to tolerate this, even if we do not like it. I know, however, that the Hon. Member for Broadview-Greenwood (Ms. McDonald) tolerates it much less than I do, at least according to what I have been told, and I congragulate her on her courageous stand on this issue.

However, Mr. Speaker, there is no doubt that more should be done in that area. For example, the Hon. Member referred to conditions aboard planes. I admit that some people do smoke, and I do not like it, Mr. Speaker, but still I can put up with it. I seriously wonder why is it necessary to allow smoking aboard a plane travelling between Ottawa and Montreal, a flight of about fifteen minutes.

I am sure smokers can wait 15 minutes to have a smoke, Mr. Speaker. The same thing goes for other flights such as the one between Ottawa and Toronto and other similar ones. On longer flights, if they have to be tolerated, then so be it for the time being, but let us begin somewhere. Let us at least

begin in those areas where it is absolutely unnecessary and where it could be avoided.

This is an area where we could implement the suggestions made by the Hon. Member today.

My congratulations to her once again and I ask all my colleagues and Members of the other parties to support this motion.

[*English*]

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I would like to join my colleague in expressing my appreciation for the very genuine concerns advanced by the Hon. Member for Broadview-Greenwood (Ms. McDonald). I have experienced the determination that our colleague has just spoken of when she comes into a legislative committee and the first point of order she puts forward is one indicating that she is allergic to cigarette smoke. I do not know whether she is allergic or not, but she finds it offensive and I cannot argue that at all. I respect the concern that she has for her health and that of others. As the chairman of that committee, and a smoker, I do not for a moment object to or feel resentful about that kind of a point of order. I am sure that others and other committees will benefit from leaving the weed alone for a period of an hour and a half or two hours while in committee. The Member may be assured that as a health professional I know better, it is just that I have not got to it yet.

● (1650)

The need to reduce tobacco smoking in Canada is an area of concern for the federal Government. Indeed, that is why the federal Government is currently undertaking policies and programs which aim to discourage tobacco consumption and is studying several alternative strategies concerning a whole range of tobacco issues.

As has already been indicated, Canada has a high tobacco consumption rate. Thirty-nine per cent of Canadians smoke. However, polls indicate that the proportion of smokers in Canada is decreasing. For example, in 1985, 41 per cent of men and 37 per cent of women aged 15 and over smoked cigarettes, compared to 60 per cent and 40 per cent respectively in 1966. A source of concern, though, is the rising prevalence of smoking among Canadian youth, especially young women. For example, there has been an increase in daily cigarette smokers among the 12 to 14 and the 18 to 19 year old age groups while smoking among the 15 to 17 year olds has remained fairly constant. Among Canadian women in their twenties, the proportion of daily smokers has increased from 36 per cent in 1983 to 49 per cent in 1985.

There is no doubt that smoking is a major health hazard. It is the single most preventable cause of death and illness in Canada. Over 30,000 premature deaths in Canada per year are attributable to cigarette smoking. It is estimated, for example, that 30 per cent of cancer deaths, 30 per cent of heart disease deaths and 90 per cent of chronic obstructive lung disease deaths are caused by smoking. Male lung cancer rates are increasing. Lunc cancer rates among women are also increasing and are overtaking breast cancer rates.

I would like to digress for a moment and emphasize what I have said in a more real way. Just over a month ago I attended the funeral of a very dear man whom I loved very much; my father-in-law. Up to 16 yeras ago he was a cigarette smoker. I swear that that man of 65 was healthier than I in physique and appearance. Yet, he succumbed to the insidious maglignancy of cancer which first attacked his lungs. He fought that brave battle for close to a year before passing away. To me this has a very close association. It comes even closer when, speaking to my sister a week ago, I found out that the cancer that she as a smoker has been fighting is making further inroads. One can only assume that sometime in the future she will die prematurely. One really must wonder about the sense of myself, as a health professional, being engaged in the same habit. If it is of any solice to those in the House today, I am addressing that problem in a very real sense. Next week I will undergo the treadmill test which will surely tell me that I have been pushing my luck.

To return to the thrust of my speech, economically it is estimated that the monetary cost of tobacco-related deaths and illness exceed the taxes collected and, probably, consumer expenditures on tobacco products. The federal Government is concerned about these human and economic costs and has already put into place policies and programs which aim to reduce these costs. However, the federal Government also recognizes that smoking is, unfortunately, a customary activity with a long history which will be difficult to change. While surveys indicate that smokers do want to quite they, nevertheless, do not want Government to tell them not to smoke. The production and marketing of tobacco has also supported a considerable economic infrastructure ranging from tobacco farmers to tobacco manufacturing employees. It has beena source of employment and income, albeit not the best.

In developing a workable tobacco policy, the federal Government must continue addressing the health problems caused by tobacco smoking while avoiding undue economic disruption to the tobacco farmers and industry workers as the tobacco market inevitably declines. The federal Government has taken an active role in maintaining and initiating policies and programs which will achieve these goals.

I would like to outline to the House some of the accomplishments to date in this regard. On January 25, 1985, the Minister of State for Fitness and Amateur Sport (Mr. Jelinek) announced that effective that date all national amateur sport bodies funded in part by the federal Government would be required to desist from any new or renewed sponsorship arrangements with the tobacco products industry for events and programs that primarily involve amateur athletes. The new policy was in response to concerns raised by many Canadians that tobacco products were being promoted through the sponsorship of the Canadian Ski Association by R. J. R. Macdonald Company. This announcement followed extensive consultation with all the Parties involved including representatives of amateur sport governing bodies, the tobacco industry,

the medical community and various interest groups. The federal Government decided not to intervene with the CSA-R.J.R. Macdonald contract in order to give the association time to find an alternative sponsor. However, it was agreed by all the parties involved that a formal relationship among the national amateur sport organizations, funded extensively by the federal Government and the tobacco industry, could not continue.

Second, the federal Government has continued to monitor the voluntary agreement among the tobacco manufacturers which has been in place for approximately 15 years. It brings violations of the voluntary tobacco advertising and promotion code to the attention of the Canadian Tobacco Manufacturers Council and holds ongoing discussions with the industry to extend the code. The purpose of the code is the establishment of and compliance with uniform standards of cigarette and cigarette tobacco advertising and promotion in Canada. It has proven useful in restricting cigarette advertising on radio and television and in limiting, to some extent, cigarette advertising expenditures. It has also ensured that health warning labels appear on cigarette products and tobacco print, billboard and point-of-sale adversiting.

Third, the federal Government has enhanced its comprehensive smoking prevention and cessation programs aimed at reducing the incidence of smoking in Canada, especially among Canadian youth. It has, through the Department of National Health and Welfare, funded the "Time to Quite" program and the "National Program to Reduce Smoking". The current expenditure level on all non-smoking promotion programs is approximately $1.7 million per year. Mr. Speaker, I see that it is five o'clock and I will so call it.

[*Translation*]

Mr. Deputy Speaker: Order. The Hour provided for the consideration of private members' business is now expired.

[*English*]

It being five o'clock, this House stands adjourned until Monday next at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 5 p.m.

HOUSE OF COMMONS

Monday, December 2, 1985

The House met at 11 a.m.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed from Friday, November 29, consideration of the motion of Mrs. McDougall (for the Minister of Finance) that Bill C-84, an Act to amend the Income Tax Act and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act, be read the second time and referred to a legislative committee.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am pleased to participate in this debate this morning, a bright election morning in our country. I notice that perhaps quite a few members of the Conservative caucus are busy helping out their colleagues, the Péquiste Conservatives in Quebec.

[*Translation*]

Mrs. Mailly: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Gatineau (Mrs. Mailly), on a point of order.

Mrs. Mailly: I hope we are not going to waste the whole morning hearing about the pet peeves of the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), and that he will confine his remarks to the subject before the House today, namely, a Budget Bill.

Mr. Deputy Speaker: I am sure the Hon. Member for Glengarry-Prescott-Russell knows the Standing Orders very well.

Mr. Boudria: Thank you, Mr. Speaker. I notice that the remarks of the Hon. Member for Gatineau (Mrs. Mailly) are as useful as always, and I shall give them the consideration they deserve, that is to say, I shall ignore them. I do intend to speak to Bill C-84, and I may say, in passing, that I do not blame the Hon. Member for Gatineau for being offended at my reference to the Péquistes Conservatives, her friends in Quebec, because if I were in her shoes, I would not be feeling very comfortable either, because they are obviously going to get "clobbered" later today, and—

Mrs. Mailly: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Gatineau (Mrs. Mailly), on a point of order.

Mrs. Mailly: Mr. Speaker, the Hon. Member's speech is still far from relevant, and I wish he would show us the courtesy he seems to be very reluctant to display in this House.

Mr. Deputy Speaker: The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) may proceed.

Mr. Boudria: Mr. Speaker, I hope I can make my speech without constant interruptions from an Hon. Member who has so little to say.

In any case, let us proceed with Bill C-84, which our party is very reluctant to approve. Although we agree there have been some technical changes in the Bill which may be beneficial, the Bill also contains certain policies which are quite offensive and in some parts I would say even repugnant. Again, this may be why some Conservative Members are feeling very uncomfortable this morning.

[*English*]

Let us talk about the child tax exemption provisions of this Bill. Just in case the Member for Gatineau (Mrs. Mailly) has not concluded that that is part of the Bill, I will remind her so that she does not stand up on another point of order. This Bill will gradually decrease the child tax exemption from $710 in 1986 to $560 in 1987 and $470 in 1988. If you couple those child tax exemptions with other provisions of the same Bill, mainly the provisions on the child tax credit, you will see that a situation has been created in which the poor people of the country will be getting less and less, and the rich people, the friends of the Conservatives, will be getting more. This is not simply empty rhetoric, Mr. Speaker. I will give you tangible proof of what I am telling you.

Let us look at the net annual benefits for a one income earner family with two children under the age of 18 residing in the Province of Ontario at certain income levels. A family such as I have described earning $10,000 a year received a total of $1,540 in 1985 and will receive $1,888 in 1988, a very small increase indeed. A family earning $60,000 will, at the same time, lose approximately $200 under these provisions. Looking at that measure on the surface one could say that perhaps it is not so bad. However, when you couple this with other provisions of the same Bill and other Government legislation such as the capital gains tax exemption, you see how unfair it really is.

The capital gains tax exemption clearly benefits people at the upper end of the income scale while penalizing those at the lower end who obviously cannot take advantage of the capital gains provisions. You see, Mr. Speaker, one of the prerequi-

sites for gaining on your capital is that you must have capital to start with. Obviously, if you are trying to struggle to maintain a family of four on $10,000, $15,000 or $20,000, there is simply no capital left over to increase in value. I am sure that the Conservative Members sitting on this side, who appear to be very reasonable people even though they are Tories, can understand that. I hope that they will take the position of our caucus on this Bill. The net effect is that after four years a family of four earning $15,000 a year will have lost some $400 or $500. However, a family of four earning $200,000 a year will have a benefit of roughly $2,000 at the end of that period. Where is the social justice from a Government that believes in that kind of approach?

• (1110)

I believe that the Minister of Finance (Mr. Wilson) perhaps best described the word "Conservative" in Progressive Conservative during a speech last fall. He emphasized the meaning of Conservative when he said that this country had a shortage of rich people. That is the reasons he gave for part of our financial difficulties. However, I see it somewhat differently as a Liberal. It is not the shortage of rich people that concerns me but the surplus of poor people. I am not worried about a shortage of rich people because they can look after themselves. However, it is those many people who are living below the poverty line about whom we should be concerned and whose lot we should try to improve. While the Government likes to take much of the credit for lower unemployment, I remind Hon. Members that most of the jobs that have been created are only part time and short term. At a time when we still have very high unemployment, with hundreds of soup kitchens across the country, we should be more concerned about the plight of our needy rather than the shortage of rich people which seems to concern the Minister of Finance so much.

I am disturbed about other provisions of this Bill. For instance, there is the cancellation of the Registered Home Ownership Savings Plan, or RHOSP. I believe that this was a very good program which was beneficial to young people. A young family who could afford to put money away were able to receive a tax advantage under this program and, after saving a substantial amount in a Registered Home Ownership Savings Plan, could use those funds to buy a home of their own. It is a very worth-while investment and that plan helped thousands of people, mostly young people, to own their own home.

Of course, the Government says that it wants to encourage the private sector. Its first step was to cancel a program which aimed to make homeowners of a number of Canadians, particularly young Canadians. This seems to run contrary to that Tory policy. Perhaps the Tories abandoned this measure because it had a certain element of social justice which was contrary to Conservative policy.

After the federal-provincial conference in September 1985, the Government indicated that it wanted to withdraw from making housing policy and hand it over to the provinces. Perhaps therein lies the reason for the cancellation of the Registered Home Ownership Savings Plan. It was the Government's view that it should not provide small tax benefits to enable people to own their own home because it was not a federal responsibility. Perhaps that is the view taken by the Conservatives in this debate and the reason this program was cancelled. If that is not the case, I certainly hope that a member of the Conservative Party who is knowledgeable about these issues will clarify that position. Perhaps that Member could explain why the Tories have decided to cancel a very worth-while home ownership savings plan.

The Liberal Party believes that the whole issue of housing is indeed an important one in which the federal Government should be involved. It is a national issue and the federal Government should work with the provinces in developing a housing policy. It is not appropriate for the Government simply to abandon this policy.

There seems to be a general view held by members of the Conservative Party that the country would run better without Government interference. Perhaps they were elected in the belief that they should not govern, as opposed to being elected in order to govern. Of course, that is unacceptable because the Government must be involved in leadership. A Party that is in power must provide good Government, not necessarily no Government at all.

We do not know what the Government will do with the funds that it will save a result of cancelling the RHOSP. Perhaps it will find ways to bail out more banks or other small interest groups. Perhaps it will even use the money to increase the number of rich. However, I can wager that the Government will not use the funds to decrease the number of poor.

I also want to talk briefly about Registered Retirement Savings Plans. Many Canadians are now saving funds for their retirement years through these savings plans. I think that it is generally a good means for people to put money aside for their retirement years. It will assist them in gaining independence for as long as possible so that they will not be a burden on others and will have as well a very worth-while feeling of being able to take care of themselves.

I notice that the Government has decided to increase the amount which will be eligible for contribution under RRSPs. While I believe that is worth-while as well, there must be a limit so that the RRSP remains a useful retirement measure as opposed to something which will amass large amounts of capital beyond the mere necessity of providing for one's retirement. Therefore, I express some caution about increasing those amounts by an unduly large amount.

The Government has decided that a person presently on a pension can no longer take pension receipts and invest those in a spousal Registered Retirement Savings Plan. That may sound a little complicated but it is not. The provision is disturbing, particularly for women. In the past, many men at retirement age who had a younger spouse would contribute toward a spousal RRSP, using the receipts of the funds that they had. It is my understanding that this will no longer be possible under the new method. I have received over a dozen

letters from constituents, particularly men with somewhat younger spouses, who are rightfully concerned about this proposal. We know that the life expectancy of women is considerably longer than that of men—some seven or eight years. Of course, this realistically means that women, especially if they are younger than their spouse to begin with, will be around significantly longer and will have to provide for themselves for many years. That being the case, the Government should ensure that the provisions of Registered Retirement Savings Plans encourage contributions in order to provide for women who will be alone for a number of years in the future, at least in all likelihood, once their spouses have deceased. This provision of the Government should be corrected.

• (1120)

I should like to speak briefly about small business bonds, another provision of the Bill. It is a good measure to assist businesses in difficulty. The farm sector has been the recipient of small business bonds, which of course assist farms subjected to severe financial duress. Farmers could borrow funds from these bonds at a lower rate of interest, and the funds which they were borrowing were not tax deductible in exchange. That procedure has been of benefit to some. However, something is missing. The Government, in its summer election platform, made a number of promises to the agricultural sector. I may have referred to some of its promises once or twice before, but in the event that I forgot this one, I should like to refer to the document entitled *338 Tory Promises*. The third promise under *Agriculture* reads as follows:

> Allow the Farm Credit Corporation to offer agri-bonds so that farmers will have access to reasonably priced funds.

The Government has totally forgotten its commitment to farmers with regard to agri-bonds. We could say that it has forgotten about farmers altogether; that would probably be a far more accurate statement. In any case, it has completely forgotten this particular promise, along with other promises which it made, particularly with regard to Section 31 of the Income Tax Act. I remind the Government about its promises and ask: Why are those promises not kept in this Bill?

Unfortunately my time is drawing to an end. I invite Hon. Members to participate in the debate as it is a very important issue. In particular, I invite Conservative Members to rise and fight for their constituents who are being subjected to terrible injustice in the Budget of the Minister of Finance.

Mr. Tom Hockin (London West): Mr. Speaker, it is a pleasure to rise to speak on this Bill. It is one of the most important ones with which the House will deal this year. It raises key questions of principle, some of which were raised by the Hon. Member for Prescott-Russell in a gingerly way.

Mr. Boudria: It is Glengarry-Prescott-Russell.

Mr. Hockin: I should like to make three or four major points about the Bill in order to help clarify for the Hon. Member why we are not too concerned about his worry as to whether or not we agree with him.

The Conservative Government of today is trying to raise different questions in a more eloquent way and to implement programs which answer questions that the Hon. Member never considered asking. First, I think about the vocabulary of the Hon. Member when he talked about helping the poor. His way of helping the poor would be to generate more and more direct government programs to create jobs.

Let us look at what the Government has done in the past 15 months. It has created 343,000 new jobs through letting the private sector operate effectively, through lowering interest rates and through allowing the great battery of business creativity in the private sector to charge the engine. That is the program which creates jobs, but the Hon. Member looks to Government programs to create them. Government programs can do some things, but nothing like the 343,000 new jobs created through the private sector and through the approach of the Budget.

The Hon. Member spoke about the plight of the poor. He likes to appropriate that issue to himself and to appropriate his great concern for the poor to being a very special quality of the Liberal Party. If the Liberals were so concerned about the poor, why did they not do the number of the very effective things which are being accomplished by this Bill? For example, we have abolished income splitting through low interest loans, as well as tax shelters for the use of yachts and recreational vehicles. These abuses were created by Liberal Governments and sustained by them, to the detriment of the poor. There are many more examples.

Also we had an exposition from the Hon. Member on housing. His approach to housing would be to have a new program or to retain the old RHOSP. We should not have Government programs with the name "housing" just to say that we have housing programs. The Liberal way of governing for the last 20 years of 30 years was to pass legislation which was essentially an expression of sentiment. The Bill would contain the right words but in practice it accomplished very little for the target group. Our approach to housing was not to produce yet another piece of legislation which sounded as if it were propitious for housing. We lowered interest rates. No one would rise in the House and say that lowering interest rates hurts housing. According to the latest figures of last week, 196,000 new units are being constructed, thank to low interest rates and thanks to the approach of the Budget, compared with half that many when we were first elected. In our housing policy we lower interest rates and back it up with philosophy in a Budget which gives investor confidence to build housing. Our approach is not to implement new alphabet soup RHOSP and call it a new housing program or to keep RHOSP just for the sake of keeping it.

The Budget tries to change the whole vocabulary of political debate when it comes to public policy. The Budget talks about incentives, more than subsidies. Also it talks about providing for future generations as well as present ones, instead of just responding to the people who knock at the door of the Hon. Member for Prescott-Russell.

Mr. Boudria: It is Glengarry-Prescott-Russell. The people of Glengarry are being offended.

Mr. Hockin: I thank the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria).

By changing the vocabulary of political debate, we are talking about future generations rather than the present ones. I will expand on that in a few minutes. We tried to change that vocabulary by talking about capital in a useful, public-spirited way. We have discovered—and I do not know why the previous Government had such trouble understanding it—that most of the new jobs being created in Canada were through *petites entreprises*, small businesses. When they obtain proper capital inflow, they can do amazing things and create a tremendous number of jobs. Women starting small businesses have especially benefited from the growth of the small business sector. That is a major part of what the Budget stands for.

First, we ensured that venture capital and RRSP funds could flow, as well as funds from other pools of capital which could never flow to small businesses before. They will now be allowed to flow, which will make an enormous difference. We are inviting the people of Canada and the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) to ask this question: How do you get enough capital to small business so it can employ people? We are asking that rather than: How do we create yet another Government program to employ people directly for a limited time?

• (1130)

Mr. Boudria: It is the trickle-down principle.

Mr. Hockin: No, it is not. As a matter of fact, it is an immediate injection principle. You have heard about the turbo-charged engine? That is what we are talking about.

Investment, controlling the deficit, dealing with abuses and dealing with capitalization for small business are the major principles of this Budget. Speaking first about investment, I find that the position of the Opposition very often is that corporations exist simply to be taxed. Of course, corporations should be taxed, but they have a more important function in our national life. They should be the energy cells so that the economic engine can operate to increase the size of the economic pie. That is why we have brought in the very bold and useful lifetime capital gains exemption of $500,000. The Opposition has described this as a "giveaway to the wealthy". It does not know the people who can take advantage of this. They are not the wealthy.

Mr. Boudria: Are there all kinds of welfare recipients using it?

Mr. Hockin: There are people who would like to expand their business but cannot see much incentive to do so without this provision. There are people who would like to, perhaps, pass on to their children an expanded business but see no incentive to do so. This Bill gives them that incentive, and it is phased in so that it is not irresponsibly expensive for the federal Government Budget in the first two years. It provides incentives rather than simply taxing for the sake of taxing.

The second major thrust of the Budget is against the deficit. All Members of the House are looking for a solution to this problem. However, generally we do not hear too many constructive solutions generally from the Opposition because it usually expresses concern only over a cut-back. We are trying to introduce a new set of questions, a new vocabulary, into this issue. We are trying to ask what is going to happen in 1995, only ten years away, to the youth and the aged? What will happen to the burgeoning number of Canadians over 65? We know the problems the Canada Pension Plan is having, how poorly funded it is. What happens to future generations if the deficit continues to grow at this alarming rate? Quite frankly, any Government will have its options limited in 1995 if all our taxes are going to service the debt. This Budget is an attempt to look after future generations by trying to modify indexation and cut back the rate of growth of federal Government spending. We are trying to change the whole concept of where federal Government money should go. It should be invested in the future, not just in the present.

The third thing this Budget tries to do, which I find particularly important and which perhaps has not been highlighted in the media as much as it should be, is to come to terms with legislation which sounds good but really does not accomplish very much. We have tried to do this, for example, in our treatment of the research and development tax credit, small business bonds and so on. What we need in Canada is legislation and spending programs specifically targeted to specific needs.

The fourth thing this Budget tries to do is to deal with the problem of capital starvation in small business. This is not an issue which concerns just *The Financial Post* or the *Report on Business*; it is something which affects everyone in every village and town in Canada. We are trying to provide streams of capital which can flow into small business. We have already seen almost a "jump start" to the economy in the last 12 months given the huge number of jobs which have been created. I suggest that the infusion of capital which this Budget will bring about in the years to come will help lower interest rates because it will mean less pressure on a small pool of capital; larger pools of capital will be created.

There has been in the past, in our approach toward small business, an attitude of condescension. The attitude has been that if you have a pension or are the holder of an RRSP, then do not invest in small business because it might collapse. To some extent that perception helped to prevent the growth of small business. They do not take this view in the United States. Down there it is sometimes the case that the smaller the business, the more attractive the investment opportunity. The changes we are trying to make to the investment ability of pension plans, RRSPs and others will encourage investment in small business and hopefully change that psychology.

What I am trying to suggest is that if we look at these issues differently, we will not worry too much about some of the problems which the Hon. Member for Glengarry-Prescott-

Russell worries about. He worries about more Government programs with the right names on them. We are trying to change the focus. Let us not produce a Government program unless it accomplishes the purpose for which it is designed. Sometimes you can do that by strengthening the private sector, especially through increasing capitalization for small business. The best example we have of helping small business is the strengthening of the capital sector through lower interest rates.

In conclusion, Canadians generally feel that the $500,000 capital gains exemption will reward those who are willing to take a risk. What if it does not? What if we find that this whole program is not working all that well? We can change it. However, quite frankly, this program has been so well received and investment intentions are already in place to such a degree, that I suggest this will be perhaps one of the longest lasting elements of any Budget to date. As well, people worry about the validity of our efforts to create jobs through lower interest rates and less government participation in the economy. I invite them to look at our experience over the last 12 months. It is almost psychological. A great deal of what we are discussing here is not even in legislation yet, but the fact that we are intending to open up the economy to the private sector, has helped small business in our attempt to target social spending to those groups who need it. All this is already helping the country a great deal psychologically. It too has already had a good effect on the economy.

● (1140)

In conclusion, last night I was in Montreal and I rode a bus back to Ottawa at midnight. As you know, Mr. Speaker, leaving Montreal, the roads in the city are a bit rough and a bit slippery when it is raining as it was last night. The bus I was on was filled with a very precious cargo including many very fine Canadians, some of which were Conservative Members of Parliament returning from a dinner party in Montreal. The beginning of the trip was a bit slippery and a bit bumpy but within 10 to 15 minutes, we hit the high road and that precious cargo had a wonderful trip back to Ottawa.

The Budget started out with a few rocky months and a few bumps. We did not get knocked off the road but there were a few bumps. That will happen with any journey. The journey we are taking with this Budget has a cargo of immense value for Canada. The journey is now becoming extremely smooth because the people of Canada realize how important it is. Therefore, I commend this Bill to the House and hope that it receives speedy passage.

Mr. Boudria: Mr. Speaker, I would like to congratulate the Hon. Member for his fine speech on how to deal with rocky and bumpy issues. I am glad he acknowledged that the Tories have had a bumpy ride so far. However, if he thinks his rough ride is over, I have to tell him that the road ahead is a lot worse than the one he has just been on, particularly since the Tories have such a propensity for bungling.

I do have a few questions to ask the Hon. Member regarding his remarks as they pertained to this Bill. He talked about capital gains and said this would help just about everyone. I would like to know specifically how the welfare recipients of my riding will benefit from that particular measure. They are most interested in this measure and they want to know how the Hon. Member for London West (Mr. Hockin) thinks that the capital gains tax exemption will help the Government in its quest for social justice.

I would also like to know about the tax on the rich. Again, the Hon. Member said that we need to decrease the deficit. I agree with that in principle. Taxing the rich would go a long way toward achieving that goal. A promise was made, a promise which was broken, by the way, just in case you have not come to that conclusion yet, Mr. Speaker. What the Prime Minister (Mr. Mulroney) said in the House on this issue has been recorded by *Hansard* of November 22, 1984 on page 491 so it has to be true if the Prime Minister said it. He said:

> The commitment I made that evening was to the minimum tax and to that sense of fairness that inspires both of us. We will follow through with regard to a minimum tax.

Is that not nice? He went on to say, in response to the Hon. Member who asked the question:

> —I give him the assurance that it will be in the budget.

The Minister of Finance, in the Budget of May 23, said that he would be introducing a minimum personal income tax beginning in 1986 to ensure that high-income Canadians pay their fair share. Why is there a contradiction between what the Prime Minister said would be in the Budget right away and what the Minister of Finance said would not be in the Budget right away but would be delayed for one year? Perhaps the Hon. Member could tell us, which one of the two was stating what the Minister of Indian Affairs and Northern Development (Mr. Crombie) has called untrue facts? Perhaps he could tell us, which one of the two was not telling Canadians the whole truth and nothing but the truth?

Mr. Hockin: Mr. Speaker, I am very pleased to answer these questions. The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) did not use the occasion of his recent remarks to respond to the questions I raised regarding housing and so on. Still, I am happy to answer his questions.

First, he asked me how welfare recipients will be helped by the $500,000 capital gains tax exemption. The answers to that question are legion. There are thousands of ways to answer that question. I think the most vivid answer is this one: last week, three constituents came to my constituency office and told me that they had a business which employed welfare recipients for limited periods of time to deliver things for them from door to door. They said that because of this particular capital gains tax exemption, they are thinking of expanding their business because they can see a future for it. They said that they could therefore hire more welfare recipients and could hire them for longer periods of time. There are thousands of combinations of that example that will occur because of this measure. It is the faith that will occur through stimulating small business in this way that will create the jobs rather than the approach of the Hon. Member.

The second question he asked dealt with the tax on the rich. I am very pleased to answer that question. He knows we are going to bring in a minimum tax early in the new year. Second, he knows that we have brought in a surtax on upper-income earners, something the Liberal Government never did. Liberal Members—members of the Party that is supposed to worry about these matters—did not do anything but express rhetorical concern. We have done something practical by bringing in a surtax on upper-income earners as well as a surtax on large corporations. There will also be a surtax of 5 per cent on federal income tax payable by large corporations from July 1, 1985, to December 31, 1986. These are practical actions of equity and fairness. That is more than simply rhetoric.

Mr. Attewell: Mr. Speaker, I would like to compliment my colleague, the Hon. Member for London West (Mr. Hockin), for some very direct and honest remarks about this Bill which truly is important. Perhaps the Hon. Member could expand somewhat on his remarks regarding the capital gains tax exemption. I do not believe he touched on the benefits to the farm community in particular. As well, I would like to stress the extreme importance that a Bill like this has on the investment climate in Canada.

The Conservative Party is a Party that believes in rewarding men and women who want to start up new businesses, and this type of approach has a great positive ripple effect on the economy. I would ask my colleague to expound on some of the thinking behind the capital gains tax exemption and particularly how it has been welcomed by the farm community.

Mr. Hockin: Mr. Speaker, I am very pleased to respond to that question. The effect on the farm community is immediate because the legislation has been much more immediate than it has been for measures affecting other areas of the economy. The farm community in Canada has also suffered enormously from high interest rates and we have come to terms with those. That together with the capital gains tax provision will be of enormous value to the farm community. Two of the key things that matter to the farm community, interest rates and capital gains, have both been tackled and ameliorated to a significant degree within a year.

London, Ontario, is surrounded by the great farm land of Middlesex County, Oxford County, Perth County and others. Issues affecting the farm community affect the City of London, a part of which I represent. I can see the economy of London itself coming back because of the improvement and because of the optimism which exists in the farm communities that surround the city. Of course, there are problems with some farmers who for one reason or another have debts with which they have difficulty dealing. The effect of the capital gains tax exemption together with lower interest rates will make an enormous difference to the entire agricultural community which surrounds my riding.

Mr. Boudria: Mr. Speaker, I am sure it is just an oversight on the part of the Member, but a little while ago I asked the Hon. Member why it was that there was a direct contradiction between the promise of the Prime Minister to tax the rich this year and the promise of the Minister of Finance to tax the rich next year. Very briefly and in concise terms can the Hon. Member explain the inconsistency to us? Why was one of the two making statements which are, in fact, not true?

• (1150)

Mr. Hockin: Mr. Speaker, of course, there is an answer which should be obvious to the Hon. Member. It is the answer which has been given by the Government. The surtax which has been brought in with respect to upper income Canadians and large corporations performs that role in the interim. It will perform that role until we design a solution to a minimum tax which will work. The fidgeting and thrashing around in trying to approach the problem, as the Liberals did by bringing a Bill which they would wrap up and throw out—

Mr. Boudria: In other words, you do not know the answer.

Mr. Hockin: Just one minute. No one could make an investment in that type of unpredictable legislative environment. We will try to get it right, and that is why we will wait until 1986.

Mr. Deputy Speaker: On debate, the Hon. Member for Ottawa Centre (Mr. Cassidy).

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, first, I would like to make a comment on what the Hon. Member for London West (Mr. Hockin) had to say. What he does not understand and what his Government does not understand is that if there is a surtax on individuals or corporations that earn high incomes their tax rate will be very low because of the abuses and loopholes in the tax system and that they will not pay anything at all. One of the serious weaknesses of the present Government is the fact that under pressure from the New Democratic Party it promised to place a minimum tax on the rich and close the tax loopholes which exist. However, in the year and a half during which the Government has been in office it has not done this. God knows when we will see any legislation in this respect. I fear that it will have no impact at all.

The major message of Bill C-84, the Bill which we are debating today, is that the Government is committed to opening up more tax loopholes and to providing more benefits for corporations and rich individuals as opposed to putting in place a fair tax system which members of the New Democratic Party feel we need in Canada. Canadians from coast to coast have been telling the Leader and members of my Party that this is what we should have.

I wish to speak about the process with respect to the Bill and then talk about the contents of it. The Bill was tabled last week on November 26. That was six months and three days after the tabling of the May 23, 1985 Budget. It is a disgrace that a Government which talked about trying to come up with new procedures in order to reform the budgetary process to make it more understandable and more effective should present us with a 235-page Bill and give us one day in which to

debate it. This comes from a Government which talked about making Parliament more effective with respect to complex and extremely important matters such as the tax system.

On top of that the Government has indicated through its House Leader that it expects that the Bill will be made law before we rise at Christmas. Because of other problems which the Government has with respect to the prorogation of Parliament at Christmas, we will have no choice but to sit extra hours or do whatever is necessary in order to deal with the Bill if the pressure is put on in order to pass it. I say to Hon. Members that this is a lot of nonsense.

How can any Member of Parliament be expected to go through an extremely complex and lengthy piece of legislation and be knowledgeable about it in such a short time? The fact of the matter is that in the debate on second reading we talk about the major measures which were contained in the Budget of last May. We will not be able to get down to the nitty-gritty of the Bill. A legislative committee will be established and a handful of members will spend a few days discussing this legislation.

The Government has indicated that it does not fear using closure with respect to subject matters before committees in order to stifle discussion. Thus, the committee will come back before the House with a half-baked response to the Bill. At the behest of the Department of Finance we will end up making this piece of legislation law.

When the Government came to power it said it would change the way things worked in Ottawa. In fact, things are much the way they prevailed before. The Government has left bureaucrats in the Department of Finance to work out what every section of this particular Bill should stipulate. The Government has left Parliament with almost no time at all to comment and participate in any coherent and relevant way with respect to the Bill.

At the same time, the Minister of Finance (Mr. Wilson) tabled proposals with respect to improving the Canadian budgetary process. That budgetary paper acknowledges the complexity of the process. It talks about the need for reform. The Standing Committee on Procedure and Organization has been considering that very question. If the Government were serious about the question then it would have implemented what it could have done now. We would have seen the Bill some six weeks ago. We would have had a chance to gain some input from tax practitioners and from organizations such as the National Council on Welfare, the National Anti-Poverty Organization and others concerned with tax fairness. We have not seen a bit of that. All these groups are now being told that they have to run like hell if they want to have any input at all in terms of the legislative committee when it finally sits down to look at this measure.

I wish to recall for Members of the House the way in which we have dealt with the Budget up until this point in time. The initial debate involved the deindexation of pensions. I am proud to say that because of the pressure of millions of elderly and not so elderly Canadians, and because of the work of my Party, and to some extent the work of the other opposition Party, we succeeded in making the Government withdraw that extremely objectionable measure late in June. This was a measure which would have taken spending power away from senior citizens.

There are a great many other objectionable features in the Budget as well. Most of these are contained in the Bill which is before us. I wish to remind Members of the House, particularly those who sit on the Government side, that crow as they may about what they see as an improvement in the economic situation since September of 1984, it is a fact that we still have 1.3 million unemployed Canadians. It is a fact that our unemployment rate is 10.3 per cent. It is a fact that part-time work continues to increase and that many part-time workers are working part-time because no full-time work is available even though they would like to be working full-time.

It is a fact that the Macdonald Commission and the Government are trying to con Canadians into believing that 6 per cent or 7 per cent is the lowest level of unemployment which can conceivably be reached in Canada. It is a fact that the Government forecasts that unemployment will be down to only around the 8 per cent level by 1990. This means that one million Canadians will continue to be unemployed. I think it is outrageous that we should have a Government which is prepared to tolerate on an ongoing basis one million or more unemployed Canadians.

It is a fact that there is an increasing number of Canadians who, quite simply, are discouraged and do not even figure on the unemployment rolls. It is a fact and a scandal that tens if not hundreds of thousands of native Canadians living on reserves are not even counted on the unemployment rolls because it is said that they are not living in an area where jobs are available and, therefore, are not realistically looking for work.

It is a fact that Canadians are losing $40 billion to $50 billion in GNP annually because of the intolerably high level of unemployment which we have in the country. Members of my Party and I say that if we are really serious about bringing down the deficit and about ensuring a decent life for Canadians we would make unemployment the number one priority. That is obviously not the case when one considers Bill C-84 and the actions of the Government.

How can we get Canadians back to work? First, there is fiscal policy, monetary policy and industrial policy to be considered. Interests rates have been reduced because of what has taken place as a result of developments in the United States. This is the reason for housing starts being up from what they were before. It is the reason for the improvement we have seen in terms of investment. It is quite simply a fact that with interest rates down peole who rejected investments or house purchases a few months ago are now being able to consider the matter. The fact is that our interest rates are running at 2 per cent or 3 per cent ahead of those in the United States. The fact is that real interest rates in our country are still at the level of 3 per cent or more. They are far higher than they should be and no action has been taken by the Government to do anything about it.

This past weekend I attended a conference in Ottawa on full employment. At this conference an economist, Michael McCracken, estimated that we could have an increase in employment of 500,000. He suggested that we could bring down the unemployment rate by 1 per cent, 2 per cent or more if we were to reduce interest rates by 200 basis points. He said that that would be very clearly conceivable and possible.

I do not want to speak about industrial policy because of the amount of time available. However, with respect to fiscal policy the Government had a choice. It could have placed money into job-creating investments, but it has not done so. The Government could have ensured that fiscal and tax policy could be more efficient in terms of creating jobs but, instead, it has gone in the opposite direction. This is exactly what we see in Bill C-84.

I find it almost laughable when the Minister of State for Finance (Mrs. McDougall) talks about improving the efficiency and effectiveness of Government by cutting waste. In this respect does she consider the payment to depositors of the Canadian Commercial Bank and the removal of obstacles to economic growth? A great many of these obstacles for ordinary Canadians is the fact that quite simply there are no jobs available. In this respect she also says that we should make better use of scarce and precious resources. Is that why the Government gave a huge tax hand-out to the Reichmann family for the buy-out of Gulf? Is that why the Government has been anxious to give hand-outs to Dome Petroleum? One has to ask that kind of question.

• (1200)

The Minister of State for Finance (Mrs. McDougall) talked about how the Government is building on the basic sense of compassion, tolerance and justice which is the essence and character of our Canadian people. That is good rhetoric and I congratulate the speech writers in the service of the Minister of State for Finance. However, they do not realize, as she does not, that when we take indexation away from the family allowance and when other measures are put in place which affect and hurt ordinary Canadians, we are surely not putting compassion and tolerance into our tax system. In fact, we are taking those things away.

If the Government had a real sense of commitment to fairness, we would have the minimum tax proposals in force right now. We would have a system which, instead of giving more to the rich, would undo some of the unnecessary and unreasonable concessions which came in in the 1982 Budget under the Liberals and which have been perpetuated under the present Government.

I would point out that the increases in the RRSP deduction proposed in this Bill are virtually certain to reduce aggregate demand in comparison with the situation in which the same tax dollars were used to either reduce income tax or to raise Government spending. Quite simply, the RRSP proposals are inefficient in fiscal terms. We save far more than do the Americans as a proportion of our Gross National Product. We save so much that in fact we take job creating demand away from the economy. That is inefficient use of fiscal policy. It means that rather than helping people get back into jobs, the Government is hindering them.

Through the Western Accord, the Government is given lower tax revenues mainly from the production of old oil. There is no direct incentive to increase exploration by making new oil production more profitable. The bang for the buck, in fiscal terms, from that multi-billion dollar concession to the western oil companies would have been very much larger had the same number of dollars been spent in a way which increased the profitability of new oil production. In other words, this is a fiscal incentive which is not going to help directly to create jobs in Alberta and elsewhere in western Canada. We have to ask what would happen if we were to take $1 billion and, rather than giving it to the depositors—mainly foreign banks and large corporations—in those insolvent western banks we had used that money to fund municipal enterprise corporations or to fund buy outs of some foreign corporations which are seeking to close down here in Canada. What I suggest would happen would be far more job creation.

What about the abolition of the capital gains tax? Hon. Members of the Government are saying what a wonderful thing this is, despite evidence to the contrary from every credible economist in the country. This is total "pie in the sky" in terms of a useful and efficient fiscal incentive for the creation of jobs or for the stimulation of job creating investment. There will be some improvement and some incentive for small businesses as a part of this Bill, and some help for farmers. Those parts of the Bill are welcome. However, we are only talking about perhaps 10 per cent or 20 per cent of the total incentive. We are talking of $1 billion to be added to the deficit by 1990 on an annual basis because of this half million dollar tax concession on capital gains. And there is no guarantee that those capital gains will even be earned in Canada. It could be done, as my colleagues have said, in Texas or in the fine art market at Sotheby's. From almost everywhere in the world the profits can come back to Canada and be available tax free. No one has said it specifically, but through judicious tax planning, a couple who, for example, have investments abroad which yield them $1 million in capital gains will be allowed to keep the complete profit without paying any tax.

On behalf of my constituents, many of whom are living in poverty, I regret to say, within 10 or 15 minutes' walk of this Parliament Building, I say that situation is intolerable. It is intolerable that we are giving $1 million tax free to some people while at the same time our tax system takes $300 or $400 per annum from families earning less than $10,000 a year, and will continue to do so. In fact, in certain cases, we are going to tax them more heavily than before.

The National Council on Welfare has calculated the impact of the Budget on families. The tax concessions and changes which are in Bill C-84 will mean that by 1990, in five years, a family with one wage earner and two kids who earns $15,000, will wind up $2,400 worse off because of the changes in income tax and the child tax credit under this Government. A family earning $35,000 will be $4,200 a year worse off. But is

a family with one wage earner and two kids, earning $80,000, going to pay more? Is that going to be the impact? No. Because of the concessions on capital gains in particular, that family will actually be $5,662 better off after five years than if the existing tax system had prevailed.

We have an inequitable tax system right now. It is a tax system which, rather than being weighted to people's ability to pay, is too easy on people in the upper income brackets and too harsh on people in the low income brackets. The Conservatives, who I see are sitting very quietly right now, are going to make that worse because of this particular Bill.

I travelled across the country with our task force on jobs last year. We went to places like Chicoutimi and Quebec City. We went into every corner of Canada. The message we received had a real impact on our policy. We learned that there is a tremendous amount of initiative, ideas and ability among ordinary Canadians, and that is backed by municipal and enterprise funds, by industrial commissioners who are looking for new ways of creating jobs in different communities, by trade unions, by small businesses, by people who are setting up co-ops, and by individuals who want to buy out foreign control firms, which are not being particularly enterprising here. The message we received was: "For God's sake, let's take advantage of that kind of entrepreneurship, that kind of initiative, rather than continuing to discourage it". We will not take advantage of this entrepreneurship by simply putting money into the pockets of people earning $50,000 and more a year, most of whom live in Toronto, Vancouver, in southern Ontario, perhaps a few in Montreal and some in Alberta. We will not do it in that way. I would like to see a buy-out fund whereby a group of Canadians can take over an American firm which is threatening to pull out of Canada because of free trade which the Tories will have negotiated within one year or two years' time with the United States. Canadians should be able to get some access to financial resources in order to take over a particular company and show what Canadians can do with companies which often are badly managed.

I would like to see an end to the kind of abuses which are going on. People who are wealthy and powerful are well looked after and people who are poor have little done for them.

Last weekend I came back from a few days away and I felt compelled—I am not quite sure why—to read that terrible article by Conrad Black in *The Globe and Mail's Report on Business* magazine. Conrad Black is a parasytic excrescence on the hind of capitalism here in Canada as far as I am concerned. He drives around in stretch limousines and lives on expense account lunches. My constituents and I are paying for that, and there he was slamming Canadians for not having the will and drive to work. I want to say to all of those people in that corporate elite who are benefiting from Bill C-84 and from the Budget, that ordinary Canadians want to work. A million and more of them want to get back on the job. They deplore the fact that the Government is not making the cration of employment a real priority. These ordinary Canadians have intiative and ideas. They have all kinds of entrepreneurship. They want to be given a chance in terms of managing and running the enterprises in which they are involved rather than seeing those enterprises run into the ground by the managers who are responsible right now.

Conrad Black managed the Dominion Stores into the ground when six years ago it was the pre-eminent retailer in the grocery business in Canada. He just about did the same thing to Massey-Ferguson before he bailed out. He has done that to Standard Broadcasting and is about to do that to the Daily Telegraph in England. We do not need preaching from people like that. What we need is to bring together the initiative, the ideas and excitement, not just of the small entrepreneurial or managerial class, and not just of the small expense account class, but of every single Canadian.

• (1210)

The $1 billion a year which is going into capital gains exemptions under this particular Bill, most of which will go to people earning $50,000 a year or more, should in fact be made available to ordinary Canadians in many ways. One of the few things in this particular Bill which I can applaud is that there is incentive for the venture funds set up by trade unions. That is a good thing, but it is swamped by the objectionable features of Bill C-84. I think that we should borrow and develop ideas from other countries by which people earning $10,000 or $20,000 a year can start to get themselves into co-operative and can perhaps take over sections of the business in which they work which their parent corporation wants to ge rid of.

These are the kinds of things which our task force on jobs began to look at and which we would like to have implemented for the creation of a fair tax system which does not just give to the rich. We need a tax system, an enterprise system, and a Government system that seeks to tap the talents and abilities of every Canadian. Those are the reasons for which I personally cannot support Bill C-84 and for which I deplore the way in which the Government is trying to ram this Bill through Parliament.

Mr. Hockin: Mr. Speaker, in that long oration there was a nugget of news for me. Does the New Democratic Party now stand for all-out criticism of RRSPs on the basis that they are an inefficient use of capital? I ask this because the Canada Pension Plan is going to have great trouble being properly funded in the next ten years. About one-third of the workforce is being looked after by corporate pension plans and so on. RRSPs are growing in importance. Is the Hon. Member against RRSPs? If so, what would he put in their place?

Also, does the Hon. Member know something I do not know? I thought that Conrad Black was at least a millionaire. It seems to me that the $.5 million capital gains exemption would not be of much use to him as he has already passed that finish line.

Mr. Cassidy: Mr. Speaker, a couple with one income of $80,000 and two kids is going to get an extra $1,000 in 1986, thanks to the increase in contribution limits on RRSPs. Frankly, I think the incentives for increased savings which are entailed in the very substantial increases in the RRSP limits,

which will in fact be of use only to people earning high incomes, do not make a heck of a lot of sense when we have a lesser demand. If we had more demand we would have more jobs in our economy right now.

For most Canadians RRSPs within the existing limits are what they can afford to put aside. You may want to index that to allow it to move gradually to take account of changes in money values. I have no particular problem with that. However, the very sharp increase which is proposed here, which creates a very substantial new tax shelter through the use of RRSPs, is something that I simply do not believe should have high priority.

I note that the Government announced last week that it is delaying by a year changes in the pension system. The Hon. Member asks whether there are not problems with the pension system. Those problems have existed for 15 years, Mr. Speaker. The Conservatives in Ontario, whom the Hon. Member presumably supports, quite systematically delayed action in that particular area which would have benefited ordinary working people. If we wanted to make one specific change in the pension system which would benefit ordinary working people, it would be to reduce to a couple of years the period for vesting to ensure that people in their twenties and thirties can maintain the credits from pensions to which they had contributed rather than having to wait until they reach the age of 45 or, in some cases, never get any benefit at all. Unfortunately, there has been no drive to do that, either by the previous Liberal Government or the new Government which could have done it in the year and a half that it has been in power.

[*Translation*]

Mr. Ricard: Mr. Speaker, first of all I want to congratulate the Hon. Member who just made a very elaborate speech about unemployment and high interest rates and the rest—I see he agrees—and I am sure he was speaking straight from the heart.

However, I would like to know way the Hon. Member for the New Democratic Party is going to vote against Bill C-84, since it seems to provide answers to our current problems. And on this memorable day for Quebec, I would like to know what he and his party, and especially his little brother in Quebec, have to say about the way they would deal with these problems, because there must be many Quebecers who are waiting for their answer today, before casting their vote.

Mr. Cassidy: Mr. Speaker, I appreciate the Hon. Member's comments, and I can inform him right away that the capital gains tax exemption of up to $500,000, or even $1 million in the case of a couple, will do nothing for many regions in Quebec where there are no opportunities for earning that much money, except for those who are already well off.

Large regions with many people who are quite poor are looking for ways to create jobs. I was particularly struck by the situation in the Saguenay-Chicoutimi-Lac-Saint-Jean area, where industrial commissioners and people from the unions, all kinds of people, appeared before our task force on unemployment and jobs and told us that they were looking for ways to use the entrepreneurial spirit that exists in these regions, but it was clear that the capital gains tax exemption would not be very useful in that situation.

Our main reason for objecting to Bill C-84 is that it is ineffective and unfair in terms of its tax measures. Instead of levying taxes on the rich, the Government has decided to add a capital gains tax exemption, which means that since most capital gains are acquired by people earning more than $50,000 per year—average Quebecers, those who are voting today, are going to pay for benefits for the wealthy. And that is something we find totally unacceptable.

[*English*]

Mr. McCrossan: Mr. Speaker, I am sure that the Member did not intentionally mislead the House, but he asked why, if the Government were serious about pension reform, it did not do something such as bring in a two-year vesting provision. I wonder whether he has actually taken time to read the Budget, because the two-year vesting provision is in it. Pension reform takes up one-sixth of the Budget papers by count. There is also complete provision for portability and for equal benefits for men and women. It is probably the major section of the Budget. When he asks why the Government has not brought this in, I wonder whether he has taken the time to read the material because it is there.

He asks why we have not yet tabled anything in the House. As a former provincial representative I am sure that he recognizes the importance of harmonizing the provincial and federal statutes with respect to pensions benefit standards. If he had taken the time to read the papers he would realize that there have been meetings going on through August and September with the provinces to ensure that the legislation which is to be brought into the House this month by the federal Government will be in harmony with that which is likely to be brought into the provincial legislatures. When he suggests that nothing is being done, I suggest that he plainly does not know what he is talking about.

Mr. Cassidy: Mr. Speaker, I remarked on the fact that while RRSP limits have been increased in 1986 mainly for people who are self-employed or in upper income brackets, nothing is to be done about pensions until 1987, according to the news of the past few weeks. In the past 16 months the Government could have decided that due to the need to harmonize in a number of other areas it could not do everything on pensions. However, under those circumstances I am suggesting that promises and White Papers are not enough. Nothing has been done to benefit a 28-year-old with a couple of kids who is concerned about whether his or her job is going to survive and who would like to see results from contributions to a corporate pension plan should they move, either for career purposes or because their firm is about to fold.

The Government could have said that it is going to bring in two-year vesting now and if the provinces do not follow along that is too bad. That is the approach the Government of

Manitoba took. I think that we needed that kind of leadership from a Government somewhere in order to break the impasse. The pension industry and large corporations, in many cases, have quite adamantly resisted for 15 years any meaningful action on the pension front. I speak from an historical basis because I was a provincial Member in the Ontario Legislature for 13 years. White Paper was followed by task force, which was followed by Royal commission, as the Member knows, but no action was taken. Of course, action could have been taken before now. It might not have been perfect or ideal, but at least it could have addressed the question of ensuring that the equity in pension funds being built up by ordinary Canadians, many of whom have no other form of retirement savings apart from the Canada Pension Plan, would not be lost to them if they lost a job because of recession or because of change in their position.

● (1220)

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, I am pleased to speak to Bill C-84, an Act to amend the Income Tax Act and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act. While I do not agree with the Member for Ottawa Centre (Mr. Cassidy) very often, I do agree that this is a very thick Bill. It consists of 235 pages.

This is a major piece of legislation and, as the Minister of State for Finance (Mrs. McDougall) says, it is very complex. I am not a financial expert or a tax lawyer and when I was asked on Friday to speak to this Bill I was not sure what I would say in 20 minutes. It takes longer than that simply to read the first few chapters. It would certainly take days and weeks to understand it thoroughly.

Fortunately, this Bill will go to committee soon where we will have an opportunity to review it extensively with expert witnesses to see what it really means to the average Canadian. The Hon. Member for Kamloops-Shuswap (Mr. Riis) said last week during debate that this Bill requires an explanation paper to help us understand what the "legalese, gobbledegook" means. He is correct that the Bill is somewhat confusing, so let me talk about some of the generalities of the Bill before us this morning.

Bill C-84 is one of a series of Bills that provide legislative authority for tax and other measures announced in the May, 1985 Budget. This particular Bill deals with most of the Budget income tax measures, some of which I will review now.

The capital gains tax exemption measure has caused considerable controversy. It is a lifetime personal capital gains exemption of up to $500,000 that will be phased in over the next six years, beginning with a $20,000 exemption in 1985. However, the full exemption will take effect immediately for qualifying farm properties. We are telling farmers that those who have worked a lifetime working the land and putting their future into the farm will be allowed to keep that investment when it is sold. The same incentive applies to small businesses that have been built up over the years. The total amount of $500,000 is actually well above expectations. During the spring the rumour was that the exemption would be $100,000 or $200,000, and the announcement of a $500,000 capital gains tax exemption was a surprise to most people.

Whoever said that Tory times are tough times is dead wrong. In fact, this is a very generous tax measure that is intended to trigger a major change in the attitude of Canadians towards savings and investment. I admit that this is somewhat of a risk and we are banking on this new measure to spur investment interest in the dynamic small and medium-sized businesses because we all know that this is where the real jobs are created in this country.

Another measure in the Bill deals with labour-sponsored venture capital. Investors in labour-sponsored venture capital funds will be provided with a federal tax credit of up to 20 per cent of the share purchase price. This credit will be conditional on the availability of a provincial credit of at least 20 per cent in the investor's province. The combined federal-provincial credits will not exceed 40 per cent. This is just another step toward federal-provincial co-operation, creating incentives to create jobs. This particular labour-sponsored venture capital and the proposed federal tax credit is to encourage workers to invest in the economy in a form that will directly benefit the labour force through the injection of capital into the small businesses that are responsible for the jobs in the various communities.

Another feature of the Bill deals with pension and RRSP investment in small businesses. Some measures in Bill C-84 will assist small businesses to obtain equity financing for the first time from registered retirement savings plans, deferred profit-sharing plans, registered retirement income funds and others. These pension funds will be allowed to establish special tax-exempt small business investment corporations. The ability of pension funds to invest in small business investment limited partnerships will be expanded.

Another part of the Bill deals with housing loans. Employees who relocate to maintain their employment or begin a new job—goodness knows that there are lots of new jobs in this country—will not be taxed on certain subsidized housing loans. Canadians have been reluctant to accept promotions and move to new parts of the country because of the various aspects of uprooting one's home and moving to a new neighbourhood. We are giving greater incentive to do this and, according to this provision, the maximum tax-free subsidy will be equivalent to the benefit on a $25,000 interest-free loan and will apply to the first five years of the loan.

We are not giving the store away; we are merely creating an additional incentive for those who are asked to move to a new job in order to advance their career.

The Bill also deals with research and development. Tax credits earned on the first $2 million of the current R and D expenditures will be fully refundable compared to the 40 per cent at present. This will encourage small and medium-sized businesses to risk research and development and come up with new ideas in order to continue to make Canadian goods and services more competitive in the international market.

There is another part of the Bill which deals with disabled people. The eligibility for the $2,590 disability deduction is expanded to include all severely disabled persons. The Income Tax Act currently allows this special deduction to be claimed by disabled persons, but under the present rules only those persons who are blind or confined to a bed or wheelchair qualify for this deduction. The Budget proposes to broaden the definition of disability in the tax legislation so as to include the many other severely disabled conditions which do not result in confinement to a bed or wheelchair. As a result of this new measure in the Budget, it is expected that approximately 185,000 Canadians will be eligible for the deduction under this new definition, compared with the 65,000 under the present definition.

Another part of the Bill deals with artists. The visual artists will be permitted to write off costs involved in creating a work of art in the year that the expenses are incurred. At present, they must wait until the work is sold. Rules for charitable donations from artists' inventories are made more flexible.

The question of income splitting was also mentioned this morning. This is another component of Bill C-84. The rules pertaining to income splitting among family members are tightened in order to prevent tax avoidance through the use of low interest loans to family members. How can anyone say that this is unfair or inequitable? In fact, we are closing another Liberal loophole.

Bill C-84 looks at other questions dealing with the surtax on upper income earners. I repeat, there will be a surtax on upper income earners for the 18 month period beginning on July 1, 1985, of 5 per cent on federal basic tax between $6,000 and $10,000, and 10 per cent on federal basic tax in excess of $15,000. This Bill provides for a surtax of 5 per cent on federal income tax payable by large corporations, which will be in place from July 1, 1985 to December 31, 1986.

There is capital tax on larger financial institutions. For the two years commencing January 1, 1986, larger financial institutions will be subject to an annual tax of 1 per cent of capital employed in Canada in excess of $200 million. How can any Party in the House, particularly the New Democratic Party, say that we are not going to tax large corporations?

● (1230)

Another part of the Bill deals with the question of home ownership savings plans. RHOSPs, as they are called, will no longer qualify for preferential tax treatment, effective May 23, 1985. Funds may be withdrawn on a tax-free basis at any time after May 22, 1985. Interest income earned after January 1, 1986, on existing home ownership savings plan accounts will now be taxable. The savings rate has been just too high, and RHOSP is one of the reasons for that. We are trying to unlock slowly a total amount of $2 billion, which has been accumulated in RHOSPs since 1974 when I believe they were first introduced. The availability of these funds now on a tax-free basis, coupled with other incentives in the Budget, represent a large pool of funds which can be used to support entrepreneurial job-creating investments and to purchase many consumer goods in Canada.

These are some of the tax components which are now being affected by Bill C-84. However, what does all this really mean? As the Minister of State for Finance said when she discussed the Bill last week in the House, it represents a substantial and integral component of the Government's program to secure durable economic renewal for all Canadians.

There are certainly some controversial parts of Bill C-84. I think there are controversial parts in any Bill presented in the House. I should like to refer to statistical record to keep the particular Bill and the tax measures in their over-all context in light of the tremendous successes which we have had to date. The Speech from the Throne last fall talked about three main themes—national reconciliation, economic renewal and renewed internationalism. In the area of national reconciliation, let us look at what has happened in Canada in the last 14 months. We inherited a country with regions that were totally forgotten in the national process of decision-making. We have come up with an energy accord in Newfoundland and the Western Accord. The National Energy Program impaired investment in the energy sector in western Canada. In 1981, the well-known New York firm of Salomon Brothers indicated that it was not worth reporting on the Canadian oil and gas sector because of the National Energy Program. Its August, 1985 release indicated that the reinvestment potential in the Canadian oil and gas industry would double over the next four years as a result of the policies of the new Government. We predict that investment this year in the energy sector in western Canada will increase by $2 billion over 1984. That will create about 10,000 new jobs in western Canada. That is keeping our promise of jobs, jobs and more jobs.

Also in the area of national reconciliation, natural gas prices have been affected. Recent Ottawa Gas advertisements in the newspaper, particularly the one of last week, have indicated: "The Government is on your side", because consumer prices for natural gas are lowering. Quebec has dropped separation as a fundamental option in its particular policies. The opportunity for us to bring Quebec into the constitutional accord is tremendous. We have westerners back at the cabinet table for the first time in 20 years. We have signed historic numbers of ERDA agreements in mining, tourism, forestry, science and technology. We finally have peace with our provinces. We have been consulting with the provinces. We have had dozens and dozens of meetings with our provincial counterparts. As a result, there has been the signing of very successful economic agreements.

In the area of economic renewal, the numbers speak for themselves. This is good news which opposition Members do not seem to like to hear. In fact, the media does not seem to like to talk about it enough. We have had successes in the area of creating more jobs. We are always criticized for either overspending or underspending, not enough or too much. We have had the slowest growth in government spending of the last 17 years. Apart from debt financing, spending this year will rise by only 2 per cent. The deficit has decreased for the

first time in 13 years. According to recent information from Statistics Canada, there has been a $500 million reduction in the deficit. While I am on that subject, let me integrate something from the Business Council on National Issues. It conducted a press conference in Ottawa in October, 1985. Mr. Frazee, the Chairman of the Business Council on National Issues—he is also the Chairman and CEO of the Royal Bank of Canada—said the following:

> The immediate challenge facing the federal Government and all Canadians . . . is to gradually bring a halt to the rising ratio of our collective indebtedness in relation to our Gross National Product. The current federal Government, which inherited a serious fiscal situation, has taken a number of important initiatives to restrain expenditure growth and tackle the deficit. However, the problem is so serious that more must be done.

The Business Council produced a very important paper; I recommend it to all Hon. Members of the House. I should like to refer to the following reference in its paper:

> More than half of all income taxes in 1981 were paid by individuals with taxable incomes of less than $30,000. Almost one quarter of all income taxes in 1981 were paid by those with taxable incomes of less than $20,000. Middle and working-class Canadians are therefore largely paying for the interest on our debt. Accordingly, it can be expected that this group will actually be hurt the most by continuing deficits and rising debt charges.

That is why the Council is bringing us the important message that we have to live more within our means.

The list of achievements goes on and on. The replacement of FIRA has encouraged tremendous amounts of investment in Ontario. We all know the economic indicators dealing with bank rates. The bank rate is down three basis points, to the lowest level in seven years. A young couple buying a home today with a mortgage of $50,000 will pay $8,000 less over a five-year term and save $125 on each monthly payment. As the Hon. Member for London West (Mr. Hockin) mentioned, housing starts are up. Building permits are up 37 per cent in the last year. Automobile sales, the heart of Ontario industry, are up 27 per cent over last year. Retail sales were up 13 per cent and 14 per cent in August and September. That shows a confidence on the part of Canadians in what the Government is doing to stimulate economic renewal.

On the international front, we have renewed our relations with the United States. We have strengthened our communication and co-operation with our largest trading partner. We have looked at increasing our commitments to NATO and Europe. We are sending troops to the Sinai, and Canada is speaking out more and more at the United Nations. We are searching for a very durable peace.

We should continue to remind ourselves of all the achievements integrated into the over-all direction of Bill C-84. Canada is strengthening itself month by month. Business confidence is up. Consumer confidence is up. Retailers are expecting to do a booming business this Christmas, for the first time in many years. The need is not for the Government to intervene more directly in the economy, but to restore a climate conducive to confidence, investment and growth. That is exactly what we are doing.

The Hon. Member for Saint-Henri-Westmount (Mr. Johnston) spoke last week in the debate on this Bill about the retreat we made on the old age security question. Yes, we retreated. We admitted that it was wrong. We listened to the grey power. However, we should remember the MacEachen Budget of 1981. There was retreat after retreat after retreat; dozens of them. We have only moved on one issue because we know the direction which we are giving to the country is a very strong, healthy and positive one. All economic indicators demonstrate that we are on the right course to economic recovery.

Also the Hon. Member for Saint-Henri-Westmount spoke about the tax credits being increased for investment in Cape Breton from 50 per cent to 60 per cent. He as not sure what kind of an impact that might have or was having. Let me refer quickly to some of the results to date. The Superior Sausage Company Limited is to build and expand meat facilities in Cape Breton. Another one speaks of a vitamin supplement to be manufactured in Cape Breton. Another announcement concerns a drapery firm receiving federal assistance to invest in Glace Bay. Another one concerns a Cape Breton company and expansion of export markets for Canadian deer hide with assistance from the federal Government. There has been a considerable and immediate reaction to investing more and more in that particular part of Canada.

• (1240)

Let me conclude by touching on a comment made recently by the Conference Board of Canada, specifically on November 29, when it said that business leaders think they will do better in the next six months. That shows confidence and without confidence, Canadians will send their money elsewhere. As well, I recommend to all Members of the House an article in the winter 1985-86 edition of the *Financial Post* magazine which talks about the outlook for 1986. If you think I am biased in my political judgment, you should read that article and the good news it has for the whole nation. There is also an article here that talks about paddling our own canoe. That is what we are starting to do in the economic and the nationalistic sense by creating more and more lasting jobs for the people of this country.

Mr. Deputy Speaker: Questions and comments? Debate.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, before I get to the main purpose of my intervention in this debate, I want to deal with a couple of questions. These have already been dealt with and I cannot say I am an expert on some of these subjects. I do not think anyone is really an expert on some of these subjects. However, I have a couple of comments.

The Minister of Finance (Mr. Wilson) talked about holders of retirement funds such as RRSPs being allowed to invest up to 50 per cent of the fund in shares of Canadian-controlled corporations. There is one restriction involving a limit of 10 per cent of the shares in any one company. Given that, in certain cases, if someone were to invest less than $50,000 and all the payments required under the regulations, he would find, I estimate, the measure to be prohibitively expensive.

As well, the legislation requires a shareholder's agreement covering all shareholders. As you know, in these small companies that the Minister was talking about, there are several shareholders' agreements covering many different shareholders. Therefore, one would have to conclude that certain investments, certainly those under the $500,000 lifetime capital gains exemption, will not be covered under the Act.

The other main point was that the Minister claimed he was going to shut the door on income splitting. That is a situation where you have a high-income person with a low-income spouse. He or she loans the low-income spouse money and they would then pay less tax. I note that the legislation permits the sale of assets or a share of assets to a spouse at market value. In other words, you could have a high-income spouse who purchases from a low-income spouse a portion or all of a house, thereby getting around the regulations.

As to the capital gains exemption itself, I think everyone would agree that it is too broad. What does it profit small business if you are allowed tax free gains from the sale of fur coats, jewellry, summer cottages or a condominium in Florida? Certainly that is not acceptable. The legislation also draws a line between dividends and capital gains. A corporation could now look for ways of withdrawing excess capital so that it is not taxed at the normal rate of 25 per cent on dividends. It would declare it as capital gains, and that would eliminate a very fundamental difference between the way dividend income and capital gains are treated. I think that is a dangerous precedent. All corporations will now be looking at ways to withdraw funds and have them treated as tax-free capital gains.

All of this will certainly complicate matters of force Revenue Canada to look at this from year to year to determine how it is being used, and this will create more paper work. There is a provincial complication as well. Quebec says it will go along with the exemption for a year, but Ontario says it will continue to collect the capital gains tax.

My final point is that if the Government goes ahead with a minimum tax and applies that to capital gains, one will cancel out the other. If it is not applied, then the minimum tax becomes a joke. On the other hand, surely it is nonesense, plain stupidity, to have a minimum tax apply to capital gains if they are tax exempt.

These are minor points although they certainly have not been raised in this Chamber. However, the main point I want to make concerns the part of this Bill dealing with the Unemployment Insurance Act. Page 214 of this Bill deals with Part V of the Unemployment Insurance Act, 1971. There are pages and pages of amendments. What is the purpose of this particular part of the Bill? To find that out all we have to do is to look at the first clause. Clause 134 reads:

Section 67 of the *Unemployment Insurance Act, 1971* is repealed and the following substituted therefor:

It talks about the definitions of authorized person, documents, dwelling house, judge, and then about the definition of the Minister. As you look over these amendments you see that certain sections of the Act are modified and changed, sections dealing with seizure of documents, persons authorized to seize documents and enter premises. The point is that the emphasis should not be on the documents that the Government is able to procure through seizure and it should not be on the documents the Government is able to seize in order to find out if someone owes money to the federal Government under the auspices of the Minister of National Revenue (Mr. MacKay). The emphasis of the Government should be on the documents that are available to the poor man or woman who is drawing unemployment insurance and gets into trouble under this Act. That is the problem with these particular sections of the Income Tax Act. The reason it is a problem is very simple.

• (1250)

If one looks at the access to records and documents by the federal Government in a dispute with the Minister of National Revenue under the Unemployment Insurance Act as outlined in the Bill before us today, one begins to discover that evidence that is presented to the judge as defined in this Act is not lacking from the point of view of the Department or the Minister of National Revenue versus the appellant. It is lacking from the point of view of the appellant versus the Minister of National Revenue.

Someone who is drawing unemployment insurance today dare not go to work. He should not lift a finger, he should not move away from the phone and he should not leave his house because if he does, he is going to be nailed. That is a fact. When looking at the appeals and what emanates from these particular clauses in the Income Tax Act which are under discussion as well as the amendments to the Unemployment Insurance Act, one can see why this is especially so today.

If a fellow were drawing unemployment insurance benefits and the Unemployment Insurance Commission said that he was working on the side and therefore did not qualify for unemployment insurance a year later, then modified sections of this Act would give the Department the right to seize papers and documents from any employer. We are dealing with both an Act and the regulations. These cases go before umpires, judges or boards of referees, and what is under dispute is the Act. However, the regulations might show that such records are not necessary.

For example, it is in the regulations that someone drawing unemployment insurance need not report 25 per cent of his income. If he is discovered to have been collecting an income while drawing unemployment insurance benefits, he is automatically cut off and has to prove before a board of referees and eventually before a judge that that was not his principal source of income or that it could not have been his principal source of income.

There are many examples today of people who are laid off from Public Service jobs. Perhaps a plumber with the Department of Transport gets laid off because of cuts which are taking place in every Government Department and tries to go out on his own. He keeps a record of his income and presents that to the board of referees and eventually to a judge, and this is done under this section which is one of the sections that is

dealt with by this Bill. That person has already signed an affidavit. What would be the purpose then of allowing someone under the auspices of the Minister of National Revenue to enter upon that person's premises in order to steal whatever can be stolen to develop a case against him? Would it not be better if the Government of Canada were to turn around and say to that particular man: "Look, we encourage you to go out and work. Just report your earnings. Just tell us the name of your employer and we will leave it at that". No, that is not the case.

The second reason why records do not mean anything when dealing with the Unemployment Insurance Act is that one can draw incorrect conclusions from the records of employment and moneys owed which the Act speaks about. We have all experienced many such cases. I heard of a case the other day of a gentleman who, according to the records that the Government would be able to seize, is guilty of an offence. However, according to the regulations, he could defend his actions before a judge. The problem is that he will lose his unemployment insurance benefits until the cumbersome system gets around to the Minister of National Revenue who controls the Unemployment Insurance Act. What a stupid thing that is. If we are going to change something, we should change that. We should put the Unemployment Insurance Act under the auspices of the Minister of Employment and Immigration (Miss MacDonald) and not under the auspices of the Minister of National Revenue through a Bill like this.

If the Government were to acquire the records of every single fisherman in Newfoundland who sold fish to a fish plant, probably everyone who lives on islands around the coastline would be disqualified from unemployment insurance benefits. Why is this so? It is because the Act and the Unemployment Insurance Commission indicate that a fisherman gets a stamp in the week the shipment is made. They would all be disqualified. Hundreds of such cases are now being appealed in Newfoundland.

The fact of the matter is that if the collector-boat did not come in in one particular week and a fisherman put his fish on ice and sold it the following week, the regulations state that he could average that earning out. However, the Department of National Revenue does not do that. The Unemployment Insurance Commission would know the difference but not the Department of National Revenue. The tax experts in the Department of National Revenue who determine whether someone is eligible under this Act that is being amended here today would not know the difference.

The Department has investigators who know the Act down pat. They will find out that a particular fisherman shipped fish on a Monday, and that means that only one stamp will be issued for that week. That is all the investigators see on the records that can be seized. The fisherman now has only one stamp. However, under appeal, he can claim two stamps. After all, he did receive two stamps, as did the buyer. It is nonsense for us to be passing legislation like this which only makes it more convenient for the Government of Canada.

As I see it from reading this very complex Bill, we are now going to be facilitating the seizure of records. We in Newfoundland have had a lot of experience with the seizure of records. The Department of National Revenue and the Unemployment Insurance Commission are hitting particular areas. They bring in the RCMP and it looks like some raid on a coastal community during the Vietnam war. Helicopters come in to seize the records of a particular employer and to search the homes of employees. Sometimes, the seizure of the records themselves and the law as it appears in the Act are contradicted by the regulations. It is the poor unemployment insurance benefits recipient and eventual appellant who suffers.

What do we see in this Bill? This Bill makes changes to the Unemployment Insurance Act in order to facilitate the Government's budget measures. Not only that, it goes a little bit further, and that has not been explained by the Government in its introduction of this Bill to the House. Just a moment ago, I picked up this document and started reading through it. I was wondering what it had to do with the budget measures and the Ways and Means motions. The fact is that some of these clauses are simply being slipped in for the Government's convenience.

We warned the Government of Canada—and I suppose we could have warned any Government—that over the years or in the future when we start fooling around with the Unemployment Insurance Act and when we start to solidify the case of the Minister of National Revenue against someone drawing unemployment insurance benefits, we will be doing a disservice to the people of Canada, and particularly to the primary producers. I may have something more to say about this this afternoon.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 22

[*English*]

TRADE

ELIMINATION OF FOOTWEAR IMPORT QUOTAS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, yesterday marked the end of the shoe quotas for all intents and purposes. I rise today to bring to the attention of the House the blatant hypocrisy of the Conservative Government of Canada when, on June 15, 1982, seven prominent Conservative Members of Parliament were here on Parliament Hill protesting with the shoe workers. They were the present Minister of Veterans Affairs (Mr. Hees), the Minister of

Fitness and Amateur Sport (Mr. Jelinek), the Minister of Public Works (Mr. La Salle), and the Minister of Regional Industrial Expansion (Mr. Stevens), as well as three other Members of Parliament.

On May 3, 1984, the Prime Minister (Mr. Mulroney), the then Leader of the Official Opposition, said that a Conservative Government would not abolish import quotas in the footwear and textile industries. He added further that the policy on quotas would remain the same and that he was not in favour of free trade in these types of industries. He also said that he did not intend to bow to pressures which could be exercised by the Common Market or the United States to bring down the quotas on footwear and textile products.

The Minister of Regional Industrial Expansion himself is quoted as having said on August 1, 1985—

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

* * *

THE LATE VALINDA AND ANDREW LEONARD

BURIAL SERVICE FOR MOTHER AND CHILD KILLED IN HIJACKED EGYPTIAN AIRLINER

Mr. Gordon Taylor (Bow River): Mr. Speaker, last Saturday, with the Right Hon. Joe Clark, the Hon. Connie Osterman, MLA, Mayor John Richter and hundreds of Canadians from near and far, in 22 degree below zero weather, I attended the funeral of Valinda, beloved wife of Edward Leonard and daughter of Harvey and Leah Uffelman, and her young son Andrew, who were killed by terrorists in Malta. The ecumenical service in St. Mary's Catholic Church was predicated on the sure and certain hope of the resurrection.

As the casket was brought into the cathedral, with a beautiful wreath of fresh flowers in the centre, and a coloured photo of Ed and Valinda Leonard and Andrew shortly after he was born on one side, and a coloured photo of Valinda and Andrew taken just a few days before the tragedy on the other, it was hard to hold back the tears.

Father B. Field and the Right Hon. Joe Clark read several verses of scripture including "In my Father's house are many mansions", and Mrs. Margaret Berreth sang beautifully "Lead Me Gently Home". Rev. S. Bessy delivered a stirring message "In times like these . . . we need to trust God". Following the community service the congregation of every church in the area provided refreshments for the vast crowd.

● (1405)

The shock of the death of this beautiful wife, who spent her life helping others, and her handsome child, was eased by the prayers of Canadians throughout the nation, the helpful concern of the Prime Minister of Canada (Mr. Mulroney) on behalf of the Government of Canada, and of the Right Hon. Joe Clark. Let us pray and work together in such a way that such a terrible tragedy will never happen again.

FISHERIES

FUTURE OF SALMON ENHANCEMENT PROGRAM IN BRITISH COLUMBIA

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I wish to call an extremely important matter to the attention of this House. It is the announcement over the weekend that the Minister of Fisheries and Oceans (Mr. Siddon) intends to cancel the Salmon Enhancement Program in British Columbia and his indication that salmon enhancement from this point on will be done by privatization and management. That, in short, means that Government hatcheries built at taxpayers' expense will be turned over to the private sector. That will not save Canadians one dime. In fact it will cost more to produce salmon.

Wages in those hatcheries will be reduced to the minimum wage. The technology and innovative procedures which have been developed in the hatcheries will accrue to specialized industry instead of being spread throughout the entire industry.

The other aspect of enhancement by management will mean it will allow more escapement to try to produce more fish, but when the habitat is not protected and the spawning channels are not increased, we will have a very serious problem where the total allowable catch, and the fishermen's income, will be reduced and no more fish will be produced. The Government must wake up and remove itself from its rigid, philosophical confines, and begin to do things in a way which is acceptable and proper in the community.

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SEARCH AND RESCUE

COLOMBIA VOLCANO DISASTER—HEROIC RESCUE EFFORTS BY SEVEN CANADIANS

Hon. James A. McGrath (St. John's East): Mr. Speaker, I rise today to draw to the attention of this House the heroic efforts of seven Canadians employed by Sealand Helicopters Ltd. of St. John's, who risked their lives in a rescue and medical supply mission in and around Armero, Colombia, following that country's devastating volcano erruption.

The mission, voluntarily undertaken by these seven brave men, involved flying into the most severely affected parts of Colombia and rescuing those who survived the devastating mud slides. In Colombia for a private sector project, the Sealand's Super Puma helicopter was immediately diverted to aid the Colombian Government in its rescue efforts. I might add that it is not the first time this company has been involved in search and rescue.

The Sealand crew was led by Captain Robert Freeman and included Captains Malcolm Fraser and Paul Dorfman, Engineers Daniel Merritt, Howard Sturge and Dean Porter, and Avionics Technician Neil Burt.

I am proud to have brought this matter to the attention of the House, and I have written to the Secretary of State for

External Affairs (Mr. Clark), bringing this matter to his attention.

* * *

AGRICULTURE

CROP DISASTER ASSISTANCE PROGRAM—CRITICISM OF MEASURE

Mr. Maurice Foster (Algoma): Mr. Speaker, it is amazing to listen to the western Tory Members trying to defend the Government's disappointing token efforts at assistance for drought striken farmers in the southern Prairies. The assistance plan which was announced last week, and could have been announced three months ago, has been universally condemned on the Prairies as being barely a fraction of what was needed.

I never thought we would see the day when a Tory Minister would brag and boast about the payout of money under the Western Grain Transportation Act, the Western Grain Stabilization Fund, and Crop Insurance as evidence of what his Government has done for farmers. All these are good programs. They all help farmers. But they all were in place long before the current Government took office. Farmers will not be fooled. They are not about to thank the Government for giving them money to which they were already entitled and on which they have already paid premiums. The payment of $5 to $10 per acre on average is not even 20 per cent of what western farm organizations agreed was needed, and even these payments will not be made until next March or April.

The Minister can quote the President of the Saskatchewan Wheat Pool out of context, as he did last Thursday, but he will not change the reality. As farmers, the Minister of Agriculture (Mr. Wise) and the Minister of State for the Canadian Wheat Board (Mr. Mayer), and the Member for Assiniboia (Mr. Gustafson), who chaired the special Committee on Disaster Assistance, should all be embarrassed at the low priority their Government gives to agriculture.

* * *

THE LATE J. C. BYRNE

TRIBUTE TO MINING PIONEER

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, recently Mr. J. C. "Jerry" Byrne, Chairman of Rayrock Resources, a man whose name is almost synonymous with Canadian mining, passed away. He was born in Sault Ste. Marie in 1910, attended high school in Haileybury, and took a degree in geology and economics at Queen's University.

He and his brothers discovered and brought into production then Canada's richest and farthest north gold mine, Discovery Mines. This was followed by bringing the Rayrock Uranium Mine, also in the Territories, into production.

• (1410)

Jerry Byrne was an entrepreneur with remarkable foresight. Income earned at Discovery and Rayrock was reinvested in at least 10 other mining enterprises across Canada which produced or currently produce uranium and several precious and base metals. He was also responsible for bringing into production several mines in Ireland and the United States. His companies pioneered the now widely used heap leaching process for low grade gold and uranium ores.

Most important, his entrepreneurship and leadership resulted in the creation of thousands of jobs in numerous communities across Canada, together with the infrastructure in those communities. Mr. Byrne was a life member of the Canadian Institute of Mining and Metallurgy and a director of the Mining Association of Canada. Mr. Speaker and colleagues, Canada and the mining industry have lost a special person.

* * *

CANADIAN NATIONAL RAILWAYS

POSSIBLE LOSS OF JOBS IN MONCTON, N.B.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, during the 1984 election campaign the slogan of the Conservative Party was: "Jobs, jobs, jobs". Right now the slogan of people in the City of Moncton is: "Preserve our existing jobs".

The reason for that, Mr. Speaker, is that the more than 1,200 men and women who work for CN shops in Moncton have very good reason to believe they may lose their jobs. They have seen the federal Conservatives stand back and watch CN Marine cut back on its services in Atlantic Canada and elsewhere. They have not yet heard the Conservative Government stand up and say that the jobs in Moncton at CN, the largest industrial employer in New Brunswick, will be preserved. The Government should ensure the preservation of these jobs.

[*Translation*]

The unemployment rate in New Brunswick is over 15 per cent, and the federal Government is ultimately responsible for ensuring that no region or city or town will suffer the full impact of cutbacks imposed by a Crown corporation.

* * *

[*English*]

VOLUNTARY ORGANIZATIONS

"ANGEL TREE" APPROACH TO ASSISTING NEEDY CHILDREN

Mr. Tom Hockin (London West): Mr. Speaker, last year over 80 per cent of the Christmas gifts donated to the Salvation Army in London, Ontario, were generated by a unique idea called the "Angel Tree" in a local shopping mall. Here is how it works. Any willing donor picks a small angel from the tree which lists the name, age, and clothing size of a needy child. The gift is then returned and registered with the paper angel attached.

S.O. 22

Last year, in concert with the Salvation Army, a local radio station and the mall, the angel tree received close to 3,000 gifts. The "Angel Tree" approach is not only satisfying and enjoyable for the donor, but ensures a happy festive season and fills a real need for thousands of children.

This idea is the genius of Ginny Vershagen and has gained support here in Ottawa and is being tried at three local shopping centres.

I commend the idea of the "Angel Tree" to my colleagues as I remind the House of the approaching festive season and of those less fortunate than ourselves.

* * *

CONFEDERATION

FIRST MINISTERS' CONFERENCE

Mr. John Nunziata (York South-Weston): Mr. Speaker, in the Throne Speech of November 5 last year the Conservative Government proudly made the commitment that the new Parliament would bring with it "the new beginning of a new era of national reconciliation—a new era of federalism". The Government said it was its priority to "breathe a new spirit into federalism".

After the First Ministers' Conference in Halifax last week it is obvious that the Government was only blowing hot air in the Throne Speech. The Government clearly stated last year that all regions of the country would be represented in the national Government. Obviously the Government's definition of representation omitted the words "compromise", "negotiation", "sensitivity", and "co-operation".

On the issue of free trade negotiations the provinces have been left wondering what part they will be allowed to play, and to what extent, in protecting Canada's national interests. Premier Peterson of Ontario pinpointed the essence of this important issue when he stated that Canada must not only speak with one voice, but with a voice that must speak for all Canadians and all Governments.

Unilateral cuts in health and post-secondary education have been unilaterally deemed non-negotiable by the federal Government. Despite calls from many Premiers for a reordering of federal priorities, it is clear that these issues have been dismissed from the arena of compromise and negotiation. If the past week's meeting is any indication of the Government's commitment to national reconciliation and a new era of federalism, Canadians in all parts of Canada have been sadly cheated.

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

THE DISABLED AND THE HANDICAPPED

ACCESS TO FEDERAL BUILDINGS

Mr. Alan Redway (York East): Mr. Speaker, my constituents, and indeed all Canadians, were delighted with the measures announced recently by the President of the Treasury Board (Mr. de Cotret) to improve access for the disabled to federal Government buildings. These new measures required federal Government Departments to improve accessibility on a priority basis for Crown-owned and long-term Crown-leased buildings without, I might add, exceeding the limit of their previously approved budgets. This is an important step and one that is long overdue. Many provinces and municipalities in Canada, including my own municipality, initiated a similar program some six or seven years ago to ensure that public buildings are accessible to the disabled.

• (1415)

During the past weekend I visited the East York Recreation Club for Disabled Adults in my riding. The founder of that Club, Gord Hamilton, is a disabled athlete. He has represented Canada and won medals for Canada all over the world in the Disabled Olympics.

It is high time that Gord Hamilton and thounsands of others like him have proper access to federal buildings and I applaud the Government for this initiative, an initiative that the former Government should have taken years ago.

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—FIRST MINISTERS' CONFERENCE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I am at a loss to understand that, after a very important First Ministers' Conference involving an important issue like free trade, the Prime Minister is not here to answer questions in the House. If that is the case, I am constrained to put my questions to the Secretary of State for External Affairs. These questions are of the utmost importance and I would have thought that the first Minister of the Crown would have been here to respond to them.

The Joint Federal-Provincial Statement on Free Trade with the United States, issued following the First Ministers' meeting in Halifax, states that: "Ministers agreed to the principle of full provincial participation in the forthcoming trade negotiations between Canada and the United States . . ."

Subsequent to that statement, provincial Premiers have interpreted that phrase "full provincial participation" to mean that they are full, joint, and equal partners with the federal Government in the preparation and pursuit of all negotiations

with the United States on free trade, and that they have, in effect, a veto power on these negotiations.

Will the Secretary of State for External Affairs, who has been charged with these negotiations, tell us whether he shares that interpretation put on those words by the provincial Premiers? If not, what interpretation does he choose to place on those words?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think the House will agree that a very important and decisive step forward was taken in federal-provincial relations by the agreement with regard to international trade reached by the federal Government and the provinces. I am sure the House would share the support for that agreement which was expressed by the Hon. Member for Shefford, speaking for the Liberal Party.

As the Right Hon. Leader of the Opposition will know, I chaired the meeting of Ministers charged by the First Ministers to achieve agreement. It was the meeting that did, in fact, produce the documented cited by the Right Hon. Leader of the Opposition. During those discussions it was agreed by everyone around the table that the question of the manner of provincial participation in the formulation of the mandate would be a question that would be decided later in the process.

[*Translation*]

INTERNATIONAL NEGOTIATIONS—POWERS OF PROVINCES—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a supplementary. Not only is the Prime Minister of Canada not available to provide an explanation of these key words here in the House, he withdrew before the end of the session with the provincial First Ministers, after refusing to give an explanation.

We agree that Ottawa ought to consult with the provinces, but this agreement appears to make the provinces joint and equal partners with the federal Government in international negotiations. My question is as follows: Is the Minister going to admit that the Government has put itself in a well-nigh impossible position? How can the Prime Minister tell the President of the United States that he is speaking for Canada, when the provincial First Ministers claim they have joint monitoring rights and a veto right as well?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it is not at all surprising the Liberal Party should be against an approach that can involve the provinces in a process that is very important to Canada's future. That is the history of the Liberal Party, that is what happened under the Liberals, with disastrous results within our own country.

Our position is entirely different, and we have said that the provinces have a right to participate in negotiations. We specified how we would proceed in the initial phase, and we have agreed with the provincial First Ministers and the Minister for International Trade that together, we would develop ways of implementing this formula at subsequent stages of the negotiations. That is a major step forward for the consultation process and for Canada's interests.

• (1420)

[*English*]

CANADIAN NEGOTIATOR'S REPORTING AUTHORITY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, let it be noted that the Hon. Minister has in no way responded to our question. My Party has been on record since my first intervention in the House of Commons on free trade that there ought to be full consultation with the provinces. There is a difference between consultation and the words "full provincial participation" in the communiqué, which is the reason for the question.

Let me be a little more specific. Mr. Simon Reisman is the chief negotiator; full-time or part-time, we do not yet know. To whom will Mr. Reisman report—to the Prime Minister of Canada, to the Secretary of State for External Affairs, to the provincial Premiers, to both, or to the federal and 10 provincial Ministers? To whom is he reporting as chief negotiator? Let us be specific about it.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Right Hon. Leader of the Opposition is not only repudiating the Hon. Member for Shefford, his own Member of Parliament who approved the agreement when he was speaking on national television on Friday, he is also repudiating the position of the Liberal Premier of Ontario. The Liberal Premier of Ontario said, and I quote him from his opening statement: "The Government of Canada must speak with one voice but must speak for all of Canada". That is the principle which we are pursuing. That is a new principle, a principle which did not exist when the Government of the Right Hon. Leader of the Opposition was in office following practices which, on issue after issue, tore the country apart. What we have done is establish a process to bring the country together in a negotiation which is important to our future.

Some Hon. Members: Hear, hear!

STATEMENTS ATTRIBUTED TO PREMIERS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, while the Hon. Minister is in the exercise of having agreement on various statements, would he listen to a few short statements which were issued at the conference last Thursday and Friday. The Premier of Ontario, Mr. Peterson, said: "The bottom line is the negotiating team will take instructions from the First Ministers". Premier Getty of Alberta said: "The negotiating team becomes our team", and Premier Bennett said: "We agree that we 11 Governments will establish the mandate for the negotiations". Does the Secretary of State for External Affairs agree with those statements put forward by the provincial Premiers?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member for Winnipeg-Fort Garry, not for the first time, is repeating questions which have already been put and anwered in the House of Commons.

Mr. Guilbault (Saint-Jacques): When were they answered?

Mr. Clark (Yellowhead): The situation, as I indicated earlier, is that at the instruction and behest of all First Ministers, a meeting was held of Ministers interested in representing specific Governments on the question of trade. We agreed, for the first time in history, that we would move away from the empty formula of simply consultation and toward the right of the provinces to participate in the trade negotiations. We agreed that we would spell out how that would be done in the phase that we could see, the preparatory phase, and that we would decide the means by which that principle would be applied in later phases as we moved along. That was agreed by all Governments represented at those discussions.

RESPONSIBILITY OF PROVINCES

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I would simply say to the Hon. Minister that the reason we repeat questions is that we do not receive proper answers from the Government side. We will keep asking those questions until we get the answers.

Mr. McDermid: The problem is that you do not like the answers.

Mr. Axworthy: The provincial Premiers have said that they are now fully responsible for establishing the mandate for the negotiator and, furthermore, that they will be in the position to make decisions on what will or will not be on the negotiating table.

Mr. Speaker: Order, please. The preamble to the question is becoming a little long. Could we have the question?

Mr. Axworthy: I will ask my question, Mr. Speaker. Will the Minister confirm that the provincial Governments now have full responsibility and share in setting the mandate for the chief negotiator and for determining what will and what will not be on the bargaining table?

● (1425)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I will confirm again that the provinces have the right to participate in the formulation of the mandate. That is clear, that was agreed. The means by which that principle will be applied in the formulation of the mandate as it was agreed by all Governments there present, the manner of implementation, will be decided as we have a clearer picture of the response of the United States and the nature of the negotiations.

We have here, Mr. Speaker, an historic principle of federal-provincial co-operation on a question which involves all of the Governments of this country. We have here a situation where we cannot see with certainty—

Mr. Speaker: Order, please.

Some Hon. Members: Hear, hear!

CONFERENCE COMMUNIQUE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like to begin by saying that the Prime Minister indicated earlier that he would be in the House. After such an historic conference he had an obligation to be here.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I will go to the surrogate Prime Minister of the day and ask him about these discussions. The communique he referred to talks about 90 days to sort out certain details. Will the Minister deal with the question of principle? We agree details should be discussed with the provinces, but will the Minister answer this question? Does he agree with the Premier of Ontario and the Premier of Quebec that they have a veto in these discussions? Does he agree with that or does he not? It is a clear question; give us a clear answer.

Some Hon. Members: Oh, oh!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am pleased to receive from the surrogate Leader of the Liberal Party—

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): —a repetition of the question put by his colleagues. He asks me about the principle. Let me quote to him the principle agreed to by all of the Governments present at the First Ministers' Conference, an historic principle: "The Ministers agreed to the principle of full participation in the forthcoming negotiations between Canada and the United States and the GATT."

REPORTING AUTHORITY OF CANADIAN NEGOTIATOR

Hon. Edward Broadbent (Oshawa): Mr. Speaker, presumably the provincial Premiers will be answering to their Houses what they mean by that. This Minister has an obligation to give clear answers to this House because he speaks for the Government of Canada.

While we agree that the details of fact as they are to be analyzed in the discussions and so on should be discussed with the Premiers, this all makes sense, will he tell us on this fundamental question of principle, so that there is no confusion amongst the Premiers or people of Canada, whether he agrees with Simon Reisman that there is only one boss, the federal boss, or does he agree with the Premier of Ontario and the Premier of Quebec that they have a right to a veto? Will the Minister please answer that question and we will stop putting it to him?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we have just heard, in the question put, the voice of the old days and the old ways where the role of the provinces was limited to discussion and consultation. Now there has been established, by a Government determined to achieve national unity in fact and in important negotiations affecting all of the jurisdictions of the country, that there will be a principle of provincial participation. We have established how that will apply in the preparatory phase of the negotiations. We have agreed that we will work out together how that will apply to the question of the formulation of the mandate. These procedures go forward step by step. They are being taken that way by all 11 Governments.

Mr. Speaker: Order, please.

Mr. Clark (Yellowhead): We have applied the principle to the first step and we are applying the principle to subsequent steps.

Mr. Speaker: Order, please. Some of the questions and answers are becoming longer.

POSITION OF GOVERNMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, a number of the Premiers have clearly taken one interpretation from this agreement and the federal Government has taken another. Therefore, will the Minister tell the House whether the Government is simply confused on this issue, or is it systematically trying to mislead the people of Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, neither. We are not the New Democratic Party.

Some Hon. Members: Hear, hear!

* * *

● (1430)

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

OPPORTUNITY TO SETTLE DIFFERENCES IN CANADA BEFORE NEGOTIATING WITH UNITED STATES

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I have a question for the Secretary of State for External Affairs, who is in charge of these negotiations. Since the free movement of persons, goods and services under the Canadian Constitution does not exist in Canada *de facto,* and since following the negotiations, the federal Government will not be able to put a treaty into effect without the consent of the provinces where their jurisdictions are concerned, would it not be wiser if the Government started by putting Canada's house in order, before negotiating a treaty it would not be able to put into effect?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we agree it is sensible and important to work together with the provinces in order to achieve a broader joint approach to domestic issues. We are entirely aware of the fact that to achieve this kind of co-operation, there must be leadership at the federal level, capable of stressing the importance of this kind of co-operation. That is why we have departed from the old Liberal habit which almost destroyed our country and now for the first time, we have set up a procedure for establishing a system of co-operation among Canada's jurisdictions.

NEGOTIATIONS WITH UNITED STATES—POSSIBLE VETO FOR PROVINCES

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, perhaps I may rephrase my question.

Does the Minister intend to inform the United States Government that, following negotiations with that Government, if one of the provinces wishes to exercise its veto right on matters falling under provincial jurisdiction, the Canadian Government will not be able to deliver the goods? Does the Minister intend to say this to the Americans, telling them, in fact, that these negotiations will be just a farce so long as there is no agreement in Canada before the start of negotiations?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we do not have to explain Canada's constitutional position to the Americans or to the Canadians.

What we want to point out to Canadians and Americans is that we have today co-operation among the various levels of Government which did not exist in the past, and that today we can reach a consensus on national objectives. That is why we concluded this historic agreement in Halifax last week.

[*English*]

PROVINCIAL POSITIONS ON AGRICULTURE AND CULTURAL INDUSTRIES

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I would like to try to sort out this bowl of mush that the Minister is trying to feed the House of Commons. I would ask him a very precise question. If the provinces say that they want agricultural policies and cultural industries left off the negotiating table, as indeed many of the provinces have said, will the federal Government respect that decision and follow that course of action?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member knows, because he has posed the question and received answers to it before, that we do not intend to start the process of unravelling the negotiations before they begin by taking several subjects off the agenda that will be there in any event. There are two sides to a bargaining table and those issues will be raised by the other side in the negotiations. What we have established for

the first time is that there will be a right of participation and not just consultation for the provinces.

The Hon. Member asked a question about specific fields that might be the subject of negotiations. The means by which we discuss the mandate and apply the principle of provincial participation in the formulation of the mandate is, as has been agreed by all Governments, a matter that will be worked out in the 90 days that are to come.

MINISTER'S POSITION

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, in fact the Minister is saying that if the provinces want these points off the negotiating table, he is going to put them on because that is his view. I would ask him precisely how that shows respect for the supposedly grand principle of participation which is such a great new achievement, when in fact all the Secretary of State is doing is conning the provinces into thinking they have a role to play while leaving them out of substantive decisions.

Mr. Hnatyshyn: I wouldn't talk about Howard Pawley that way.

Right Hon. Joe Clark (Secretary of State for External Affairs): I am not trying to con the provinces or the people. We have involved the people of Canada and now the provinces in negotiations in a way that is without precedent, whether it be the successful negotiations we had with the United States in the past or the negotiations in which Canada was involved under the MTN. Far from conning the provinces, the Government is inviting the provinces to participate in matters which affect their futures and their interests.

* * *

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

FEDERAL PAYMENTS TO PROVINCES

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is for the Minister of Finance. Would the Minister not admit that when the Government refused the plea of the provincial Premiers to halt the planned federal cut-backs in growth transfers for medicare and post-secondary education, it not only broke its own election campaign commitment made in the summer of 1984 but also broke the Minister of Finance's commitment not to touch the transfer payments until the spring of 1987? Would he not agree that in fact all the federal Government is doing is exporting its deficit problem to the backs of the provincial Premiers?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the answer is no, no, and no. Let me explain what I mean by that. The increase in transfer payments will be from $65 billion over the last five years to $90 billion over the next five years. Surely that is a significant increase.

Second, we are not transferring the deficit. The spending of the federal Government outside of interest and transfer payments to persons and individuals, last year increased at a rate of 10.8 per cent under the previous Government. This year it will be flat. That is not transferring the problem to the provinces.

BUDGETARY CUT-BACKS—POSSIBLE REACTIONS OF PROVINCES

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, the Minister of Finance's own document indicated that he would not touch transfer payments until the spring of 1987, and that promise has been broken.

[*Translation*]

Does the Minister realize that by cutting back transfer payments to the provinces, he is running the risk of worsening the already critical situation in emergency wards of Quebec hospitals, where patients must wait for hours on end, and that he is forcing the Government of Quebec to consider introducing a user fee?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think what the Hon. Member is touching on is a matter that is under the jurisdiction of the provinces. If he has some views on that, perhaps he could speak to Mr. Peterson himself. Perhaps he could speak to the Premier of the Province of Quebec who will be elected today.

Mr. Turner (Vancouver Quadra): Who will that be?

Mr. Wilson (Etobicoke Centre): I can give you a suggestion, if you want. However, I would not want to betray confidences to the Leader of the Opposition.

The point I would like to make is that nowhere did I say that I would not be changing anything until April 1, 1987. I did make and keep a promise in January of this year that in the current fiscal year I would not be touching the federal-provincial transfers. In fact, what we did was increase the equalization payments to six provinces.

* * *

PUBLISHING INDUSTRY

MINISTER'S POSITION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for the Minister of Communications. I would like to welcome him back to his seat.

Some Hon. Members: Hear, hear!

Mr. Deans: Does the Minister stand by the policy with regard to the publishing industry that he announced in the middle of the summer just past?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, to my knowledge the Government has made no changes in the publishing policy announced by the Priorities Committee in Baie-Comeau.

[*English*]

CANADA-UNITED STATES TRADE NEGOTIATIONS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I wonder then if the Minister would explain what the Secretary of State was talking when he said that the publishing industry can and should be on the negotiating table during the free trade discussions. How are those things consistent one with the other?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I think we must be careful here, to avoid confusion. Some cases are now being discussed and examined by the Department of Regional Industrial Expansion, and that is the responsibility of Investment Canada. And there is also a policy for the entire country, which was formulated in Baie-Comeau. So I think these are two entirely different aspects of the question.

Now the Minister of External Affairs is responsible for organizing discussions on free trade with the United States and it is up to him to answer questions pertaining to this area.

* * *

● (1440)

[*English*]

EMPLOYMENT

FEDERAL WORK PROJECTS IN NEWFOUNDLAND

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I wish to ask a question about a very urgent matter, that is, hunger strikes which are taking place at this very moment in the Province of Newfoundland. The Minister of Employment and Immigration was notified by groups in seven communities last week that they intended to go on hunger strikes to protest the inefficiency of the Government in terms of the approval of works programs which were promised, because these people do not have any incomes.

In the absence of the Minister of Employment and Immigration my question is directed to the Acting Minister. Is the Government aware of these hunger strikes? More important, is the Government aware of the reason for them? If it is aware, what is it planning to do about the matter?

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, the Government is certainly aware and the Government has acted. As the Hon. Member will know, and as he has been informed, fully $9.5 million in emergency funding has been made available for projects to create jobs. I am pleased to report to the Hon. Member that already 91 projects having a total value of $4.7 million have been approved.

STARTING OF PROJECTS

Mr. George Baker (Gander-Twillingate): Mr. Speaker, people should not have to be driven to this type of action as a result of the inefficiency of the Government in actually approving the projects and getting them started.

Will the Minister assure the House and guarantee these people with no incomes who are on hunger strikes today that these projects will start immediately, today, in every community in which they were promised?

Hon. Walter McLean (Minister of State (Immigration)): Mr. Speaker, I wish to assure Members of the House and, more particularly, the people of Newfoundland, that the Government is proceeding expeditiously. As I have mentioned, already 91 projects have been approved, and others will be approved just as quickly as possible.

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FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

FEDERAL PAYMENTS FOR EDUCATION AND MEDICAL CARE

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of Finance. The reason so many questions have been asked in the House with regard to exactly what the Government has signed with regard to trade is because of the confusion over what the Government says and what it does. Before the last election the Government promised to increase funding for post-secondary education and for medicare along the lines of the 1977 cost sharing agreement. Why is it going in the opposite direction today?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I cannot understand why the Hon. Member does not listen to previous answers. In the last five years funding in post-secondary education and health care amounted to $65 billion. In the next five years it will be in excess of $90 billion. If the Hon. Member cannot add, that is $25 billion plus which will be added to those budgets.

GOVERNMENT'S POSITION

Mr. Rod Murphy (Churchill): Mr. Speaker, the problem is not with my adding. The problem is with what the Government promised before it was elected. In 1983 the Prime Minister promised 50/50 sharing with respect to medicare. In 1984 he promised to reinstate post-secondary education funding. Why are these promises not being kept?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the answer I gave to the first question stands. Surely the Hon. Member can understand what an increse is. Some $25 billion over some $65 billion is very close to a 40 per cent increase. That is up, up, up, up—higher.

Oral Questions

TERRORISM

INTERNATIONAL SECURITY MEASURES—CANADA'S POSITION

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is for the Secretary of State for External Affairs. All Canadians mourn the loss of 60 people who died when Egyptian commandos stormed a hijacked aircraft a week ago Sunday. We particularly mourn the loss of Valinda Leonard and her 16-month old son Andrew. These acts of terrorism must stop. How can Canada bring pressure to bear on countries to tighten up security measures and to take other strong steps to eliminate terrorism and hijacking?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, this is a most serious question. The Government of Canada can act in two ways. The first is by showing some leadership, and the second is by working in consultation with other countries interested in stopping terrorism. Leadership involves the type of actions which have already been taken, such as the announcement by the Minister of Transport. Consultation involves, for example, the meeting which will be held in Bonn on December 10 and 11 at which Canada will have representation. Canada will be making some proposals as to means by which the world can act together to indicate to terrorists that their acts of terrorism will not be tolerated, that there will be no haven for them, and that there will be the harshest response to the actions which they might undertake.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—AGRICULTURAL MARKETING QUOTAS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, in the absence of the Prime Minister my question is for the Secretary of State for External Affairs. It concerns free trade.

Last week the Ontario Federation of Agriculture passed a motion expressing grave concern that agricultural programs and quotas could be bargained away in free trade negotiations with the United States. Can the Secretary of State for External Affairs indicate to the House today his clear and unequivocal commitment that that will not happen and that marketing quotas in the agricultural sector will be protected and not bargained away in free trade negotiations?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as a Member of Parliament who comes from an agricultural area I know, as the Hon. Member should, that for years—almost for decades—the agricultural industry was run into the ground by the disinterest of the Liberal Party and the Liberal Government of the day. This Government was elected to change the situation in agriculture. We have done that on a number of fronts. We do not intend to place agriculture at risk in any negotiations. We believe that there can be advantages for all of Canada in the trade negotiations.

Mr. Boudria: Mr. Speaker, I gather the answer means no, they will not be bargained away.

[*Translation*]

QUOTAS—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry-Prescott-Russell): If that is the answer, why should dairy farmers in my riding believe what the Secretary of State for External Affairs says about milk quotas, when the Conservative Government lied to workers in the shoe industry in that same riding?

[*English*]

Mr. Speaker: With great respect, I would like to ask the Hon. Member to rephrase the last part of his question.

Mr. Boudria: I said the Government, Mr. Speaker.

Mr. Speaker: The Hon. Member knows, I think, that the issue is language and not to whom his question is directed.

Mr. Boudria: Sorry, Mr. Speaker. I will take that back.

[*Translation*]

Could the Secretary of State for External Affairs give us the assurance that this time, we will not be getting the wrong information or rather, that for once it will be true?

Right Hon. Joe Clark (Secretary of State for External Affairs): I think the answer is that the riding of Glengarry-Prescott-Russell needs a better Member in the House of Commons.

[*English*]

IMPACT OF NEGOTIATIONS ON WOMEN

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is also for the Secretary of State for External Affairs. In Halifax the Prime Minister reaffirmed his Government's commitment to integrate women in all aspects of policy and programs. He then completely ignored this when he talked about free trade and transfer payments. Is the Minister aware that in 42 Government studies with respect to trade not one of them examines the impact on women? Will the Minister immediately request that further studies be conducted with respect to the impact of free trade on women?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there certainly will be studies with respect to the impacts of trade negotiations on women. One of the things that we know now is that many of those jobs which are threatened today by the protectionist pressures in the United States are jobs which are held by women. We wish to take practical steps and not simply wave rhetorical gestures, in the direction of ensuring that there is not only greater job security for women now but a broader range of opportunity in a workplace which is itself expanding for the women of Canada.

REQUEST FOR CONSULTATIONS WITH NATIONAL ACTION COMMITTEE

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, it is our understanding that women's groups are particularly concerned about the type of industries which will be phased out by free trade since they are largely industries in which women now work, at notoriously low wages. Will the Minister consult the National Action Committee on the Status of Women, and other groups, on the impact of free trade on women workers, from their point of view, but not from the point of view the Minister represents?

• (1450)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am quite prepared to receive and to pay attention to any representations and, particularly, any serious data put forward by the National Action Committee or by any other responsible groups in the country.

Working now under the historic agreement arrived at with the provinces last week, we will also in agreeing on common analysis of that data so that we will be working with the provinces not simply in gathering common data, but also have a basis on which Canada can proceed into those negotiations. But it is essential for us that we find ways to achieve both economic growth and the protection of Canadian jobs if we are serious about the status of women in this country. This Government is deeply serious about achieving some range of equality and some real opportunity for Canadian women in an expanding workforce, not in a workforce which is increasingly threatened, as is the case today.

* * *

ENERGY

EXCO ENERGY CORPORATION—PLIGHT OF CREDITORS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. One of the worst aspects of the National Energy Program was the potential for abuse with the PIP Program. Can the Minister tell us if there is any hope that the creditors of the Exco Energy Corporation, presently under investigation by the RCMP, will be able to recover any of the moneys which are owed to them?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I am aware that this particular case has caused some hardhsip for some constituents of the Hon. Member. But, because this case is under RCMP investigation, I believe it would not be appropriate for me to comment further at this time.

Oral Questions

CUSTOMS AND EXCISE

IMPORTATION OF AMERICAN MAGAZINE

Mr. John Nunziata (York South-Weston): Mr. Speaker, in the absence of the Minister of National Revenue I would like to direct my question to the Minister of Justice. It concerns, again, the December issue of *Hustler* magazine. The Minister is aware that the magazine should have been seized and destroyed at the border by the Customs officials. On Friday the Minister of State for Finance promised this House that a report would be forthcoming today.

Could the Minister of Justice report to this House on the reasons why this particular edition of the magazine was allowed into Canada? Could he also indicate to the House what steps his Department has taken to ensure that this offensive and disgusting magazine is removed from store shelves in Canada?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I don't know why the Hon. Member wants to give so much publicity to this issue of *Hustler* magazine. He continually brings it up in the House. This is a matter which is, under the present legislation, left to the judgment and discretion of certain Customs officials who have a very difficult job to do and who do their best to come down on the right line on each occasion.

The Hon. Member was promised a report. He will get his report when the report is ready. In the meantime I would adivse him not to continue giving such publicity to this magazine.

Mr. Nunziata: Mr. Speaker, we were promised the report today and it is obvious that the Government is not serious about stopping the importation of pornography into this country. The problem won't go away if you ignore it.

STAFFING OF DEPARTMENT

Mr. John Nunziata (York South-Weston): Mr. Speaker, my supplementary question is directed to the President of the Treasury Board. Notwithstanding what the Deputy Prime Minister had to say on Friday, will the Minister confirm that over 1,200 jobs will be cut from Customs and Excise in the next five years? And would he not agree that we should be increasing instead of decreasing the number of Customs inspectors in order to stop pornography from coming into Canada?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I will be very happy to look into the specific multi-year operational plans of the Department—

Mr. Gauthier: You won't.

Mr. de Cotret: —and come back to the Hon. Member. That is the plan we work with over a period of years and I will be very happy to look at the specific numbers and report back to the Hon. Member.

Oral Questions

CROWN CORPORATIONS

PROPOSED SALE OF DE HAVILLAND CORPORATION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the President of the Treasury Board. It is in regard to the give-away and fire sale prices of the de Havilland Aircraft Corporation to the Boeing Corporation of the United States, which the Minister intends to announce in half an hour's time.

Could the Minister explain why the Government set conditions for the sale of de Havilland requiring that it be sold to a legitimate air frame manufacturer and that there be financial depth in such a way that it effectively excluded the sale of de Havilland to any one other than a foreign corporation? Could the Minister also explain why it was that Rimgate Holdings of Vancouver, a Canadian buyer, was effectively excluded from getting the information it needed in order to submit a bid to keep de Havilland in Canadian hands?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I will be making a statement on the progress of our privatization program—

Mr. Broadbent: Why not in the House?

Mr. de Cotret: —and I can tell the Hon. Member that, as he obviously well knows, this is part and parcel of our Government's commitment to revitalize the Canadian economy and to move on to economic renewal.

Mr. Deans: That sounds like John Diefenbaker and the Arrow.

Mr. de Cotret: I can tell the Hon. Member further that the program is progressing very well for the interests of Canada, for the interests of the employees, and for the interests of the private sector, and very well, indeed, for the over-all economic renewal which we are witnessing in our country at this time.

Mr. Cassidy: I can tell the Minister, Mr. Speaker, that it is offensive that the statement he is making will not be made in this House. It is also offensive that the Government's conditions effectively ensured that de Havilland will be sold to foreign hands.

JOB GUARANTEE INQUIRY

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, will the Minister say why it was that the representatives of the 42,000 workers involved have not been consulted in any way with respect to decisions so vital to the future of the aerospace industry? And will the Minister ensure that there will be job guarantees to keep those aerospace jobs here in Canada?

Hon. Robert de Cotret (President of the Treasury Board): The Hon. Member talks about 42,000 workers. I would be very happy to see 42,000 workers at de Havilland. What we are doing is exactly that. We are ensuring that the workforce goes up rather than goes down in that vital industry of ours.

EXTERNAL AID

ETHIOPIA—REPORTED DEATHS CAUSED BY FORCED MOVEMENT OF PEOPLE

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, my question is directed to the Minister for External Relations. In spite of reports that life is better in Ethiopia than it was a year ago, other reports bring us the news that 100,000 people have died from conditions imposed on them through forced transfer from the north to the south. In view of such forced transfers which are reportedly continuing, what steps can our Government take with other democratic Governments to protect the rights of people under these conditions?

Ms. Copps: Wake up, guys.

Some Hon. Members: Shush!

Mr. Nystrom: She is not a guy.

Mr. McDermid: What a sexist statement.

Mr. Speaker: Order, please. It is only Monday. All the noise doesn't help.

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, Canada did not take part in the displacement of families in Ethiopia. The support we are giving consists in helping on a case-by-case basis. Mr. David MacDonald, our emergency assistance co-ordinator, has made the necessary contacts, and we have taken steps to help these people overcome the trauma of resettlement.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

INGESTION OF DANGEROUS CHEMICALS

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Minister of the Environment. On Friday, Doug Hallett, the senior adviser for Environment Canada, said that "Canadians ingest a high amount of "the dangerous chemicals" PCBs, just by eating staple foods such as potatoes, vegetables, fruit and meat". He went on to say that the average Canadian may just as well package PCBs and swallow them.

Would the Minister tell the House what immediate steps he is taking to remove this danger from the foods Canadians eat? Can he give us an immediate answer to reassure Canadians, in the light of what his own senior departmental adviser said on this important matter?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member probably knows that successive Governments, including the one of which he was a part, and certainly this one, have put in place a very rigorous regime to

control the use of PCBs and their transportation. In fact, PCBs have been effectively outlawed for use in this country.

The official to whom the Hon. Member made reference in his question was speaking at a seminar as an individual—

Some Hon. Members: Oh, oh!

Mr. McMillan: He was not commenting on this subject in his capacity as a senior adviser to my Department or to the Government of Canada.

Mr. Gray (Windsor West): Mr. Speaker, I would suggest that Dr. Hallett knows a lot more about the subject than the Minister.

● (1500)

REQUEST FOR ESTABLISHMENT OF SUPER FUND TO DEAL WITH TOXIC CHEMICALS

Hon. Herb Gray (Windsor West): Will the Minister say today that he will immediately accept the request made at that same conference last Friday by the Ontario Minister of the Environment that the federal Government set up a super fund to help Canadians deal with problems of toxic chemicals, such as the excessive levels of PCBs in food and those in the St. Clair River? Will he make that commitment today?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, other Members have raised this proposal. I said then, as I say again, that I have been discussing the matter with my counterparts across the country, including the Minister of the Environment in Ontario. The Government of Ontario has set aside approximately $10 million for this purpose. One proposal was that the Government of Canada match that $10 million. I am looking at the proposal as well as others along the same lines.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of one, presented by Hon. Members on Friday, November 19, 1985, meet the requirements of the Standing Orders as to form.

One petition presented by the Hon. Member for Spadina (Mr. Heap) did not meet the requirements of the Standing Orders as to form.

* * *

POINT OF ORDER

ALLEGED GOVERNMENT PRACTICE OF MAKING ANNOUNCEMENTS OUTSIDE HOUSE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a point of order which also contains a question of privilege. It arises out of the fact that the Government has chosen not to make a statement to the House respecting the future of the aerospace industry, but to do it by means of a press conference one-half hour after Question Period has taken place. It seems to me, Mr. Speaker, as a Member of the House, that we should all be entitled to have the information necessary to make comments in the House and that it is a derogation of the privileges of Parliament for the Government consistently to go around Parliament by making statements at press conferences rather than using the House which is where those decisions should be announced.

Some Hon. Members: Shame, shame!

Mr. Speaker: I think the Hon. Member knows that his representations constitute neither a point of order nor a question of privilege. The Government is free to do what it wishes where it wishes.

ROUTINE PROCEEDINGS

[*English*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

PRESENTATION OF TWELFTH REPORT OF STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour of presenting the twelfth report of the Standing Committee on Finance, Trade and Economic Affairs in both official languages.

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

* * *

WAYS AND MEANS

TABLING OF NOTICE OF MOTION

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, pursuant to Standing Order 65(1), I wish to lay upon the Table, in both official languages, copies of a notice of Ways and Means motion to amend the Income Tax Act. Pursuant to Standing Order 65(2) I ask that an Order of the Day be designated for the consideration of said motion.

* * *

PETITIONS

UNEMPLOYMENT INSURANCE—PENSION INCOME DEDUCTIONS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the privilege and responsibility of presenting several petitions, the first from the Alberta Federation of Labour signed by some 300 members of that organization. I also have a petition from Ottawa, a petition from the Sudbury Legal Clinic, a petition from Local Union 7062 of the United Steelworkers of

America in Hamilton, a petition from the Winnipeg Labour Council, and a petition signed by many people from the riding of Spadina in Toronto. All of the people who signed these petitions call upon the Government to withdraw the provision, which is to come into effect on January 1, 1986, whereby pension income will be considered earned income for unemployment insurance purposes.

PEACE AND DISARMAMENT

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, I am pleased to present a petition signed by many individuals from the congregation of the United Church of Meaford, Ontario, in my riding of Grey-Sincoe. The petitioners underline their deep concerns and strong feelings that everything possible must be done by all levels of Government to further the cause of peace and disarmament throughout the world.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have a petition from a number of people in the Lower Mainland of British Columbia asking that the House of Commons reinstate full indexation of universal family allowances and rescind the unfair tax increases because of the very adverse effect that this will have on families, children, and particularly on single-parent mothers.

I have a similar petition from a number of people in Nova Scotia who feel just as strongly on the other side of Canada. They ask that family allowances be fully indexed and that unfair tax increases be rescinded.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have a petition signed by a couple hundred people from Winnipeg, most of them from my riding, with regard to family allowances. The petitioners point out that the cut-backs in family allowances will hurt all families, including the very poorest, after the year 1990 and that this measure is unfair and unjust and should be rescinded.

Mr. Rod Murphy (Churchill): Mr. Speaker, I also have a petition signed by residents of Manitoba indicating their opposition to the federal Government's plan to deindex the family allowance. In the petition the people explain how they need that money for their basic expenses. They also feel that it is an unfair burden on the middle and low income households of Canada.

[*Translation*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I received a petition from the residents of the riding of Blainville-Deux-Montagnes who humbly declare that Government programs respecting family allowances and the child tax credit are absolutely necessary to families with children, and that families with children do include a considerable number of single-parent families that happen to be among the most destitute citizens of our society. The petitioners urge the Government to honour its election promises by restoring full indexation and the full child tax credit for single-parent families.

[*English*]

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is my honour and duty to present to the House a number of petitions from the City of Prince Albert, all of which request the House of Commons to reinstate full indexation of the universal family allowance and to rescind unfair tax increases.

* * *

PUBLIC PENSIONS REPORTING ACT

MEASURE TO ENACT

Mr. W. Paul McCrossan (York-Scarborough) moved for leave to introduce Bill C-255, an Act to impose reporting requirements with respect to public pension plans and to amend certain Acts in consequence thereof.

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. McCrossan: Mr. Speaker, in this year's Auditor General's Report the Auditor General expressed concern that parliamentarians do not have adequate information to assess and fully understand both short and long-term financial implications of public pension programs. Similarly, in the public accounts of Canada for the last five years the Auditor General has noted that he does not have sufficient information concerning Government of Canada employee pensions.

The Public Pensions Reporting Act will require the Government to prepare and file in the House actuarial valuations of all public pension plans using both standards and timetables similar to those imposed on private sector plans.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, Question No. 473 will be answered today.

[*Text*]

CHANGE IN ROUTING

Question No. 473—**Mr. Young:**

1. In 1985 and to date, was there a change in the routing of outgoing and incoming aircraft at Pearson International Airport and, if so, were flight

patterns changed so that more flights were being routed over the south-east portion of the City of Toronto?

2. During 1985 and to date, did the Department of Transport receive complaints about jet aircraft noise from residents in the Constituency of Beaches and, if so, how many?

Hon. Don Mazankowski (Minister of Transport): 1. No.

2. Yes, one.

[*Translation*]

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

Mr. Speaker: The question indicated by the Parliamentary Secretary has been answered.

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

Mr. Speaker: I recognize the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) on a point of order.

[*English*]

Mr. Boudria: Mr. Speaker, on November 5, 1985, in the House the Government indicated that it would be answering one of my questions concerning the travels of the then Minister of the Environment. Later that day the Government changed its mind and asked that my question be withdrawn from the Order Paper and reput. They had the answer in their hands that day, Mr. Speaker. If the answer was available to be tabled in the House by the Parliamentary Secretary on November 5, 1985, why has it not been done since? Is the answer so embarrassing that the Tories do not dare table it for public view?

[*Translation*]

Mr. Vincent: Mr. Speaker, I am pleased to see that the Hon. Member is asking this question when the Parliamentary Secretary who would normally answer is not in the House. I am glad to take note of his question and I will get back to him.

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of the motion of Mrs. McDougall (for the Minister of Finance) that Bill C-84, an Act to amend the Income Tax and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the

Petroleum and Gas Revenue Tax Act, be read the second time and referred to a legislative committee.

Mr. Bud Bradley (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I had anticipated that there would be another speaker from the New Democratic Party following the finalization of a speech by a Liberal Member. But I am more than willing to take this opportunity to speak now. It is a privilege to speak to Bill C-84, an Act to amend the Income Tax Act. The Bill provides legislative authority for several income tax measures outlined in the May 1985 Budget. These changes affect three major areas and will encourage private initiative.

• (1510)

These changes include a $500,000 capital gains tax exemption, measures to encourage labour and pension fund investment in small businesses, and improvements to tax incentives available for research and development. There is a special tax credit for investment in Cape Breton. There will be changes to improve Government effectiveness, including an increase of $140 in the child tax credit and increased tax assistance for the disabled and artists. There will be clear limits on Revenue Canada's powers of search and seizure, a measure in this Bill that I loudly applaud.

Among the changes in this Bill to help control the deficit are the modification to personal income tax indexation, an end to the federal tax reduction, a temporary surtax on upper income earners and large corporations, as well as an end to the Registered Home Ownership Savings Plan.

The purpose of this Bill is to continue Canada on the economic road to recovery that was initiated by the Minister of Finance (Mr. Wilson) in his Budget and by this Party in September, 1984. We have seen an indication of that recovery. The unemployment rate has fallen tremendously. Some 333,000 new jobs have been created in Canada. Not only has the bank rate dropped, providing lower interest rates, but the mortgage rate has decreased to a level that will enable people to afford homes. This means that housing starts have begun to climb. Consumer spending has risen. Bankruptcies in Canada are on the decline. Manufacturing orders have increased and the fact is that the Canadian economy is outperforming that of the United States. We intend to continue this growth and improve the economy of this great country.

Many of these indications are of particular interest to my riding of Haldimand-Norfolk. It is a riding which is very similar to many other rural ridings in Canada. It is basically 75 per cent rural, consisting of the usual agricultural sectors; dairy producers, pork producers, beef producers, chicken and turkey producers and egg producers. We have apple growers and strawberry growers. In fact, the riding of Haldimand-Norfolk consists of the whole family of aricultural commodities. It is in my riding that the majority of tobacco in Canada is grown. We grow tomatoes not only for canning or retail sale in stores, but for tomato paste. We grow peanuts and even ginseng in Haldimand-Norfolk.

Haldimand-Norfolk is an agricultural area that has been ignored for too long and requires direction.

In contrast to agriculture in my riding we have probably the largest steel plant in the world with the Stelco-Erie Works. We have the largest Canadian fossil burning generator plant at Nanticoke and the large Texaco refinery that recently announced expansion plans. My riding, like many others, includes urban areas with textile plants, footwear industries as well as many other small industries and businesses. These industries have been seeking direction for years and we are providing it with this Bill.

Today, I want to deal with the three measures that affect us most directly. They are, the capital gains tax exemption, small business bonds, and the deductions for the disabled. In the six years I have had the privilege of serving the House of Commons, many of my colleagues and I have been striving for a capital gains tax exemption. We literally begged the Government of the day to introduce such a measure that will allow the farmer who has invested his life savings in his farm an opportunity to deduct the gains from the sale of his farm in order to live in retirement with some dignity. Since the farmer may not have to increase the price of his farm in order to retire comfortably, it presents an opportunity to young farmers to purchase a farm at an affordable price. We have fought hard for such a measure during the last three elections and I am pleased to see it being brought into play.

I must admit that I was pleasantly surprised to hear the Minister include small business in that provision. This means that money will be recycled into revitalized, expanded and new businesses. Those people who will be able to deduct the capital gains tax from the sale of their businesses can reinvest in other ventures and create more jobs. I was very pleased to see the Minister take the very wise step of including small businesses in the capital gains tax exemption.

We must give credit to the previous Government for instituting the small business bond. Those bonds provide reduced interest rates to farmers and small businesses in financial difficulties. At present, small businesses and farmers can arrange financing for up to $500,000 at interest rates that have typically been 5 to 6 percentage points less than would have been applicable. The maximum term for these bonds is five years.

The small business bond program was due to expire in 1985. However, the program has played a useful role in providing interest rate relief in cases where business failure might otherwise result. The program was important to agriculture, and there is a growing awareness of its role in that sector. This special tax program has resulted in nearly $700 million of small business bonds being issued. Consequently, we are extending that program for a further two years. I believe this will give the agricultural and small business sector an extra shot in the arm to get them over some very difficult times as our economic recovery continues.

I am particularly familiar with the third area I want to talk about because I participated in my Party's task force on national revenue. The Income Tax Act currently allows for a special deduction to be claimed by disabled persons. Under the present law, only those persons who are blind or confined to a bed or wheelchair qualify for the deduction. The Budget proposes to broaden the definition of disability in the tax legislation so as to include many other people with severely disabling conditions which do not result in confinement to a bed or a wheelchair. The new definition requires that in order to qualify for the tax deduction, an individual must suffer from a prolonged and severe mental or physical impairment. To be considered prolonged, the impairment must be expected to last at least 12 months. For an impairment to be severe, it must markedly restrict the daily living activities of an individual. In order to be eligible for the deduction, claimants will have to be certified by the Department of National Health and Welfare as having met the requirements of the disability definition. It is expected that approximately 185,000 Canadians will be eligible for the deduction under the new definition, compared with 65,000 under the current definition.

• (1520)

This need was brought home to me during the task force hearings. I recall a young man who came in a wheelchair and strugged on two crutches to come to the table to present his case. He was handicapped and restricted to his wheelchair, but because he wanted to maintain hope and dignity, he strugged on crutches for an hour or two each day. He wanted to have some mobility under his own power and to maintain pride and respect. However, because he did that, he did not qualify as being physically impaired, in that he was not restricted to his wheelchair for the full day.

Another case involved a young lady who was classified as not being disabled under the Act because although she was confined totally to a bed, she was helped or half carried to a chair each day for an hour or two so that she could look out the window; probably the only world she knew. Because she sat in a chair for a couple of hours each day, she was not classified as being totally disabled and confined to bed.

We feel that those injustices should be corrected. I am very pleased to have taken part in the debate on a Bill which corrects those injustices and to have clarified those points for very needy people in the future.

We have many other Members who wish to speak on the Bill. I appreciate having had the opportunity to use a few minutes of the time of the House to voice my respect and support for the Bill, most certainly in the areas I have mentioned.

Mr. Foster: Mr. Speaker, I am pleased to have the opportunity to make a couple of comments on the speech of the Hon. Member on Bill C-84. The Hon. Member mentioned that he represented a large number of farmers in his riding, including tobacco producers. I should like to take issue with a couple of items which he mentioned. He mentioned the $500,000 capital gains exemption. It will certainly help a number of farmers to get out of farming. However, if we look at the rest of the provisions in the Income Tax Act and in the Budget of last spring, we see that farmers are treated very badly. The Hon.

Member talked about the samll business development bond and the small business bond. He knows that the extension of those bonds for a couple of years, except on very rare occasions, does not provide any assistance to farmers because the banks will simply not give them to farmers. There is very little help for those producers in that regard.

Also he knows that on September 1, the Government added some nine cents per gallon to the price of farm fuels and provided no exemption for farmers. It has been estimated that it will cost some large grain producers in western Canada some $1,000 to $1,500 each per year. It seems most unfair that the Government would increase farm input costs at a time when thousands of farmers are facing the loss of their land.

Also he did not mention that on January 1, the Government will impose a further 1 per cent increase in sales tax. This will not only increase the price of farm fuels but will increase the input costs of all farm commodities. Aside from increasing those costs, the Budget did nothing about the farm debt crisis which many tobacco farmers in the constituency of the Hon. Member are facing because of the national marketing hold-up. The Hon. Member and the Minister of Agriculture (Mr. Wise)—

The Acting Speaker (Mr. Paproski): I do not want to interrupt the Hon. Member for Algoma (Mr. Foster), but I hope he is not on debate. This is the period provided for questions and comments.

Mr. Foster: Mr. Speaker, I was just placing my comments on the record. I have a couple of questions for the Hon. Member. Why did the Government impose massive new taxes which will cause so much hardship for tobacco producers? Will the Government come good on its commitment in the federal tobacco REDUX program of five cents per package to assist farmers to move into other crops? Why did the Hon. Member not participate in the rally held by 600 or 700 tobacco producers last Saturday in Delhi when they blocked the streets with some 80 tractors? In the Hon. Member really wanted to represent these producers, he would have taken the opportunity to attend that rally, as well as hear the presentation made by the Minister of Agriculture some three weeks ago in St. Thomas when 800 farmers rallied to protest the lack of action on the part of the Government, not only in this Bill but in the Budget of May 23.

Mr. Bradley: Mr. Speaker, do I get 10 minutes to respond to the question? I think the Hon. Member has used up most of my time.

He mentioned the capital gains exemption and that it would only help farmers to get out of agriculture. If he had listened to my speech, he would have realized that I pointed out that farmers in many cases have been required to inflate the price of their farm in order to obtain some money with which to retire. Thus, they will not be required to do that now, and younger farmers will be able to purchse those farms at a much lower price.

The Hon. Member referred to the things which he says we have not done for agriculture. He did not talk about the farm credit moratorium which is in place or the $90 million cash crop advance which was lent to tobacco farmers. I did not hear him come to their defence when the press was saying that it was a gift although in reality it was a loan. He did not talk about the fuel tax reduction or farm debt programs such as REDUX. He did not refer to the meetings of the Minister of Agriculture (Mr. Wise) with all commodity groups.

However, he talked about the tobacco tax. I was not pleased with the tobacco tax, and he is aware of that. It is a question which the Minister of National Health and Welfare (Mr. Epp) has answered many times and to my satisfaction. He talked about the REDUX program for tobacco. I am pleased that he raised the issue because it was my concept. Within 15 minutes of the Budget being brought down, I presented a program to three cabinet Ministers—the President of the Treasury Board (Mr. de Cotret), the Minister of Agriculture (Mr. Wise) and the Minister of Finance (Mr. Wilson)—to take five cents from a package of cigarettes and return it to the industry. The Hon. Member should know better. The issue is not to get tobacco farmers out of tobacco. Tobacco farmers feel that if people are smoking cigarettes, they should have the right to grow the tobacco rather than having impure and possibly chemically-laden tobacco coming in from offshore. That is their point. I am pleased to tell the Hon. Member that the third draft is now complete. I have another meeting for 8.30 tomorrow morning with representatives of the Department of Finance and the Department of Agriculture and it will be going to the Minister of Finance tomorrow afternoon.

• (1530)

The Hon. Member talked about Delhi. He may know that I agreed to appear in a Santa Claus parade at the other end of the riding for Saturday morning and I would not want to disappoint Santa Claus. He might know as well that there were a bunch of tobacco farmers last evening at the light-up ceremony in Simcoe which I attended. He may want to know that I took the Regional Chairman, two mayors and a councillor to see the Minister of Agriculture two weeks ago. He may want to know that I had breakfast with tobacco farmers three weeks ago in Langton and met with 18 tobacco farmers a week and a half ago in my riding office. I have taken action in the five directions which they asked me to do. This included asking the Prime Minister (Mr. Mulroney) to restrict imports of tobacco to Canada to a five-year average until the national agency is finalized. If the Hon. Member is going to stand up and make accusations and ask questions on issues he is not fully acquainted with, possibly he should meet me beforehand and I can give him the right questions to ask.

Mr. Rodriguez: Mr. Speaker, the Hon. Member made a big to-do about the capital gains tax. He specifically talked about farmers being allowed to keep the capital gain from the sale of their land. We had and have no quarrel with that. I think his leader mentioned it in the campaign. Therefore, why not do that for farmers only? Why extend the exemption to all the

other entrepreneurs who invest in such things as condominiums in Florida, art, racehorses and everything else? In 1985, according to the May budget papers, the Treasury will lose $500 million, rising to $700 million in 1986 and $1 billion by 1990. How do you justify that kind of a loss when you complain about the deficit?

Mr. Bradley: I would like to thank the Hon. Member for Nickel Belt (Mr. Rodriguez) for such a well thought out question. I supported very strongly over the last six years a capital gains exemption for farmers. I know his views on that because we have talked about it many times. It is a policy supported on both sides. I mentioned earlier that I was pleasantly surprised when it was extended to small business. The Hon. Member talks about the entrepreneurs.

The Acting Speaker (Mr. Paproski): I regret that the Parliamentary Secretary's time has expired. I also regret that I cannot recognize the Hon. Member for Hamilton East (Ms. Copps) and the Hon. Member for Cochrane-Superior (Mr. Penner). From this point forward the speeches will be 10 minutes in length and there will be no questions or comments according to the Standing Orders.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, Bill C-84 can in no way be described as a tax reform Bill. However, there are certain aspects of it which my constituents have drawn to my attention through conversations and letters, and they have asked me to bring to the attention of the House three matters of concern to them. The first concerns the repeal of RHOSPs. When the Liberal Government introduced this plan quite a number of years ago its purpose was to encourage home ownership by assisting taxpayers in saving toward that time when they would be able to purchase a house. For the Government of Canada to abolish this plan at this time has to be viewed as a retrograde step.

As all Members know, this plan allowed the payment of up to $1,000 a year to a maximum of $10,000 into the plan. The income earned was free of tax. This meant that over a reasonable period of time a couple could set aside in excess of $20,000 for the purchase of their own home. We all know substantial funds had been amassed in these plans. That in itself attests to its popularity.

It is true that there is in Canada an urgent need for more rental accommodation, especially in large urban areas. However, I doubt very much whether we can justigy the cancellation of this plan on the basis of a shortage of rental accommodation in large cities. Young people, at least those fortunate enough to have a job, saw this plan as one of the few ways open to them whereby they could get a tax break which at the same time was an incentive to make the most important investment any family can ever make, the purchase of their own home. All Members would agree that home ownership contributes a great deal to community and national stability. It gives people a much greater stake in society. Therefore, it seems incongruous to me that a Conservative Government whose principles, I always thought, were to preserve the *status quo*, to get people to put down roots and become involved and active in a caring way in building better communities, should do away with a plan which gives people a chance to become home owners. As the King of Siam said through the voice of Yul Brynner, "it is a puzzlement". It is always difficult to determine precisely what the philosophy of this Government is, and perhaps it is better not to even think about it. Perhaps there is no philosophy at work, none of any consequence. However, is it too cynical of me to suggest that the reason this plan was cancelled was simply to free up $2 billion for spending by consumers because, at the same time, the Government is taking out of the economy by way of a gigantic tax break some $1.75 billion? Even the economists on the other side realize that this is no time at all to reduce consumer confidence and spending. After all, we are only just emerging from a recession. Perhaps that is why the RHOSPs were cancelled. However, if that is the reason, I suggest it was cynical in the extreme.

Second, I want to refer to Clause 35 in Bill C-84. This, I am happy to say, is a liberalization of the tax scheme which applies to employees who have started new employment and as a consequence have to move at least 40 kilometres away. I have to commend the Government for this change and I do so. The existing legislation was such that the interest payable on house loans received by such employees from their employers was an employee benefit and therefore taxable. I object to that measure in the existing legislation and the Government is going to change it. However, there is a technical problem and that is that a deadline of May 23 will apply.

• (1540)

In the constituency which I represent, there is a community on the North Shore of Lake Superior called Marathon which has been benefiting from a very large gold mine which has been developed nearby. The Hemlo gold find is one of the most active mineral developments anywhere in North America at the present time. Very briefly, this is the problem. One of the companies involved, Teck-Corona, wrote a letter to me outlining its problem as follows:

> We are in a situation here where we have just gone into production with a new Gold Mine and have been hiring our Supervisory and Operating Staff over the past one and a half years. We built eighty (80) new homes to be sold to employees and also had twenty (20) trailer lots for sale to employees for a total of one hundred (100) units. Many of our employees were hired prior to May 23, 1985 and some have been hired after that date. On these units, the Company is offering an interest-free loan forgiveable over a ten-year period. As a result of the May 23rd date, we now have fifty-one (51) employees paying tax on the benefit derived from the Company loan and another forty-nine who will not be assessed with a taxable benefit for the same type of loan.

That is not fair, is it, Mr. Speaker? Marathon is not a huge community. About 5,000 people now live there. People working for this same company have now been divided into two groups, one which has a taxable benefit and the other which does not because of this arbitrary date. I would ask my hon. friends opposite to take this matter up in caucus and do something about this injustice.

I have written to the Minister of Finance (Mr. Wilson) regarding this matter. All of the people from Marathon who are concerned about this problem have also written to the

Minister of Finance. In reply, he simply said that an extension of the proposal along the lines suggested would represent an additional tax expenditure and add significantly to the deficit. I cannot accept that at all. It is simply a question of equity and fairness to the community. The Minister of Finance has to do better than that for the people who live there. We cannot divide the employees of one company into two groups in that manner. I know that the Government will not allow that situation to continue. I am quite confident that a correction will be made.

I would make a final plea, and this is my third point. I would like to turn now to a consideration of fairness and equity for prospectors. Motion No. 20 in Bill C-84 indicates that when a prospector exchanges some property on which he has staked claims for shares and sells those shares on the market, those shares cannot be considered as an exemption under the capital gains tax. The Prospectors and Developers Association believe that this is unfair treatment of prospectors regarding the $500,000 lifetime capital gains tax exemption. The association feels that this is objectionable mistreatment of prospectors. Prospectors should be able to receive the benefit of the full capital gains tax exemption.

The Prospectors and Developers Association has 4,000 members from across Canada. Do we in the House realize the contribution that these people make? They are the backbone of the country's mineral exploration industry and they are essential to the development of our mining sector. They feel that they have been dealt with unfairly through Bill C-84. In fact, they telexed the Minister of State for Mines (Mr. Layton) right after the Budget was brought down and pleaded with him to be given consideration.

Are you signalling that my time has nearly expired, Mr. Speaker? I was going to read the telex into the record.

The Acting Speaker (Mr. Paproski): I regret to inform the Hon. Member that his time has expired.

Mr. Penner: Thank you, Mr. Speaker, for your patience.

Mr. Simon de Jong (Regina East): Mr. Speaker, I too wish to join in the debate this afternoon on Bill C-84. I think all Members of the House and all Canadians realize that the economy of Canada is in deep trouble. Canadians are beginning to realize that the high level of unemployment that exists today is becoming a permanent feature of our lives. Canadians are beginning to realize that the agricultural industry is in trouble. Every time I return to my riding of Regina East, I speak to people who are directly or indirectly involved in agriculture and I hear one horror story after the other describing to me the serious problems being faced by the agricultural sector. As well, I realize that people who are engaged in the fisheries, lumber and mining industries are all in serious trouble. The manufacturing industry also has its problems and is certainly not running at full capacity.

We are finding, as our economy and society goes through these troubled times, that the Government itself is experiencing some major difficulties. On the one hand, we have a shrinking revenue base and on the other hand a greater demand for Government programs. All in all, one begins to realize that while no one and certainly no political Party has all the answers, Canadians need and expect some leadership on the part of the Government. They expect leadership that will help us through these difficul and troubled times.

Let us have a look at the record of the Tory Government so far. During the election campaign, Tory members offered a pretty simplistic solution. They said that the problem in the country was a lack of confidence and that if the people would only elect a Conservative Government, confidence would be restored, new investments would come to Canada and new jobs would be created. They said that prosperity would return again. We now realize that this was somewhat of a sham. Canadians quickly learned what was meant by restoring business confidence. Essentially, it meant that there were further tax breaks to the rich and large corporations and cut-backs to programs that benefit average Canadians coupled with increased taxes for them to pay.

In the first Budget, we saw caps on the indexing of the Old Age Security pensions and the indexing of family allowances. There was a cap on the indexing of the personal exemptions and there were personal income tax increases along with sales and excise tax increases. There were cut-backs in programs that benefit the average Canadian. There were cut-backs in health programs and we will see cut-backs in education programs. We will see cut-backs in programs like the Unemployment Insurance Fund, women's programs and environmental programs. There will be cut-backs in all those areas that benefit ordinary Canadians. Of course, all this has been done in the name of fighting the deficit.

When it comes to sharing the responsibility fairly among all sectors of the Canadian economy, surely the Government deserves very low marks. I am not suggesting that the Government it replaced received high marks. In fact, the program this Government is following is not much different from the program the Liberals followed in the last number of years. That was one of helping the rich and the powerful and socking it to the poor and the middle-income earners. It is done with the notion of restoring business confidence so that business will invest more.

Let us see to what extent the Government is willing to go to restore business confidence. In the Budget, there is a provision to allow for the first $500,000 of one's capital gains to be tax exempt. I understand that this would mean the loss of some half a billion dollars in revenue to the Government. Is that fair? No, it is not fair. Certainly many of us welcomed aspects of this provision. I believe all Members of the House welcomed the way the capital gains tax exemption would affect farmers and small business people. Certainly, no sane or fair-minded person would suggest that a person who engages in quick flips, who has condominiums in Florida, who speculates in real estate, jewellery or in works of art should be given a $500,000 tax holiday. It is not just members of the New Democratic Party who point out these inequities. For example, Mr. William Lawlor, a former official in the Department of Finance

Policy Division, as well as a technical advisor to the Conservative task force on Revenue Canada, said at a recent conference of the Canadian Tax Foundation in Quebec City:

● (1550)

It (the Capital Gains exemption) is going to be abusive and there will be many varieties of abuse. These won't be understood for some time because of their complexity.

In other words, tax experts are saying that the capital gains provision is much too broad in its scope. Back home, farmers welcome the capital gains provision on the one hand but are realistic enough to ask why it should apply to everyone. These farmers say: "Why should this provision apply to the guy who bought his land next to mine just two years ago, never farmed it and who flipped it over the year after and made hundreds of thousands of dollars of profit?" This should have been given consideration, particularly when the value of farmland was increasing. The suggestion farmers make in my district is that the capital gains tax exemption should only be allowed to those who have actually farmed the land, those who through their sweat, labour, investment and energies have improved the quality of the land. The farmers say that these people should be allowed the benefit of the tax exemption but that it should not be given to everyone. They say: " Do not give it to the land speculator". They certainly claim this will not produce jobs and that it will not restore investor confidence in the country. All it will do is enhance a feeling of tax rip-offs and tax abuse. I tend to think that a wise foreign investor seeing a Government being so naive will not have any confidence in a country which is governed by such a Government.

We have come across other items which are not necessarily new to this Government. Previous Governments have been aware of them. I speak of customs and laws which help the well-to-do. For instance, there is the area of advance rulings. I have stood in my place on previous occasions and I have suggested the amount of tax abuse and tax avoidance which occurs under these advance rulings. In fact, the Department of National Revenue made quite a study in this respect in 1982. Some of the best brains in the Department prepared an internal report with respect to the question of tax avoidance. This is what they found, and I quote:

It is the opinion of senior management that the focus of tax avoidance has switched from implementing schemes to obtaining departmental approval through the Advance Ruling process.

The report was careful to alert the Department that its auditors were aware of those who practised tax avoidance, and I again quote from the report:

"75.9 per cent of the auditors were aware that tax avoidance is being practised mainly by high income individuals and large corporations."

Yet, we did not see any change in this policy when the Government was elected. In fact, the Government allowed an advance ruling with respect to the Olympia & York purchase of Gulf Canada. This ruling helped the company save close to $1 billion in taxes which it should rightfully pay. More recently there was the case of Genstar which involved a preferred share issue. Genstar was also provided with the benefit of a Revenue Canada advance ruling. The total revenue loss can only be estimated in the hundreds of millions of dollars.

There are many other schemes such as the scientific research tax credit scheme introduced by the Liberals and which was continued by the Tories before it was cut off after a loss of some $2 billion. We have come across the case of deferred taxes, which is estimated to have cost close to $30 billion this year. Again, it is of special benefit to the rich. We then come to the question of tax expenditures, which is figured to be close to some $50 billion in lost revenues to the Canadian public. It comes down to a question of fairness. Is it fair that the Royal Bank of Canada does not pay a cent of tax while it reports profits of hundreds of millions of dollars a year? Is it fair that an average income earner of some $30,000 has to pay ever-increasingly larger amounts of tax while those who can pay the most, those who earn and benefit the most from the country, pay less and less?

I claim that this if not fair. In fact, it is obscene. We will be voting against this measure.

The Acting Speaker (Mr. Paproski): I regret to advise the Hon. Member that his time has expired. The Hon. Member for Egmont (Mr. Henderson).

Mr. George Henderson (Egmont): Mr. Speaker, I rise today to speak on Bill C-84, which is quite a large document. I will not go into the number of pages it contains but it is a document almost one inch thick. I want to say at the outset that this is a Bill which has a great many ramifications for a great many people. In speaking to the legislation I must say that I am pleased to see the removal of capital gains with respect to the sale of farm property. This is certainly welcomed by farmers in the country. I do not want to underestimate its benefits but it only benefits those who wish to get out of farming. It is in this vein which I would like to make a few brief comments with respect to the situation of agriculture as we see it today.

By allowing this exemption not only will farmers benefit but all entrepreneurs who wish to take advantage of this tax write-off if they wish to buy, sell or deal in condominiums outside of the country will benefit. The estimated cost of this package is $550 million in 1985 and $700 million in 1986. As legislators we have to look at the cumulative effect on the taxpayers of the country. In this way farmers and others who are receiving benefits will see that there is also a cost involved. Not only are they receiving relief in terms of capital gains for farm assets, those who worked all their lives, tilled the soil and built up their assets to the point where they can use this money as a retirement income, they are also paying for others who are actually investing and speculating in other property not only in this country but abroad. It is not as clear-cut as the Government would like to have us believe. If I were a farmer who was able to take advantage of this legislation I would have to look for a buyer, someone who is prepared to buy my land. With the price of potatoes and other farm products in my province it would be very difficult for me to get anything substantial for my property and $500,000 would be an awful lot of money to

get out of it. After all, who in their right mind would go into agriculture this year as a new entrepreneur or a new farmer and expect to come out with even half a hide? I say this because we have to look at other things this Government has done to farmers. The cumulative effects are very subtle. The Government has put in place new inspection fees for potatoes. It has put in place ferry rate increases for my province. There are increased taxes on farm gasoline. The list goes on and on. Farmers are not just primary producers, they are also citizens and consumers, and they also have to bear the brunt of this kind of legislation. Farmers have families they have to educate and the Minister of Finance's cut-backs in transfer payments will have an effect on post-secondary education in my province. There is only so much that the people in the rural areas of this country can take. It is $500 here, $50 there, $75 somewhere else, and when you add it all up, and take it off one's disposable income, there is very little at the end of the day for one's work and sweat.

● (1600)

A few weeks ago Bill C-75 was before this House. It allowed for dredging fees for harbours and ince-breaking fees which can be imposed by regulation and does not ever have to come back to this Chamber for further debate. There was also the navigational fees for aids to navigation. When Bill C-75 is finally passed in this House and receives Royal Assent, this Minister of Transport (Mr. Mazankowski), or some future Minister of Transport, could quickly, through regulation, impose those kinds of fees. By themselves, they seem very small, but it all adds up.

I listened with great interest to my colleague, the Hon. Member for Gander-Twillingate (Mr. Baker) this morning as he commented on Bill C-84. On page 214 of this massive piece of legislation, under Part V, Unemployment Insurance Act, 1971, it lists the definition of the Act and defines "authorized person" as well as "dwelling house". People from National Revenue will be able to go into a poor fisherman's home in Newfoundland, Nova Scotia, New Brunswick or Prince Edward Island, and audit his books. Many of these people have been harrassed before. The Hon. Member for Gander-Twillingate likened it to Vietnam. "Minister" means the Minister of National Revenue with respect to the Unemployment Insurance Act and I think we should make a change in that because people with the Department of National Revenue are lacking in totally understanding what the primary producers in this great country of ours are doing, how they operate, whereas the people in the Department of Employment and Immigration do have extensive knowledge and understanding of this sector of our economy. The Minister of National Revenue should not be included in this section. I am not blaming this Government because the Unemployment Insurance Act was under the Minister of National Revenue previously. However, we as legislators can do something positive about the piece of legislation which is before the House today. I would ask that when this Bill goes before committee, Hon. Members who scrutinize this legislation take a long and hard look at that and try to improve what has been very, very unfair in the past. Right now we have sort of goon squads going out and harrassing people because they have made some mistake, some innocent mistake, in filling out or filing their unemployment insurance claims. The RCMP sometimes are involved in this. Sometimes there is a difference between what the legislation says and what the regulations are described as saying. If we follow the regulations, as the Hon. Member for Gander-Twillingate has mentioned, in many instances we would find that, indeed, the person who is out there drawing unemployment would be in the clear. I see that my time is up, Mr. Speaker, and I will conclude by saying that I think all Hon. Members should have a serious look at this legislation.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 46, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Don Valley Est (Mr. Attewell)—Estimates—Forecast of Government expenditures; the Hon. Member for Halifax West (Mr. Crosby)—Air transport—Merger of EPA and CP Air operations; the Hon. Member for Ottawa-Vanier (Mr. Gauthier)—Federal-provincial relations—(*a*) Participation of Francophones Hors Québec at Francophonie Summit. (*b*) Franco-Ontarians—First-class citizenship status—Prime Minister's position.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of the motion of Mrs. McDougall (for the Minister of Finance) that Bill C-84, an Act to amend the Income Tax Act and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act, be read the second time and referred to a legislative committee.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I do not think I will even take my full 10 minutes but there are a few things I want to put on the record.

Mr. Gauthier: Go ahead.

Mr. Boudria: I think you ought to.

Mr. Nickerson: The Liberals should not shout and squawk over there because the first thing I am going to do is compliment the Hon. Member for Cochrane-Superior (Mr. Penner). I would like to be associated with some of the remarks he made about the taxation of prospectors and the fact that under this Bill we are granting tax exemptions when it comes to capital gains to farmers, to real estate dealers, to people who deal in works of art, practically everyone except the prospector. In the part of the world I come from, which is not that different from the riding of the Hon. Member for Cochrane-Superior, prospectors feel they should have the same types of breaks and taxation as other people can avail themselves of. I do not want to get too complimentary to my friends on the other side of the House because it must be remembered that it was the Liberal Government which put the capital gains tax on prospectors in the first place. If I recall correctly, it was when Ron Basford was Minister of Finance that prospectors found themselves first subject to capital gains tax. That has had an adverse effect on the amount of effort going into mineral exploration, especially by the private individual.

Another point I would like to draw to the attention of the House is a point which might well be looked at when this Bill goes to committee. It deals with the surtax which is to be imposed on people earning relatively high incomes. The cut-off will be roughly around the $40,000 income mark. In certain parts of Canada, someone who is making $40,000 a year is doing quite well and perhaps can afford to pay the additional surtax. In other parts of Canada that amount of income is not that much. It may be only equivalent to an income of $25,000 or $30,000 in the southern parts. Many people in my constituency, especially those who work in the mining and oil and gas industries, will be affected by this special tax. They live in an area where costs are much higher than they are in other parts of Canada. They need a higher income in order to compensate for that higher cost of living. At the same time, they are doing very tough and arduous work, often under very difficult conditions. They work in the cold, quite often under dangerous circumstances. I think they are entitled to that extra compensation.

● (1610)

They are already subjected to higher rates of income tax bcause of the progressive nature of our income tax system and the imposition of this surtax will do them an even greater disservice. Most of the people are in circumstances in which they are unable to do anything except pay every lat nickel of tax which the Act imposes on them. They are earning straight salary and there is nothing they can do to hide some of that income as other people might. When this matter goes to committee the special circumstances of people who would otherwise be considered high income earners ut, because of the location in which they live and do their jobs, are not really that well off by comparison, should be taken into account.

One of the things which I would have liked to have seen in the Bill, which I understand will be addressed before the end of the calendar year as was promised by the Minister of Finance (Mr. Wilson) in his Budget in May, was the issue of taxation of northern benefits in a fair and equitable manner. As I indicated earlier, people in remote, high cost areas who receive more remuneration are put into a higher tax bracket and pay proportionately more taxes than would someone living in the southern part of the country. I am confident that that matter will be addressed by the Minister of Finance before the end of the year.

Mr. Boudria: Don't hold your breath.

Mr. Nickerson: One of the good things contained in this Bill, among the many other good things, is the Crown priority in dealing with certain moneys in cases of bankruptcy. Cases have been brought to my attention, as I am sure they have been brought to the attention of other Members of the House, in which companies have gone bankrupt after deducting from employees' pay cheques income taxes, unemployment insurance premiums, and Canada Pension plan payments but not, for some reason, remitting those to the Receiver General of Canada. After the company has gone bankrupt, having deducted these moneys from the employees' pay cheques, the friendly Department of National Revenue has come along and demanded payment from those employees again.

Changes are being made through this Bill to give the Crown a degree of priority to take the first proceeds of the liquidation to be used, as it should be, for payment of taxes, unemployment insurance premiums, and Canada Pension Plan payments on behalf of the employees. This will do a lot to control a situation which has previously worked to the detriment of many people who have had money deducted from their pay cheques which was not turned over to the Government of Canada.

Those are the brief remarks which I wish to make, Mr. Speaker. I will now turn the floor over to my Liberal colleagues who, I am sure, want to proceed with this debate as long as they possibly can.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to make my modest contribution to the debate on Bill C-84, a piece of legislation that contains a great number of measures, more than 60 from what I saw in leafing through the Bill. First of all, I have to admit that some of the measures the Bill contains are desirable, but I think defending those items should be left to Government Members. On the other hand, the Bill also contains measures I feel are unfair and ought to be changed. I intend to speak to these particular measures today and ask the Government to introduce some changes.

First of all, I notice the legislation proposes to levy a temporary eighteen-month surtax on basic federal income tax. I hope the Government does not think this surtax can substitute for the minimum tax on the wealthy we were promised and on which the Government is dragging its feet. Actually,

the temporary surtax will be draining more money from the pockets of low- and middle-income taxpayers, their numbers being far greater than the number of high-income taxpayers. That is why I hope the Government does not imagine this surtax will be a substitute for the formal promise made by the Conservative Government that it would introduce a minimum income tax for those privileged Canadians with high incomes.

Mr. Speaker, I maintain it is becoming increasingly urgent for this Government to introduce a measure that will levy a minimum tax on people with high incomes, and I was astonished upon examining Bill C-84 to see that there was no such measure in the Bill.

Another measure I find unfair and which I believe should be amended by the Government is the proposal to reduce the taxpayer's personal exemption by 3 per cent, thus in fact de-indexing personal exemptions. In fact this procedure is similar to de-indexation of Old Age Security pensions which the Government tried to have the House adopt and which it had to withdraw because of public pressure. It is more or less the same approach the Government is proposing and still trying to take to family allowances. This particular measure is supposed to reduce personal exemptions which would normally increase with the consumer price index. In other words, if this year, consumer prices increased by about 5 per cent, next year, income tax exemptions would go up by the same percentage. The Government is proposing to de-index this increase by 3 per cent. In fact, this is a sneaky way to take money out of the pockets of taxpayers, very discreetly, without anyone realizing, and for that very reason this measure must be condemned.

The measure also has a proportionally greater impact on the low-income earner that the person with a high income. Granted, high-income taxpayers will pay a bit more, but in proportion to their total income tax, the impact of this measure will be minimal. So percentagewise, low-income earners are going to pay most of the income tax collected in this way. Furthermore, they are going to suffer most because their income tax is increasing more, proportionally, that the amount of income tax paid by the wealthy. I assume the Government may wish to think this over and present an amendment to restore the principle of equity to Bill C-84.

Another measure that worries me tremendously, especially because of the large number of low-income earners in my riding, is the proposal to reduce gradually the personal exemption for children until it reaches the level of family allowances. And here again, the poorest families are going to suffer most. I realize this measure will also affect high-income families, but the tax increase for a high-income family as a result of this measure is minimal if we consider the total income tax paid by a high-income earner. Besides, all things considered, there are so many low and average income families that the Government will collect a lot more taxes from them than from high income families. That is why I suggest that the unfairness of this measure lies in the fact that it amounts to a deindexation of personal income tax deductions.

The other provision which upsets me, Mr. Speaker, is the abolition of homeownership savings plans. Again this is a measure which directly affects low and average wage earners. Many of them will see in this measure the end of their dream to own their home one day and they will have to get used to the idea of being tenants for ever.

Mr. Speaker, this measure was not intended for high income Canadians, although some of them did benefit from it, I am sure. The measure was designed to enable average income taxpayers to buy a detached house or at least a duplex, something they could not have done otherwise.

This program was extremely popular, but its abolition spells the end of that dream.

I wish the Government would take time to reflect upon some of the inequities contained in Bill C-84 and refrain from attempting to push this measure through. I agree it contains some constructive provisions, however it is inequitable, and I have dealt with only a few of the unfair provisions of this Bill. It seems to me that the Government should take its time and seriously consider some of the worthwhile amendments which ought to be made to the Bill to make sure that justice will prevail.

And so, Mr. Speaker, to give the Government more time to consider the amendments which should be made to this Bill, I would like to move the following motion:

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

Bill C-84 be not now read a second time but that it be read a second time this day six months hence.

Mr. Clark (Yellowhead): You are filibustering.

Mr. Guilbault (Saint-Jacques): No, we are not filibustering. This will give the Government enough time to reflect upon the inequities contained in this Bill and come back with acceptable amendments.

That is the amendment I would like to propose, Mr. Speaker, seconded by my colleague the Hon. Member for Ottawa-Vanier (Mr. Gauthier).

● (1620)

[*English*]

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, it is unfortunate the amendment is only for six months. It should have been for 600 years. I have never seen anything more worthy of complete disregard. This Bill should be sent off with Rip Van Winkle for the next 600 years.

When one attempts to read this Bill, one sees that it is most complicated even to tax accountants and tax lawyers. As a matter of fact, the only identifiable jobs this Bill will create are for tax accountants and tax lawyers.

Mr. Gauthier: Even they are not happy.

Mr. Rodriguez: Even they are not happy because it is so highly complex and complicated. As a matter of fact, it seems that this Bill runs contrary to the goal of the Minister of Finance (Mr. Wilson) and the Tories to simplify tax law.

Mr. Brisco: Do you have to shout?

Mr. Rodriguez: Yes, because you go to sleep. This is another example of the Tories talking out of both sides of their mouths.

Mr. Boudria: Typical Tories.

Mr. Rodriguez: Typical "supposi-Tories".

Some Hon. Members: Order.

Mr. Rodriguez: On the one hand they talk about simplifying tax law while, on the other hand, we have a highly complex Bill. Nevertheless, we know what is contained in the Bill.

Mr. Blenkarn: You do not.

Mr. Hawkes: Not if it is complicated, you don't.

Mr. Rodriguez: We know what is contained in this Bill inspite of all the gobbledegook. If the Hon. Member for Mississauga South (Mr. Blenkarn) wants to make a speech, I am not stopping him. He has a six month hoist amendment to which he can talk.

Mr. Blenkarn: I do not need to be recycled. I have already made a speech.

Mr. Rodriguez: We on this side of the House have always believed that the income tax system should be just. The income tax system should be progressive. It should be redistributive in nature. The three hallmarks of good income tax law are: "fairness, progressivity, redistributivity".

Mr. McLean: Say that again?

Mr. Rodriguez: The three hallmarks. That is the specificity of it.

Some Hon. Members: Oh, oh!

Mr. Rodriguez: I want to get to its specificity for the benefit of the Right Hon. Member for Yellowhead (Mr. Clark). If he can manufacture words, so can I. Surely he would not deny me that privilege.

Bill C-84 is unjust. It fails the test of those three hallmarks of the income tax system. It is an unfair Bill. Let me point out specific examples of its unfairness. The fact is that this Bill is superimposed on a system that is already unfair. That unfairness began after many years of Liberal Governments in this country. After years of study, the Carter Commission seemed to establish the principle that "a buck is a buck". The Liberal Government never had the courage to come to grips with the tax system because it knew that when it starts dealing with the tax system it is the graveyard for many a Finance Minister in this country.

We have a timid Minister of Finance who talks first about simplifying the tax system but makes it even more convoluted. Even the principle of fairness is being violated. For example, the budget proposals of May, 1985 clearly show that corporations will in fact contribute less to the support of Canada than ordinary Canadian taxpayers. Approximately 27 years ago corporations paid 50 per cent of Canada's tax burden. Today, as a result of the Tory Budget, they will be paying only 25 per cent while ordinary Canadian taxpayers will be picking up the other 75 per cent.

• (1630)

I should like to refer to a quotation of the Minister of Finance when he spoke to the Canadian Tax Foundation on November 28, 1984. He said that recent figures indicated that the effect of tax incentives—and that is a euphemism for loopholes; where it says "incentives", read as "loopholes"—had been to reduce the average federal corporate income tax rate from 36 per cent to 15 per cent. Also he indicated that when the benefit from special tax incentives, or loopholes, were added together, we were looking in some instances at an extraordinarily generous level of assistance.

Those are his friends. That is the world he knows. He came from Bay Street and brought his banker friends with him. They are all hiving in his Department. That is the kind of advice he is getting from his corporate friends. While they may tinker with a surtax for periods of time, when it all shakes down, corporations in fact contribute less to the support of Canada than ordinary Canadian taxpayers. Indeed, he had the bold-faced gall to say in a speech to the Canadian Economics Association in Montreal on May 30, 1985, that no matter how we defined the term, Canada had an acute shortage of rich people. I think he has it all wrong. It is not that we have a shortage of rich people; it is that we have too many poor people. I know what he is trying to do with the Budget. He is trying to make his prophecy come true. He is trying to ensure that his rich friends continue to become richer.

As a matter of fact, the public perceives the tax system as being unfair. When we read from the 1983 statistics, we see that 1,120 Canadians with incomes over $100,000 paid not a red cent in taxes. In the same year, 6,662 Canadians with income over $50,000 also paid absolutely nothing. Canadians are beginning to worry who is really carrying the country. Indeed, if the Government were really interested in eliminating the deficit, it could go to a report entitled *Account of the Cost of Selective Tax Measures*, which came out in August, 1985. In the section of the report dealing with selective tax measures for corporate income tax, we see the drainage from government revenues, all the forgone taxes which the Government does not collect because of tax deferrals and and other special tax measures for the corporate sector. If the Government were really interested in cutting the deficit, it would not cut social programs or deindex anything. All it has to do is collect the billions of dollars which are handed out to the corporate sector. This report is absolute dynamite. I see you giving me two fingers, Mr. Speaker. I hope your two fingers mean time.

The Acting Speaker (Mr. Paproski): Order, please. I am giving the Hon. Member an extra one minute, which means two minutes, not two fingers.

Mr. Rodriguez: You had me worried for a moment, Mr. Speaker. One item in the May Budget which makes absolutely no sense at all is the $500 million capital gains exemption. Who asked the Government to do that? It certainly was not the National Business Insitute. It certainly was not the Toronto Board of Trade. In fact, all knowledgeable corporate friends of the Government have said that it was a stupid thing to do. If the Government wanted to make it selective so that farmers who were selling their land would not have to pay capital gains, that could be done. The Government did not have to open it up to racehorse owners, standard bred horse owners, art entrepreneurs or the owners of condominiums in Florida. The Government did not have to do that. In fact, it has allowed them to make more money, and not one identifiable job will flow from that. I challenge any regressive Tory to stand in the House and tell us how that will create one job. In fact, we have heard comments from very informed individuals—

Mr. Brisco: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member's time has expired.

Mr. Brisco: The answer is very simple, Mr. Speaker. We will have a by-election in his riding.

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, I wish to rise at this stage in the debate on Bill C-84, to continue in the same vein as my colleague from Nickel Belt (Mr. Rodriguez), who just finished a speech that was far too short to my taste, because I think there is so much to say about this terrible Government Bill that debate ought to go on for at least six months.

What I find somewhat astonishing is that this Government, with its crushing majority, and with so many backbenchers, has failed to let them express their views on this Bill and tell the House what their constituents think about this entirely reactionary measure proposed by the Minister of Finance (Mr. Wilson).

Actually, Mr. Speaker, Bill C-84, which is a Ways and Means Motion aimed at amending the Income Tax Act and a series of related statutes, shows the true colours of a Government that is very partial to the richer members of our society and to big business in Canada, a partiality that places a burden on low-income earners and small businesses in this country.

We could accept the Government's partial attitude towards the richest groups in this country, provided the Minister of Finance did not try to solve his deficit problems at the expense of Canada's least advantaged groups.

When we consider his Bill and especially the measures referred to by the Hon. Member for Nickel Belt, and I am talking about the measure that provides for a lifetime capital gains tax exemption . . . Starting in 1985, Canadians will gradually be exempted from paying income tax on capital gains, up to a maximum of $500,000, and this is a lifetime exemption. In other words, the richest people in this country are being given half a million dollars, thanks to the generosity of the Minister of Finance. The exemption applies to individual capital gains earned after 1984, and the purpose is to encourage risk-taking and business investment.

• (1640)

As the Hon. Member for Nickel Belt (Mr. Rodriguez) pointed out, there is no guarantee that these measures will create jobs. At the present time 50 per cent of capital gains are taxable, which means that the exemption will in fact abolish taxes on $250,000 of eligible capital gains. The outright exemption now available to an individual who sells his main residence will be maintained and therefore will be in addition to this $500,000 cumulative exemption. Generally speaking, the new exemption will apply to the capital assets of individuals, except for share dividends and employee share purchase options.

What it means, Mr. Speaker, is that if you want to sell your collection of paintings you can make a handsome profit and not pay any tax. It means that if you own a few houses and are active in the real estate sector, buying and selling houses, you will not pay any tax. Quite obviously the two examples I gave will not create a single job in Canada. Yet the major problem in Canada is unemployment, and the Conservative Government had promised to create jobs for Canadians. And the highlight of the Budget of the Minister of Finance is an unconditional gift to the rich in our society, a gift which will not create a single job in Canada.

That is why we are against this provision in the Budget of the Minister of Finance. We believe it is quite unfair, particularly when we keep in mind some of the other Budget provisions which penalize poorer families and people in Canada. One that is particularly appalling is the partial indexation of deductions and tax brackets above the 3 per cent increase in the consumer price index. Then there is the gradual reduction in the maximum personal exemption for children until the exemption is equal to the annual family allowance payments. Finally, there is the cancellation of the RHOSPs, through which families and young couples were able to put some money aside to buy a home at some time in the future and which will no longer be available because the Government of Canada wants to make small savings by attacking the families who are the worst off in Canada and by reducing family allowances, while it has no qualms about giving $500,000 to the wealthiest in our society. Indeed, Mr. Speaker, the capital gains tax exemption applies to a bare 4.2 per cent of Canadian taxpayers. Individuals with an annual income of over $50,000

will share 63.4 per cent of the benefits provided by the capital gains tax exemption.

I believe that Canadians have every reason to be concerned about the fact that the new capital gains tax exemption favours mostly those who have the highest incomes, whose incomes are made up largely by capital gains. It is obvious that such investments are only speculative. If the Minister of Finance had seen to it that this exemption applied only to investments in Canadian companies and in smaller businesses, we could have understood its objectives. However, there is no restriction provided in this bill, and I think that the Canadian Consumers Association was right to denounce this measure, and so was the Canadian Labour Congress. I would even say that the Canadian Federation of Independent Business, which had suggested that this type of exemption apply particularly to Canadian businesses, has every reason to feel betrayed by the measure proposed by the Minister of Finance.

For all these reasons, I can only oppose Bill C-84, which seems to me completely unfair for small wage-earners and which shows that the Conservative Government has only wealthy friends and does not really concern itself about ordinary Canadians.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as you know, Bill C-84 is a very important Bill. It contains many of the key elements of the May 23 Budget which are very important to ensuring the continuation of the excellent economic progress we have experienced during the course of the first year of our mandate. Over that period of time we have experienced probably the best economic performance in many, many years. We saw the announcement last Friday of a 6.6 per cent annual growth in the third quarter and a continuation of the excellent performance in the area of investment and housing starts. These are things which demonstrate clearly that Canadians are responding in a very positive and broad way to the initiatives we have taken over the course of the past year. Bill C-84 is designed to continue the positive forward thrust this Government has taken. Certainly it is the intention of this Government to move in a very forthright way to ensure that this progress we have experienced during the course of this year is maintained.

Over the course of the last month or so I have encountered a certain amount of concern on the part of Canadians, tax practitioners as well as people in the small, medium and large business community, who have expressed the concern that this legislation will not be in place prior to the end of this fiscal year. You are aware that we will be changing the method of considering income tax legislation. Previously it had been considered by the House of Commons in Committee of the Whole. We are now going to be using a new approach which will take this legislation into a legislative committee. It is essential that we move quickly to get this legislation into committee because that will give interested Canadians who have to advise their clients on the tax implications the opportunity to express their views on the various elements of this legislation, and do so in a timely way. People can then plan their affairs in advance of the next fiscal year. I do not want there to be any misunderstanding or uncertainty. I want it to be very clear that this Government is fully committed to the directions we have proposed in this Budget, in particular, the $500,000 lifetime capital gains exemption, the measures designed to help investment in small business, and various changes clearly designed to improve the investment climate, a climate which has demonstrated clearly that it will create jobs.

I want to inform the House that there have been consultations among representatives of the Parties in this House and it has not been possible to reach an agreement pursuant to Standing Order 82 or Standing Order 83 with regard to the allocation of time for the second reading stage of Bill C-84. Therefore, at the next sitting of the House it is my intention to propose the following motion pursuant to provisions of Standing Order 84:

● (1650)

That, in relation to Bill C-84, An Act to amend the Income Tax Act and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act, one sitting day be allotted to the consideration of the second reading stage of the said Bill.

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

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, we waited long enough for the Bill to be introduced. Now it will leave us without our acceptance.

I think this is the seventh time the Government has used closure in the last little while, and most times it has been for the most important Bills. Before the Hon. Member for Calgary West (Mr. Hawkes) leaves us, I would like to say that as reported on November 25, 1985, in *The Citizen* of Ottawa, that Hon. Member said the following not too long ago:

"If they carry this propensity towards closure far enough, what will we have? We could have a dictatorship in which everybody submits."

The same article contains the following quote:

"Closure is the mechanism put in place by the Liberal party to shut us up. It is a disgrace to Parliament . . . to my constituents and to Canadian citizens at large . . . It should not be permitted in the House."

Those were the words of the present Government Whip, the Hon. Member for Ontario (Mr. Fennell). Some Members of the Government did not use words which were quite so polite. For instance, the Hon. Member for Bow River (Mr. Taylor) is quoted in the same article as saying the following:

"A sneaky, dirty trick," . . . "You are a snake."

Those were the words of Hon. Members of the Government when they were in Opposition as reported by The Citizen. They had those words to say whenever closure was brought in, and that was not as often as it has been brought in by this Government in the last few months. It was quite unusual then but it was unacceptable then and it is unacceptable now.

We remember the same Minister saying in the same tones back in May that the budget was tough but fair and a clear break from the past. What is the Government doing? It is taking billions of dollars out of the pockets of individual Canadians and passing that money to the corporate sector.

We are moving closer to the time of year when many children make wishes. By the way, the Government is not helping those children. It is increasing the number of children across the country who will not have their wishes come true this Christmas. I wish that rather than this continuous abomination of increased complexities in the Act, we could have put before the House a Bill which would be as simple as the Minister said it would be and a Bill which would be fair and progressive.

The understanding of democrats all over the world is that a taxation system should be fair and progressive. As my colleague suggested earlier, a taxation system must include several principles. One of those is progressiveness and another one is that those who are taxed must pay relative to what they earn. Neither of these principles have been accepted by the Government. In fact, the Bill does exactly the opposite.

The Government has a propensity to talk about all those people on welfare who should be working. Those people would love to be working but there are no jobs for them. The Government has made a little dent in the unemployment rate which it proudly displays but it does not talk about the 10 per cent of the population who are without jobs.

Rather than taking people off welfare, the Government passes a whole series of measures that will give welfare to the corporate sector. I remember a few years ago, we talked about the corporate welfare bums. When the Liberal Party was in power, it gave us many of the loopholes that are in place. What does this Government do? It piles further loopholes on top of those loopholes already in existence, making it possible for the more than 4,000 people who earn over $200,000 per year to pay no income tax at all. The previous Government eroded the progressive tax structure. This Government, regardless of how much it has promised a fair taxation system, is not doing anything about it.

During the election campaign, the Prime Minister (Mr. Mulroney) suggested that the wealthy should pay handsomely. We have not seen any measures to provide for that as yet. It is, however, spoken of quite often.

Let us look at the corporate welfare Bill. What does this Bill contain? Let us look at the measure that Progressive Conservative Members—and the very name of their Party is a contradiction—speak of most and that is the capital gains tax exemption. That measure supposedly exists to increase investment and jobs. No one has been able to tell us exactly how it will increase jobs. No one has been able to tell us how it will help the lower-income earners.

I must say that even as we talk about progressive legislation, many of us are forced, because of the inequities in the system, to support something which under ordinary circumstances we would consider quite regressive tax legislation. The capital gains tax in itself must be considered to be a regressive tax. However, because the tax harms those who own and operate their own businesses such as farmers and small businessmen, the capital gains tax exemption will be of some value to them but the greatest number of people who will use it have ne need of it. They are the ones who will receive the most benefit from it.

This has become a real concern on the part of the Opposition and the people of Canada. We feel that we must change the entire tax system without simply adding more loopholes and increasing the ways a person can get away without paying taxes. Let us begin with the basics and give everyone the kind of tax system they should have. If we did, we would soon be rid of the deficit.

[*Translation*]

The Acting Speaker (Mr. Paproski): Order, please. It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1700)

[*English*]

Mr. Gauthier: Mr. Speaker, I rise on a point of order. So that we in the House who are not in on the secrets of the gods can understand what is going on, I understand there are deferred votes to be taken at 6 p.m. If one reads the projected order of business it says that at six o'clock we shall also proceed to the debate on the adjournment motion. I understand that this is contrary to Standing Order 46(7). Is it possible that the projected order of business be adjusted so that those of us who follow the Order Paper can understand and that when there is a vote called there will be no adjournment debate?

The Acting Speaker (Mr. Paproski): The Hon. Member raises a point of order upon which I would like to comment. The Order Paper does show as the projected business of the day a late show after the vote is taken. That will not happen this evening.

Mr. Gauthier: You also announced it, Mr. Speaker.

The Acting Speaker (Mr. Paproski): I know that I announced it. Standing Order 46(7) states:

> When it is provided in any Standing or Special Order of this House that any specified business shall be continued beyond the ordinary daily time of adjournment or that any such business shall be forthwith disposed of or concluded in any sitting, the adjournment proceedings in that sitting shall be suspended unless the sitting is extended pursuant to Standing Order 19(4).

I appreciate what the Hon. Member has said. I regret that there might be some confusion. As always when the Hon. Member brings a matter such as this to the attention of the Chair he can see that we know what we are doing in the Chamber.

Nuclear Armaments

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

NUCLEAR ARMAMENTS

ADVISABILITY OF ESTABLISHING PUBLIC INQUIRY INTO NANOOSE BAY TEST RANGE

Mr. Jim Manly (Cowichan-Malahat-The Islands) moved:

That, in the opinion of this House, the Government should consider the advisability of establishing a public inquiry into the exact functions and mandate of the agreement between Canada and the United States in regard to the Test Range at Nanoose, British Columbia, prior to the renewal of this agreement, due for signing in April, 1986.

He said: Mr. Speaker, I welcome this opportunity to open debate on Motion No. 229 which calls for a full public inquiry before any signing of a renegotiated agreement between Canada and the United States on the Canadian Forces Maritime Experimental and Test Range at Nanoose Bay, British Columbia.

As Hon. Members know, the present agreement expires in April and at the present time it looks probable that a new agreement will be signed at that time. If the Canadian Government has its way the Canadian people will know absolutely nothing about what is involved. In this case ignorance is not bliss. We have a need to know—we have a right to know—what the Americans are up to at Nanoose Bay. I suspect that if Canadians had all the facts there would be such a howl of protest that our Government would back right away from the agreement and that weapons testing at Nanoose would become a thing of the past. For that reason I moved Motion No. 229. I think it is important that we demand the facts and that we have an opportunity to obtain the facts so that we can debate this proposed agreement before it is signed rather than simply see another fait accompli.

Even without a public inquiry we already know enough about the Nanoose Test Range to be very worried and concerned. This is why a group of dedicated peace workers have established the Nanoose Conversion Campaign which is dedicated to changing Nanoose from military to peaceful purposes. They have established a peace camp along the Island Highway where they monitor the comings and goings of American submarines. They hand out information and they draw attention to the threat posed by the test range. It is important to note the dedication of these people and that even in the present unseasonable sub-zero weather on Vancouver Island they are continuing to maintain their camp and presence.

From across Canada the Nanoose Conversion Campaign has drawn some 3,500 signatures on two petitions calling for a public inquiry and urging that the agreement not be renewed. In the absence of any government indications so far that there would be a public inquiry, the Gabriola Island Peace Association is sponsoring a peoples' inquiry into the test range. The association will be holding hearings in Nanaimo on January 18 and 19 and Bishop Remi do Roo and Mel Hurtig will be acting as moderators. There are a number of distinguished people who will be appearing before the panel since a great many people are concerned about what is happening at Nanoose Bay.

The peoples' inquiry will ask the following quetions. First, are nuclear weapons carried into Nanoose? As we know, the United States Government refuses to confirm or deny their presence. The inquiry will also ask: Who is in charge, Ottawa or Washington? It will ask whether Canadian territory should be used to promote the escalation of the arms race between the superpowers. It will ask whether nuclear-powered vessels are polluting our waters with radiation. Other issues which will be looked at by the peoples' inquiry include the strategies of submarine warfare, the economics of converting the base to peaceful uses and the effects of a nuclear attack on Nanoose Bay. The inquiry will want to look at Nanoose in the context of a nuclear-free Pacific. It will want to consider the position of the three main political Parties. One function of the debate today will be to obtain a clear idea of where the different Parties stand. People already know where the New Democratic Party stands. We passed a motion at our last convention indicating that we were opposed to the renewal of the treaty.

While I commend the people who are organizing this inquiry and who are working hard to ensure that it is taking place at a high level, I have to ask why it should be necessary for private citizens to carry out what should be a Government responsibility. I am pleased that public-spirited citizens have not abdicated from their responsibility in spite of the bad example set by their Government.

Over the past year submarine watchers at both Nanoose Bay and Esquimalt have been concerned about the increase in the number of visiting submarines capable of carrying nuclear weapons. For example, according to *Jane's Fighting Ships* and *Jane's Weapons Systems*, the United States submarine *Salt Lake City*, which has visited Nanoose several times this year, is equipped with SUBROCs. These are anti-submarine missiles with a one kilo-ton nuclear charge. The *Salt Lake City* is also capable of being fitted with 12 sea-launched Cruise missiles known as Tomahawks. Tomahawks can carry either conventional or nuclear warheads. Other submarines with potential Tomahawk capability which have been seen at Nanoose this year include the *La Jolla, Drum, Pintado* and *Flasher*. These vessels are all capable of being fitted with Tomahawks. They are slated to be fitted with these sea-launched Cruise missiles and they already have the SUBROCs which, as I mentioned, carry a one kilo-ton nuclear charge.

I wrote to the Minister of National Defence (Mr. Nielsen) last June asking him some questions about what was happening at Nanoose and whether or not it was Canadian policy that we did not even ask the United States whether or not its vessels carried nuclear weapons. The Minister of National Defence replied on July 31, and I quote:

—it is the policy of the United States . . . to neither confirm nor deny the presence of nuclear weapons on board its naval vessels including submarines. It is the practice of the Canadian Government to respect this policy.

In regard to the Canadian/US jointly funded Test Range at Nanoose, the use of the Range by US Navy nuclear propelled and possibly nuclear armed submarines is a defence arrangement whereby Canada contributes to and supports the maritime defence capability of our NATO partner. The weapons

(torpedos) and sensors (sonobuoys) used on the Range are not armed with explosives of any kind, instead, electronic instrumentation for testing and trials is employed at all times.

● (1710)

I will certainly take the Minister's word that nuclear weapons themselves are not being tested at Nanoose. I do not think we have made that charge. We have been asking what is happening there. We have been raising concerns that systems which will be employed with nuclear weapons are being tested there.

We have been assured by the people in charge that the Nanoose base is not being used for testing the guidance system of the Tomahawk missile. We have been assured that it is not being used for testing the launch system of the Tomahawk missile. What we would then like to know is why are these vessels in Nanoose? Why has the *Salt Lake City* seen fit to be back and forth from that base several times? We would like to have the answers to those questions.

An Hon. Member: It's a good harbour.

Mr. Manly: Yes, it is a good harbour. I am pleased to see that at least one Conservative Member recognizes that it is a good harbour. I would like to suggest that there are probably better uses to put a good harbour to than for testing weapons which have nuclear capability. I hope that perhaps some of the Conservatives can see that there are better uses for that harbour as well.

I think we have to be very concerned about Nanoose in the global context. Americans right now plan for some 758 Tomahawks, or the sea-launch cruise missiles, in a fleet of 140 ships and submarines stationed around the world. The head of the United States cruise missile program, Admiral Stephen Hostettler, said this will allow virtually all Navy combatants, not just the carrier battle groups, to go on the offensive whenever necessary and from any corner of the globe. He described Tomahawk deployment as "a new threat spectrum to the Soviets through a world-wide strike capability". The Tomahawks "presents the Soviets with a formidable threat from a 360 degree axis". I do not agree with my Conservative colleague that presenting a 360 degree threat to the Soviets is going to be of any protection to me or to him either.

In what may be one of the most forward-looking statements ever made by promoters of nuclear weapons, we learn that Tomahawks will be helpful not only in World War III, but perhaps in World War IV as well. They will come in handy after Armageddon.

According to an article by William M. Arking, in the *Bulletin of the Atomic Scientist*, Admiral Frank B. Kelso, Director of the Strategic Submarine Division of the Navy, explained to Congress in 1981 that Tomahawks will not be automatically launched in a general war scenario but will remain available so that the United States would, in any post-nuclear exchange environment, retain a measure of coercive power.

Nuclear Armaments

Admiral William Williams, Director of the Navy's Strategic and Theatre Nuclear Warfare Division, said in 1981 that the Tomahawk is the sort of weapon which will have great influence in the post-war struggle as a portion of the strategic reserve, that is, those weapons which survive the massive nuclear axchanges. This kind of bizarre post-Armageddon planning for the world war which might follow I believe illustrates the degree to which some of these people have slipped their moorings in terms of any contact with the kind of reality in which most people want to live.

I have just received Ruth Sivard's analysis of World Military and Social Expenditures distributed in Canada by Project Ploughshares. Ms. Sivard points out that in the 40 years since World War II, our world has spent between $3 trillion and $4 trillion to create a nuclear arsenal which would mean global suicide if it was ever used. We now have enough nuclear capability to kill 58 billion people, that is every man, woman and child on earth 12 times over. Yet, we will this coming year spend an additional $800 billion for military programs.

At the same time, every day of the year, some 14,000 children in Africa alone died of hunger or hunger-related causes. That is the kind of world we are living in and that is the kind of context in which we have to look at Nanoose.

In 1982, the United States spent $196 billion on the military while the Soviet Union was not far behind with $170 billion. However, these expenditures have not brought safety or security to either country—quite the reverse. It has brought a degree of insecurity to our entire world. I think it is time that we began to call a halt to this and the place where we must start, of course, is in our own backyard. That is why I am very concerned about Nanoose.

Admittedly, Nanoose is a small part of the total problem. Ms. Sivard points out that every year the United States loses about $1 billion of military equipment. It has such a stockpile that it can lose $1 billion worth of equipment and not know where it goes. Perhaps Nanoose falls into that category. Perhaps the Americans do not even know that Nanoose is there. We know it is there and we know it is not serving a very helpful purpose. We would like to see more detail about what is happening there.

It is supposed to be Canadian Government policy that we do not allow nuclear weapons on Canadian soil. That has been reiterated by the present Government a number of times. However, what good is this policy if we do not even make inquiries about whether or not American vessels carry nuclear weapons when they enter Canadian harbours? What kind of policy is that? It remind me of the story I read in last week's newspaper about a woman who was running an escort service in Victoria. The escort service was involved in some rather strange activities, but she claimed she did not know what happened after the escorts met the gentlemen, that that was not her concern. She just arranged the basic date and what happened after that was none of her concern. The Canadian Government is taking the same kind of see no eveil attitude. It is not interested in what is happening with these vessels which come into Canadian harbours.

Little New Zealand had the courage to refuse entry to American vessels which do not comply with its nuclear weapon-free policy. This is not an anti-American policy. It is a policy which looks toward world peace. It is a policy which looks toward greater world security. Canada should be willing to take such a step. By refusing to take that kind of step we leave people worried that the base at Nanoose is being used to further the nuclear arms race.

People on Saltspring Island worry that a radio repeating station related to the United States Navy has been established on one of their local mountains. They see this as a link to a growing American military presence at Nanoose. They want no part of it at all. They see this as the sort of thing that over the years can escalate and they say that now is the time to stop.

People in Esquimalt have been told that Polish fishing vessels will no longer be able to have routine servicing maintenance work done in their harbour. The reason given by the federal Government is that it is for security purposes. It is interesting to note that even the Hon. Member for Victoria (Mr. McKinnon), who himself is a former Minister of National Defence, claims he fails to see any security threat from Polish fishing vessels in Esquimalt Harbour. What is the security threat there? The only possible threat which has been suggested to me is that we have the occasional presence of American submarianes and we are losing $20 million a year in business to the Americans because of American security concerns when its submarines enter that harbour. The people of Esquimalt would like to know more about this threat to their economy. People in the Nanoose area would like to know what the effect is of radioactive leakage on their fishery or on their health. They would like to know what monitoring process is in place. Quite frankly, Mr. Speaker, we do not know.

• (1720)

We do not know the answers to a lot of these questions, but we have a lot of concerns. We know enough already to be concerned. We want more information. The people of Canada are entitled to have more information and that is why I am urging the Government to set up a public inquiry. We need the inquiry to find out what part Nanoose is playing in the nuclear arms race. We want that information. Second, we want to determine what effects having the base at Nanoose is having on the health of people and on our economy. I urge the Government and Members opposite to support this motion. I look forward to their co-operation and to a public inquiry.

Mr. Gerry Weiner (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I share the Hon. Member's concern for peace and security in the world. Canada does not take not take a back seat to anyone in being in favour of a comprehensive test ban and in its feelings about the amount of nuclear weapons we have. That is so why we were so heartened by the Gorbachev-Reagan meeting which took place, which meeting will begin a conversation and ongoing relationship between them which, hopefully for all of us, will lead to a way to eliminate nuclear weapons as well as all conventional weapons in order that we can all live in peace and security.

Some Hon. Members: Hear, hear!

Mr. Weiner: Mr. Speaker, the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) has drawn the attention of the House to the Canadian Forces Maritime Experimental and Test Range located at Nanoose Bay off Vancouver Island. I am very glad to have the opportunity to speak on the Member's resolution. In order that Members of the House will understand a little better what we are talking about, I would like to elucidate today on how this range functions and how it acts in support of the Maritime defence forces of Canada, the United States, and the remaining NATO allies as well as Australia and New Zealand.

The use of Nanoose Bay by both the Canadian Forces and the United States Navy was the subject of discussions which culminated with the signing of an agreement on May 12, 1965, establishing the Nanoose three-dimensional range. The range became operational early in 1966. The original agreement remained in force for a 10-year period and provided for renegotiation thereafter. The agreement was renewed for a second 10-year period on April 14, 1976. Members will be aware that the present agreement expires next year in April, 1986.

The resolution before us suggests that there should be a public examination of the exact mandate and functions of the agreement. I suggest that this agreement, which is public and the terms of which are well known, has been the subject of public examination for some years. I would also suggest that our discussion today is an additional public examinatino to which I am happy to contribute. Allow me to say a few words about the functions and the Canadian and American responsibilities at the Canadian Forces Maritime Experimental and Test Range located at Nanoose.

The primary functions of the Nanoose facility assumed by Canada are: (*a*) operation and maintenance of the Nanoose three-dimensional range; (*b*) Canadian ships' systems trials such as torpedo launching trials; (*c*) Canadian torpedo tracking (depth, direction and speed) trials; and (*d*) Canadian anti-submarine warfare sensors (sonobuoys) proofing and testing.

By the terms of the joint agreement, Canada is responsible for: (*a*) construction and maintenance of all fixed facilities including buildings, roads, jetties, power, water, et cetera; (*b*) provision of technicians and personnel to operate the facilities; (*c*) provisionof range vessels and crews; and (*d*) administration, security and operational control of the Nanoose three-dimensional range. The United States is responsible for: (*a*) supply, installation and maintenance of all technical equipment for operation of the three-dimensional range; (*b*) provision of technical personnel; (*c*) provision of all technical training for range personnel, both Canadian and American; and (*d*) provision of range vessels and crews.

The available operating time on the three-dimensional range is allotted equally between Canada and the United States. Historically, Canada has not used all of its allotted share of

range time. The United States Navy may utilize available range time in excess of its share in return for financial recompense. Although the existing agreement is a collaborative arrangement between Canada and the United States, the commanding officer of the facility is always a Canadian and operational control is Canadian. Further, the weapons tested at Nanoose are never armed. That is, the explosives that would normally fill the warheads are replaced by telemetry.

The Maritime facilities at Nanoose are not only fundamental to Canada's security concerns, but also contribute in a very measurable way to the defensive capabilities of the United States and the remaining NATO navies as well as Our Pacific Rim friends, Australia and New Zealand.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the statement by the previous speaker that this treaty has been discussed and rediscussed and has had a full public airing since its original signing some two decades ago is obviously not borne out by the facts. The fact of the matter is that, even as he said in his own statement today, the nuclear warheads have been replaced by telemetry which, in some way, is supposed to make Canadian people feel more secure because, although there is capacity for nuclear warheads to be on the ships, they are not on them. One of the reasons that it is incumbent upon us to entertain the kind of public input suggested by the Member in his motion is that a lot of people across Canada have concerns about our role in treaties which have previously been signed and treaties which are currently under negotiation.

Let us look, for example, at the issue surrounding the Antiballistic Missile Treaty. The United States Government continues to assure the world that it does not want to incorporate a first-strike capacity into its development of star wars research. It says that it is not interested in a first-strike capacity yet, quite clearly the emanations from Washington, through the President, have shown people around the world that he is looking upon the development of SDI as another means of achieving a nuclear capability in international warfare.

I believe that we have need for a full and open public discussion on this particular treaty and that we should expand that to include a full public airing of the Government's position on SDI. On the one hand we have heard the Prime Minister (Mr. Mulroney) and the Secretary of State for External Affairs (Mr. Clark) stand in the House and say that the Government does not have a direct role to play in SDI. On the other hand, we have heard those same Ministers, as well as other Members, say that they are prepared to look aside and take no action when private companies get into star wars development through contracts with the United States. To my mind, Mr. Speaker, that is, as my hon. friend from Glengarry-Prescott-Russell says, a Pontius Pilate approach to our role in international affairs.

We have heard the Secretary of State for External Affairs and other members of the Conservative Party say that they do not feel that the Government has the capacity to play a leadership role in this area. In fact, Mr. Speaker, I attended a meeting some months ago in the Province of Quebec where a representative of the Government said that it loved the star wars development concept and that the only problem was that the Government did not have enough money to pursue it itself on an individual basis. In fact, they were applauding behind the scenes as private companies contributed to the SDI development effort by their contracts with the United States Government and the United States defense department. Quite clearly a double message is being sent to Canadians. Not only is it of great necessity to have this particular treaty examined with much public scrutiny by Canadians, it is also imperative that that type of public scrutiny be applied to the greater question of Canada's involvement in the development of nuclear capacity *vis-à-vis* the United States.

• (1730)

At one time there was a principle in this country that Canada would never hold nuclear weapons on our soil. The member of the Conservative Party who just spoke mentioned that we needed to have greater development not only only under the NORAD agreement and with NATO countries, but also with the group of ASEAN countries. In fact, we have seen New Zealand take an extremely progressive position in telling the Government of the United States that there is not a place in New Zealand for nuclear warheads.

Notwithstanding the guarantees made by Conservative Members in the House today, we have not had that kind of unequivocal commitment from the Government. The Hon. Member said that the operation is in fact headed by a Canadian. We had those same kind of shallow, do nothing assurances from the Government with respect to the *Polar Sea*. The Government said that it was in control of the situation with respect to the invasion of our sovereign Arctic waters by the *Polar Sea*.

In fact, the proof of the pudding is in the eating. The Secretary of State for External Affairs and the Minister of Transport (Mr. Mazankowski) are prepared to prosecute the very people with the Council of Canadians who went to drop a flag on the *Polar Sea* to show all the world that the Arctic waters are Canadian. They were the only group, with the exception of the Leader of the Opposition (Mr. Turner), who were prepared to take a stand in the Arctic and tell the people of Canada that those are our waters and they will not be infringed by any power, even our great and good neighbour to the south.

In fact, the Government should have given the Council of Canada the Order of Canada for being prepared to recognize the sovereignty of our Arctic waters. However, it washed its hands of the invasion of our sovereign waters by the *Polar Sea* and at the same time prosecuted the pilot of that small plane who brought this whole question of the *Polar Sea* to the attention of Canadians. That is the Government's perception of Canadian sovereignty in the Arctic. That is its perception when it comes to dealing with very crucial issues like star wars development.

Is it not the responsibility, the obligation and the right of every Canadian to be involved in the debate surrounding SDI

research? The Prime Minister and the Government say no to star wars. After the Prime Minister has finished his Decima, he says no to star wars. After he has contacted his pollsters and felt the pulse of the nation, having seen the poll and the public perception on the issue he stands in strong and courageous fashion he says no to star wars.

At the same time, in his unyielding desire to be all things to all people, he goes to the back door of companies and says that the Government cannot be involved because it does not have the capacity or resources but those companies have the full blessing of the Government to go full steam ahead.

Is that an unequivocal opposition to star wars research and the involvement of the Canadian people in star wars development? In fact, it is another example of the Government's apparent desire to make promises and commitments throughout the country, to tell one group that it has its support while standing behind an opposite group. The Prime Minister did not have the guts to state his position on SDI, so he told the people that the Government opposed it. However, he told the companies that the Government supported that initiative.

We are facing the same type of equivocation on the free trade issue. The Prime Minister emerged relatively unscathed after the conference. In an attempt to create the perception of harmony, he launched an agreement. Quite clearly, the Prime Minister did not have the courage to show up in the House today. When the Secretary of State for External Affairs was questioned about the agreement and whether there was veto power involved, as perceived by the provinces, he did not have an answer. Again, he wanted to say one thing to the provinces, one thing to the federal Government, something else to the people of the United States and give another message to the people of Canada.

It is quite clear that we cannot leave this question to Government propaganda and the salesmanship of the Conservatives. It is clear that they are salesmen because they perpetrated the biggest sales job on the people of Canada on September 4.

Mr. Holtmann: Don't cry.

Ms. Copps: We know what the "con-servative" Party means as a result of that particular salesmanship job.

The Member says that I am crying. I am not crying. It is the senior citizens of this country who are crying. The farmers of this country are crying.

Mr. Holtmann: They are happy. I represent farmers.

Ms. Copps: The families of this country who are about to lose the fullness of their family allowance are crying. The shoe workers are crying. Believe me, it will be the Conservative Party that will be crying the real blues after the next election as they see their numbers decimated in the House of Commons.

An Hon. Member: Get to the topic.

Ms. Copps: That is off the topic but I am being provoked, Mr. Speaker.

Mr. Holtmann: You love it.

Ms. Copps: It is very difficult when I am being provoked.

The Acting Speaker (Mr. Paproski): Order. I would not want the Hon. Member to be provoked. The Hon. Member for Hamilton East (Ms. Copps) has the floor. Allow her to have the extra few minutes.

Ms. Copps: Mr. Speaker, there are several questions at stake here. There is the question of credibility, whether we will be able to have a full airing of the question without a public inquiry, and whether we are prepared to leave to bureaucrats, the Secretary of State for External Affairs and the minions the very serious question of the agreement between Canada and the United States which is up for renegotiation in April, 1986.

Given the current record of the Government as it relates to SDI development, given the current spineless action of the Government as it relates to the renegotiation of the ABM treaty and given the current decision of the Government not to pursue an independent foreign policy whether it concerns star wars development, Third World issues or other major questions in which Canada used to be an honest broker, I believe that we cannot leave this question to the Government and the bureaucrats.

Indeed, we support the demand for a full public inquiry so that all the facts concerning this very important treaty can be put on the table and Canadians can finally have their say about the future of their country, particularly as it relates to the possibility of nuclear warheads on our soil.

Mr. Ted Schellenberg (Nanaimo-Alberni): Mr. Speaker, I am somewhat confused. The Hon. Member for Hamilton East (Ms. Copps) said that it was wrong to send out double messages. Yet she talks about Nanoose and the SDI initiative in the same breath. She talked about the *Polar Sea* incident but forgets to mention that the Government was hamstrung about what to do because the Liberal Party, of which she is a member, did not leave us with the type of Canadian Armed Forces we needed to protect our sovereignty in the North.

Furthermore, she said that our Prime Minister (Mr. Mulroney) is without guts. What kind of guts did it take for him to go to Winnipeg and tell the French Canadians in Manitoba that they had just as many rights as Francophones in Quebec? How much courage does it take to tackle an incredibly faltering Canadian economy which was left by her Government and reduce the unemployment rate by 1.3 per cent and bring down the prime rate? That took a lot of guts by our Prime Minister. I should stay on the topic since I just chastised the Hon. Member for not doing so.

I listened with great interest to the points raised by my colleague and Vancouver Island neighbour, the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly). I was touched by his sincerity but I could not help but be reminded of a passage from the book *Canada Views the United States* in

which the authors relate the report in a British newspaper of a young wayward girl who had been brought into court for falling into a dissolute life. The newspaper stated in a disdainful manner that the reason the girl had fallen into disrepute was that: " . . . she had been associating with Americans".

● (1740)

I, too, have been known to associate with Americans. They are our best friends and allies. We are aligned with them economically and militarily. That fact should underscore this debate on the renewal of the agreement between our two nations on CFMETR. The Canadian Forces Maritime Experimental Test Range at Nanoose Bay in my riding is a symbol of the quiet co-operation between Canada and the United States. It is in our nation's best interest to renew the agreement, because, as a maritime nation and as a member of NATO, we must accept some responsibility to provide continued access to our allies maritime forces.

You will notice, Mr. Speaker, that I said: "allies", for it is not just the Americans who utilize METR, as it is known in my riding, but the Australians and the non-nuclear New Zealanders as well. Nor should we neglect the contribution of the base to the local economy. It has been considerable over the last 20 years of this agreement. The present employment figure at METR is, I believe, 217 personnel, 107 of whom are Canadian. In his speech today, the Hon. Member for Cowichan-Malahat-The Islands neglected to point out the estimated influx from the base of $10 million per year to the central island economy. He mentions the potential loss of $20 million to Victoria with the possible loss of the Polish fleet, yet he wants to take $10 million out of the central island economy, my riding.

Perhaps it would be wise to take a brief look at the history of the Nanoose Bay area and then examine what actually goes on at the base. The name "Nanoose Bay" means the settlement at the head of the bay. It first appeared officially on the map in 1859. The meaning is derived from the Indian word "Nuas", meaning to push or work in, as Nanoose Harbour pushes inland from the Strait of Georgia. The Indian history of the local area is sketchy, and no accurate records exist. Finally, it is known that various tribes inhabited the area and that the Nanooas lived there prior to 1800. Much of the recorded Indian history has been obtained from one man—a Nanoose Indian appropriately named "Nanoose Bob" who was the sole male survivor of a massacre in 1823 by a band at war with the Nanoose at the time. Perhaps my colleague from Cowichan could have asked someone like Nanoose Bob about the value of being able to protect oneself from one's enemies. Anyway, Nanoose Bob combined an extraordinary capacity to recall the words and legends of his forefathers with a physical vigour—and you may envy this, Mr. Speaker—which enabled him to marry eight times and live to the age of 108.

The first Europeans to visit the area were the Spanish map makers in the 1790s. Their detailed charts indicate that they spent several years in the area, as even small islands such as Maude, Mistaken and the Ballenas were all accurately charted. John Enos, a Portugese sailor, was the first European to take up land in the Nanoose Bay area. He arrived in 1863, landing on what he called "Nanoose Bay Peninsula" and what we now call "Powder Point". In time he owned the whole peninsula, which he developed over the next 35 years into a major holding of orchards, agricultural and pasture land.

In 1912, the property was purchased by a giant powder company which continued to make explosives there for many decades. It is worth noting that in clearing the site for the powderhouse foundations, they uncovered evidence of the mass slaughter of 1823. Ranching eventually returned to the area and persisted after the Department of National Defence purchased some 617 acres along the south shore of the peninsula in 1953.

At the time, the Canadian Forces was operating a torpedo test range at Patricia Bay, just north of Victoria. The "Pat Bay" range afforded a sheltered but confined operation area. However, as torpedoes became more sophisticated, their underwater speeds increased, target identification ranges increases, operating depths were extended and torpedo endurance increased. Both Canada and the United States were faced with the problem of finding suitable waters in which these torpedoes could be run and tested to their design limits.

An area in the Strait of Georgia adjacent to Nanoose Harbour seemed ideally suited for such activities. The area was of interest to the Canadian Navy and to the United States Navy, as it met most of their additional requirements for the operation of a fully instrumented, three-dimensional torpedo tracking range. In 1962, a temporary installation was established in Nanoose Bay, and this initial survey and evaluation of the range verified the usefulness of the area.

As my colleague, the Hon. Member for Dollard (Mr. Weiner), has already mentioned, the use of Nanoose Bay by both the Canadian Forces and the United States Navy was the subject of discussions which culminated with the signing of an agreement on May 12, 1965, establishing the Nanoose three-dimensional range. The range became operational early in 1966. That is a bit of history about the area. I know it is germane and important to this debate.

Also it should be noted that although the existing agreement is a collaborative arrangement between Canada and the United States, the commanding officer of the facility is always a Canadian. The person is Michael Dunn right now. If the Hon. Member for Hamilton East (Ms. Copps) is ever in the area, she could meet him. Operational control remains Canadian. Also, the weapons tested at Nanoose are never armed, that is, the explosives which would normally fill the warheads are replaced by telemetry.

During the description of the Hon. Member for Dollard of the functions of the Canadian Forces Maritime Experimental Test Range, mention was made of the three-dimensional range. I should like now to offer a brief description of this facility. The rance covers an effective area 15 miles long and varies in width from two to five miles, giving a total instrumented area in excess of 50 square miles. This instrumented area is contained in a large, mud-bottom through, extending

southeast toward the Fraser River delta and providing water depths of 1,000 to 1,480 feet. The area is known on the charts as "Whiskey Gulf".

On the ranger, specially instrumented objects may be tracked in three dimensions throughout the instrumented portion of the range. Tracking is implemented through the use of a complex system of transducers, receivers and computers. Evenly spaced about the seabed under the range are 24 arrays, each holding about four acoustic hydrophones. Acoustic pulses from the object being tracked are received by this bottom-mounted array. They are amplified, multiplexed and relayed to a computer site. The computer then demultiplexes the information and analyses it to provide an accurate position for the object being tracked. Thus, the moment by moment functioning of a torpedo being trialed is available for detailed analysis.

In addition, Canadian Forces Maritime Experimental Test Range conducts the sample proofing and testing of sonobuoys procured for the Canadian Forces anti-submarine warfare—

Mr. Cassidy: Mr. Speaker, I rise on a point of order. I have listened with interest to the Hon. Member, but I remark that he is reading his speech. I believe that that is not permitted according to the rules of the House. However, it has happened, and the real question is: Does he or does he not approve of the inquiry which his constituents are seeking?

The Acting Speaker (Mr. Paproski): Order, please. That is not a point of order. If the Hon. Member has some notes in front of him, that is fine. We are entitled to have notes in front of us. I see no problem with that.

Mr. Schellenberg: Mr. Speaker, I will get to the point. We have just seen a demonstration of why it is said that NDP stands for "no darned patience".

It has been my intention to outline for Members the utility of this maritime facility at Nanoose and to illustrate that, through a co-operative arrangement with the United States, we have available to Canada a modern and "state of the art" maritime test range for proving defensive anti-submarine warfare systems.

To portray the importance to Canadian security of this kind of facility, let me present the figures on Soviet submarine strength for two of its four fleets. In the Soviet northern fleet, there are 40 ballistic firing submarines and 135 attack or anti-shipping submarines. In the Soviet Pacific fleet, there are 24 ballistic missile firing submarines and 97 attack submarines. This totals four short of 300 nuclear propelled submarines, without the addition of its Baltic and Black Sea-Mediterranean submarine fleets. This is a submarine capability of disturbing proportions. It is not diminishing, and it clearly signals that Canada must maintain and promote our maritime anti-submarine warfare defences.

Perhaps Members of Parliament who oppose CFMETR or METR should also oppose the continuing threat to world peace of the Russian submarine base at Murmansk. Or, perhaps those in the NDP, who are so quick to oppose anything military, should read a recent address before the United Nations, delivered in stirring tones by one of their own—former Ontario NDP Leader, Stephen Lewis, now Canadian Ambassador to the UN. "Lewis is to be applauded for his forthrightness", said one headline.

What did he say? Ambassador Lewis provided an eloquent denunciation of a brutal colonial war and a regime which violates human rights as a matter of policy. He pointed out that more than a million Afghans have been slaughtered since the revolution and that up to a quarter of the population of 20 million has left the country. We can ask the Afghans if they value properly trained men and women, capable of defending their country. We can ask the Afghans if they believe in strength, if they support the proper testing of military equipment and if peace, very often, comes from strength. While we are at it, let us ask the same questions of the Poles, the Czechs, the Hungarians or the millions of other east Europeans who live beneath the boot of the Warsaw Pact. Let us ask our colleagues in the NDP to name one occasion, one time, when NATO invaded another nation.

The Nanoose facility is an integral part of Canada's contribution to the maritime forces of the North Atlantic Treaty Organization. It helps to preserve the peace which some of us have come to appreciate, and it ensures our continued security.

• (1750)

Let me close my contribution to this debate by quoting from my own mail on the issue. One constituent wrote in a letter dated November 13: "With the sad state of the Canadian Armed Forces courtesy of our previous Government I feel that the use of this bay and the range in Georgia Strait is one small contribution that Canada can make to the defence of North America. And activity by U.S. ships should be welcome." Then there is this letter from the Nanaimo Chamber of Commerce dated November 25: "The Economic and Government Affairs Committee of the Greater Nanaimo Chamber of Commerce is in full support of renewing the agreement for the Canadian Forces Maritime Experimental Test Range in Nanoose Bay. The base provides considerable employment to the surrounding area and is a major contributor to the economy of Nanaimo. It is essential that this entity be maintained to provide ongoing economic benefit to the surrounding communities."

The Maritime facilities at Nanoose Bay are not only fundamental to Canada's security concerns, but they also contribute in a very measurable way to the defensive capabilities of the U.S., the NATO navies, and our Pacific Rim friends in Australia and New Zealand. This agreement means over 100 jobs and approximately $10 million for that fragile central island economy. The agreement has worked for Canada and our friends for two decades and it should be renewed next April for a stronger Canada and a lasting peace.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, this is an issue of importance not only on Vancouver Island. It touches us all. It is an issue which has been extremely important in the politics of our sister country in the Commonwealth, New Zealand, and it should conern my constituents in Ottawa

Centre as well as those of my friend from Cowichan, Malahat and The Islands. The issue is whether Canadians should accept the presence of American or other vessels in our waters while carrying nuclear arms on board. That is the key question raised by this motion which asks for a public inquiry into what goes on in this testing range, and in particular the presence of nuclear arms surface vessels and submarines which it is believed put into port there. Perhaps when the Americans send a ship to Nanoose Bay they always leave their nuclear weapons behind. However, it is clear that those vessels customarily carry nuclear arms. The question I ask is whether it is appropriate that Canada allow itself to become a target for retaliation in the case of a shoot-out between the Americans and the Soviet Union, or whether those sea-borne missiles should stay in either international or U.S. waters. That was the question in New Zealand as well.

Let us look at some the issues raised somewhat eloquently by various Members in this debate. I have no objection to the Hon. Member for Nanaimo-Alberni (Mr. Schellenberg) saying that there is support in his area for the economic benefits of the Nanoose range. This is one factor to be taken into account. I am not sure whether he is saying that it is all right to have nuclear weapons in the immediate vicinity provided enough jobs are created. If the number of jobs went down perhaps he would take a stand on principle and say it is all right to exclude them and eliminate these tests. That may or may not be his position. However, whatever the principle involved, I think the people have the right to know exactly what is going on. That is what is being proposed here.

The Nanoose facility, as was indicated in the debate, has been used for sea-borne weapons testing for a number of years. Perhaps it was originally used purely for conventional testing. However, many of the weapons being tested there now have the potential to carry nuclear warheads as well. I would like to know, on behalf of my constituents, exactly what the situation is. Is it inevitable that any weapons carried by warships in this day and age are potentially usable for nuclear purposes? If that is the case, then I am not exactly sure what kind of position one takes concerning the use of the Nanoose facility for unarmed weapons of a type which could be used for nuclear purposes. What I do know is this. If Canada is to make a contribution to the denuclearization of the conflict between the western and eastern blocs, we have to be vigilant and ensure there is not continued proliferation. Anyone who has looked at these matters knows that one way to stop the nuclear arms race is to stop testing. If they cannot be tested then they are not going to be used. No one will risk putting into operation arms which they have not had an opportunity to test. We know that the failure rate can be quite substantial. Therefore, tests are required. One of the preconditio;ns for nuclear arms reduction is ensuring that no further arms are tested to the point where they can be deployed. After you ban tests then you can ban future deployment. After you ban deployment you can talk about reducing the numbers. Both the U.S. and the Soviet Union have proposed 50 per cent cuts in their nuclear arsenals. After you get to that point you have to start to talk about other means by which the two superpowers and their allies can talk about other confidence-building measures by which the threat of war would come to an end.

I recognize that is a long process but you have to start somewhere. My Party was extremely critical of the previous Liberal Government because it permitted cruise missile testing over Alberta. I find it hypocritical for the Hon. Member for Hamilton East (Ms. Copps) to get up and state how solidly her Party deplores the presence of nuclear vessels in Nanoose. The Government formed by her Party when it was in power was no different than the present Government with respect to nuclear-armed American vessels entering Nanoose Bay or other harbours. I am told that at the other end of the country, in Halifax, there is a regular presence of American nuclear-armed submarines. I am told that if you have a dinghy or rowboat you can row out there, the sailors will come out and say, "Hi, boys" and wave and be very friendly. At the same time they are carrying weapons of death and destruction and this makes Halifax a number one target should the Russians ever choose to let off some missiles on American nuclear missile bases. That is intolerable.

There is time for this motion to come to a vote so let me just appeal to Members of the House. This motion does not say that under no condition should Nanoose Bay remain open. It simply says that the people in this area are asking that an inquiry be held to find out what is going on and what the risks are. They want to know whether nuclear-armed vessels are going into this test range in order to then determine whether that is desirable or not. I therefore ask my colleagues to support this motion and allow it to come to a vote in the minute or two remaining.

Mr. Patrick Crofton (Esquimalt-Saanich): Mr. Speaker, I welcome the opportunity to add a few comments to this debate. I am sorry there is so little time left.

Mr. Cassidy: Well, allow the vote. Sit down.

Mr. Crofton: It might have been helpful to Members of the House to have an opportunity to listen to someone who has actually served in the navy talk about one of our naval bases.

Some Hon. Members: Hear, hear!

Mr. Crofton: I have heard a lot of arrant nonsense from Members opposite on this subject today. I am glad that the Hon. Member for Ottawa Centre (Mr. Cassidy) managed to slip the word "Nanoose" into his speech at the very end because he talked about everything else but that. I can understand members of the NDP wanting to close down a military base because they are opposed to our involvement in NATO and NORAD.

Mr. Manly: We are asking for a public inquiry.

Mr. Crofton: It is unfortunate that they choose to ignore history. I am not aware that the peace loving people of the Soviet Union are doing the people of Afghanistan any good right now.

Members have managed to bring into this debate the subjects of tariffs on shoes, the *Polar Sea* and a whole bunch of things. I am sorry that the Hon. Member for Hamilton East (Ms. Copps) started off by complaining that the Prime Minister (Mr. Mulroney) was not on hand today. I notice she stayed just long enough to say a few words and disappear. Perhaps she is looking for a map to find out just where Nanoose is.

● (1800)

During my time in the Navy I was a qualified weapons officers. I was involved in the original trials of sonar buoys by the Canadian Navy. I have been to Nanoose on a number of occasions. I suggest that Hon. Members opposite should do a little homework so that they would know exactly what does transpire there.

GOVERNMENT ORDERS

[*English*]

REPRESENTATION ACT, 1985

MEASURE TO AMEND

The House resumed from Friday, November 29, consideration of Bill C-74, an Act to amend the Constitution Act, 1867 and the Electoral Boundaries Readjustment Act and to provide for certain matters in relation to the 1981 decennial census, as reported (without amendment) from the Standing Committee on Privileges and Elections; and Motions No. 4 (Mr. Rodriguez), and No. 5 (Mr. Foster) (p. 8837).

Mr. Speaker: Pursuant to Standing Order 13(3), the House will now proceed to the taking of the deferred divisions on the report stage motions of Bill C-74, an Act to amend the Constitution Act. We will vote on the deferred motions as listed in the Order Paper. The first vote will be on Motion No. 4. Mr. Rodriguez, seconded by Mr. Young, moves:

That Bill C-74, An Act to amend the Constitution Act, 1867 and the Electoral Boundaries Readjustment Act and to provide for certain matters in relation to the 1981 decennial census, be amended in Clause 2 by striking out line 34 at page 2 and substituting the following therefor:

"of one, one other member.

4. Among the number of members assigned to Ontario, there shall be assigned a minimum of eleven members to Northern Ontario."

Call in the Members.

The House divided on the Motion (Mr. Rodriguez) which was negatived on the following division:

(Division No. 136)

YEAS

Members

Benjamin	de Corneille	Guilbault
Blaikie	de Jong	(Saint-Jacques)
Boudria	Foster	Henderson
Cassidy	Frith	Hovdebo
Copps	Fulton	Keeper
Deans	Gauthier	Manly
Mitchell	Ouellet	Skelly
Murphy	Penner	Tobin
Nystrom	Robinson	Young—28.
Orlikow	Rodriguez	

NAYS

Members

Attewell	Girard	McMillan
Binns	Gottselig	Merrithew
Bissonnette	Graham	Minaker
Blenkarn	Gray	Mitges
Bouchard	(Bonaventure-Îles-de-	Nickerson
Boyer	la-Madeleine)	Nielsen
Bradley	Gurbin	Nowlan
Brisco	Gustafson	Paproski
Cadieux	Halliday	Price
Caldwell	Hardey	Redway
Cardiff	Hawkes	Ricard
Champagne	Hnatyshyn	St. Germain
(Saint-Hyacinthe-Bagot)	Holtmann	St-Julien
Clark	Howie	Schellenberg
(Yellowhead)	Hudon	(Nanaimo-Alberni)
Clark	Jardine	Scott
(Brandon-Souris)	Jepson	(Hamilton-Wentworth)
Clinch	Johnson	Scowen
Coates	(Bonavista-Trinity-	Sparrow
Cooper	Conception)	Stackhouse
Côté	Kelleher	Suluk
(Langelier)	Kilgour	Taylor
Crofton	Landry	Thacker
Crosbie	Lesick	Towers
(St. John's West)	Mailly	Valcourt
Crosby	Malone	Vankoughnet
(Halifax West)	Mantha	Vézina
Crouse	Marin	Vincent
Desjardins	Mayer	Warner
Edwards	McCain	Weiner
Ellis	McCuish	Wilson
Fennell	McDermid	(Swift Current-
Forrestall	McInnes	Maple Creek)
Fretz	McKenzie	Wilson
Friesen	McKinnon	(Etobicoke Centre)—92.
Gervais	McLean	

Mr. Speaker: I declare the motion lost.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, there might be a disposition of the House to apply the result of this vote to the next motion standing in the name of the Hon. Member for Algoma (Mr. Foster).

Mr. Deans: Mr. Speaker, I understand now that you might be prepared to put the concurrence vote. I believe we could apply the same vote in reverse.

Mr. Speaker: Let me sort that out by saying that we are now on Motion No. 5. I take it the same vote applies as on Motion No. 4. Mr. Foster, seconded by Mr. Gauthier, moves:

Motion No. 5

That Bill C-74, An Act to amend the Constitution Act, 1867 and the Electoral Boundaries Readjustment Act and to provide for certain matters in relation to the 1981 decennial census, be amended in Clause 2 by adding immediately after line 34 at page 2 the following:

"4. Notwithstanding rules 1, 2 and 3, and the *Electoral Boundaries Readjustment Act*, in dividing Ontario into electoral districts under that Act following the completion of the 1981 decennial census, the electoral boundaries commission for Ontario for the census

(*a*) shall consider the aggregate territorial area of the electoral districts described in paragraphs 1 (Algoma), 9 (Cochrane-Superior), 34 (Kenora-Rainy River), 49 (Nickel Belt), 50 (Nippissing), 69 (Sault Ste. Marie), 77 (Sudbury), 78 (Thunder Bay-Atikokan), 79 (Thunder Bay-Nipigon), 80 (Timiskaming) and 81 (Timmins-Chapleau), of the part of the 1976 Schedule relating to the Province of Ontario;

(*b*) shall divide that area into eleven electoral districts in accordance with the rules provided by section 13 of the Electoral Boundaries Readjustment Act; and

(*c*) shall, in accordance with the rules provided by section 13 of the Electoral Boundaries Readjustment Act, divide the remaining territory of Ontario into the number of electoral districts that equals the difference obtained when the number eleven is subtracted from the number of members assigned to Ontario under subsection 51(1) of the Constitution Act, 1867, as amended by the Constitution Act (No. 2), 1974."

The House divided on the motion (Mr. Foster), which was negatived on the following division:

(*Division No. 137*)

YEAS

Members

Benjamin	Fulton	Nystrom
Blaikie	Gauthier	Orlikow
Boudria	Guilbault	Ouellet
Cassidy	(Saint-Jacques)	Penner
Copps	Henderson	Robinson
Deans	Hovdebo	Rodriguez
de Corneille	Keeper	Skelly
de Jong	Manly	Tobin
Foster	Mitchell	Young—28.
Frith	Murphy	

NAYS

Members

Attewell	Girard	McMillan
Binns	Gottselig	Merrithew
Bissonnette	Graham	Minaker
Blenkarn	Gray	Mitges
Bouchard	(Bonaventure-Îles-de-la-Madeleine)	Nickerson
Boyer	Gurbin	Nielsen
Bradley	Gustafson	Nowlan
Brisco	Halliday	Paproski
Cadieux	Hardey	Price
Caldwell	Hawkes	Redway
Cardiff	Hnatyshyn	Ricard
Champagne	Holtmann	St. Germain
(Saint-Hyacinthe-Bagot)	Howie	St-Julien
Clark	Hudon	Schellenberg
(Yellowhead)	Jardine	(Nanaimo-Alberni)
Clark	Jepson	Scott
(Brandon-Souris)	Johnson	(Hamilton-Wentworth)
Clinch	(Bonavista-Trinity-Conception)	Scowen
Coates	Kelleher	Sparrow
Cooper	Kilgour	Stackhouse
Côté	Landry	Suluk
(Langelier)	Lesick	Taylor
Crofton	Mailly	Thacker
Crosbie	Malone	Towers
(St. John's West)	Mantha	Valcourt
Crosby	Marin	Vankoughnet
(Halifax West)	Mayer	Vézina
Crouse	McCain	Vincent
Desjardins	McCuish	Warner
Edwards	McDermid	Weiner
Ellis	McInnes	Wilson
Fennell	McKenzie	(Swift Current-Maple Creek)
Forrestall	McKinnon	Wilson
Fretz	McLean	(Etobicoke Centre)—92.
Friesen		
Gervais		

Mr. Speaker: I declare the motion lost.

The next question is on the motion of Mr. Hnatyshyn that Bill C-74, an Act to amend the Constitution Act, 1867 and the Electoral Boundaries Readjustment Act and to provide for certain matters in relation to the 1981 decennial census, as amended, be concurred in.

Hon. Members have heard the suggestion. Is it agreed that the same vote will be applied in the reverse?

Some Hon. Members: Agreed.

Mr. Hnatyshyn moved that the Bill (as amended) be concurred in.

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

(*Division No. 138*)

YEAS

Members

Attewell	Girard	McMillan
Binns	Gottselig	Merrithew
Bissonnette	Graham	Minaker
Blenkarn	Gray	Mitges
Bouchard	(Bonaventure-Îles-de-la-Madeleine)	Nickerson
Boyer	Gurbin	Nielsen
Bradley	Gustafson	Nowlan
Brisco	Halliday	Paproski
Cadieux	Hardey	Price
Caldwell	Hawkes	Redway
Cardiff	Hnatyshyn	Ricard
Champagne	Holtmann	St. Germain
(Saint-Hyacinthe-Bagot)	Howie	St-Julien
Clark	Hudon	Schellenberg
(Yellowhead)	Jardine	(Nanaimo-Alberni)
Clark	Jepson	Scott
(Brandon-Souris)	Johnson	(Hamilton-Wentworth)
Clinch	(Bonavista-Trinity-Conception)	Scowen
Coates	Kelleher	Sparrow
Cooper	Kilgour	Stackhouse
Côté	Landry	Suluk
(Langelier)	Lesick	Taylor
Crofton	Mailly	Thacker
Crosbie	Malone	Towers
(St. John's West)	Mantha	Valcourt
Crosby	Marin	Vankoughnet
(Halifax West)	Mayer	Vézina
Crouse	McCain	Vincent
Desjardins	McCuish	Warner
Edwards	McDermid	Weiner
Ellis	McInnes	Wilson
Fennell	McKenzie	(Swift Current-Maple Creek)
Forrestall	McKinnon	Wilson
Fretz	McLean	(Etobicoke Centre)—92.
Friesen		
Gervais		

NAYS

Members

Benjamin	Fulton	Nystrom
Blaikie	Gauthier	Orlikow
Boudria	Guilbault	Ouellet
Cassidy	(Saint-Jacques)	Penner
Copps	Henderson	Robinson
Deans	Hovdebo	Rodriguez
de Corneille	Keeper	Skelly
de Jong	Manly	Tobin
Foster	Mitchell	Young—28.
Frith	Murphy	

Mr. Speaker: It being 6.27 p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.27 p.m.

HOUSE OF COMMONS

Tuesday, December 3, 1985

The House met at 11 a.m.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 63—CANADIAN AEROSPACE INDUSTRY

Hon. Edward Broadbent (Oshawa) moved:

That this House condemns the Government for abandoning the Canadian Aerospace Industry through the sale of de Havilland Aircraft Ltd. to the Boeing Corporation and for its consequent failure to protect the aerospace technology paid for by Canadian taxpayers and developed by de Havilland.

He said: Mr. Speaker, it is very clear from the announcement made yesterday by the Government that the present Conservative Government intends to pick up where the Diefenbaker Government left off, in terms of selling out Canada's aerospace industry. Canadian ownership ought to be a matter of vital concern in certain crucial sectors of the Canadian economy. The aerospace industry is one of those sectors.

The Canadian Government, which was determined to take us into the future, ought to be one that is putting more emphasis on Canadian ownership and Canadian control in such sectors. Instead of marching us into the future, the present Government is marching as fast as it can into the past.

[*Translation*]

It is a sad day for the aerospace industry in this country and it is a sad day for Canada. We are selling a company in which Canadian taxpayers have invested millions of dollars, at a time when we are starting to reap the profits of our investment and should be starting to reap the benefits of sales of many Dash-7 and Dash-8 aircraft throughout the world. Thanks to the Conservatives, we are letting Boeing reap the benefits of Canadian investment. What lack of vision! What a ridiculous decision! What a typically Conservative decision!

[*English*]

There are two principal reasons that we in the New Democratic Party find this decision by the Conservative Government to be deeply contrary to the interests of Canada. The first of these pertains to the important matter of Canadian control in a crucial sector of our own economy. The second aspect of the decision is that even in terms of a business deal, in dollars and cents value, what the Conservatives are doing is a complete abomination. It will remind all Canadians of the incredibly inept way they made a decision last March in dealing with the crisis in the banking industry. They are costing us millions and millions of dollars; that is the truth.

• (1110)

I want to say something about the recent history of the de Havilland Corporation. As Canadians will know, it was originally a branch plant operation of Hawker Siddeley. During one part of its development, it indeed produced aircraft which had become known throughout the world, not simply in Canada, as a first-rate product. Of course I am referring to the Otter, the Twin Otter and the Beaver aircraft which are used not only in our own land but in many countries throughout the world. In the early 1970s, Hawker Siddeley for whatever reason—and it was not accidental that it was owned and controlled outside our borders—decided not to put the required investment into the Canadian branch plant which was necessary for the full development of the Dash-7 and other inter-urban commuter aircraft. Having made that decision, the Government of Canada was faced with the decision of having a modern industry go under or of coming in with capital to ensure proper development. At that time, the Government made the correct decision. It decided to put in what amounted to some $700 million over the years, to ensure the proper development of a modern or a series of modern first-rate aircraft.

The point I want to make about this is that this kind of capital investment makes a lot of sense in an industry of this kind. In my own small part of Canada where I was born, the area of Oshawa which I now have the honour to represent, the General Motors Corporation is putting in over $1 billion in the short run, in that little community alone, for a relatively few jobs to ensure longer range jobs.

Mr. Fennell: They make money too.

Mr. Broadbent: I will deal with the point which I just heard from the Conservative side of the House in a moment and talk about the friends of the Conservatives, the Boeing Corporation. The key point I want to make is that if we are to have development in a modern industry, we have to put up the bucks. Since the parent firm, Hawker Siddeley, was not prepared to do that, we in Canada made the proper decision to use public funds for creative investment. Now, however, just at the point when we are about to have a return on that investment, just when the company has orders on its books for its remaining production in the coming year, what does the Government decide to do? Instead of taking advantage of the productive investment which has gone on in the past decade in this industry, instead of starting to sell airplanes around the world and bringing back a return to the public of Canada for

its investment, the Government which was elected just a year ago has decided to sell it off.

Mr. Rodriguez: It is giving it away.

Mr. Broadbent: I hear one of my colleagues saying: "It is giving it away". I will document that in just a moment.

The key point I want to make in this part of my argument about the nature of this kind of industry is that every country around the world involved in the aerospace industry, without exception, uses public funds. Many countries in western Europe, whether it be France, Great Britain or Japan, use public funds in the form of public participation in the industry. In fact, there are some outright ownerships by Governments.

Let us look at the United States. I hope the Minister will deal with this argument. He is making much of the cost of $700 million and how the Canadian people will not be saddled with this kind of investment, according to the Conservatives. I did some checking of the Boeing Corporation in the United States. The Government says that the Boeing Corporation is a private firm which makes its way in the market-place.

An Hon. Member: It is profitable.

Mr. Broadbent: One Conservative has just said: "It is profitable". There is a good reason for its being profitable. It is not the only reason, but it gets a lot of money from American taxpayers.

What corporation is at the top of the list of corporations in the United States which receive the most benefits from American taxpayers? Is it General Motors, IBM or any one of the other corporate giants outside the aerospace industry? Of course not. The company which receives the highest level of assistance from American taxpayers is none other than the Boeing Corporation. For the years 1981 and 1983, the Boeing Corporation received $400 million in the form of subsidies—and that is what they amount to—and special tax benefits from the American Government. It received $400 million in two years. At the same time it listed profits of $1.5 billion, but it did not pay one cent in income tax to the American people. That is another story about which many American citizens are concerned. The aerospace industry around the world, not just the Canadian industry, has been subsidized by taxpayers. However, there is only one Government in the modern world which is stupid enough not to recognize this necessity and is stupid enough to want to get rid of it in its own country, and that is the Conservative Government of Canada.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I ask the Minister who will be participating in this debate whether he thinks for a minute that the American people and the American Government would permit the Boeing corporation to be bought up by an enterprise or a country outside their own nation? I have just said that in two years the taxpayers of the United States put up the equivalent of $400 million Canadian for Boeing. If we look at the actual past two decades of the history of the Boeing Corporation and the way in which it financed research and development in the aerospace industry in the United States, I know I understate the degree of subsidy when I say that it is in excess of $2 billion. That is what the Boeing Corporation has received in the past decade or so from American taxpayers.

The American flag will be very clearly waved on top of the American industry, and Americans will ensure that that happens. What is tragic is that we in Canada have a Conservative Government which, following its own past bad history of the Avro Arrow, is now taking down the Canadian flag from a Canadian corporation that is just about to take off and is wrapping itself as a Government in the Stars and Stripes. I think that is deplorable.

Some Hon. Members: Shame, shame!

Mr. Broadbent: Is it any wonder that the Prime Minister (Mr. Mulroney) will be going down to Chicago tomorrow as the guest speaker of *Time* magazine? The next thing we know, the Prime Minister of Canada will be selected as *Time* magazine's man of the year.

Some Hon. Members: Hear, hear!

Mr. St. Germain: For good reason, because he is a great Canadian.

Mr. Broadbent: There they are, the new Conservatives on the other side of the House, publicly cheering a Prime Minister who has just sold out one of our major industries. I say to those Conservatives: "Some sense of perspective!"

Not only is it bad for its possible implications for the long-range development of high-technology jobs in Canada, it is also, if I can put it in a way that even the Conservatives will understand, a bad business deal in terms of dollars and cents.

• (1120)

I want the House to consider some of the details. Ostensibly, on paper, we are supposed to be getting $155 million. That is a giveaway even at that terribly low price, but I want to study the figures and see how much we will really be getting. Of the $155 million, the poor old Boeing Corporation is being asked to put up, $90 million is as a cash down payment, and it is to pay $65 million over time. We are allowing the Boeing Corporation to buy out a crucial Canadian company on time, the way Canadians buy cars or TV sets.

When we analyse the figures, Mr. Speaker, we find something that is deeply disturbing. If Boeing makes $325 million worth of purchases in Canada over the next 15 years it will be eligible for $65 million in benefits from the Canadian Government. I see the Minister nodding. He knows very well that given the potential of the Canadian aerospace industry, which is some 40,000 strong with 100 firms in the industry, there is not the slightest doubt that Boeing can make sufficient purchases to get $65 million back.

What about the remaining $90 million? Boeing will get back an estimated $30 million of the $90 million as a result of the Government's agreement to pick up new insurance costs as

well as assuming new costs for certain future potential liabilities for faulty aircraft. The Government has reached into the taxpayers' pocket again for this $30 million which it will provide in benefits to the Boeing Corporation.

As for the remaining $60 million of the original $90 million, Boeing will simply have to invest a certain amount for increased productive capacity in Canada to write off the cost of that eventually. As the Minister no doubt knows, if Boeing invests $115 million, as it plans to do, as a result of the Government's decision Boeing will be eligible for financial assistance under the Defence Industry Productivity Program of roughly $60 million.

It is therefore very clear, Mr. Speaker, that not only are we permitting Boeing to buy out a crucial Canadian industry but, due to the ineptness of the Government, Boeing is going to be able to buy out a Canadian industry with Canadian money. What a disgrace, Mr. Speaker. It is bad enough to drink Canada dry, but it is even worse for Canadians to have to put up the money. The Government deserves to be defeated on this matter as much as it does on anything it has done since it was elected.

Some Hon. Members: Hear, hear!

Mr. de Jong: They call themselves businessmen.

Mr. Broadbent: My colleague will be adding further information which pertains to the Government's excuse for this abominable deal when he speaks.

I want to conclude very rapidly with three possible options from which the Government ought to have chosen from instead of taking the route that it has. The Government must recognize, as most other modern nations in the world that have maintained an aerospace industry have sensibly recognized, that the public sector is a very important way of doing this. The first option the Government should have seriously considered was to maintain this successful corporation, which had a $700 million investment in it, and to pursue international markets in order more rigorously pursue international markets to sell more DASH-7s and DASH-8s and other products in the future.

If the Government wanted de Havilland to have access to Boeing's international marketing network, why in heaven's name did it not go after a joint venture? Why could some deal not have been negotiated with Boeing? Boeing has negotiated deals with other countries. Why could we not have said that we will maintain this Crown corporation, we will maintain Canadian control and guarantee Canadian jobs, and have a joint arrangement with Boeing which involves some payment for access to Boeing's marketing capacity? That would have been another option which could have been exercised without losing Canadian control of this important industry.

The third option which could have been considered, if necessary, was more rigorous pursuit of a private Canadian owner. If the route of private ownership was to be chosen, a more systematic effort ought to have been made to get a Canadian owner to ensure that the industry would remain in Canadian hands. It is certainly our clear understanding from the development position of this industry that, of all the options, it would probably have made the most sense to keep that corporation in the public sector. The public made the investment in it and ought now to be getting the benefit of that investment.

I want to conclude by observing that the Government was elected just over a year ago on the promise that it was going to take the country rapidly and more confidently into the future. In decision after decision since the Government was elected it has done just the opposite. Whatever transpires in the weeks and months ahead in terms of the Government's thinking, the New Democratic Party will remain committed to the future of the country, to the view that crucial industries ought to remain Canadian-owned, and to the view that public investment can make a lot of sense for the short run and the long run for the development of our nation.

Some Hon. Members: Hear, hear!

Mr. Friesen: Mr. Speaker, I listened carefully to the speech of the Hon. Member for Oshawa (Mr. Broadbent). I noticed that he said that the Boeing Corporation in the United States had received $400 million Canadian "in the form of subsidies because that's what they amount to". I think I have quoted him accurately. That is what caught my attention. I wonder if the Member could give us a breakdown of where that $400 million came from. Was it in the form of contracts or in the form of tax benefits? Could he enumerate that?

Mr. Broadbent: I would be very happy to get that data for the Hon. member. I can tell him that the general category is in fact all of the benefits and it is the equivalent of $400 million Canadian in the form of special tax concessions. For the Member's benefit, it came from an American source that was very critical of this use of American taxpayers' money. That aside, it was $400 million in special tax concessions, the final result of which was that Boeing, which had in excess of $1 billion in profit, ended up paying not a cent in taxes to the American Government.

Mr. Friesen: Mr. Speaker, the Member said they were special tax concessions. Were they different from any other tax concessions made to any other companies? In that way does the Member view this as a special subsidy to Boeing as distinct from any other companies?

Mr. Broadbent: Mr. Speaker, I am sure that they were not special. I have no reason to believe that they were special to Boeing. They were special only in the sense that the ordinary taxpayer in the United States, like the ordinary taxpayer in Canada, simply is not eligible for these kinds of benefits. The key point I was making is that the Americans have taken care to ensure the development in the U.S. of a world-class firm in this very modern industry. They have used the money of the American taxpayers to do so. I would suggest to the Hon. Member that Boeing has received more from the American taxpayers on a comparative basis than de Havilland has received from the Canadian taxpayers. Having put up this

money, the Americans have enough sense to make sure that the industry will remain American controlled. The key point is that the Canadian Government should have enough sense to do the same thing for Canadians.

• (1130)

Mr. Murphy: Mr. Speaker, I have a question to ask of the Leader of the New Democratic Party (Mr. Broadbent). It was over 20 years ago that the Conservative Government of that day, the last majority Conservative Government, decided to destroy the Avro Arrow program. I was a teenager at the time and I recall that happening. In the 20 odd years that have passed since then, most Canadians have agreed that that was a decision which destroyed the aerospace industry in Canada. We lost the research and we lost the lead that we had at that time. The situation was so bad that the Conservative Government destroyed the prototype of that particular airplane and cut it up into small pieces so that the Canadian industry could not benefit from the research for which the Canadian Government had paid.

Since this is a decision which not only affects the workers of today but the future of Canada for the next 20 or 30 years, should we not have a full discussion and committee investigation into the implications of this sale to the industry?

Mr. Broadbent: Mr. Speaker, the quick answer to that question will not surprise the House. What may surprise the House is the fact that I did not have advance knowledge of the question. I say that honestly. What will not surprise the House is that I agree with the thought and wisdom behind the question, unlike that which I have been hearing from the other side of the House.

Mr. Crosby: Mr. Speaker, the Leader of the New Democratic Party (Mr. Broadbent), in his address to which I listened with great interest, referred to the Avro Arrow and the dismantling of that project. That matter was picked up by another member of his Party. I would like to ask the Leader of the New Democratic Party what he thinks of that project within the current framework of peace negotiations and the world concern for peace.

I understand that the Avro Arrow was a weapon of war. That is to say, it was to be used in the National Defence program and had the capacity to carry bombs of great destructive capacity. Apart from the technology involved, and I understand the Hon. member's interest in that, is he interested in arming Canada more and involving it in the international defence industry? Does he want Canadians to participate in weapons of war and to build up and industry of national destruction, or does he want us to pursue peacefully industrial interests that employ people and keep Canadians in industries that will guarantee employment over this decade and future decades? Does he want us to engage again in the international arms race with weapons with a capacity for total destruction?

Mr. Broadbent: Mr. Speaker, Conservative Members certainly are the masters of the irrelevant question. I would say to the Hon. Member quite clearly that we happen to differ in certain details of defence policy. That is the difference between a Government Party and an opposition Party. The New Democratic Party believes in a defence policy. We believe that, regrettably so, in a modern world we still need weapons. However, unlike certain other parts of the world—I will not make a polemical point about the Government. Not only do we believe in the defence of Canada, we also believe that we ought to be working simultaneously for disarmament in the world. Those two things are not mutually exclusive.

Mr. Minaker: Mr. Speaker, I would like to raise a question with the Leader of the NDP (Mr. Broadbent) regarding his position that the national Government should own Crown corporations. In the Province of Manitoba, the Minister responsible for Crown corporations went to The Netherlands last month in order to try to sell a Crown corporation called Flyer Industries. He made the statement before the Economic Committee of the Legislature that he would sell Flyer Industries and that if he could not sell it he would close it down. Who was with the Minister in The Netherlands but a union leader from Flyer Industries.

Has the Leader of the NDP been writing to Mr. Pawley to tell him not to close down Flyer Industries? Has the Hon. Member for Winnipeg North Centre (Mr. Keeper) been writing to Mr. Pawley to tell him not to close down Flyer Industries? If they are not doing that, how can they rise in the House to make statements like the one the Hon. Member just made?

Mr. Broadbent: Mr. Speaker, I would make a couple of points in reply to the Hon. Member. I note that he said that a union member was being consulted and was part of what was going on. That is in complete and utter contrast to what the Conservative Government has done in this case. The Government did not have the thoughtfulness to consult the workers at all. If the Government of Manitoba is doing that, it is to be commended.

I hope the Hon. Member listened to my argument. I was not arguing that Crown corporations should never be sold back to the private sector. I never said such a thing. In fact, I gave as one of the options at which we should look the desirability of selling the firm to the private sector and making sure the taxpayers got a good deal, but I made the point that it should be sold to the Canadian private sector and remain Canadian owned.

Third, in my judgment—and I am not an expert but I have seen the experiences elsewhere in the world—regarding whether certain sectors ought to be privately or publicly owned, world experience seems to suggest that public ownership in this sector which massively involves taxpayers' money probably makes sense. It is a question of detail. We are unequivocally clear that this industry ought to remain Canadian owned. We think that on balance it ought to remain in the public sector but we have not closed the door to having it sold to a Canadian firm. If the Manitoba Government in its wisdom—I'm not there, I'm not from that province and I do not know the details—happens to believe that that particular Crown corpo-

ration would be more viable and effective for the people of Manitoba in the private sector, that could well be the perfectly sensible solution.

Hon. Bob Kaplan (York Centre): Mr. Speaker, yesterday the Government announced that the de Havilland Corporation, which is located in Downsview which is in my riding, was to be sold to the Boeing Corporation and that a 90-day long memorandum of intent had been signed for that purpose. I would like to indicate, as have commentators all across the country overnight, that this is a tragedy of the order of the one committed by a former Conservative Government which closed down the production of the Avro Arrow, putting something like 15,000 people out of work. This is not a decision that will put 15,000 people out of work as did the Avro-Arrow decision, and I will speak of that in a moment. I will not criticize Boeing although I will say something about it. However, I would like to assure the House and Canadian people that this is no less a tragedy, the consequences being the diminution of the economy of the country, the reduction of Canadian sovereignty and the subtraction from the Canadian identity, which are as serious as those of the tragic closing down of the Avro Arrow.

The de Havilland Corporation is a company located in my riding which uses suppliers from virtually every province in the country. All Canadians are a part of it and apart from their physical, technological and working contributions, it is a part of the Canadian identity. This is the company which made the Twin Otter and the Beaver. This is the company which made the Mosquito. These are a line of planes which particularly define the Canadian way of approaching aerospace, something which the company has been doing over the decades. The idea that this company will become a division of a multinational firm, however good that firm is, has closed the door on the future for all Canadians.

● (1140)

I said that I wished to talk about Boeing for a moment. Boeing is a good company. It is a good multinational corporation. Boeing manufactures the most successful passenger and cargo jet airplanes in the world. It has sold more of certain of its lines, more copies of some of its planes, than other planes which have been produced in the world. This is to Boeing's credit, and I do not want to criticize the company. However, in this connection I wish to point out that it seems to have adapted well to doing business in Canada. One of its first acts following the election of the Conservative Government was to engage as its public relations firm the firm of Advance Planning. Advance Planning is a subsidiary of Camp and Associates which was set up at the time of the Government's coming to power. Camp and Associates is a Canadian company whose identity with the Conservative Party is well known. If anything, one could give credit to Boeing for understanding how the new Government operates. Boeing put itself in the ballpark through the use of a public relations firm which is known and friendly to the Government.

I also wish to point out that it must be helpful for Boeing to establish a base in Canada which is larger than the base it had in the past. After all, with the whole future of jobs at de Havilland at stake, from now on if this deal goes through—and I hope it will not—Boeing will be in a position months and years from now to remind the Government that it is the owner of this large enterprise in Toronto. Boeing will be able to remind the Government that de Havilland is a division of its company and that if Air Canada is looking for other types of airplanes made by other companies, or if the Department of National Defence is in the same position, then Boeing may also remind the Government that it is the company keeping jobs at de Havilland in Toronto. That is the regrettable fact of this acquisition by Boeing. Again, I make no criticism of Boeing because of that possibility. However, it does show that the Government has given Boeing a hostage for future performances which will be favourable to it.

I indicated that this acquisition is a tragedy of a diffrent order when compared to the loss of 15,000 jobs. Ironically, I am positive that at least in the foreseeable future there will be big increases in terms of employment at the Downsview air base. When I was there yesterday for the announcement by management I learned that 34 new employees were taken on just yesterday. I learned that 50 employees were taken on that day. I learned that 1,000 have been taken on over the last year. The reason for this is not the sale which was announced yesterday. The reason is that de Havilland has finally reached the stage where its Dash-8 is ready to take off.

The taxpayers of Canada brought this company through the worst recession since the 1930s, that is, from 1981 until today. It was brought through that recession with a good workforce, with all its research capacity intact, with all its management in place and with products for which orders are finally starting to roll in large numbers. In order to justify the development costs there needs to be 400 sales of the Dash-8. As a result of the planes and as a result of the confidence which Canadians had in the company over the years, and not as a result of anything the Government or Boeing has done, de Havilland is now in a position where it has nearly 200 sales. I also learned yesterday that the Twin Otter, which has been out of production for a few years, is being brought back into production in a new modernized version adapted to today's requirements. I also learned yesterday that the production of the Dash-7 will be speeded up as well. I learned that the Dash-7 Stretch is now considered to be more viable, and while it is still on the drawing boards it has been given a great boost.

So there will be jobs created over the next few months. The President of the Treasury Board (Mr. de Cotret) cannot get up, nor can the Government, in the months ahead and say these results are because of the takeover. It is because of the products. It is because of the confidence which Canadians have had in the company over the last few years.

The company will now be owned by an American corporation if the deal goes through. I have already indicated that Boeing is a good company. Hawker Siddeley was a good company too. It owned de Havilland until 1974. I would like to remind the Government of the reason the company was taken over by the former Liberal Government from Hawker Sidde-

ley. It was not taken over because the former Government was fanatically committed to state ownership. It was taken over because the Hawker Siddeley multinational corporation had more important priorities than the products which were being created at de Havilland in Downsview. Hawker Siddeley had other planes which it was making in the United Kingdom, just as Boeing has other planes it is making in the United States. At a certain point in time Hawker Siddeledy decided it was not prepared to take its shareholders' investment and capital and invest it in Canada in the research which had been done in terms of the continuation of the STOL lines. That is not an improper decision for a multinational corporation to take. I think it was wrong. Hawker Siddeley should have stuck with the STOL aircraft which de Havilland had designed and begun to produce. However, when it did not do so, the former Government moved in and took the company over.

Now that we are realizing the privatization dream of the new Conservative Government, and since this company will become a division of the Boeing Aircraft Corporation, how can it be denied that the greater priorities of the multinational corporation will not prevail? How can this be done when, in Seattle, where Boeing sells its planes, it sells one which costs more than the whole purchase price of de Havilland Aircraft? When capital is short and when de Havilland needed good managers and wanted good research people, which they find here in Canada, please do not kid us, Government, and tell us that Boeing will not come to Canada and draw on the strengths of de Havilland for its multinational purposes. That would be the normal thing for a multinational corporation to do and we will suffer for it.

I remind the Government that de Havilland accounts for 25 per cent of the aerospace industry in Canada. The act which was announced yesterday—yesterday's tragedy—takes the company out of the control of Canadians and puts it into the control of a company with large scale priorities when, someday soon, like Hawker Siddeley, it just might decide that de Havilland is less important to it than its other affairs in the United States.

What have we lost? The autonomy of the company has been diminished. It was its autonomy which permitted the design of these airplanes in the first place. Canadian identity is lessened since we are proud of these planes, as we have a right to be. The taxpayers of Canada have paid large sums of money to keep this company going and to keep its products going. It is no longer part of the Canadian identity. Canadian sovereignty is reduced as a result of the sale announced yesterday by the Government. That is the tragedy.

When he spoke the Leader of the New Democratic Party reminded us that he comes from Oshawa. I was thinking about that while he was speaking. Back in the 1920s, the McLaughlin Automobile Company, the last major Canadian automotive company, was sold to a multinational firm. But jobs did not go down, jobs went up. There are more people working in Canada in the automotive industry now than were working in that industry when McLaughlin owned that company. When I said that our sovereignty and identity were diminished, what I was getting at was that when that last company was sold—not by the Government but by the owners—Canadians lost the opportunity to express themselves through the economy, the opportunity to create products which would have responded to our situation and not to the situation of our powerful neighbours to the south.

• (1150)

Would the Canadian automobile have been a Volkswagon, a Rolls-Royce, a Volvo? I do not know the answers to that question. And, starting today, we will never know what Canada might have contributed to the world in aerospace. We made a pretty good start; the Twin-Otter, the Dash 7 and the Dash 8. These are pretty good expressions of Canada's way of dealing with aerospace in the world today. But we will not know from now on how Canadian identity would have developed in this sector because this Government does not see the difference between a Canadian owner and a foreign owner.

I agree with a lot of things the Leader of the New Democratic Party (Mr. Broadbent) said today, but David Lewis once said in this House, before his Party became excited about economic sovereignty: "There is no differnece between a Canadian capitalist and an American capitalist. They both want to be as efficient as possible and to make as much money as possible". My Party has never left it at that. We think there is a difference between Canadian ownership and foreign ownership.

While we feel that this is not the moment to sell, we do feel that if it is going to privatize—and I am going to come to the Canadian option in a moment—why not find a Canadian solution? Why not keep an election promise? During the last election campaign the Minister of Finance (Mr. Wilson)—and he is not here in the House today—promised on behalf of his Party that there would be a national aerospace company. He promised that de Havilland and Canadair would be put together, that they would be made viable by converting liabilities to paid in or contributed surplus, and so on, and shares would be offered to the Canadian people. That promise looked pretty good for the Canadian people, but we have heard nothing about it. What has happened? Why is it not still a good idea to take the company and put it together with Canadair, make a Canadian company and allow the Canadian people to express their confidence in the aerospace industry by taking a risk as investors in the future of a corporation like that?

Why is the Government not doing that? There is no explanation. The Government has made the announcement, after secret negotiations into which it would not even bring the management of the company 100 per cent, nor would it bring in the United Auto Workers, not to mention an interested Canadian bidder. In secret the Government has made a deal and has produced a memorandum of agreement which it has not shown us and which I am asking today that it make public so that during this 90 day period—if it is such a good deal—we can have a look at it.

I would like to say a few words about the price, and my colleagues will speak about that as well. It is obvious that the

price puts no value at all on the product lines and on all of the development costs which the company wrote off, thanks to the taxpayers of Canada. These are being handed over to the Boeing Corporation for free. But even if the price were much higher, I cannot see the justification for this sale because the Canadian Government is going to continue to stand behind these aircraft and this company. From what we have heard the Government say, it will continue to support it like it supports every other high-tech company in Canada, and it is going to do more than the Export Development Corporation usually does to help foreign sales. Boeing, apparently, has been able to negotiate that. The Government is going to continue to insure all of the aircraft which have been produced by the company. That is a very big ticket cost. Therefore, Boeing is taking money out of one pocket and handing it to the Canadian Government—not enough as far as I am concerned—but even if it were more, the Canadian Government is still taking a lot of our money and putting it into the other pocket of Boeing to encourage that company to buy us out, to take over de Havilland.

I would like to tell the Government that it has to come up with something beyond financial consideration and beyond taking a load off its agenda in order to justify this sale.

What I think, Mr. Speaker, is that the Government is desperate to validate the promise it made that it would privatize companies. It has looked around and has not been able to sell anything. It is desperate and it has sold this company. I want to ask why the Government has not given the Rimgate group, a Canadian-based group, all of the information Boeing was given so that that group could make a sensible offer for the company? I have spoken to the Rimgate group. It has given me chapter and verse on the things it has not been told which have been told to the Boeing group.

[*Translation*]

Unlike Boeing, the Rimgate Group was not given details of the performance of this company. No promises were made regarding further investments to be made by the Government. I would like to ask the Government, during this 90-day period, to give Rimgate the same information and the same opportunity to make an offer as Boeing was given.

[*English*]

The final point I would like to make—and I have a motion to introduce which amends the motion before the House—is to remind the Government that back on December 11, 1984, I asked the Government whether or not, if this company was going to be sold, a parliamentary committee could review the deal before it was made. The answer I received from the Minister of Regional Industrial Expansion (Mr. Stevens) is found at page 1108 of *Hansard*. Although he waffled on his answer to my supplementary question, he said very clearly, when I asked if Investment Canada could review this deal, and I quote:

> Surely to suggest that Investment Canada should have a review, in addition to the cabinet review and that which would take place in the House, is totally unnecessary.

Therefore, we received a commitment on the record of this House from the Minister of Regional Industrial Expansion that there would be a review by this House. I call upon the Government to honour that commitment and to let us have that review.

I, therefore move, seconded by the Hon. Member for Ottawa-Vanier (Mr. Gauthier):

> That the motion be amended by deleting the period at the end of the sentence and adding the following:
>
> "And further condemns the Government's lack of confidence in the capacity of Canadians to maintain the country's sovereignty in the aerospace industry".

● (1200)

The Acting Speaker (Mr. Paproski): I would like to reserve my decision on this motion. Questions and comments?

Mr. Foster: Mr. Speaker, I want to compliment the Hon. Member on his speech. It was a thoughtful commentary on what we believe is a great tragedy for Canadian high-tech and aerospace research and development. As he spoke I thought of the special qualities of the Twin Otter aircraft and how it has been used in the Arctic. I do not know how many Members have had an opportunity to fly in that aircraft, especially around the eastern Arctic where there are small runways, 600 feet or 1,200 feet in length. The Twin Otter is specially designed to land and take off on those kinds of runways. The Twin Otter, and to some extent the Dash-7 and Dash-8, are specially designed for the northern regions of Canada, and I would be interested in knowing whether the Hon. Member sees the Boeing Company maintaining an interest in providing the kind of aircraft which are specially designed for Canada. These aircraft are being used all around the world, but they were initially designed for bush work and fire-fighting in northern Canada, flying in and out of small airstrips all over the North, especially the eastern Arctic.

The Hon. Member has obviously done a lot of research on this subject. He has attended briefings and meetings with workers in the de Havilland plant. The Government put some $700 million into this company to develop new aircraft, expand plant capacity and develop a world-wide sales capacity as well. I would be interested in knowing if he has an explanation as to why the Government would sell this corporation for a net amount of $90 million, which is about the price of one 747? Why such a bargain basement price considering its potential for sales world-wide?

Mr. Kaplan: I would like to thank my colleague for the question. Indeed, STOL planes are a unique Canadian product. The fact that they were developed here in Canada does not mean that they end here. The Hon. Member is right, these planes are found all over the world. Developing countries, and even advanced countries, find that Canadian technology and products suit their needs. Rolls Royces are an expression of a certain British identity and you find them all around the world, just as you find Volkswagons as well. What is regrettable here is that, starting yesterday, these planes will no longer be a unique expression of Canadian identity.

In answer to his question about whether Boeing will continue this development, I want to comment on something the Leader of the NDP said as well. He proposed, instead of selling the company to Boeing, why not have a joint venture? He will be interested to know that there is in effect already a joint venture between de Havilland and Boeing. Ever since 1968 or 1969 they have been involved in joint research in the area of STOL aircraft. These two companies have been co-operating for many, many years. Boeing believes that STOL deserves support and they may well continue the program. However, as I mentioned before, they have other fish to fry and they may well not do so.

One current project under way concerns the augmentor wing. I do not want to take a lot of the time of the House now, but this type of wing assists the plane in gaining altitude quite rapidly. However, there is a trade-off, that of slower horizontal flight. The augmentor wing is designed to thicken the wing during take-off and reduce it during flight.

I just cannot understand what the Government is doing in this case. Let me put it in the form of a question. What on earth is it that Boeing is giving to this venture? The money does not amount to much, although it is a large sum compared to the continued responsibility of the Canadian Government. Boeing is not transferring technology, because that has been under way for some time. Is the Government saying that Canadians are not capable of marketing this plane? Is the Government saying Canadians are not capable of advancing the technology involved? Is it saying that Canadian capital would not be available? If so, I urge the Government to look at what the Rimgate group was prepared to offer. Give that company a chance to do something if the Government is getting cold feet in carrying the responsibility itself.

The Acting Speaker (Mr. Paproski): Having considered the motion put forward by the Hon. Member for York Centre (Mr. Kaplan) a moment ago, the Chair finds it to be in order.

There are still 30 seconds left in the question and comment period.

Mr. Dingwall: Mr. Speaker, Canada has provided in excess of $700 million to de Havilland over the years. Would the Hon. Member please comment on the sale price of $90 million in cash and $65 million by way of a note, which some individuals have described as cherry-picking of Crown corporations by the Boeing Corporation.

Mr. Kaplan: Very briefly, we need to see the memorandum of agreement. All we know is what the press release says. That shows a disastrously poor deal for the Canadian taxpayers. We must be given the original documents to draw our own conclusions. The Government promised, through the Minister of Regional Industrial Expansion, that we would be given an opportunity to examine these documents.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

[*Translation*]

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I welcome this opportunity to speak on behalf of the Government in the debate today, and I have no hesitation in stating that the motion presented by the Leader of the New Democratic Party (Mr. Broadbent) is unfounded and entirely without substance.

Contrary to what the motion says, instead of abandoning the aerospace industry in this country, the Government, in taking the step announced yesterday, has expressed its confidence in the future of an industry that is very important to this country. By proposing the sale of de Havilland Aircraft Ltd. to Boeing, an internationally known company, a company that is financially and managerially sound, a company that has a thorough knowledge of the industry throughout the world, by agreeing to this merger, the Government is providing Canadian industry with a far greater potential for participation in international markets.

• (1210)

[*English*]

This Government fully recognizes the importance of the aerospace industry to Canada. Judging by the wording of the motion put forward by the Hon. Member for Oshawa (Mr. Broadbent) I wonder whether he has any real understanding or recognition of the true significance of that industry.

In his motion he seems to characterize the aerospace industry as consisting solely of de Havilland. While de Havilland is very obviously an important company and will be even more important in the future as a result of the Government's creative move announced yesterday, we should not lose sight of the fact that 45,000 Canadians are employed in the aerospace industry that is made up of more than 100 companies from coast to coast.

We are proud of the performance of workers, of engineers and of the management of de Havilland who have built for that company a world-wide reputation in the manufacture of commuter aircraft. For the Leader of the New Democratic Party to ignore and neglect the contribution of other elements of the industry, an oversight of which he is clearly guilty when one looks at his motion accusing the Government of "abandoning the aerospace industry", I wonder if he would like to go with me to visit these other fine companies and tell them and their workers that in his eyes they just do not rate as vital components of the Canadian aerospace industry.

Let him tell that to the workers of Canadair in Montreal, the workers of Boeing in Winnipeg and Arnprior, the workers of Pratt and Whitney, the workers of McDonnell-Douglas, the workers of CAE, Spar Aerospace and Fleet Aerospace or the relative newcomers to Canada like British Aerospace or the many other companies that contribute to the human and financial resources and the advancement of this industry.

[*Translation*]

Mr. Speaker, the fact is that this Government is well aware of its commitment to all sectors of the Canadian aerospace industry. We are not only respecting these commitments, we are doing more than that by ensuring greater viability for an industry that is so important to the high technology sector in Canada.

[*English*]

The Leader of the New Democratic Party makes two unfounded and unsupported allegations in his motion. Allow me to deal with both of them and I will refute them totally and completely. First, he accuses us of abandoning the Canadian aerospace industry through the privatization of de Havilland and the sale to Boeing. Second, he accuses us of failing to protect aerospace technology paid for by the Canadian taxpayers and developed by de Havilland.

I have already shown that the Hon. Member has no grasp or understanding of the breadth of the Canadian aerospace industry. Now I will show that far from abandoning the Canadian aerospace industry we have taken the only sensible and realistic course; to bring to an end at de Havilland a decade of increasing financial losses paid for by the taxpayers. These losses, if allowed to continue, could lead only to the ultimate and final wind-up of the company and the loss of the existing jobs.

It should be evident, even to the Leader of the New Democratic Party, that de Havilland was at a critical point. Despite strong products and the dedication of its employees, new product development and new investment and even a new direction were urgently required.

de Havilland's traditional private line, which stood the company in good stead in the past, needed updating. Sales of the Dash-7 peaked at 107, with only a handful of additional orders on the books. While the company had received approximately 117 orders and options for the Dash-8, only 13 had been delivered to date.

de Havilland's losses for the first nine months of this year stood at $55 million on top of losses of $76 million last year before a special tax credit. To date, the federal Government committed more than $834 million of public funds to the company. If we were to continue to keep the company in the public sector, further substantial tax moneys would be required, to our best estimate probably some $200 million for next year alone in new capital investment and to cover ongoing operating losses.

The Government faced these choices: continuing to allow the company to absorb hundreds of millions of taxpayers' dollars every year; closing it down completely at a further cost of hundreds of millions of dollars, not to mention the loss of jobs and the terrible social and economic impact that such a closure would have; or finding a buyer in the private sector with the financial clout, the commitment, the ability, the energy and know how to ensure that de Havilland would remain a company that would prosper and have an open door to the market of commuter airlines throughout the world.

[*Translation*]

Mr. Speaker, I can assure you that the Government is entirely aware of the significant investment of taxpayers' money in de Havilland. And to protect that investment in Canada's aerospace technology, the Government has negotiated with Boeing a world product mandate for de Havilland, including not only the Dash-7 and the Dash-8 but all products that may derive therefrom.

[*English*]

Anyone who was at the news conference yesterday heard Mr. Albrecht, Chairman of the Board of Boeing Canada, publicly commit his company to proceed with a Stretch version of the Dash-8. That is an investment that will no doubt involve sums in the magnitude of several hundred million dollars. It will mean more jobs at de Havilland and more jobs at the hundreds of suppliers across Canada who serve de Havilland. That is how we are protecting the Canadian aerospace industry. That is how we are protecting Canadian technology. That is how we are protecting existing jobs and making sure that we will be creating more jobs in this industry as we have done throughout the country in the last 15 months.

We have made it clear through the privatization process to which the Government is committed that privatization will strengthen the ability of our commercially oriented Crown corporations to compete in the market-place.

We on this side of the House recognize the reality of the market-place. We recognize that by reducing the bureaucratic and political impediments, there will be a more effective allocation of resources in a more efficient market economy. Above all, we recognize that through privatization we can enassure that the maximum benefits flow to Canadians in terms of jobs and new investment while reducing as far as possible the risks and exposure that taxpayers may face in supporting some of these industries.

In the case of de Havilland, I have reported that the Government contacted more than 130 prospective buyers. After a year of intensive efforts, three offers to purchase were received and studied carefully. In selecting Boeing, I would like to stress that not only did we select the company that made the best offer, we also selected a company with an outstanding and proven track record as a good corporate citizen of Canada. Boeing's relationship with this country goes back some 66 years. Throughout that period of time, Boeing has always behaved itself as we would expect any upstanding true Canadian corporation to behave.

The letter of intent setting out the basis for the sale of de Havilland to Boeing has many important features. It includes undertakings that will keep de Havilland in Ontario, that will require Boeing to pay royalties to Canada on existing products and assign to de Havilland a world product mandate, to develop new activities at de Havilland and work with Canadian suppliers across the country. All these features are designed to ensure the further development of the Canadian aerospace industry, not its abandonment.

This initiative both secures the future of de Havilland and marks a major step for the Canadian aerospace industry, a $4 billion industry which is already the fifth largest in the industrial world.

• (1220)

In brief, we have reached a successful conclusion to our year-long quest to re-establish de Havilland in the private sector under ownership which has an impeccable record in the aerospace industry. The Boeing Company, by its financial and marketing commitment to de Havilland, demonstrates more faith in the future of Canada than does the mover of this motion. If the purchase of de Havilland turns out to be a good deal for Boeing shareholders—and I sincerely trust that it will—it will also turn out to be a good deal for Canada. de Havilland will be a good deal for its shareholders only when it is profitable. That will be a good deal for the taxpayers of Canada because for the first time they will begin to receive reimbursement through the taxes which a profitable de Havilland will be paying for all the support given it over the past decade.

Far from abandoning the aerospace industry, the Government is strengthening that vital industry. Far from failing to protect Canadian aerospace technology, the Government is ensuring that de Havilland technology will enjoy a wider window on the markets of the world.

The privatization of de Havilland sends a strong message that the Government is determined to remove the shadows which have bound significant portions of Canada's industrial economy. Through our privatization program, we will be able to allow organizations, which were once restricted to government control, to build their own futures in ways that will benefit both their employees and the investors who demonstrate, by their financial commitment, their confidence in the future of our great country.

In conclusion, let me repeat that the motion put forward by the Hon. Leader of the New Democratic Party and amended by the Hon. Member of the Liberal Party is without foundation. It is hardly deserving of the attention of the House. I know that it will be relegated to the obscurity it so richly deserves.

Some Hon. Members: Hear, hear!

Mr. Kaplan: Mr. Speaker, I want to ask the President of the Treasury Board about the commitment made during the election campaign by the present Minister of Finance that the de Havilland Corporation and Canadair would be put together into a national aerospace company, and that shares of that company would be offered for subscription directly to Canadian people. Why did the Government turn its back on that commitment? If it did not, what effort did it make before abandoning it to try to deliver on that promise?

Mr. de Cotret: Mr. Speaker, in terms of the process of privatization, in the first step, the line Ministers responsible for various Crown corporations evaluate each of their respective Crown corporations to see whether or not they fit the definition which we use for candidacy for privatization, in other words, is the company commercial, and does the company effectively no longer fulfil a public policy purpose? The company is also evaluated from a financial point of view. It is proposed to the task force and, if it is accepted, the second stage of the process is an in-depth evaluation of the prospects of that company and the resolution of financial and policy issues which can arise during the privatization process. Only after that first stage is the company really put up for sale, bids are entertained, analyses of the bids are made and finally the commitment for sale is made.

We followed this process in this case, as we did in the other cases which we have announced to date. It was felt that in terms of ensuring a vigorous and vibrant aerospace industry in the country, the best way to go was the sale of de Havilland to the Boeing Corporation.

Mr. Kaplan: Mr. Speaker, in other words, no consideration at all was given by the Government to the promise made during the election campaign. I heard from the Hon. Minister that they gave no attention at all to that promise. They started from scratch, just as if no promise had been made.

The Minister indicated a bright future for de Havilland. I hope he is right. Has the Government done any calculation in that bright future of the production and development of Stretch Dash-8? If things go as well as he suggested they might for the company, how much money will the Canadian Government put into it, in all the various ways the Government supports industrial activity in the country?

Mr. de Cotret: Mr. Speaker, there is no question that the company will be eligible for the various programs for which all other companies in that industry, or for that matter in other industries, are eligible. I am sure that in the development of the company we will be looking at requests under existing programs for government assistance of the same nature, on the same footing and of the same conditions as any other Canadian corporate entity could request.

Mr. Broadbent: Mr. Speaker, I have a question for the Minister. He referred to the fact that he anticipated de Havilland would be paying taxes. Could he name a single major producer of aircraft anywhere in the world, in terms of net, which is paying taxes to its Government? In that context, was he aware that the Boeing Corporation, in the last two years for which data was available, in spite of a book profit of $1.5 billion, did not pay a cent in income tax because of the tax structure for this kind of industry in the United States, and in fact received in that period of time $400 million in assistance from the American Government in tax policy? Is he aware of those facts?

Mr. de Cotret: Mr. Speaker, I am certainly aware of the balance sheet and of the profit and loss statement of the Boeing Corporation. Obviously, when one concludes as important a transaction as this one, it is only prudent management for the seller to ensure that the purchaser is enjoying fine

financial health. I can only reassure the Hon. Member that such is the case; Boeing is in fact a financially very strong and healthy corporation. I would like to be able to say the same for de Havilland. At the moment it is not. We firmly believe that with this deal,with this transaction and with the existing financial strength of Boeing, we will see within a short period of time a company in Canada, in Ontario, in Downsview, which will also have an interesting profit and loss statement.

There is no question. Boeing would not buy this corporation if it thought it would lose money forever. It intends to make money with that company. It intends to make profits. When it makes profits, it will pay taxes under our tax structure.

Mr. Broadbent: Mr. Speaker, the Minister clearly missed the point or chose not to deal with it. The point I was making was that because of the tax structures of different countries, including the United States of America, these corporations end up not paying taxes at all in that they are subsidized one way or another by taxpayers. All the Minister has done is use Canadian taxpayers' money to put over $800 million, according to the updated figures which the Minister gave the House today, into this company. That has already gone from Canadian taxpayers. What Boeing is getting is a gift of a couple of aircraft, and we paid for the development of them. Boeing will build on that. Given the structure which the Government is about to set up for the corporation, it will make lots of profit in Canada because all the costs have already been written off by Canadian taxpayers.

I have another question for the Minister. I know he is ultimately interested in—and I do not say it facetiously—a factual presentation; we can have a dispute about the policy. However, earlier he alluded to my equating the aerospace industry in Canada with the existing facilities at de Havilland. Would he acknowledge that in my speech and in reply to questions therafter, even before he spoke, I talked about the more than 100 firms in this industry in Canada and also the fact that there were some 40,000 people already employed; in short, that I did not ignore other companies in this sector?

• (1230)

Mr. de Cotret: Mr. Speaker, I will acknowledge that in his questions the Hon. Member did allude to the fact that there are some 40,000 people employed in the aerospace industry in the country. I am happy that he acknowledged that. It is an important industry which we would like to have grow and prosper in the country. We feel that the move we announced yesterday is a move in that direction which will ensure that, rather than declining, the number of employees will grow over the years to come.

Mr. Kaplan: Mr. Speaker, I want to ask about the Fokker company in particular, a Dutch manufacturer. The Minister said that 130 companies were canvassed to see if they would be interested in taking de Havilland off the Government's hands. One of the companies was Fokker. Yet, when Fokker appeared again as part of a Canadian bidding group, I understand that the CDIC refused to give details to the group because Fokker was part of it, although it would have been prepared to give Fokker information directly. Does the Minister understand, as I do, that the Canadian bidding group was not given full information because of something to do with the presence of Fokker, which makes a somewhat similar airplane, and yet the Government was prepared to tell all to de Havilland when it was one of the 130 companies with no Canadian involvement at all?

Mr. de Cotret: Mr. Speaker, I would like to make something very clear. From the phrasing of the Hon. Member's question, it is obvious that there is a misunderstanding in his mind. In this transaction, as in any transaction to come, we would never divulge to a direct competitor information that deals directly with the product against which he is competing.

Mr. Kaplan: Why did you approach Fokker in the first place?

Mr. de Cotret: We would not have given that part of the information to Fokker.

With regard to the second question, the group in which Fokker was involved got all the co-operation it could possibly request from the CDIC. The only exception was some specific product information which could have been used in a competitive environment to the detriment of de Havilland. I repeat that that kind of information would not be made available to a prospective buyer of any of the Crown corporations which we contemplate selling over the months and years to come.

Mr. Foster: Mr. Speaker, the Hon. Member for York Centre (Mr. Kaplan) mentioned that Advance Planning, part of Camp and Associates in Toronto, was the public relations firm for Boeing. Could the Minister outline what part they played in the negotiations and whether they were paid on a commission basis? It seems that Boeing has paid an incredibly low price. If the Minister feels that he has, as he indicated today, made such a great sale, would he be willing to put the issue before Parliament within 90 days for the approval of the House?

Mr. de Cotret: Mr. Speaker, in response to the first question, I am not aware of the specifics of the relationship the Hon. Member alluded to. I will be happy to try to get the information for him, but I do not have it with me.

In response to the second question, the final details of the transaction will be worked out in the coming weeks and will be announced in due course in the proper forum when they are completed.

Mr. Broadbent: In Parliament?

The Acting Speaker (Mr. Paproski): The period for questions and comments is now terminated. The Hon. Member for Ottawa Centre (Mr. Cassidy) on debate.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I was very interested in the comments of the President of the Treasury Board (Mr. de Cotret) who said that the motion of the

New Democratic Party was without substance. I was interested in that because in the debate which took place in the Ontario Legislature yesterday the Minister's political comrade, Larry Grossman, the Leader of the Progressive Conservative Party of Ontario, said quite specifically that David Peterson had not done enough to keep the plant in Canadian hands. He quite clearly took the view that Ontario should have been doing more and I presume that he meant that his federal colleagues should have been doing more as well. Perhaps there is a division on the Conservative side, but it seems to me that Mr. Grossman feels that the concerns reflected in my Party about this deal have some substance.

I note as well that when the Dash-8 was first rolled out, Bill Davis, then the Premier of Ontario, said that de Havilland must continue to be part of the economic life of this great country. I am sure that he meant it should remain in Canadian hands. In fact, that is quite specifically what his successor, Frank Miller, promised. During his term as leader he suggested that Ontario should buy de Havilland if that was necessary to prevent de Havilland from leaving Canada or being sold out from Canadian ownership.

I would like to talk about the issues raised by this sell-out at bargain basement prices. It echoes the Conservative's destruction of the Avro Arrow 25 years ago. I believe that many years from now people will look back on this week as a dark, dark week in the history of Canada because one of the leading companies in the Canadian aerospace industry went out of Canadian hands. Of course, there are 100 or more part suppliers in the industry but they will not be able to continue to work effectively if we take away the few companies which are in fact assembling final products or assembling and designing aircraft. De Havilland was the only Canadian company which was able to conceive, design, implement, and bring to market a completely Canadian-designed aircraft. The Dash-7, the Dash-8, and the others which have been mentioned are fine examples.

Canadair has been responsible for production of the CF-18 but that is a plane designed in the United States for which the components are largely made in the United States as well. Canadair has the Challenger jet on the market, but that, too, is a product of U.S. technology and U.S. know how which was brought in by Canadair. de Havilland is our only distinctively Canadian company with distinctive competence in the aircraft industry, and now it is being sold to Boeing.

I suggest, Mr. Speaker, that the Government's defence of this particular deal is weak and that a lot of questions have been raised. If the Government were to come clean and provide us with all the information, we might be able, even now, to point to other directions which could have been taken rather than selling de Havilland to Boeing at bargain sale prices.

I will put this into terms which people may be able to understand a bit better. The price of a Dash-8 is about $6 million American or about $8 million Canadian. Boeing is buying the de Havilland Corporation for $90 million Canadian, which is equivalent to the price of about 11 Dash-8s or about six months production. That is how cheaply Boeing is getting de Havilland. It is quite clear that the $65 million deferred note to which Boeing is committing itself can and will be worked out by means of a modest 16 per cent increase in its current volume of purchases in Canada, according to the information that we have been given. Therefore, Boeing gets the company for next to nothing.

What else does Boeing get? The President of the Treasury Board did not talk about the other ways in which the Canadian taxpayer will continue to be committed to subsidizing de Havilland while it is in American hands. We are giving Boeing a $400 million or $500 million tax write-off due to tax losses of de Havilland over the course of the last three or four years. Those tax losses are like money in the bank, Mr. Speaker. They guarantee that, if de Havilland has profits, it will not have to pay a nickel in Canadian tax for the next 15 or 20 years. Although I am not quite clear on this because the details have not been given to us, those tax write-offs may well be transferred by Boeing to its other Canadian operations. It is clear, however, that those tax write-offs will have the effect of saving Boeing between $150 million and $200 million in taxes over the course of the next decade or two. That means that for $90 million Boeing gets tax write-offs worth $150 million or $200 million.

On top of that Boeing will get a $30 million commitment from the Government of Canada to cover product liabilities on the existing fleet of aircraft which has already been built and sent to market. If this deal had been done in a businesslike way, Boeing would have taken over the liabilities of the corporation it acquired. In this case, the Government of Canada is taking back some of those obligations to the tune of $30 million.

• (1240)

When I look at the finances involved in this deal, it is hard to believe how little we are receiving for the $700 million or $800 million we poured into de Havilland over the course of the last 12 years since the company was acquired from its British parent. We have poured that money in and Boeing has now picked up not one but two aircraft which are completely developed. It has also picked up the Buffalo and the Twin Otter, aircraft for which markets continue to exist from time to time. The development costs of these aircraft have been completely paid for.

Today I spoke to someone from Wall Street and I asked an expert in the aerospace industry to ask him to evaluate the deal. He pointed out that it was obvious that the output of de Havilland complemented the product line of Boeing. However, in all of the time Boeing has been making aircraft since the first commercial jets were rolled off the assembly line by Bell-Boeing back around 1959 it has stayed away from the field of building commuter aircraft and short take-off and landing aircraft, the aircraft in which de Havilland has chosen to specialize. That is why I find a number of the things in the promises and commitments made and the rationale put for-

ward by the Government for this particular deal to be pretty hollow.

It has been said that de Havilland will have a world product mandate for producing commuter aircraft. It has that already. Boeing is not competing in that particular area. If in 25 years Boeing has not gone into that area, it was because it had other interests. It may well cost half a billion dollars to begin building commuter aircraft. That is why Boeing had not chosen to go into that particular sector of the market. Now it is getting into that sector of the market for free or just about for free. It is no wonder it snapped up the opportunity to buy de Havilland when it was offered for sale by the Government of Canada.

The President of the Treasury Board suggested that de Havilland would be able to benefit from the world-wide marketing of the Boeing Corporation. However, de Havilland was already marketing its aircraft around the world. In the course of the last nine months, of the 27 aircraft that rolled out of de Havilland's facilities in Downsview, all but three were sold to the export market. In fact, de Havilland was in the process of establishing an aerospace facility in Singapore because of its growing market in Southeast Asia. It was already marketing around the world and was not being barred or blocked from marketing around the world because of the fact that it was a Canadian company. There were no restraints. There could be restraints now that de Havilland will be under the control of the Boeing Corporation. We already know how many Canadian companies are restrained from selling into their most logical natural markets in the United States because of prohibitions laid upon them by their parent corporations.

In his defence of this deal, the President of the Treasury Board has suggested that there were only two options. In other words, the Government blinkered itself in the end into saying that only two things could be done: one was to shut down de Havilland and the other was to sell it. The Leader of my Party has already spoken of other options. There could have been joint ventures with the private sector or sharing agreements with Boeing. If Boeing did not have a line of commuter aircraft it could sell and if it wanted to look for economies of scale in terms of marketing, servicing and sales support, there would have been a logical connection between the two companies. That should and could have been discussed. However, the Government did not want to see it that particular way.

Canadian purchasers were specifically ruled out of this sale because of the Government's requirement that any bidder had to have airframe manufacturing expertise and financial depth. It was not mentioned publicly, but any bidder also had to have another line of profitable business against which it could offset the tax losses which were ready to be tapped in the de Havilland package.

When Canadair was refinanced a year or so ago, the former Government set it up as old Canadair and new Canadair. New Canadair is profitable because of the fact that its capital obligations to the Government were taken over and it is a separate entity under the wing of the Canada Development Investment Corporation. If that had been done in the case of de Havilland, then I would suggest that the price to be paid for it might have been different. It might even have been more attractive to Canadian buyers who would not stand to benefit from the tax losses but who, on the other hand, would prefer to put their investment in de Havilland into development of a new product line and the improvement of its equipment in ways that have been discussed by various Members of the House. That option was clearly not put forward.

The Government said that a purchaser had to take the whole thing lock, stock and barrel, and the carrot was that in addition to getting fully developed aircraft, a buyer of the scale and scope of McDonnell Douglas or Boeing would also be able to get all those juicy, fat tax losses. The businessmen on the board of the Canada Development Investment Corporation who, we are told, endorsed this particular bid, would look at it as if it were a purely private-sector operation.

My Party says quite explicitly that this is not a purely private-sector operation. We are talking about the future of the aerospace industry in Canada. We are talking about whether or not the present Government has any idea of what kind of industry it wishes to see developed over the course of the coming years. This is the vision that is lacking by the present Government. It confined its judgment on this decision to a group of private-sector directors who happened to be drawing their fees by working for the CDIC. Then the former president of a bank, who is now the President of the Treasury Board, decided that that was a good thing, recommended the deal to Cabinet, Cabinet endorsed it, and now the deal is going to go forward apparently without intervention from Investment Canada.

If de Havilland was a subsidiary of a Canadian company, if it was experiencing losses and difficulties in the aerospace market, a market which is not an easy one, and if it was experiencing problems because of competition from subsidized aviation companies from other countries, then a decision to sell out to Boeing, Douglas, Fokker, or some other purchaser might have been entirely justified. I would suggest that a company that is a key company in the aerospace sector because of its buying power and the impact of its research and development throughout the aerospace sector of Canada cannot be dealt with by the Government on that basis.

My research into and thinking this particular area have told me that there are a number of key national industries including automobile, electronics and aerospace industries which are increasingly competing world-wide one with the other in a way that individual corporations used to compete against each other a few years ago. If Canada does not understand that the industrial strategy for a particular industry must be designed and implemented on a national basis, then we are going to find ourselves unable to compete with other countries that see things that way and practise industrial strategies in that manner. It is no secret that the Government of Japan, through the Ministry of International Trade and Industry, does exactly that. It has helped industries to grow and has cut back on industries by looking at them not on a company-by-company

basis but at how the industry as a whole is competing against the same industries of other nations. We are not doing that.

According to the judgment expressed in this deal to sell de Havilland to Boeing, we are simply saying that it is possible for Canada to continue to exist in the 1960s while the rest of the world moves on to the 1990s. There are grave risks inherent in that particular approach.

A bit later, my colleagues will speak about some of our specific concerns with this deal. We are concerned over the fact that vague promises were made but there are no job guarantees for the 4,150 workers of de Havilland. When Rimgate Holdings of Vancouver, a Canadian company that bid on this particular deal, made its offer, it indicated that it was prepared to guarantee a minimum of 3,500 jobs at de Havilland. No such guarantees have come from Boeing in this particular case.

● (1250)

We are concerned with the fact that the public could—and we think should—have either retained ownership or else retained a share in de Havilland in order to ensure that it continued to serve Canadian interests in terms of the development of technology, continued to retain Canadian jobs and in terms of ensuring that sourcing was done here in Canada.

I do not agree with my colleague, the Hon. Member for York Centre (Mr. Kaplan), who suggests that a Canadian capitalist is no different from an American capitalist. I often find they are almost the same. However, if we had a choice I would prefer ownership to remain here in Canada where, as a Government, we can have some influence upon the company. One matter I find particularly objectionable with respect to this deal is the fact that, once the sale is consummated, Canada's potential for influencing or controlling what happens in this key area of this important industry will effectively be zero.

There are no enforceable guarantees which we can see in the deal. All of the information which has been given to us suggests that some vague and glowing promises may have been made by Boeing; but there is no way that these promises will be implemented if Boeing decides to back away from the deal.

It was somewhat ironic to hear the industry critic for the Liberal Party talk yesterday about how Boeing had established a firm with regional development grants in Winnipeg in order to be at the leading edge of fibreglass technology for the aerospace industry. The former Minister said: "Is it not terrible that all it is doing is making fibreglass bathtubs?" That was something which came about under the Liberal Government. It found it was not able or prepared to enforce any type of agreements with Boeing. At least at that time there was some effort to put the agreement down in writing. In this case it is just an agreement to sell and very little will be left in order to enforce the deal.

I say to the taxpayers of Canada with respect to this particular deal: "Hang on to your wallets". With respect to the deal, the Government makes the argument that it is a good deal and, anyway, it is spending a great deal on de Havilland, much more than it thought the taxpayers should be required to spend. It is interesting that a different argument was made when the Reichmann family spoke about the Canadianization of Gulf Canada and through Olympia & York was given a tax deal which will cost the taxpayers $600 million—all this to increase Canadian ownership in the oil industry and to allow the Reichmanns to take control of Gulf Canada. I am not sure why this different standard applies but it is interesting to note that, in fact, Boeing is a champion free-loader when it comes to taking advantage of government funds in the United States. I suspect we may find that it is just as eager to take advantage of government programs here in Canada.

In the period from 1981 to 1984 Boeing made profits in excess of $2 billion. Of 50 highly profitable corporations it was the champion in terms of generating income tax refunds from the federal Government. It did not pay a nickel in tax, yet it received $285 million in tax refunds from the U.S. federal Government between 1981 and 1984. That does not speak to the fact that the Americans have an industrial strategy, in terms of encouraging the development of large private corporations such as Boeing. This is not done through the process of industrial grants and regional expansion grants. We are criticized by the Americans for carrying out that type of action in terms of implementing a social strategy in Canada. Boeing benefits from defence industry grants at an enormous pace. Clearly, that is the model which is being chosen here in Canada as well. For $60 million net, Boeing is taking over de Havilland, despite the fact that de Havilland has received $200 million in advances from the Government just in the course of the last nine months, according to its most recent quarterly statement. Thus, for $60 million, Boeing receives an entity into which we have put $200 million just in the course of the last few months.

Boeing says that it will develop the new 50-seat version of the Dash-8 and expects it to qualify for repayable support under the Defence Industry Productivity Program. It interests me that an aircraft which I presume, and presumed, is to be used for commercial purposes will be financed by the Government of Canada under the DIPP. I suggest that is evidence that Boeing has said to the Conservative Government: "Look, if you guys and gals want to carry out your privatization and want some evidence that you can take around and show that privatization is a great thing, then give us access to the Defence Industry Productivity Program, despite the fact that what we are producing is a commercial aircraft for the civilian market".

The promises which have been made are vague and there is no guarantee that they can and will be enforced. It is said that de Havilland will keep its capacity for R and D, that it will be maintained and enhanced. How? It has been said that de Havilland will seek to increase the sale of Canadian content with respect to its products. How can that occur? There are no enforcement mechanisms in place.

Boeing has indicated publicly, and I think perhaps we can take the commitment seriously, that it will seek to develop the

Stretch version of the Dash-8. Even if that is not enforceable Boeing has agreed to give—

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member but his time has expired.

Mr. Cassidy: I appreciate that. However, may I have a minute to conclude?

The Acting Speaker (Mr. Paproski): Yes.

Mr. Cassidy: We are opposing this deal because we think it is a sell-out of the Canadian aerospace industry. We think that Canada has sold a major part of the aerospace industry for a mess of potage and a miniscule amount of money. We suggest that this deal is the 1980s version of the Avro Arrow, which we have to remind the House came about under a Conservative Government.

The Acting Speaker (Mr. Paproski): Are there questions or comments? The Hon. Member for Winnipeg-St. James (Mr. Minaker).

Mr. Minaker: Mr. Speaker, I would like to ask my Member of Parliament, the Hon. Member who has just spoken, a question. When I live in Ottawa he is my Member of Parliament. Does the Hon. Member support taxpayers' money being used to subsidize multinational corporations and multinational airlines? I raise this question because the Hon. Member indicated that of the 27 aircraft de Havilland has rolling off its lines, I do not know whether it was this year or this month, all but three are being exported. If the Hon. Member was listening earlier to the President of the Treasury Board (Mr. de Cotret), he will have heard the Minister indicate that the losses in de Havilland this year amount to some $55 million. Last year the losses amounted to $76 million. To date we have put $834 million into the company and it would require another $200 million to keep it going. That indicates to me that we are selling these aircraft at a big loss. When aircraft is sold out of the country to be used by someone else, our taxpayers subsidize the sale of that aircraft. I would like to ask the Hon. Member whether or not he supports a subsidy with respect to aircraft being exported. I know that the Hon. Member for Winnipeg-St. James does not support such a concept.

Mr. Cassidy: Mr. Speaker, I am interested to hear the Hon. Member from Winnipeg taking issue with the policy announced by the President of the Treasury Board. In the material passed around yesterday it is specifically stated that de Havilland will be eligible for the full array of Government programs on the same basis as any other company in Canada and that the existing sales financing program in support of the sale of the Dash-7 and Dash-8 aircraft will be continued. In other words, the export financing subsidies which have proven necessary because of international competition and which have been provided to de Havilland in the past will be continued in the future. If the Hon. Member disagrees with that, then let him get up and say so. What I am saying is that we have to look at what will happen to the aerospace industry in its entirety as a consequence of this sale, that is, with respect to giving a major chunk of it, 10 per cent or more, to Boeing.

Mr. Minaker: Mr. Speaker, does the Hon. Member say that he is not opposed to the taxpayers subsidizing losses of companies such as de Havilland since now, with the Boeing proposal, those losses will have to be covered by the operation of the company and not by the taxpayers?

Mr. Cassidy: Mr. Speaker, may I say with respect that, as my Leader has said, we face a difficult environment here because virtually every country in the world which has an aerospace industry finds ways of injecting public funds into that industry. That is just as true in the United States where, as I pointed out, Boeing has drawn some $300 million in tax rebates from the American Government and it has not paid a nickel in tax over the last three or four years. Those subsidies do exist. I am suggesting it is a matter of how we direct and control de Havilland which is really at issue. I am particularly offended by the fact that the $400 million or $500 million in tax losses which de Havilland accrued results from taxpayers' money and we are now having to pay again in order to offset any profits it makes.

The Acting Speaker (Mr. Paproski): Should the Hon. Member wish to carry on with his comment when debate is resumed he will have five minutes.

It being one o'clock, I do now leave the Chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 22

[*English*]

INDIAN AFFAIRS

JAMES BAY CREE AND NASKAPI SELF-GOVERNMENT— NEGOTIATION OF FUNDING

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, one and one-half years ago the House of Commons passed the Cree-Naskapi Act which was the first Indian self-government Act in our country. The Act fulfilled an obligation of the federal Government under the James Bay and Northern Quebec Agreement, the first modern land claims settlement in Canada, an agreement, it should be noted, which is now constitutionalized.

For the past one and one-half years the James Bay Cree and Naskapi have been exercising self-government in their own communities and on their lands. At this time, however, there is a looming danger that this bold move forward may be sabo-

taged by a failure of the Government, backed by the Department of Indian Affairs, to live up to the financial commitments which accompanied the Act.

The Cree, the Naskapi, and a Minister of the Crown, the previous Minister of Indian Affairs and Northern Development, signed a statement of understanding which allowed for annual adjustments of the grants to operate the self-government institutions. Rather than meaningful negotiations, there is now picayune quibbling and a concerted effort by the Government to wiggle and squeeze out of these commitments, rather than to honour them.

I plead with the Government. Do not hinder Indian self-government. Face up to your obligations. Proceed on the basis of good faith. Cease your efforts to frustrate the process.

* * *

INCOME TAX

IMPACT OF CAPITAL GAINS TAX EXEMPTION

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, within a very short time millions of Canadians will once again be asked to fill out their income tax forms. For most, this is an annual nightmare. The convoluted goobledygook of the income tax form is about as decipherable to the ordinary Canadian as are Egyptian hieroglyphics. The latest batch of amendments which the Government has brought forward will only add to the complexity and unfairness of the current system. None of these proposals is more of a boondoggle for the rich than the $500,000 lifetime capital gains exemption. Recently it was reported that:

> The exemption will have a disastrous effect structurally on the tax system. Its scope is too broad . . . Practitioners fail to see how tax-free capital gains on the disposition of jewelry, summer cottages, or Florida condominiums provide much benefit for the economy.

Who am I quoting Mr. Speaker? A member of the New Democratic Party? No. The President of the National Anti-Poverty Organization? No. I am quoting Mr. William Lawlor, national tax partner with Ernst & Whinney, former official in the tax policy division of the Department of Finance and a technical adviser to the Conservative Task Force on Revenue Canada.

Mr. Lawlor is hardly a radical, but you do not have to be a radical to understand that this tax break is unfair. When will the Government realize that shovelling more money into the pockets of the wealthy cannot substitute for a well planned, realistic approach to get Canada working again?

* * *

CROWN CORPORATIONS

SALE OF DE HAVILLAND—FULFILLMENT OF GOVERNMENT PROMISE

Mr. Bill Attewell (Don Valley East): Mr. Speaker, the Canadian Government has acted wisely in the sale of the de Havilland Company to Boeing. One of our campaign pledges was to privatize certain Crown corporations. More than $800 million of taxpayers' money was poured into this company over the years by Liberal Governments.

The Canadian content provision will create thousands of jobs for Canadians. The Government has taken a realistic and prudent step in moving de Havilland into the mainstream of world aircraft production.

It has long been clear that a successful aircraft industry must operate in a context of world marketing, sales and distribution organizations, and this will now be provided for de Havilland through the Boeing connection. At the same time the Government has taken steps to preserve Canadian expertise and enhance research and development at de Havilland.

The Boeing deal means the survival of de Havilland as a viable Canadian operation. It means the preservation of thousands of Canadian jobs and relief to the taxpayer from a huge and burdensome debt load. It should be praised, not criticized.

* * *

CHILDREN

EXPOSURE TO SEXUALLY EXPLICIT LYRICS

Mr. W. R. Bud Jardine (Northumberland-Miramichi): Mr. Speaker, the New Brunswick Federation of Home and School Associations has expressed to me its very great and valid concern about the violent and sexually explicit lyrics in today's so-called music.

• (1405)

My problem, and I suspect it is shared by many parents and grandparents, is that this garbage which passes for music is so atrocious that not only do we not pay attention to the words, we do not listen to it, period. However, it is time we did. It is time we listened to the smut coming across the air waves, songs like *Darling Nikki,* which I understand is about a girl who masturbates with a magazine: or another song called *10 Seconds to Love,* about oral sex in an elevator; songs that promote not just rape, torture and rebellion, but even suicide among youth.

Over the weekend I heard Anne Murray, a Canadian superstar in the music industry, decry the lyrics of these songs, saying she does not listen to them and would not degrade herself by singing them.

I bring this to the attention of the House not to shock, although it is shocking, but to plead for a reaction to this moral degradation of our children by entertainers whose credo is that sex and violence sells. If this be culture, it is not Canadian culture. This call to arms was initiated by concerned parents and educators. Should we choose to ignore it, we do so at our peril.

Some Hon. Members: Hear, hear!

POLITICAL PARTIES

LIBERAL PARTY VICTORIES IN QUEBEC AND PRINCE EDWARD ISLAND ELECTIONS

Mr. George Henderson (Egmont): Mr. Speaker, yesterday was a red letter day for Liberals across the country. The Tory tide is going out. We saw that last night in Quebec with a landslide Liberal victory. Liberals also scored in Prince Edward Island. Islanders elected two more Liberals in by-elections last night. Liberals won a seat which was conservative for the last 42 years. The P.E.I. Conservative Government is now on very shaky ground.

What does this say about the attitudes of Canadians? An anti-Conservative tide is sweeping the country and that tide will be high by the time the Mulroney Government gets back to the polls. Voters are mad at the Government. It promised jobs, jobs, jobs. We did not get any jobs.

We are stuck with a Government which bases all its decisions upon a user-pay philosophy. It is a Government which is nickel and diming to death the working men and women of the country. It is a Government which has already told working Canadians it is time to pay up, so it has introduced inspection fees for potatoes, dredging fees, ice-breaking fees, berthage fees. It is skimming the top off family allowance cheques, and increasing ferry rates and entrance fees at national parks. It is giving the fishery to the multinational corporations in the offshore and taking it away from inshore fishermen. The list goes on and on.

Does the Government have any compassion at all for Canadians? The Mulroney Government cozies up to Ronald Reagan and big business. The Government is losing—

Mr. Speaker: The Hon. Member's time has expired.

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INDIAN AFFAIRS

FUNDING OF SASKATCHEWAN INDIANS' LEGISLATIVE ASSEMBLIES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a copy of a funding proposal from the Federation of Saskatchewan Indians for the fall, winter, and spring sessions of their legislative assemblies. The problem is that they're having trouble getting funding from the Government which sits across the way.

The Minister of Indian Affairs and Northern Development (Mr. Crombie) made a commitment to the Federation to fund their assemblies. However, so far they are having trouble getting the money. This fall they needed $250,000 and they received, after a lot of probing and pushing, only $170,000. They have another assembly planned for this winter which will cost around $178,000, and another one for this spring which will cost $289,000. The problem is that they have not received the money and they are not getting any co-operation from the Minister from whom they have a commitment.

I ask the House to give me some help and get the Federation of Saskatchewan Indians some help in gaining the money they deserve. When the Constitution debate was going on we said we had to enshrine treaty rights in the Constitution and recognize our Indian and aboriginal people. Here is a chance to put our money where our mouth is. These assemblies are important for the people of Saskatchewan as well as the Saskatchewan Indians, and I call upon the Minister to come up with the money he promised. Let this not be another broken Conservative promise to the Indian people of our country. I want action, and I want action now.

* * *

[*Translation*]

CROWN CORPORATIONS

SALE OF DE HAVILLAND AIRCRAFT LTD. TO BOEING COMPANY

Mr. Charles Hamelin (Charlevoix): Mr. Speaker, Canadians will be very pleased with the news that the Progressive Conservative Government is keeping its promise to privatize Crown corporations. The sale of de Havilland Aircraft Ltd. to Boeing is an example of this Government's efforts to return to the private sector the industries that belong there.

This transaction will certainly improve the company's competitive position on the international aerospace market, while protecting Canadian interests in the high technology sector. Selling the assets of this Crown corporation will also considerably reduce the financial burden Canadian taxpayers have felt for so many years. The House will recall that the Government of Canada, in other words, the Canadian taxpayer, has had to inject $830 million into this Crown corporation over the last ten years.

Today, de Havilland has reached a critical stage in its development. It needs firm, long term financial commitments and must diversify production to reduce costs, and that is exactly what Boeing is in a position to do. The transaction will also generate more than $325 million in contracts for Canadian business. These projects will have the advantage of creating thousands of jobs in Canada. Instead of draining millions of dollars from the pockets of Canadian taxpayers every year, this company will probably also—

Mr. Speaker: I am sorry to inform the Hon. Member that his time has expired.

S.O. 22

• (1410)

[*English*]

CROWN CORPORATIONS

SALE OF CANADIAN ARSENALS LTD.—REFUSAL OF SECOND BID

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, while much attention has been directed toward yesterday's announcement of the sale of de Havilland by the federal Government, another Crown corporation was also sold yesterday. In this case it was not the money the Government threw out the window but jobs and investment for two provinces, Quebec and Nova Scotia, that need economic help of every kind.

Canadian Arsenals Ltd. was sold for $92.2 million. However, in its rush to sell the company, the Government of Canada dismissed another bid with a much more advantageous package of economic benefits. International Defence Products offered to purchase Canadian Arsenals Ltd. for a total price of $40 million. However, its package also included a promise that, in the first 12 months, 80 new full-time jobs in Quebec would be created, increasing personal incomes by $5 million, and that 130 new full-time jobs would be created in Nova Scotia, increasing personal income there by $31 million. There would be a $38 million expansion of existing facilities in Quebec, and a new brass mill and two modern plants would be established in Cape Breton, worth $100 million. The jobs would be permanent and pay an average of $25,000 per worker.

It was a total of $214 million in economic benefits to Canada and 200 well paying permanent jobs that the Government had a chance to create, yet it turned its back on the unemployed. They are the type of jobs that the Government promised my province and the Province of Quebec.

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

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CROWN CORPORATIONS

SALE OF DE HAVILLAND AND CANADIAN ARSENALS LTD.—FULLFILMENT OF ELECTION COMMITMENT

Mr. Murray Dorin (Edmonton West): Mr. Speaker, I rise to congratulate the Government on yesterday's announcement of the sale of two more Crown corporations, de Havilland Aircraft of Canada and Canadian Arsenals Ltd.

This is another step on the road to economic recovery and improving government management which we began just over one year ago.

In his Budget, the Minister of Finance (Mr. Wilson) announced a task force to privatize or dissolve Crown corporations which no longer fulfil a specific public policy purpose. Previous announcements have been made regarding the sale or winding up of Northern Transportation Company Limited, the Canada Development Corporation, Canagrex, Loto Canada, the Canadian Sports Pool Corporation, the Canada Museums Construction Corporation, and others.

Yesterday's announcement is particularly notable for the sale of de Havilland for $155 million. During the past 10 years de Havilland gobbled up $700 million of taxpayers' money. For the first nine months of this year the corporation had a loss of $55 million. Through this sale we are keeping a major promise to the Canadian people to take responsible action with regard to Crown corporations.

We were able to recognize a good deal when we saw one, something the previous Government failed to do, as well as relieve the taxpayers of a burden they have been carrying. The people of Canada recognize that it takes time to ensure that the deals we are negotiating are the best ones for Canada. They realize that the Government, as each day goes by, is making good on its commitment to good management and to stimulation of economic growth through the private sector.

These sales are a prime example of this administration, under the leadership of the Prime Minister (Mr. Mulroney), fulfilling another election commitment.

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CANADIAN PACIFIC RAILWAY

CANCELLATION OF PENSIONERS' RAIL PASSES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I call on the Minister of Labour (Mr. McKnight) to take action on behalf of the Canadian Pacific Railway pensioners who have lost their rail travel passes, a right they have had for generations.

There are many Members of the House who have protested this disgraceful unilateral action by the CPR toward former employees who have served it loyally. Some Members have also noted that the replacement health benefits do little for retirees in provinces with good provincial health plans, and that they actually interfere with the Blue Cross supplementary plan.

What Members may not know is that the Minister of Labour has stopped this issue from being heard as a grievance by the Canada Labour Relations Board as requested by the railway shopcraft unions.

Rather than give his approval for a hearing, the Minister instead sat on the application for two months while the passes expired, and then appointed his own investigator, which has further delayed any resolution.

• (1415)

The railway unions are still prepared to take the case of the CPR retirees to the CLRB. What is needed is approval from the Minister of Labour. Is the Minister prepared to act so that the case can be heard? Or is he, by his actions to date, only underlining the feelings of so many CP pensioners, namely, that justice delayed is justice denied?

HOUSE OF COMMONS

PRESENCE IN GALLERY OF DEPUTY MINISTER OF FOREIGN TRADE OF U.S.S.R.

Mr. Speaker: May I draw the attention of Hon. Members to the presence in our gallery today of two gentlemen, in alphabetical order. The first is Mr. Victor Ivanov, Deputy Minister of Foreign Trade of the Soviet Union.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF MINISTER OF TRANSPORT FOR BERMUDA

Mr. Speaker: Also I draw the attention of Hon. Members to the presence of the Hon. Sidney Stallard, Minister of Transport for Bermuda.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—ROLE OF PROVINCIAL PREMIERS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a fairly direct question for the Prime Minister. It arises out of his agreement with the provincial First Ministers in Halifax. That agreement purported to allow full provincial participation in the negotiations with the United States on free trade. Does this mean that the provincial Premiers now have an effective veto over the negotiations with the United States?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the document which guides this is a matter of public record. It says that it is a preparatory phase and that during the preparatory phase the provinces agree with the federal Government, without in any way contesting the primacy of the federal Government, which remains unchallenged and undiminished, that we very much want intimate consultation to develop a strategy that will be beneficial to the provinces and to the country. To this end we have agreed upon a document, the four modalities of which are set forward in writing. It says that during the 90-day period, among other things, the preparatory work should include the determination of how best to give effect to the principle of full participation in the subsequent phases of the negotiation. That is what it is all about.

We very much want the provinces involved in the process, in the definition of the objectives and in the manner in which we do this as a nation. We think it is vital that we have their participation. We have actively sought it, and we welcome it.

In the next 90 days we will deal with the manner in which it is secured.

VIEWS OF PREMIERS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, of course that is not the interpretation placed upon the agreement by the provincial Premiers. Premier David Peterson, at the end of the conference, said: "The bottom line is the negotiating team will take instructions from the First Ministers. That is where it is, and the final authority rests with the First Ministers". Donald Getty, the Premier of Alberta, said: "The negotiating team becomes our team". If those interpretations were placed on the agreement by the First Ministers at the conclusion of the conference—and I gather they were made in the presence of the Prime Minister—why did he not take issue with those statements and declare the federal position?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, because the federal position is the position which was agreed upon unanimously by the federal Government and the provinces, and reflected in this document. That is what it is all about. We agreed in a formal manner on the phases and the manner in which this would be developed. It was agreed upon with the provinces.

This is the first time we have engaged in this kind of negotiation. It is new to us. It is new to the provinces. We would never atttempt to bring home a deal which was not in the best interests of the provinces or one which did not enhance the prosperity of all Canadians. There is absolutely no reason for us even to contemplate that. This is the manner, the formal agreement between the provinces and the federal Government, whereby we set out the parameters and the modalities for achieving that objective. I think, in a federal state, that that is the proper way of doing it.

PARTICIPATION OF PROVINCES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister has allowed a serious misinterpretation to arise on the part of the provincial Premiers. Obviously they feel that they have a full, direct, equal partnership in the negotiations and a veto over the negotiations. Is it to that the Prime Minister is agreeing? Is that what he is saying? This side of the House can agree with consultation, but we want to know what the definition of full provincial participation really means.

• (1420)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if my hon. friend put aside his negativism for a second and read the document, he might find out.

Some Hon. Members: Hear, hear!

Mr. Mulroney: We know the Liberal Party is against everything because it stands for nothing. It is just against. We know what it is against, but we do not know what it is for.

Mr. Chrétien: You're falling, Brian.

Mr. Mulroney: The answer is precisely in the document. That is what it is all about. I invite my right hon. friend to take a second to read the document which says that this preparatory work should include the determination of how best to give effect to the principle of full provincial participation in subsequent phases of the negotiations.

Ambassador Reisman, the Secretary of State for External Affairs, and the Minister for International Trade will begin tomorrow their 90-day consultations with the provinces to produce the kinds of agreements that we hope will make absolutely redundant any reference to negativism and vetoes. We are not going to bring back anything that will be vetoed. We are going to make a good deal for Canada and all the provinces.

Some Hon. Members: Hear, hear!

* * *

CROWN CORPORATIONS

SALE OF DE HAVILLAND CORPORATION

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is also directed to the Prime Minister. It is about yesterday's sell-out of de Havilland. Last December I asked for the assurance that Investment Canada would be able to review any takeover of de Havilland before it became final. I was told by the Minister of Regional Industrial Expansion that it would not. He said: "Surely to suggest that Investment Canada should have a review in addition to cabinet review and that which would take place in this House is totally unnecessary". I now want to call on the Prime Minister to give us that parliamentary review before the takeover of de Havilland becomes final.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, as I indicated earlier today in debate, the details of the final agreement will be made public in the appropriate forum and will be open to discussion in that forum at the appropriate date.

MEMORANDUM OF AGREEMENT

Hon. Bob Kaplan (York Centre): Mr. Speaker, I want to ask the Prime Minister what that means. Does that mean that we will see the memorandum of agreement before it becomes final? No one in the country, besides the Government, has been able to see what the memorandum of agreement provides. Will we be able to see it so that we will know what conditions there are that may or may not be fulfilled before there is a final sell-out of de Havilland to an American company?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, as we indicated yesterday, there are still some details to be worked out between the Government and Boeing. As soon as those details are worked out they will be made public. I would like to re-emphasize that this particular initiative of the Government will not only strengthen de Havilland but will strengthen the entire aerospace industry in Canada and provide for secure jobs which already exist.

REASON FOR SALE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. The last time we had a large majority Government it sold out the Avro-Arrow. We are now seeing history repeated with de Havilland. The taxpayers of Canada put up in excess of $800 million for investment in de Havilland. We are now out of the recession in that industry and its models are beginning to sell around the world. Why in heaven's name did the Government pick this moment to sell an important Canadian company to the United States?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, we are making good on a commitment which we made throughout the election campaign and since, that we would return to the private sector those companies which no longer fulfil public policy purposes and which were essentially commercial. That is exactly what we are doing.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, the one commitment the Government made in the campaign was to combine de Havilland with Canadair and to keep it in Canada. That is the commitment that was made in the campaign. Check with the Minister of Finance. At least Mr. Diefenbaker got to his feet to defend the Avro decision, unlike the present Prime Minister.

AMOUNT OF SELLING PRICE

Hon. Edward Broadbent (Oshawa): The list price for this deal is $155 million. Special concessions offered by the Government, including product insurance, DIPP grants, and tax write-offs, give Boeing about $500 million. Does it make sense to the Government that we should be giving Boeing more than twice the listed selling price with Canadian taxpayers' money? Does that make business sense to the Government?

• (1425)

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, it makes eminent business sense and this is not a decision that we have to defend. This is a great decision for Canada and for the aerospace industry.

The situation we are facing is very simple. In the first nine months of this year de Havilland lost $55 million. Last year de Havilland lost $76 million. That was taxpayers' money. The best estimate for next year was that de Havilland would lose $200 million. That is taxpayers' money, and that is what we are going to save the taxpayers.

PRIME MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, instead of that the Government is going to lose the $700 million it has already invested, give the Americans $500 million more, and think it got a good deal. I would say that that is business genius!

I would like to ask the Prime Minister a question. I hope he will deal with the issue. Does he consider it—

Mr. Clark (Yellowhead): Back to teaching university, Ed. Back to the Liberal Party.

Mr. Broadbent: There he is, sputtering away, the former Prime Minister who will always remain a former Prime Minister.

Some Hon. Members: Oh, oh!

Mr. McDermid: At least he got there. You never will.

Mr. Speaker: Order, please. Supplementary question?

Mr. Deans: You can always tell when we're getting under their skin. They won't let us ask.

Mr. Broadbent: My question is for the present Prime Minister. Considering that taxpayers are going to put up some $500 million for the Americans for something with a list price of $155 million, does the Prime Minister think it is a good deal for Canadian taxpayers to put up the money while American citizens will end up with the deed?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, obviously my hon. friend has failed to realize that the $700 million that was pumped into de Havilland is money is already gone.

With regard to another grave misstatement of fact, he referred to the decision of a previous Government in regard to the shutting down of the Avro-Arrow. What we are doing today is saving de Havilland and securing jobs for de Havilland workers. That is the difference. There will not be fewer jobs but more jobs for de Havilland workers.

With regard to the fundamental question my friend raises, the figures mentioned by the President of the Treasury Board are, I think, eloquent. There were serious losses, not only in the past but projected. Pursuant to our commitments to the Canadian people, we have looked for a purchaser that would strengthen the jobs of those employees and make de Havilland a stronger, bigger and more prosperous company, and a greater contributor to technology and development. We believe that this is the manner in which it ought to be done, and we think it is a gesture that will benefit the workers and the company and make a significant contribution to Canada.

[*Translation*]

TRADE

FREE EXCHANGE—NUMBER OF PROVINCES REQUIRED TO CREATE A VETO

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to get back to the question of free trade and ask the Right Hon. Prime Minister how many provinces it will take to have a veto, when the 90-day period is over, since the Premier of Ontario, Mr. Peterson, and the Premier of Alberta clearly indicated they had that right. How many provinces will it take to bring negotiations with the Americans to a standstill?

Right Hon. Joe Clark (Secretary of State for External Affairs): The Hon. Member for Saint-Maurice is always talking about the past and about vetoes. That was typical of the Liberal Government. We are now setting up a mechanism for co-operation between two levels of Government which will concentrate on what brings Canadians together, not on what can divide them.

INQUIRY IF CERTAIN PROVINCES WILL HAVE POWER TO STOP NEGOTIATIONS WITH UNITED STATES

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I think the provincial premiers are very anxious to know what the agreement involves, and I shall repeat my question: Will the Premier of Ontario or the Premier of Quebec or both or will the Premier of Alberta have the power to stop negotiations with the United States?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I believe the Hon. Member has some understanding of the Canadian Constitution and existing jurisdictions. What we are doing is create a situation where the various governments can act together. We acted together in Halifax to set up a process and establish a principle. For the first time in Canada's history, we have established the principle that the provinces have a right to full participation in negotiations on international trade.

Mr. Chrétien: Full participation?

Mr. Clark (Yellowhead): That is the first stage. We are engaged in a step-by-step process. As the agreement clearly points out, the process, the conditions governing subsequent stages will be established jointly by the governments.

• (1430)

[*English*]

CROWN CORPORATIONS

SALE OF DE HAVILLAND CORPORATION—REQUEST FOR PARLIAMENTARY REVIEW

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is for the Prime Minister. I wish to refer to the statement of the Minister of Regional Industrial Expansion which he made last December in which he said that Investment Canada would not be required to look at the de Havilland sale because of review by the Cabinet and by the House. Will the Prime Minister undertake to ensure that the House will have such a review of the de Havilland sale before the deal with Boeing is consummated?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, those procedures which are in place and which would apply by the normal course of events will apply.

REQUEST FOR COMMITTEE EXAMINATION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, may I be specific since there is perhaps a gray area. Will the Prime Minister undertake to have a parliamentary committee or this House review the sale of de Havilland to Boeing in order that we can look at the $500 million in taxpayers' money which will go to the deal? In this way we can look as well at alternatives, such as the purchase by Rimgate Holdings, a Canadian company, which would have kept this important company in Canadian hands? Will we have such a parliamentary review—yes or no?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I will take the Hon. Member's question as a representation. It will be one of the factors which we will take into account with respect to this transaction, and other transactions, in the privatization program of the Government.

INSURANCE COSTS—REQUEST FOR EXAMINATION BY AUDITOR GENERAL

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, we have now had three Ministers try to justify what is not justifiable. I would like to go back to a specific part of the transaction.

The Government has agreed to a most unprecedented arrangement whereby it will cover all insurance costs and future liabilities of de Havilland aircraft instead of having Boeing undertake proper responsibility for those liabilities as would normally occur. Considering the irregularity of such an action, will the Government ask the Auditor General to examine that part of the financial transaction, or will it refer the matter immediately to the Finance committee so that we can get to exactly why this particular and peculiar arrangement was made?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, as is often the case, the premise of the question is false. Boeing has agreed to assume the cost of insuring all aircraft produced to date, including those produced while de Havilland was under ownership by the Crown. What the Crown has agreed to do is share in a part of those insurance costs which are incremental, in other words, in the increasing insurance costs and, at that, on a declining basis over time.

GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, after hearing the answer of the Minister we can be thankful that Boeing did not offer the Brooklyn Bridge or Florida swampland in exchange for de Havilland, since obviously the Minister would have taken it up on the deal.

What we want to know about this very important arrangement is why the Government has also agreed to a series of open-ended commitments for development grants, research loans, and other forms of assistance which could amount to over $300 million.

Mr. Broadbent: $500 million.

Mr. Axworthy: We would like to know why the Government has not asked for some continuing equity or participation on behalf of Canadian taxpayers in that company to ensure that those investments will be properly controlled and managed.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, what we have done in this letter of understanding is indicate that Boeing and de Havilland will be eligible for existing Government programs, just like any other corporate citizens in the country. In return, and apart from the price, what we will be getting is a deal with a corporation which is strong financially and strong from a management point of view. This is a company with a great deal of expertise in international marketing. It will bring new technology and new jobs. It will provide a world product mandate which will open markets for Canadian workers and Canadian companies.

Some Hon. Members: Hear, hear!

Mr. Skelly: Let's sell the Government.

Mr. Clark (Yellowhead): We did that in 1979.

Mr. de Jong: And what a bargain that was!

Mr. Speaker: Order, please.

IMPACT ON RESEARCH AND DEVELOPMENT

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the same Minister. Will he not agree that the decision of the last Conservative majority Government to close down Avro-Arrow cost us in terms of jobs, technology, and research? Does he not feel that his Government's decision is

likely to involve the same type of loss in terms of our future in this world?

Some Hon. Members: Oh, oh!

Mr. Speaker: I think the House is indicating its concern that the question relates to a matter of government policy of a different Government. Does the Hon. member wish to put his question directly to this Government about matters of Government policy?

Mr. Murphy: My question to the Minister, then, since the Government does not want to deal with what happened in the past, is this: Has this Government done any study of what the effects of this particular deal and this memorandum of agreement will mean in terms of research and development and in terms of any losses in these areas?

Hon. Robert de Cotret (President of the Treasury Board): Yes, we certainly have, Mr. Speaker. In terms of research and development what this deal means is more. It means a commitment, for example, to develop the Dash-8 at a cost of several hundreds of millions of dollars. Again, that will mean more jobs, more investment, and an upgrading of the plant at Downsview. I think this is a very positive deal. It retains our own technology, builds on what we have in place already, and it ensures a bright future for that company and the whole of the aerospace industry in the country.

Some Hon. Members: Hear, hear!

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FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

FEDERAL PAYMENTS TO PROVINCES FOR EDUCATION AND HEALTH CARE

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is for the Right Hon. Prime Minister with respect to the First Ministers' Conference in Halifax. I quote to him a statement made by the Premier of Ontario with regard to transfer payments. He said:

—these cuts which were announced without consultation speeded up by a year without discussion . . . will weaken our country in the very areas where we must marshall our greatest strengths.

I ask the Prime Minister, and I ask him sincerely, where is the fairness in cutting back on moneys for post-secondary education and for health care when billions of dollars have been provided to multinational oil companies and to other companies? Where is the fairness?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my hon. friend quoted the distinguished Premier of Ontario in his question, or at least I believe he did. There is another quote from the Premier of Ontario which I saw on the front page of a Toronto newspaper on Sunday in which he said that the Conservatives inherited one hell of a mess from the Liberals, financially. What we are trying to do is make that mess an awful lot better and, in the process, strengthen the economy of the country.

Some Hon. Members: Hear, hear!

IMPLEMENTATION OF DECISION—REQUEST FOR POSTPONEMENT

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I would have thought we would have received some sincerity from the Prime Minister. However, I guess all we will get is his famous temerity.

I wish to quote the words of the Premier of Ontario again. He said:

—we propose that the federal Government live up to its commitment to genuine consultation by deferring the post-secondary education and health care cuts that are scheduled to be moved in April of next year.

Some Hon. Members: Question.

Mr. Dingwall: Will the Prime Minister not do the honourable thing and defer these cut-backs in 1986 until the next year? Will he not do the honourable thing?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if my hon. friend believes that that is the honourable thing to do, then he is entitled to his opinion. We have an obligation to maintain the expansion which this Government has initiated in co-operation with the provinces since we have come to power. That recovery remains fragile. We have initiated policies which have created jobs. In terms of the creation of jobs, the Liberals averaged 85,000 a year. We have created over 300,000 jobs in our first year in office.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Interest rates have gone down by three percentage points. Productivity is increasing.

Mr. Rodriguez: This is a recording.

Mr. Mulroney: We have an obligation to build upon that, and that requires the installation of some fiscal sanity here in Ottawa.

An Hon. Member: Answer the question.

Mr. Mulroney: We propose to do precisely that.

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TRADE

CANADA-UNITED STATES NEGOTIATIONS—PROVINCIAL PARTICIPATION

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I have in front of me the famous statement to which the Prime Minister referred earlier. Is the Prime Minister saying that Premier Peterson is wrong to state that the principle of full provincial participation means that the negotiator will receive his instructions from the First Ministers?

• (1440)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, what we are saying and what the document says—the document, among others, written by Mr. O'Neil, the Minister of Trade for the Government of Ontario—is that the first 90 days, the first step in this process, would include the determination of how best to give effect to the principle of full provincial participation in subsequent phases of the negotiation. That is absolutely clear. We are taking this matter step by step. That was agreed to by all of the provinces.

The Premier of Ontario has given his interpretation. I would suggest he is a little ahead of himself. What we are doing now is sitting down with all of the provincial Governments to determine how that principle would apply to subsequent phases of the negotiation.

ONTARIO PREMIER'S INTERPRETATION

Mr. Steven W. Langdon (Essex-Windsor): Do I take it, then, Mr. Speaker, that the Minister of State for External Affairs is explicitly rejecting the interpretation of the Premier of Ontario by stating that he is ahead of himself? Is this a specific repudiation of the comments which have been made about this document by provincial Premiers right across the country? Will the Minister admit he is repudiating them? At least do that clearly.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Government of Canada has worked very hard and very successfully to achieve an atmosphere of co-operation between federal and provincial Governments on trade. The New Democratic Party is working very hard and very unsuccessfully to break up these negotiations—

Mr. Deans: We are trying to get the truth.

Mr. Clark (Yellowhead): —and to restore a sense of bitterness to federal-provincial relations.

The Hon. Member has asked me what I am doing explicitly. What I am doing explicitly is quoting the document which was agreed to by 11 Governments, including the Government of the Province of Ontario, which sets forth the idea that we will approach the question of full participation step by step. We have spelled it out for the first step, and together, as is the determination of this Government, we will spell out how it applies in subsequent steps.

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ENVIRONMENTAL AFFAIRS

GREAT LAKES—RISE IN WATER LEVELS

Mr. Jim Caldwell (Essex-Kent): Mr. Speaker, my question is directed to the Minister of the Environment. I am sure he is aware that water levels in the Great Lakes basin are above normal. Due to high winds over the past couple of days we have had severe flooding in that particular area. Is the Minister willing to look into the situation and assist residents along the north shore of Lake Erie, if possible?

Hon. Tom McMillan (Minister of the Environment): Yes, Mr. Speaker, I am. In fact my Department is already deeply involved in issuing warnings of flooding and erosion damage. We are active as well in the provision of technical information to the International Joint Commission which is responsible for the regulation of the water levels.

I should tell the Hon. Member, though, that the huge Great Lakes system is almost totally controlled by natural processes of precipitation and evaporation so there is very little we can actually do to control the water levels themselves. However, the Hon. Member may also wish to know that federal disaster assistance program may apply in this case, provided that certain specific criteria are met and provided as well that there is a request from the Province of Ontario for such assistance.

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CANADA PENSION PLAN

REQUEST FOR BENEFITS AT AGE SIXTY

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. We have in our possession the Government's negotiating paper on planned changes to the Canada Pension Plan which raises the disturbing spectre that the position of the Government will be to take a nickel and dime approach to fundamental changes in key areas of pension reform.

Would the Minister of National Health and Welfare commit his Government to the principle of an actuarially reduced early retirement age so that Canadian workers can have access to the Canada Pension Plan at 60 years of age? And, second, in the area of disability benefits, would the Minister agree to the proposal that these people should be treated as if they were retired, with the appropriate levels of benefits?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, this Government is committed to reform of the Canada Pension Plan. We have stated that. The Prime Minister has stated it both in the election campaign and subsequently. That has been done in a very consistent manner.

What I will say to the Hon. Member, as I said to him yesterday in committee, is that the Minister of Finance with his provincial counterparts and some other Ministers who have responsibility in this area, such as myself, are negotiating. The position of negotiation, as I mentioned to the Hon. Member yesterday, is obviously not to be discussed in the House. However, I want to say to the Hon. Member that the commitment is there and the negotiations are going well.

PENSIONS FOR HOMEMAKERS

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, the negotiations are going on but what is disturbing is that the negotiating paper indicates a very cautious and nickel and dime approach to some of these key areas which I believe all Canadians are in agreement need to be overhauled.

My question is in regard to the homemaker's proposal which the Minister announced yesterday in one of his speeches to a women's group. Why is his Government now waffling on the position taken by his own Party on homemakers? And will the Minister commit the Government to a retroactive introduction of homemakers to the Canada Pension Plan?

Hon. Jake Epp (Minister of National Health and Welfare): First, I did not make a speech. I was asked a question by a responsible women's organization as to whether the commitment stood. I said the commitment stood and we want to have that kind of reform. Second, there is no waffling. I just hope that the Liberal Party will come out in favour, as this Government has done, of homemaker's pensions, so that we can get on with the job, and in fact, it can convince some of its provincial friends of the same thing.

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[*Translation*]

ENERGY

LAY-OFF OF 600 WORKERS IN MONTREAL EAST—GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wish to direct a question to the Right Hon. the Prime Minister.

Ultramar has just announced this afternoon that it will buy the Montreal East Gulf refinery, keep the service stations open, but close the refinery itself, so that some 600 workers will be laid off. Here is my question: What does the Government intend to do to make sure that the 600 Montreal East workers will have jobs, considering that the unemployment rate is already very high in that area?

[*English*]

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the disposition of Gulf's downstream assets in Quebec and Atlantic Canada is strictly a matter between two private sector companies. Of course the Government of Canada has no control over the decision or of the timing. What we did do was ask that the refinery remain open for another two months so that possible buyers could come forward. During that period some possibilities emerged but no commercially viable deal was struck between the companies.

It is our understanding that some of the employees will be retained at the Montreal refinery site because it will continue to operate as a tank farm. Other refineries in the area are looking at hiring and efforts are being made to place the employees.

I should also add that this is part of a world-wide problem. There have been 10 refinery closures in Canada within the last three years.

POSITION OF EMPLOYEES TO BE LAID OFF

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question was very specific. I want to know what the Minister is going to do for the other employees who will be thrown out of work, because only a few will be kept in the refineries. Six hundred employees will be thrown out of work, and there is already an unemployment problem in the east end of Montreal.

Specifically, what is the Government going to do for those 600 employees who are being thrown out of work, because there are two other companies which will soon be closing their doors as well?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, clearly the Hon. Member does not understand the situation. This Government is doing everything it can for those employees in the Montreal area who have been affected, as it has for others with the job programs we have brought in which, as we have pointed out, have increased employment across the country.

I would like to point out that the Hon. Member is a member of a Party which supported the National Energy Program of off-oil or conservation, where the taxpayers of Canada spent $550 million to discourage the residents of Quebec from using oil. So it is hardly surprising that the demand for oil has dropped in that province.

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CROWN CORPORATIONS

SALE OF DE HAVILLAND CORPORATION—CANADIAN TECHNOLOGY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would like to direct another question to the Prime Minister on the de Havilland deal. I hope he will respond to it. I think Canadians will shortly come to the conclusion that this has been a bad business deal for our country. What we have really given to Boeing is a $1 billion Christmas bonus. Why did the Government give away about $1 billion worth of high technology in the aerospace industry, and do so in such a way as to give control to an American company without retaining some Canadian control in this very highly developed aerospace venture?

• (1450)

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, once again the premise of the question is somewhat erroneous. We are not giving away technology, we are preserving and enhancing it.

Mr. Broadbent: And no guarantees.

Mr. de Cotret: A world product mandate means that all of the production of the existing product lines of de Havilland will be maintained in Canada. The use of any of that technology outside Canada requires, according to the understanding, specific ministerial control. So we have not given away technology, we have maintained it.

Mr. Turner (Vancouver Quadra): Until we see that agreement we cannot make a judgment about that.

PARLIAMENTARY COMMITTEE PROPOSAL

Right Hon. John N. Turner (Leader of the Opposition): My supplementary question is directed to the Prime Minister. I hope he will respond to my second supplementary as he did to the third supplementary of my friend, the Leader of the NDP.

Mr. Clark (Yellowhead): "Friend" understates it.

Mr. Turner (Vancouver Quadra): When the Prime Minister responds to the final question, the questioner cannot get back at him.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Turner (Vancouver Quadra): I am assured of an answer now, Mr. Speaker.

On February 23, 1984, in the city of Toronto, the Prime Minister promised the creation of a joint Senate and House of Commons committee on Crown corporations with the mandate and resources to undertake effective reviews of individual corporations. Why has the Prime Minister broken this promise? Why has he not allowed a parliamentary committee to review the situation in de Havilland, Canadair and other companies so we have a chance to review this before it becomes a firm agreement?

Right Hon. Brian Mulroney (Prime Minister): First of all, Mr. Speaker, my right hon. friend is right. We all live in terror of his questions. That is well known. However, he has the facts a wee bit wrong. When I was Leader of the Opposition I stood and asked the then Liberal Prime Minister for a parliamentary committee to investigate the spending of another $400 million on Canadair in Montreal. He said no, and all those trained seals sitting next to the Right Hon. Member stood up and applauded that rejection of a request for a parliamentary committee.

What we have done is campaign on a commitment to privatize Crown corporations to the advantage of Canadian taxpayers. This is an idea that the Right Hon. Leader of the Opposition developed when he was seeking the leadership of the Liberal Party. Then he was in favour of spinning off Crown corporations, but now he has changed his mind.

Mr. Clark (Yellowhead): Again.

Mr. Mulroney: Well, we are consistent, and we want to make the best deal for the Canadian taxpayer, secure those jobs and that technology in Toronto, and that is what we have done.

Some Hon. Members: Hear, hear!

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ABORIGINAL RIGHTS

HAIDA INDIANS' CLAIM TO QUEEN CHARLOTTE ISLANDS

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Prime Minister. Last week he met with the Premier of British Columbia regarding Lyell Island and the federal view that there must be negotiations with the Haida on their legal claims to title to the Queen Charlotte Islands. The Prime Minister undertook in this House to advise the House of the results of those discussions regarding this urgent federal-provincial matter. Will he take this opportunity to advise the House of any common ground he found with Premier Bennett in furthering the negotiations between the Haida and the provincial and federal Governments?

Right Hon. Brian Mulroney (Prime Minister): My apologies to the Minister, because I did respond in the House. The conversations are ongoing and when I have information to impart to the Hon. Member I will so advise.

REQUEST FOR FEDERAL INITIATIVE

Mr. Jim Fulton (Skeena): Mr. Speaker, I am sure the Prime Minister is aware that the communities on the Queen Charlotte Islands and in other areas of British Columbia are becoming highly polarized over this matter. Would he be prepared to put forward a federal process now which can address the legal claims of the Haida, the federal park proposals in relation to South Moresby, and a recovery proposal which will replace job for job those who may be displaced by any kind of shut-down of logging in the contested area?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, perhaps I could respond to the Hon. Member. As he may know, I have had elements of the comments made by him under consideration by the parties concerned. As recently as just prior to Question Period I had some further discussions. I expect to be out there myself at the beginning of next week and there will be some communication between now and then regarding this situation.

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TRADE

ADMINISTRATION OF IMPORT PERMITS

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, my question is directed to the Minister for International Trade. Charges have been laid in connection with the hundreds of

missing cheese import permits, but this action may be just the tip of the Mozzarella.

Some Hon. Members: Oh, oh!

Mr. Stackhouse: Under the system of permit distribution this Government inherited from its predecessor it has been possible for firms convicted of illegal use of permits to get new permits. What action can this Government take to tighten up the administration of permit distribution?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I am happy to advise that action has already begun. Fines in the amount of $111,000 have been levied against nine companies. On November 29, 121 charges were laid against Marquis Foods of Toronto. My officials are presently carrying out a comprehensive review of all matters dealing with import and export permits, which includes the issuing of quotas, and we expect to have a preliminary report ready early in the year.

* * *

[*Translation*]

ENERGY

REQUEST FOR CLARIFICATION OF GULF SALE

Mr. Jacques Guilbault (Saint-Jacques): On this sad day, Mr. Speaker, I would direct my question to the Minister of Energy, Mines and Resources respecting the Gulf refinery shutdown which will wipe out 600 more jobs in Montreal East, an area already quite depressed as it is. If her memory is good, the Minister will probably recall that right here in the House she refused to give her Government's financial backing to a Quebec company that wanted to buy Gulf to operate the refinery, not to shut it down. My question to the Minister is simply this: How can she now wash her hands off this whole matter, like Pontius Pilate, and pretend that it is a deal between two private companies, whereas she once had an opportunity to intervene but chose not to do anything?

[*English*]

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, it is hard to find the actual question in that statement. At no time did I ever say in this House that there would be a grant given to the refinery because we have written information from Ultramar that if funds are made available to a Montreal refinery in a market where demand has dropped 40 per cent, Ultramar would close its refinery in Quebec City. Clearly the problem is one of reduced demand for oil caused partly by the Hon. Member's own Party when it was in power. It spent, as I said, $500 million persuading the people of Quebec not to use oil, and demand for oil has dropped.

[*Translation*]

INQUIRY CONCERNING PROGRAMS TO HELP WORKERS LAID IN MONTREAL EAST

Mr. Jacques Guilbault (Saint-Jacques): For instance, Mr. Speaker, the Minister will recall that it was the Government of Quebec and not the Government of Canada which encouraged people to switch to electricity.

Since it now appears the 600 workers—

Mr. La Salle: Do you agree?

Mr. Guilbault (Saint-Jacques): Do your homework! Since it now appears the 600 workers will be thrown out of work, may I put this question to someone on the Government benches: What adjustment programs are to be implemented to help those people survive after being laid off?

[*English*]

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I have already indicated that some of the employees will be retained and others will be hired by other refineries in the area. I would just like to point out that three other refineries have closed in the Montreal area in the last three years when the former Government was in power, and they did nothing at all for those three refineries. I would also like to point out that if you average the number of jobs created in Quebec since our Government came to power, it comes to 6,846 a month, compared to only 673 under the Liberal Government.

Some Hon. Members: Hear, hear!

* * *

SOCIAL AFFAIRS

ABUSE OF THE ELDERLY

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Mayor Mel Lastman of the City of North York has set up a task force on the sensitive topic of abuse of the elderly. It is being chaired by Doctor Jerry Cooper. Since this is obviously an issue of national concern, what initiatives is the Government planning to look into this critical situation?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the point the Hon. Member raises is a valid one. Abuse takes different forms. As he has pointed out in his question, one could result in legal action. There are other types of abuse, such as mental abuse, social abuse, and abuse from family members putting pressure on the elderly in terms of their money. There are various forms of abuse.

• (1500)

I want to commend the Hon. Member and his colleagues for the initiatives they are taking. Obviously I look forward to

further representations which he and others might make as to the appropriate action we should consider.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Monday, December 2, 1985, meet the requirements of the Standing Orders as to form.

* * *

POINT OF ORDER

PRESENCE OF LIBERAL PARTY POSTER ON WALL OF WEST BLOCK COMMITTEE ROOM

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, there is a matter that I feel compelled to bring to your attention in your capacity as guardian of the decorum of the precincts of the House of Commons.

In meeting room 308, West Block, there has recently been attached to the wall a large framed election poster. In large letters it has on it the word "Liberal" in that Party's colours and there is wording on it to indicate that it was published under the authority of the Liberal Party.

Ms. Copps: Don't lecture us about decorum.

Some Hon. Members: Hush.

Ms. Copps: That's a joke.

Mr. Nickerson: The public committee rooms in the Parliament Buildings ought not to be desecrated in this manner. I would ask that you require the offending Party to remove such partisan and unparliamentary material.

Mr. Speaker: Order. I should simply say that that is not a point of order.

ROUTINE PROCEEDINGS

[*English*]

NATIONAL HERITAGE

UNESCO DESIGNATION OF QUEBEC CITY AS SITE OF OUTSTANDING UNIVERSAL VALUE

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, it is with great pleasure that I rise to inform the House that the UNESCO World Heritage Committee, which is meeting in Paris this week, has approved, literally just a few moments ago, the nomination of the historic district of Quebec, essentially old Quebec, to the World Heritage list as a site of outstanding universal value.

Some Hon. Members: Hear, hear!

Mr. McMillan: This prestigious national distinction is shared by only a few sites around the world, among them the Egyptian pyramids, the Versailles Palace, the Vatican, the Taj Mahal, the Statue of Liberty and the Grand Canyon, to mention but a number of examples.

In a nutshell, the designation means that the 87 countries around the world that participate in the relevant convention are committed to preserving, through international co-operation, the cultural and natural marvels recognized to be of exceptional universal value. For Canada, then, and for Quebec in particular, the designation to which I have made reference makes this a special day.

[*Translation*]

I am sure that all Members will join me in congratulating Mayor Jean Pelletier and the people of Quebec City on this international recognition of our heritage.

[*English*]

One of the many benefits of the designation, including the more aesthetic benefits, is that it makes Quebec eligible to call upon international support for the conservation of the cultural and architectural richness of that splendid city. Before we even give consideration to calling upon that support I think we should set the example ourselves within Canada and Quebec by continuing to preserve that richness in a spirit of appreciation for what we have been bequeathed by previous generations.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, speaking on behalf of the Official Opposition, I am very pleased to congratulate the Mayor of Quebec City and all the citizens of the "Vieille Capitale", and we find it very gratifying that UNESCO has recognized the heritage value of Quebec's Historic District. What generations of Quebecers have learned to appreciate will now gain international renown, and around the world people will be able to appreciate the beauty of this city. The people of Quebec City may be justly proud of the honour bestowed on them today, and we are delighted to add our congratulations to those expressed by the Minister.

[*English*]

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I want to thank the Minister of the Environment (Mr. McMillan) for calling the attention of the House to this important announcement.

[*Translation*]

On behalf of my party, I want to congratulate UNESCO for designating the historic district of Quebec as a site of outstanding universal value. By giving the City of Quebec international recognition, UNESCO has recognized the historical significance of that city and its inhabitants. It is one more

reason for all Quebecers to be proud of their city and their cultural heritage.

I therefore extend my sincere congratulations to the people of Quebec City.

* * *

PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCE

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, on behalf of 270 constituents of the riding of Saint-Maurice—not St. Moritz—I should like to present a petition.

The petitioners humbly state their belief that any society must share responsibilities with respect to children and that the principle of universality must be maintained.

Wherefore the petitioners humbly call upon the House of Commons to support the immediate withdrawal of Bill C-70 aimed at de-indexing family allowances.

[*English*]

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have the honour to present three petitions from different parts of Canada. These petitions are continuing to come in in great numbers every day. My first petition is from the machinists' union local 2315 from Ontario, imploring people to help save baby bonus indexing. They ask the House of Commons to reinstate the full indexation of the universal family allowance and rescind unfair tax increases.

My second petition comes from Halifax, Nova Scotia. The petition states that the undersigned oppose Bill C-70 because it will deindex child benefits and take money from low income women and children.

My third petition, which comes from my riding of Vancouver East is particularly interesting. Every signature is either that of a Vietnamese or of a Chinese citizen of that area. I believe it shows how much new immigrants care about these programs and the cut-backs that will affect their families. They also ask to have the fully indexed family allowance reinstated and to rescind the unfair tax increases.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, we know that one in five children in this country lives in poverty. It is for this reason that I am most pleased to present petitions in the House on behalf of the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) calling upon the Government to rescind its unfair deindexation of family allowance and child tax credits, particularly because it deals with the critical issue of poverty of children and single-parent families.

I also have a petition from Hochelaga which again outlines the difficulties, as we have seen in the newspapers, of people lining up at food banks and single parents trying to feed their children on the family allowance cheque which the Government is cutting back. I urge the Government, on behalf of these petitioners and hundreds of people in this county and thousands across the country, to retract its unfair cut-backs on family allowances.

• (1510)

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is my pleasure to present a petition on behalf of a number of British Columbian residents of Kelowna, Comox, Surrey, Vancouver, Burnaby, Dawson Creek, Penticton, Terrace, Kamloops, Fort St. John, Charlie Lake and other places. All of them draw to the attention of the Government the fact that they are dissatisfied with its decision to deindex family allowance payments. They ask the Government to reinstate full indexation of all universal family allowances and to rescind the unfair tax increases which were incorporated in the last budget speech.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I have the honour to present a petition signed by residents of the City of Halifax who, along with many other Canadians, appear not to have given up on the Government. They are still trying to get the Government to change its mind. I am glad that these petitions continue to roll in. Perhaps they will finally have the appropriate effect.

These petitioners call upon the Government to reinstate full indexation of the family allowances and to roll back unfair tax increases.

Mr. Simon de Jong (Regina East): Mr. Speaker, I rise today to present some petitions from my home City of Regina, Saskatchewan and others from Unity, Saskatchewan. These petitioners, as have many other Canadians across the country, call upon the Government to restore full indexation to family allowances. They also express their opposition to some of the inequities in the tax increases, particularly some of the tax breaks given to the wealthy. These petitioners join with other Canadians in opposing the cut-backs.

[*Translation*]

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have a petition from Shawinigan in the Province of Quebec. The undersigned urge the Prime Minister of Canada to restore full indexation of family allowances and of the child tax credit. They point out that cut-backs of $500 million will be made in family assistance if the Government does not reconsider this Budget measure.

[*English*]

CALL FOR INQUIRY INTO USE OF NANOOSE BAY TEST RANGE

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I have some petitions from residents of British Columbia, Nova Scotia and Ontario, regarding the Maritime Experimental Test Range at Nanoose Bay, British Columbia. They are worried that the process for testing radiation is not satisfactory. They say that the naval policy of the United States which neither denies nor confirms the presence of nuclear weapons on board U.S. vessels is unacceptable. They

call for a full public inquiry before the present Canada-United States agreement is renegotiated.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I have a second petition from residents of Cowichan-Malahat-The Islands. They protest the Government's attempt to cut back on the indexation of family allowances, its unfair tax increases which will particularly affect low and middle-income people, and the tax breaks which are being given at the same time to the rich and well-to-do. They call upon the House of Commons to reinstate full indexation of universal family allowances and to rescind the unfair tax increases.

[*Translation*]

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have the honour to present a petition signed by residents of the Province of Quebec who humbly ask for the full restoration of family allowances and the repeal of unfair tax increases.

[*English*]

I also have the honour to place before the House petitions from the provinces of Quebec and Manitoba, from my riding and from other parts of eastern Ontario. These persons say that the cut-backs in family allowances are inequitable and unbearable in the face of budget hand-outs such as $500,000 in tax-free capital gains, greater deductions for high income recipients for RRSPs, billions in hand-outs to the oil companies, and the billion dollar bail-out of the banks. They demand the rescission of deindexation of the family allowances.

* * *

POINT OF ORDER

CONTRADICTION IN STANDING ORDERS CONCERNING ADJOURNMENT DEBATE

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I am sure that you will appreciate my point of order. Today gives me an occasion to bring to the attention of the Chair one of the funny decisions which we took in respect of our new rules. When we have a statement by a Minister, according to Standing Order 46(7) it automatically triggers Standing Order 19(4), which gives Members of Parliament an adjournment debate. Since we have a recorded vote tonight, we were not to have a "Late Show". However, since a Minister made a statement, we will have a "Late Show". I just wanted to ensure that Hon. Members knew that we were entitled to a "Late Show" tonight, so that they would get their names on the list for it. Let us review the rules so that we at least have some logic as to when we have "Late Shows" and when we do not have them.

Mr. Speaker: The Hon. Member is absolutely correct; there will be a "Late Show".

This gives me the opportunity to inform the House that because of the ministerial statement, consideration of Government Orders will be extended by five minutes this day.

* * *

MANAGEMENT AND MEMBERS' SERVICES

CONCURRENCE IN FOURTH REPORT OF STANDING COMMITTEE

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I move that the fourth report of the Standing Committee on Management and Members' Services, presented to the House on Friday, November 29, be concurred in.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

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

Mr. Speaker: Shall all questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 63—CANADIAN AEROSPACE INDUSTRY

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

That this House condemns the Government for abandoning the Canadian Aerospace Industry through the sale of de Havilland Aircraft Ltd. to the Boeing Corporation and for its consequent failure to protect the aerospace technology paid for by Canadian taxpayers and developed by de Havilland.

And the amendment thereto of Mr. Kaplan:

That the motion be amended by deleting the period at the end of the sentence and adding the following:

"and further condemns the Government's lack of confidence in the capacity of Canadians to maintain the country's sovereignty in the aerospace industry".

Mr. Speaker: The Hon. Member for Kamloops-Shuswap (Mr. Riis) rises on questions or comments.

Mr. Riis: Mr. Speaker, I have a question for the last speaker. Considering some of the points raised in Question Period and the need to have some scrutiny of just what studies assisted the Government in making this decision, does the Hon. Member for Ottawa Centre (Mr. Cassidy) have any

ideas on where this matter might be referred to or whether it should be referred to a committee? If so, what kind of committee should it be and what might its terms of reference include?

Mr. Cassidy: Mr. Speaker, I would comment by saying it should be either the Standing Committee on Finance or the Standing Committee which deals with regional industrial expansion. Certainly they would be logical places where this particular deal could be and should be reviewed, not after the agreement with Boeing is signed, sealed and delivered, but beforehand.

There are some real options at which I think the House should look. It may be that in end the Government's majority will prevail, but I think Canadians expect Parliament to look at something as important as this matter because of the implications for the future of the aerospace industry and because of the enormous amount of taxpayers' money which has gone into and will go into de Havilland.

Perhaps I could share with my hon. friend the estimates which we have. It is indicated that $65 million of the sale price is a deferred portion. An additional $30 million is a commitment from the Government of Canada because of the Crown share of product liability insurance. The tax loss carried forward—and this is a loss which has already been paid for by taxpayers—is $400 million. That is like real money as far as Boeing is concerned. A further $65 million is allocated because the Crown, through the Defence Industry Productivity Program, will share in development costs for the new Dash-8. Finally, $30 million to $40 million is expected to be paid in subsidies for export financing of de Havilland products. That approaches $550 million. That is what we are paying to Boeing for it to pay us $155 million on this particular deal.

In conclusion, the Minister of Regional Industrial Expansion (Mr. Stevens) was quite explicit in saying that because of cabinet scrutiny and the review which would take place in the House, it was unnecessary for Investment Canada to look at this particular deal. That was in December, 1984. If that was good enough then, I suggest that it is good enough now. I take it that the comments of the Hon. House Leader mean that the Government is now taking actively into consideration that kind of review. My Party and I intend to press for that kind of review in Parliament or in a committee.

• (1520)

Mr. Riis: Mr. Speaker, I was a bit disappointed with that response. I was assuming that my friend would also have a great deal of concern with regard to what this might mean in terms of aerospace technology development in Canada. I wonder if the Hon. Member would elaborate in some detail so that we would have an indication whether he feels that the matter of technological implication in the decision ought also to be referred to the committee.

Mr. Cassidy: Mr. Speaker, the technology is there. I am not satisfied that the guarantees given by Boeing are bankable in any way. If Boeing says that it wants to withdraw the world product mandate from commuter aircraft being built in Canada and goes to the Minister looking for his approval, what will the Minister do? They will put a gun to his head and say that they are either going to shut it down or take it back to Seattle, leaving us a few bits and pieces to be made in Toronto. That is the kind of deal they would bring, Mr. Speaker, and that is the kind of thing we fear. I think that should be explored in a committee of the House very soon.

The Acting Speaker (Mr. Paproski): The period for questions and comments is now terminated. The Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) on debate.

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, thank you for giving me the opportunity to participate in this very important debate, particularly as it relates to an indusry which I believe is important to all Canadians. Approximately a year ago, shortly after the federal election, the Conservative Government, with great haste, announced to the Parliament and the people of Canada its desire and intention to sell a number of Canadian-owned Crown corporations. One corporation which was talked about at great length was de Havilland of Canada Limited. In fact, in numerous utterances in this House, in press releases, and in various statements made by Ministers of the Crown the Government's desire to unload this Canadian Crown corporation was emphasized. However, there were no restrictions or limitations as to who might be the purchaser of this Crown corporation.

The sale price of $155 million for this particular Crown corporation is worth noting and deserves careful consideration by all Members of Parliament. Boeing will pay $155 million; $90 million in cash and $65 million in a note repayable over 15 years. There are some other facts which I think ought to be read into the record. For each $5 million of new orders to Canadian suppliers $1 million will be cut from the amount which is outstanding. Second, Ottawa will pay part of any increases in de Havilland's liability insurance for all its planes now flying. This can cut the purchase price by some $30 million according to the Chairman of the CDIC.

In addition, Boeing will be allowed to carry forward de Havilland's losses for tax purposes but has agreed to use the benefit only for lending moneys to Canadian buyers of de Havilland's planes. This can cut the purchase price by $400 million according to the Chairman of a competitor, Rimgate. Boeing will pay a royalty of a specified amount on all sales of models developed by de Havilland. Finally, Boeing will benefit from all available federal programs including the loans the Government now provides to support sales of Dash-7s and Dash-8s.

That is the sale price, Mr. Speaker. On one side of the ledger there is $155 million and on the other side the Government of Canada is investing in excess of $700 million. Its assets today at market value would be in excess of $300 million, plus the added features which were attached to the agreement in small print with regard to the benefits under the Income Tax Act and the carrying forward of certain liabilities thereto. The sale price is $155 million. It can be argued and

substantiated that the Prime Minister (Mr. Mulroney) has now put Canada up for sale and the price is a meagre $155 million for this Crown corporation.

There was an argument advanced many months ago by members of the Opposition about prudent and competent managers of the economy. The evidence which has been adduced thus far does not prove to a reasonable individual that it would be prudent and competent for Canadians to be involved in this deal. Perhaps at some time in the near future the memorandum of understanding signed by de Havilland and Boeing will clarify for Members of Parliament and the Canadian people exactly what the bargaining position of the Government of Canada was with relation to this particular subject matter.

de Havilland is a good company. It has a world product mandate. Why would a multinational corporation like Boeing not want to pick up de Havilland for $155 million? Those in the private sector would say that this is the private sector at its best, it is cherry picking. They take that which is the best and leave that which is not. They cannot lose in this deal, Mr. Speaker. de Havilland will build the Dash-7 and Dash-8. Why else would Boeing want to buy this particular company? Boeing knows a quality product even if the Government of Canada does not.

With the deregulation of the airline industry the Dash-7 and Dash-8, short take off and landing aircraft, are about to come into their own displacing many jets built by Boeing. It only makes sense that an American company would buy out the competition. To date de Havilland has 117 orders for its Dash-8 aircraft. The Government allowed the Canadian people to accept all the risk over the past ten years and has now handed an American company the opportunity for profits which rightly belong, not to the Government of Canada, but to the people of Canada.

This is a tragedy in that it can be argued successfully that it is comparable to the 1959 Avro Arrow situation. There was a large Conservative majority Government involved in that particular decision which affected Canadian industry. Canadians saw a wealth of technology along with individuals with ideas and expertise migrate to the United States, thus becoming the real substance behind the American thrust to have a man on the moon. I do not know where this trip will lead us, Mr. Speaker, but I suggest that the selling of de Havilland at this point in time without the necessary qualifications is not good for Canada. It is not good for the workers and it is certainly not good for the Canadian economy.

What about consultation, Mr. Speaker? In the Throne Speech, the budget, and subsequent speeches by Members opposite, we heard about consultation. Did the Government consult with the United Auto Workers? Did the Government do, as the Prime Minister would say, the honourable thing by consulting with the workers involved? No, it did not.

● (1530)

Did the Government consult with the Ontario Government? According to Premier Peterson's office, the Government of Ontario has received two communications from the Government of Canada concerning the de Havilland takeover. One was an acknowledgement of a request made by the Government of Ontario well over a year ago to be consulted on the possibility of a de Havilland sale. I regret to report that the second one occurred last Friday at the First Ministers' Conference in Halifax. At that time, officials of the Ontario Government were told that the deed was done.

What happened to the claim of the Prime Minister that co-operative federalism is here? Why was there no meaningful consultation with the Ontario Government? Why was there no consultation with the United Auto Workers? The critics will argue that it was to provide a sweetheart deal to Boeing. There was no consultation because the Government wanted to circumvent every possible concern and objection regarding this particular transfer so that it could be put in the hands of Boeing.

There was a press conference at which the President of the Treasury Board (Mr. de Cotret) made a statement. He talked about a memorandum of understanding. Where is that memorandum of understanding? For a time, the President of the Treasury Board argued in the House that jobs would be increased in de Havilland. Where are the figures? Where is the documentation which would allow Canadians to view for themselves the investment intentions of Boeing? We have seen no memorandum of understanding.

Of course, Government Members have the answers. They say that there are a few details yet to be decided upon and once they are decided upon they will table the document. It may be many, many months before the people of Canada will really know what has transpired. Then, unfortunately, it will be too late.

During Question Period today and in the speeches of Hon. Members who have preceded me, there has been mention of job guarantees. Approximately 4,500 Canadians are employed with de Havilland. There has been not one word in the documents provided by the Minister on jobs guarantees. The tragedy of that is that the Government has demonstrated in other areas of the Canadian economy—I will not talk about the banks, the multinational oil companies or anything of that nature—that it does not have the business acumen or prudence required to assure that workers in Canada will be protected as a result of this takeover.

It is very evident that in this particular agreement between de Havilland and Boeing, nothing has been mentioned about job guarantees. I stand to be corrected on this and I hope I can be corrected on it. However, until such time as I see the memorandum of understanding and the documents that have been exchanged by the two companies, I must conclude the very obvious: there are no job guarantees for Canadians in the transfer of de Havilland to Boeing.

What about the technology transfer? Boeing has recognized that Canadians have developed a superb technology, a technology which will be able to take advantage of a market which I believe, though I am not an expert, will open up significantly in the next number of years. We have provided an American

company with a certain amount of goodwill. The Prime Minister has said that Canada is open for business. He just sold it right off for a song.

What about research and development? Were any financial guarantees included in the documents that were provided? No, Mr. Speaker. Was there mention made of the percentage of research and development that would have to be done in Canada? No, there was none whatsoever. There has been no financial commitment and no commitment with regard to the percentage of research and development that ought to be done in Canada by Canadians for Canadians.

The argument that some of us have made and will continue to make is that we are transferring to the United States technology, individuals and brainpower without even protecting here in Canada something that we have developed and on which we have spent millions of millions of taxpayers' dollars. I believe that is shameful.

Perhaps Members of Parliament are asking of the Government something that it is impossible for it to do. Perhaps this request of Government Members and particularly the Cabinet is something with which they cannot comply. Perhaps other countries in the world cannot restrict foreign control. In the United States Federal Aviation Act of 1958, 49 U.S. Code, Section 1301, Subsections 3 and 16 indicate that Boeing is allowed to do something in Canada that it is not allowed to do in the United States. Boeing is classfied as being vital to the aviation sector of the American economy and consequently is not allowed to sell any more than 25 per cent of its interests to a foreign Government. What happens in Canada? The Prime Minister, that great vocalist, travels to Washington and New York, sings a song for the President of the United States and tells Boeing to come on over to get 100 per cent of a Canadian Crown corporation without any restrictions whatsoever. How are Canadians protected from this takeover? There is not one iota of protection.

Neither the Prime Minister, the Minister of Regional Industrial Expansion (Mr. Stevens) nor the President of the Treasury Board have placed Canadian interests first. What we are pointing out to Government Members is not something which is completely alien to all western democracies. In the United States, there are restrictions on industries that are vital to the economy. I suggest that this particular sector of the Canadian economy is vital and that there ought to have been restrictions in place with regard to the selling of de Havilland to the Boeing Corporation.

The Government has carried on in such a way that one cannot believe what it says any longer. The Prime Minister says one thing and does the opposite. He reassures Canadians, yet he taketh away. In New Glasgow, Nova Scotia, he said that we ought to increase transfer payments. He told the First Ministers that he did not say that and that he meant something else. On August 17, 1984 the Minister of Finance (Mr. Wilson) promised to turn Canadair Limited and de Havilland Aircraft of Canada Ltd. into separate Crown corporations to develop new products in the aerospace industry. That is what the Minister of Finance said with a great deal of integrity.

• (1540)

On April 12, 1984 the Prime Minister said that Canadians should put no more money into Canadair or de Havilland until a parliamentary committee takes a good look at the future prospects of both firms. On February 23, 1984, in Toronto, the Prime Minister promised the creation of a joint Senate and House of Commons committee on Crown corporations with the mandate and resources to undertake effective reviews of individual corporations. I do not want to call my Prime Minister a liar. That is not my intention.

Mr. Kilgour: It is unparliamentary.

Mr. Dingwall: The Hon. Member is correct, it is unparliamentary. I take great pride in saying that my Prime Minister does not lie. However, when constituents confront me and place before me statements which have been made by the Prime Minister and when they argue very forcefully that he has lied, it is difficult to say that they are incorrect. I want to give the Prime Minister and his Minister an opportunity to correct this—

Mr. Kilgour: I rise on a point of order, Mr. Speaker. With the utmost respect, I suggest that the Hon. Member is attempting to do indirectly what the rules bar him from doing directly. If that is the case I think he should be stopped immediately from following that tack.

The Acting Speaker (Mr. Paproski): I think he is treading a fine line. However, his time has expired. I regret that he is finished, as far as I am concerned, that is, as far as his time is concerned. Are there questions or comments? The Hon. Member for York West (Mr. Marchi).

Mr. Marchi: Mr. Speaker, I was interested in listening to the comments of the previous speaker. I think other Members will join me in saying that the speech which was just delivered was not only an emotional plea but a plea based on facts. I would like to ask the Hon. Member if he can perhaps wrap up his discussion, the one which he was about to wrap up, so that he may draw his conclusions to the facts he has just presented to the House.

Mr. Dingwall: Mr. Speaker, I take note of your last comment about my being finished. I will be brief.

I wish to say to the Hon. Member that a point has to be made that the Prime Minister and the Government will have every opportunity to correct the injustices or, indeed, the misquotes which have been made by Hon. Members on this side of the House. They will be able to stand in their places and say that there will be a joint parliamentary committee established to review this particular takeover. The Minister of Finance will be able to stand in his place and say that he did not mean to say what he said, if he admits that he purposefully misled the Canadian people. The Prime Minister may also stand in his place and say that, perhaps, a parliamentary committee will take a good look at the future prospects of both these firms, if he agrees to that particular proposal. I am sure these matters can be resolved. Therefore, the disposition which

constituents may have throughout the country will be dispelled. Unfortunately, if the opposite is true, and there is no parliamentary committee established as offered by the Prime Minister, or if there is a holding-back with regard to the sale of de Havilland, perhaps Canadians will continue to believe, as they have echoed to me, the concerns which they have with regard to their Prime Minister. Frankly, I hope that those constituents of mine and electors throughout the country who hold the view which the Hon. Member opposite finds to be unparliamentary, as I do, will have an opportunity to hear the Ministers rectify the situation.

Mr. Kilgour: Mr. Speaker, the Hon. Member indicated that constituents in his riding have come to him to complain about what he alleges to be a change of policy by the Prime Minister. Will the Hon. Member be kind enough to place on the record the names of these constituents? If he does not wish to do that, then will he be kind enough to tell us how many there are? Will he tell us whether they are male or female or if he remembers anything about them? While the Hon. Member is doing that, would he be kind enough to tell Hon. Members whether he accepts the estimate of the President of the Treasury Board (Mr. de Cotret) with respect to de Havilland having to spend $200 million of taxpayers' money next year? Just how much does he and members of the bottomless Party of which he is a member think we should put into de Havilland before we place it on a commercially sound basis, as indicated by the President of the Treasury Board?

Mr. Dingwall: Mr. Speaker, the Hon. Member opposite is known for throwing lob balls across the House. I thank him for this opportunity to respond.

With regard to the number of individuals who have confronted me, there have been numerous individuals. I am not prepared to release their names, not at all. Letters which are written to me in confidence as a Member of Parliament will remain confidential. No Member of Parliament, no matter how two-bit he may be in his role as a Government Member, can force me to breach a commitment which I have established with my constituents and other electors across the country no matter what he does or tries to do.

Mr. Kilgour: How many?

Mr. Dingwall: We know that if names are provided what Members opposite will probably do. I am not suggesting they would harrass these people but it would probably be the next best thing. The numbers which are involved—

Mr. Kilgour: How many?

Mr. Dingwall: I would say a couple of hundred.

Some Hon. Members: Oh, oh!

Mr. Kilgour: Male or female?

Mr. Dingwall: The Hon. Member seems to be somewhat sexist. He wants to know the particular sex of the complainants. I do not think that is any of his business. The fact of the matter is that Canadians do not believe the Prime Minister and they have ample evidence to substantiate that feeling, whether it comes from deindexation, the setting-up of a joint commitment with respect to de Havilland, the bail-out of the banks or a host of issues about which the Prime Minister has misled the Canadian people. If the Hon. Member wants more, all he has to do is check the transcript of the First Ministers Conference in which he will see Premier after Premier stating that the Prime Minister unilaterally broke his commitment with regard to transfer payments. If that is not misleading Canadians, then I do not know what is.

Mr. Caldwell: Mr. Speaker, the Hon. Member for Edmonton-Strathcona (Mr. Kilgour) did not quite finish off his question. He asked the Hon. Member opposite how much the Canadian public should have to spend and he indicated that the President of the Treasury Board (Mr. de Cotret) said that next year it will be $200 million or more. At what point does the Hon. Member feel we should stop? Should we stop when we hit a figure such as a couple of billion dollars? What figure does the Hon. Member have in his mind?

Mr. Dingwall: Mr. Speaker, certainly the moneys which have been expended with regard to the $500,000 capital gains exemption ought not to have gone through. Certainly, the billions of dollars which were provided for the bail-out of two banks and the billions of dollars which have been provided—

Mr. Caldwell: I rise on a point of order, Mr. Speaker.

Mr. Dingwall: Mr. Speaker, I am just answering the Hon. Member's question.

The Acting Speaker (Mr. Paproski): The Hon. Member for Essex-Kent (Mr. Caldwell) on a point of order.

Mr. Caldwell: Mr. Speaker, I asked the Hon. Member a direct question and I think I am entitled to a direct answer. At what point should we stop, as far as putting public money into saving companies such as de Havilland?

Mr. Dingwall: As I said, and I am coming to the point, billions of dollars have gone toward the multinational oil companies. Preferential tax treatment has been given to certain companies in the country. That amounts to billions of dollars of waste. We do not hear anything from Hon. Members opposite with regard to that point.

With particular reference to de Havilland, we would like to see the memorandum of understanding with regard to this particular corporation *vis-à-vis* job creation which will take place as a result of this so-called new investment by Boeing, whether it is in the order of $200 million or $300 million. I cannot tell the Hon. Member because the facts have not been provided by the Government. Hence the need and the rationale to have a joint committee of the Senate and the House of Commons to review all of these things so that we will have a better opportunity to answer questions which the Hon. Member will have and he, in turn, can intelligently answer his

constituents who are as concerned as mine with regard to the sale of de Havilland to the Boeing Corporation.

• (1550)

The Acting Speaker (Mr. Paproski): The time for questions and comments has now terminated. Resuming debate.

Mr. George Minaker (Winnipeg-St. James): Mr. Speaker, I am pleased to have the opportunity to speak against the motion which is before the House today and to support the sale of de Havilland. I am fortunate that there are several aerospace manufacturers in my riding of Winnipeg-St. James, such companies as Bristol Aerospace, Standard Aero and Boeing of Winnipeg. I can tell you, Sir, that, as a professional engineer, I am also concerned that the technology developed in Canada within the aerospace industry be preserved and expanded. I am confident that with the purchase of de Havilland by Boeing, we will see that objective achieved.

I found it interesting this morning when the Leader of the New Democratic Party rose to speak about a sale of a Crown corporation. In fact, if you were in the House at that time, Mr. Speaker, you would have heard me ask a question with regard to what his stance was in Manitoba because I feel it is important that Hon. Members who are not from Manitoba recognize what the policy of the New Democratic Party in Manitoba is as compared to the policy of the same Party in the House of Commons. As we all know, the basic social philosophy of the New Democratic Party is that the Government should own businesses and employ people. It is odd that when that Party is in Opposition it expounds on how good companies are which are Government owned and how they are useful to social programs. However, I would like to cite my experiences in Manitoba with respect to Crown owned corporations when we had a Schreyer Government as well as a Howard Pawley Government.

We had experiences with Saunders aircraft which cost the taxpayers of Manitoba $40 million before the then Ed Schreyer Government decided it should close it down, realizing that the taxpayers of Manitoba had supported this Crown corporation to the fullest extent it could. That amount of money does not sound as much as the $800 million we are talking about here, but when one considers Manitoba has a population of one million people, one can readily see it is an amount equivalent, in Canada as a whole, of $1 billion.

We have had bad experiences in Manitoba with Chinese food manufacturers which the Government owned and then closed down. What has happened now is that the NDP Government in Manitoba has done a complete flip in its philosophy that Government should have Crown-owned corporations when it comes to Flyer Industries. Flyer Industries is a manufacturer of buses. I would like to quote what the present Government of Manitoba has said. In June of this year Hon. Eugene Kostyra, the Minister who is responsible for Crown corporations, made a statement in committee that he was going to sell Flyer Industries this year and if he did not, he would close it down. But where was the Minister of the NDP Government last month? He was in the Netherlands trying to sell Flyer Industries, a Crown corporation, to a foreign company. The NDP opposition in the House of Commons have made a complete about-face of 180 degrees. It wants to retain a Crown corporation. It is protesting that we should not sell de Havilland to private industry, or what it calls a "multinational".

I would ask Hon. Members of the Manitoba-NDP caucus at the federal level if they have talked to their colleagues in Manitoba. What has been said about selling Flyer Industries? Have they raised any objections to this, particularly the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie)? Flyer Industries is right in his riding. Those Hon. Members rise and protest that we are doing the wrong thing when in Manitoba their own NDP Government is trying to do the same thing we are doing.

I can tell you why, Mr. Speaker. It is because of the fact that when a Party becomes the Government it finds all of a sudden it cannot afford the haemorrhaging of taxpayers' money which Crown corporations cause. I call it "haemorrhaging" because that is exactly what it is. I sat around a Cabinet table in Manitoba arguing for money for mental rehabilitation programs. We were refused. We were told the Government had to put the money into the support of Flyer Industries or some other Crown corporations. That is exactly what is happening here. The taxpayers' money which is going to these Crown corporations is being stolen from these other programs which are needed by our taxpayers.

I hope that the New Democratic Party will recognize that we are in no different position from their colleagues in Manitoba who are trying to sell Flyer Industries. The haemorrhaging has to be stopped. How long can we continue to pump millions and millions of dollars into these particular Crown corporations only to see them lose money?

What really hurts in any industry such as Flyer Industries in Manitoba is the fact that when the manufacturer makes a product which is sold outside its provincial boundaries or its country, and if it is being sold at a loss, the taxpayers of that province or the country subsidize the transit systems in other places such as Chicago and San Francisco. Every time Flyer Industries sells a bus, it gives a $92,000 contribution to one of those transit companies. I do not know what the figure is when de Havilland sells an aeroplane, but, obviously, if we have pumped $800 million into that company and it has had a $76 million loss last year and has already lost $55 million this year, when we export its product, we are subsidizing an airline industry in another part of the world. I say that it is time to stop and the sale to Boeing will stop that because Boeing will be responsible for any losses.

When it is argued that Boeing will get all of the grants, it can be argued that de Havilland gets all those grants now. Nothing has changed except that de Havilland has a $55 million loss this year which will be the responsibility of Boeing next year. I believed that should be drawn to the attention of the Opposition because it will not accept the fact that the Boeing company will pick up any losses which occur.

I would like to comment on Boeing Winnipeg because I think it is important to explain to the House of Commons why I have confidence that Boeing will keep its word. My acquaintance with Boeing goes back some 15 years. I was on the St. James Assiniboia Council at the time when Boeing approached us and said it would like to locate in our city. The City of St. James sold Boeing 126 acres of prime industrial land in a west end industrial area. It was the first to go in there. We were naturally concerned about a company from the United States perhaps taking advantage of Canadians. We were concerned that it would perhaps purchase 126 acres and when it got the acreage it would subdivide it, sell it and make a profit and then pay for its buildings and so on. I can tell you, Mr. Speaker, that Boeing has not done that. Boeing in Winnipeg developed a plant which employed 57 people in 1971. It expanded to employ 300 employees by 1973. It then continued to expand its technology in the space industry and is now presently employing 650 people. I could not believe what I heard yesterday in the press conference of the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). I would think that a former Minister of Transport would know what is happening in his City of Winnipeg. He made the statement that Boeing makes bathtubs. Do you know when Boeing stopped making bathtubs? Two years ago. That is how up-to-date the Hon. Member for Winnipeg-Fort Garry is on what is happening in the transportation industry in Winnipeg.

• (1600)

At one time there was no space technology, no manufacturing of specialized plastic and fibreglass components for this industry in Winnipeg. Boeing developed that technology and brought it to Canada. That plant is now supplying components for the 757 and 767 Boeing aircraft. Second generation aircraft components are being built in Winnipeg using technology developed in Canada with the guidance of that company's U.S. engineering department. It is also developing specialized tooling and fabrication. The company is doing work on satellites. The Opposition is talking about a flow of technology out of Canada but I suggest that there will be a growth of technology in Canada. I am quite confident about that.

The Hon. Member left the impression that all Boeing did was build bathtubs. He downgraded a very important industry in Winnipeg and a very good corporate citizen. To give an idea of the kind of employer they are, there are about 1,065 Canadians working for Boeing in Canada. I had a chance to talk to the president of Boeing this morning. I asked him how many Americans his company employed to run the show in Canada. His answer? Zero. They are all Canadians, Canadian engineers and workers. The Leader of the NDP (Mr. Broadbent) talked about wrapping the stars and stripes around de Havilland. However, everyone who works for Boeing in Canada is a Canadian. He should check his facts before he starts making statements like that. There has also been all this talk about multinationals. Do you know where Boeing has its factories? In the United States and Canada. That is all. I did not know that a multinational operated in only two countries. What we are getting with Boeing is a corporate citizen which is interested in Canada and Canadians. To give an example, the unused part of their plant site in Winnipeg contains a herd of deer which the company feeds all year round. The company also allows its employees to have garden plots at the plant if they want to make use of them. This is the kind of corporate citizen which has bought de Havilland.

The last speaker made a statement with regard to the quality of the product they produce. I think we all agree that de Havilland makes several damn good aircraft. However, you can make the best pump or the best aircraft in the world but if you do not have the marketing ability, you end up with a yard full of pumps or a hangar full of aircraft. That is what happened to Saunders Aircraft. It did not have a world-wide marketing ability. The aircraft industry is a very unique industry. Millions and millions of dollars are involved when buying a fleet of aircraft, whether it be two, three or whatever. You expect to get a least 25 or 30 years life out of an aircraft. You want the parts to be available when you need them. You want the guarantees when you need them. Boeing brings that to de Havilland. de Havilland has the product quality and Boeing has a world-wide reputation for providing a guaranteed product and making sure parts are always available.

When Boeing expanded its plant in Winnipeg in 1979, I asked the then vice-president what the value was of the company's total sales of aircraft world-wide. His answer was $8.3 billion. That tells me that if we get Boeing operating de Havilland it will apply its expertise to reduce the cost of manufacturing. It will apply its marketing ability and supply the confidence the buyer wants. We will see an excellent relationship between these two companies. I am confident that the technology will stay in Canada and grow. I am confident the other Boeing plants in Canada will expand as well. We will have a wider market and more jobs. Our main objective is to have sound stable jobs in this industry and further expansion of technological development. For those reasons I am opposed to the motion and I support the sale of de Havilland.

The Acting Speaker (Mr. Paproski): Questions or comments.

Ms. Copps: Mr. Speaker, the Hon. Member claims this company is to be sold off because of its deficit position. Can he tell me what the paper deficit was as shown in the annual report for 1984, as well as the real deficit?

Mr. Minaker: Mr. Speaker, I am sorry that I do not have those exact figures in front of me. However, I do know that the taxpayers of Canada, under the former Government, popped in some $700 million to support this company. In addition, the company qualified for various grants available to the industry at that time. As well, the 1984 operating loss was $76 million and so far this year it is $55 million. To keep the company solvent and operating would require another $200 million. These are taxpayers' dollars. If we can turn the company around, put it into a profitable position so it can employ people who will pay income tax, and if it is run by Canadians, what is the difference? If we have the control of the technology and we

no longer have to make up the losses for that company, then I say we have something good.

Ms. Copps: The Hon. Member obviously does not understand the role of foreign multinationals. In fact, we do not have control and that is the whole issue. Control will be sold to a foreign multinational at a fire-sale price as a direct result of this Government's obsession with privatization. In 1984 there was an income of $11.3 million on sales of $192 million. Does he agree with or dispute those figures for the 1984 fiscal year at de Havilland?

Mr. Minaker: Mr. Speaker, I presume the Hon. Member has not included the overhead and other things, that she is just referring to a gross sales profit. All these things have to be taken into account when you look at the balance sheet.

Apparently the Hon. Member did not support the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) in his bid for the leadership of the Liberal Party. In *The Globe and Mail* of April 9, 1984, he is quoted as saying that Canadair and de Havilland should also be sold provided that there is no loss in jobs or technological development. I suggest there is no loss in jobs or technological development, and I presume the Hon. Member did not support that person as leader.

Mr. Nystrom: Mr. Speaker, over the years I have seen the consequences for our country of foreign ownership. Sometimes there are some benefits but sometimes there are also losses. Often in a recession the foreign-owned company will lay off people in the Canadian plant or transfer people from our country to their head office along with R and D to the U.S. I want to ask three very specific questions of the Member. Is there any guarantee whatsoever that would stop de Havilland from siphoning off the best Canadian brains in this industry to the U.S. along with research and development? What guarantees are there that that will not happen? Second, what guarantees do we have that money will be ploughed back into Canada for research and development if Boeing buys this corporation? What guarantees do we have that the best brains in the industry will not eventually go to the United States to Boeing's head office operations and that there will be R and D in this country?

● (1610)

Mr. Minaker: Mr. Speaker, all that I can say is that for some reason the New Democratic Party always mistrust anyone who is successful in industry. I do not know whether the Hon. Member was listening to my comments earlier but my experience with Boeing in Winnipeg shows that the reverse is true. That company kept investing money in our community and in the Province of Manitoba. It has expanded the job population. It has not transferred the engineers to Boeing in Seattle. It has hired Canadian engineers and has used Canadians to run the plants and do the design work. It has brought technology here and has developed new technology in tooling to handle the new second generation aircraft. I am basing my comments on what I have seen in Winnipeg. I cannot comment on other companies that the Hon. Member believes might do the reverse.

Mr. Nystrom: Mr. Speaker, my hon. friend from Winnipeg-St. James (Mr. Minaker) is relying on good intentions and the record of the company. Does he not think it would be wise that before we sell de Havilland to Boeing we write in some guarantees that there be no transfer of technology and that a certain amount of research and development be carried out in this country? Should we not have some contract guarantees with Boeing of the United States before we sell the company? Since every industry faces ups and downs, should we not have guarantees perhaps similar to the auto pact so that if there are lay-offs Canadians will not be the first to go? Should we not have those kinds of guarantees written into the sales agreement? My question specifically refers to job guarantees in Canada and research and development in Canada. It could be the best company in the world with all the best intentions, but if there is a recession, human nature being what it is, the company will protect its home base.

Mr. Minaker: Mr. Speaker, it is unfortunate that the Hon. Member has not had a chance to read the Government Information summary of the letter of intent from the Department of Regional Industrial Expansion. With respect to Canadian content/supplier development, it states:

> de Havilland will seek to increase the level of Canadian content in its products, and will work with the Canadian suppliers to secure major contracts especially related to defence production.

Under research and development, it states:

> The de Havilland capacity for research and development activity will be maintained and enhanced.

Under new investment, it states:

> Boeing owned de Havilland will undertake significant new investment in the Dash-8 and production facilities, and will develop the new 50 seat version of the Dash-8. These projects are expected to qualify for repayable support under the Defence Industries Productivity Program.
>
> The new investment confirms Boeing's long range commitment to de Havilland and is expected to enable de Havilland to become a major participant in new international and Canadian projects.

Mr. Caldwell: Mr. Speaker, I wish to make a short comment. The Hon. Member has certainly raised the level of debate in the House. I believe the New Democratic Party should withdraw the motion because I do not think it is very valid after listening to the Hon. Member's speech.

There has been much criticism of the Americans from Members of the Opposition. There are several American corporations in my riding which have turned out to be good corporate citizens. The Hon. Member said that Boeing is a good corporate citizen in Winnipeg. Does he believe that the employees to whom he has talked feel any less Canadian by working for Boeing Winnipeg?

Mr. Minaker: Mr. Speaker, I have not talked to any employees in the last day or two other than the President of Boeing, who is a Canadian. The people whom I know who work for Boeing in Winnipeg look at it as Boeing Winnipeg.

They do not consider it as a United States operated company, because it is operated by Canadians.

They have the benefit of many good working conditions. I did not mention that Boeing Winnipeg received commendation from the Manitoba Human Rights Commission for its program of hiring hearing impaired employees. Furthermore, when there is an increase in staff, it hires young people who have not been employed before. This is the type of operation that Boeing conducts in Winnipeg.

Mr. McKenzie: Mr. Speaker, I want to support the comments made by the Hon. Member for Winnipeg-St. James (Mr. Minaker). I have visited the Boeing plants in my riding many times. Many of the employees live in our particular ridings. The hundreds of employees from Manitoba and Winnipeg do not consider Boeing as a devious, scheming organization that is out to steal technology or anything else from Canada.

I want to ask the Member about all the other businesses in which the NDP Government became involved in Manitoba that ended up an absolute flop. When the Conservative Government sold them, I understand they were quite successful. They survived and hired more people and I understand there was a better quality Chinese food put out when they were handed over to the private sector.

The Acting Speaker (Mr. Paproski): The period for questions and comments is now terminated.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I must say that I am tempted to begin by talking about socialist Chinese food in Winnipeg. It seems to weigh heavily on the mind of my colleague across the aisle.

I believe the time of the House would be more valuably taken by focusing on the issue itself, which is not whether there are good subsidiaries. I can say quite frankly that there are some excellent foreign subsidiaries in my constituency which contribute greatly to this country. I have just written a letter of welcome to one of those subsidiaries which we have been able to persuade to come from West Germany to make a contribution to economic development in Essex-Windsor.

The question we are considering is whether it makes sense to be selling good, solid technologically dynamic Canadian companies, when we already have so few in our economy, especially at a giveaway price which will eventually be an expense to taxpayers. The Government will have to face this question when it goes back to the electorate in three years. It will have to face the fact that there is a commitment in this country to Canadianization of the economy.

I have indicated to the House before that statistics from polling undertaken by Decima Research Ltd. indicates clearly that 85 per cent of Canadians want to see legislation to encourage greater Canadian ownership of industry. They want to see a greater presence of Canadians in the business community, rather than a sell-out of those flagships of Canadian industrial progress which already exist.

However, that is exactly what has taken place under the Conservative Government. Instead of Canadianization of our economy, the Government clearly believes in its Americanization. I had hoped that the Government's record in its first six months of office would have been an aberration about which it would have some shame. Rather, it has continued to revel in the fact that it is creating a more Americanized and continentalized economy in which Canada is bound to become the appendage or ignored part of a North American economy that has been integrated by free trade and dominated by American corporations.

• (1620)

Again and again we have seen Ministers rise in the House to glorify the fact that good, solid Canadian corporations, some from the private sector and some from the public sector, are slipping into the hands of the United States. They have not apologized. They have not said that they were sorry that this was happening or that they did what they could to make things come together but it just did not work. Instead they have glorified it. The Americanization of the Canadian economy, under the direction of the Conservative Party, goes on in abject shame.

Let us look at what has happened. For instance, Mitel was sold to foreigners. In the case of White Farm, small-scaled, high-powered Canadian entrepreneurs in the private sector were trying to get it going in Brantford. We saw it sold out and given up by the Government. A workers' co-operative in Hamilton looked to Canadian Porcelain, a small company, to make a contribution to that community. It was sold out. That time it was sold out to the U.S. company which had put it in trouble in the first place by dumping into the country through systems of unfair trade. Also we had the case of Black & Decker, as well as the great epitome of American capitalization, the takeover of CGE in Barrie. The factory was shut down within a year. It shifted its operations, cut its employment and turned factories, which had contributed hundreds of jobs to people in Barrie for a generation, into ghost town warehouses. Also we had the fiasco with the Canada Development Corporation. Through all kinds of back-handed manoeuvres and actions before the House even had a chance to consider the matter, the Government allowed 25 per cent of a company which was important to our future to be sold to the United States. We have had no action on Prentice-Hall, a case which has been before us for over a year now. Canadian publishers want to purchase the company. They do not want to turn it into a socialist enterprise, God help us. They want to turn it into a privately held Canadian company which will contribute to the country. Again the Government has refused to move.

The black list or the sad story of Americanization under the Government goes on and on, with the last sorry story added to it now of de Havilland, a good and dynamic company, a company with exciting new products which it is succeeding in selling throughout the world. Now that company is to become one more trophy in the corporate shareholding list of the Boeing Corporation with its billions of dollars in sales. de Ha-

villand today, Canadair next, and the Canadian aircraft industry, as a Canadian-owned, Canadian-controlled industry with a sense of Canadian potential, will in fact go down the drain. It will be abandoned by the Government as it has abandoned so much of the key sectors of the economy to United States capital over the last 14 months.

It is especially dangerous to see this happening to the high-tech sectors of our economy. We as a country are not embarrassed by our riches in the high-tech sector. We do not have masses of Canadian-controlled companies making contributions and selling exports in that sector. We as a country have problems because we are small, because the risks are great and because the costs are high to create high-tech innovations. Yet, we have had our success stories. We have had our Mitels, our Northern Telecoms, and our de Havillands. Far too often the Government permits companies such as those to go down the drain, so far as being part of a Canadian core for high-technology growth in the future.

I should like to present to the House a segment of the report of the Ontario Government about what companies could make it under free trade. It indicates quite clearly that one sector which can make it under free trade, despite the intense competition it will have to face with the United States, could be our aircraft and aircraft parts manufacturers.

I will give the House a sense of how superbly that sector has done in terms of international trade. International trade is crucial for the future. In 1978, that sector of our economy in Ontario ran a trade deficit. Its exports amounted to about $174 million and its imports about $219 million. By 1984, its exports were up to $548 million, while its imports ran at $383 million. It is a success story built upon the very risks and the new product developments which have characterized de Havilland, which should characterize de Havilland in the future and which would characterize it if it remained a Canadian company able to make its contribution to the economy.

It is tough. One cannot start a high-tech company overnight. It takes heavy investment. It takes high risks. It takes long-time horizons. In the case of de Havilland, it has taken over $800 million to put together two excellent, highly-innovative, new pieces of technology which are among the best in the world in their class—the Dash-7 and the Dash-8. Now, in 1985, as December is upon us, here comes Santa Claus to give it away. Here it comes, gift-wrapped in nice tinsel paper with a bright red or perhaps blue maple leaf on it, to be placed under the corporate Christmas tree of the Boeing Corporation, to be given away as a gift. It is the kind of gift which I used to receive as a child from my grandfather. I am sure that many Hon. Members in the Chamber received such gifts. It was a gift which not only included the gift itself but, when it was opened, there was $2 or $5 in it; a gift which gives something and some money as well.

• (1630)

This is a super grandpa's gift to the Boeing Corporation. It is a gift described by Boeing Corporation as costing no more than the price of one 747 aircraft. It is the gift of a company that is making excellent operating profits. There have been some mis-statements made in this debate, but the fact of the matter is that income from operations of de Havilland for 1985 was almost $18 million in positive surplus. That is up from approximately $6 million the year before, so there has been a huge increase in operating profits. That increase was due to an increase from 19 to 27 in the number of planes sold. Boeing tells us that it expects to continue with this increase in operating profits. By the time the costs for research and development for the Dash-8 start to be paid off in a year or two the company is going to be making over-all profits rather than just operating profits.

There is money tucked into every possible little pocket of this magnificent gift. Let me list for the House some of the gift-wrapped envelopes of taxpayers' money which are included in this Christmas gift to Boeing Corporation. They get to defer $65 million of the sale price and probably will not have to pay it at all. That is not bad for Christmas, but that is just a start. Also included in the gift is the Crown's share of product liability insurance, worth $30 million and the development costs for the Dash-8 amounting to $65 million which will be paid by the taxpayers of the country and will go to the benefit of Boeing.

Surely it must make my back-bench colleagues in the Conservative Party, who care about fiscal rectitude, blush just a little bit to see this incredible, unjustified largesse to a foreign multinational company. Also included in the gift is export financing of $30 million to $40 million and, to top it off, a tax loss carry-forward of $400 million, not just to de Havilland but to all of Boeing in Canada. That is why the Winnipeg Boeing people are so pleased.

Do you realize what $400 million could do for the hard-pressed farmers of Essex County or the hard-pressed farmers of all of southern Ontario? Think what it could do for potential jobs of small business people in Quebec, northern Manitoba and the interior of British Columbia. That is the tax loss which is given. Santa Claus will continue down the path passing out these magnificent gifts and creating, not a fairy tale out of Jack and Jill, but a nightmare of Tory rule which we saw before with the Arrow in the 1950s and which we see now with de Havilland in the 1980s.

In conclusion, Mr. Speaker, these are tough issues. Building our industrial future is not easy. There are hard choices which we must make. We must start by telling the Government not to sell us out as a country, to stop giving us away to foreign firms and to stop doing it at the expense of the taxpayer of the country who is already so hard pressed that he and she deserve relief and the Christmas gifts rather than the Boeing Corporation of Seattle.

Supply

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Don Valley East (Mr. Attewell)—Estimates—Forecast of government expenditures; the Hon. Member for Ottawa-Vanier (Mr. Gauthier)—Federal-Provincial Relations—Participation of Francophones Hors Québec at Francophonie Summit. (*b*) Franco-Ontarians—First-class citizenship status—Prime Minister's position; and the Hon. Member for York East (Mr. Redway)—Environmental Affairs—Recommended stiffening of Criminal Code pollution penalties.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 63—CANADIAN AEROSPACE INDUSTRY

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

That this House condemns the Government for abandoning the Canadian Aerospace Industry through the sale of de Havilland Aircraft Ltd. to the Boeing Corporation and for its consequent failure to protect the aerospace technology paid for by Canadian taxpayers and developed by de Havilland.

And the amendment thereto of Mr. Kaplan:

That the motion be amended by deleting the period at the end of the sentence and adding the following:

"and further condemns the Government's lack of confidence in the capacity of Canadians to maintain the country's sovereignty in the aerospace industry".

Mr. Friesen: Mr. Speaker, in this chamber we have to get used to the use of hyperbole. A lot of exaggeration goes on on both sides. The Member who just spoke has certainly used his fair share and someone else's too when exaggerating in his speech. He used words like "abandoned" and said that the Government was letting companies like this "go down the drain". I guess the use of hyperbole is okay, but as a former professor he will know that over-use of hyperbole soon destroys the person using it. I will let that take care of itself. No one will believe him if he continues to use that kind of exaggeration.

He should know, as I am sure he does, that this year, next year, and the following year when these aircraft are made and sold around the world they will have a plate on them that says "Made in Canada". He makes it sound as though they are going to be made in the United States now. Does he realize that this will continue to be a Canadian product? In fairness, he should not try to make the people of Canada believe that just because an American company has bought the company it is now going to be an American plane. As a matter of fact, it will be competing with American planes and will do very well with the kind of world market mandate which it has been given.

I would like to make one other point on the matter of accuracy. The Member went on to say that Boeing was going to be forgiven $65 million. In terms of accuracy and honesty, would it not be good to give the entire equation and tell the people that this is on a five-to-one ratio? For every $5 million that Boeing spends in the market-place across Canada in ancillary industries, whether or not it is for de Havilland, they will be forgiven $1 million. There is a multiplier in there. Would it not be only right and fair, when talking about a $65 million forgiveness, that he talk about the $300 million market which Boeing will have to develop in order to get that forgiveness?

Mr. Langdon: Mr. Speaker, I thank the Member for his question. I think it was Aneurin Beavan who once stated that words occasionally have to be a little bit wild to shake the unthinking. Frankly, as I look at this so-called deal, I think that it could only have been put together by people who were unthinking about the sense of potential benefit that could exist for our country by having our own well developed, expanding aircraft industry as opposed to letting it become an appendage of the U.S. aircraft industry. We can slice it different ways and we can use different words but the bottom line is that as a consequence of this move, de Havilland will become an appendage of a very much large U.S. aircraft company, a company which without question will shape the direction it takes in the future.

● (1640)

I believe the implications of this move throughout the world make an interesting point. A big part of our problem in attempting to sell export products to Southeast Asia, Africa, Latin America or other countries which I have visited has been that we do not have a reputation for making contributions to the world of high technology innovation. Frankly, by making de Havilland a division of Boeing Corporation, we will simply prove to those countries throughout the world that the image we already have is the correct image.

Regarding the question of the sale price, the point I made was that that $65 million was deferred. The Hon. Member is quite right in suggesting that the way to get forgiveness is by increasing purchases here in Canada, something which I think is perfectly appropriate. However, to begin by deferring a part of the sale price is taking the opposite tack to that which we as a Government would have taken and that is that we would tell the company to pay its money and make a commitment to buy a certain amount of its production needs here in Canada. It seems to me that in this case, we are saying that the actual price that will be paid by Boeing is only $90 million and we are saying that at the same time as all these other financial goodies are under the same Christmas tree.

I know that the Hon. Member has a reputation of being concerned about the extravagance of Government expenditure. I hope that he will take the occasion of this debate to look at these incredible potential taxpayer liabilities that attach to the sale of de Havilland of which the $65 million is just one and see to it that this taxpayer liability is reduced in the future.

Mr. Caldwell: Mr. Speaker, I would like to comment on some of the point raised by the Hon. Member for Essex-Windsor (Mr. Langdon), who represents my neighbouring riding. First, I would point out that the $200 million that it would cost to keep the company going next year could very well be used by the farmers of Essex County and those across Canada and I hope that it will be.

When the Hon. Member began his speech, I thought for a moment that he was going to compliment us. He pointed out that there were some very good American corporate citizens in his riding. The major employers in his area are Chrysler and General Motors, both of which have proven to be very good corporate citizens. Gathering from the Hon. Member's own householder, the Government has probably given his riding more assistance than any other riding in the country in order to develop the high-tech industry in the Windsor area. The Hon. Member should be very thankful to the Conservative Government for doing that for his riding.

I would like to ask the Hon. Member why he feels that Boeing is not a dynamic company. Does he not think that it is the world leader in aerodynamics and will inject into the Canadian economy more money than the Government could have put in over the next few years?

Mr. Langdon: Mr. Speaker, I must say that I am pleased to hear that my householder is such a bestseller that it even penetrates other constituencies. Quite frankly, I am one of those Members who works very hard to get companies to move into my constituency and to make commitments to increase employment in the constituency. Our success record is something of which I am quite proud. It is, I think, a reflection of something that is true of New Democrats and that is that we are not, as we are sometimes painted to be, the foes of the private sector. Our commitment is to make the corporate sector and companies like Chrysler and General Motors make complete commitments to our communities.

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I find this Chamber to be a very eerie one this afternoon. There have been many debates in the past about Canada's aircraft industry, debates that were filled with rallyism and slashing remarks. It is odd how quiet it is here this afternoon. I think perhaps that is because the Chamber has taken on the atmosphere of a funeral and that the sadness which permeates this place is for the death of a very important part of Canadian tradition and certainly in part for the frustration we feel about our future.

Mr. Rodriguez: Solemn and sober.

Mr. Axworthy: It is solemn and sober. There is no satisfaction taken by any Hon. Member on this side of the House at the deal that was struck by the Government. It is a deal that we know was propelled by the Draconian motives of the Minister of Regional Industrial Expansion (Mr. Stevens) who wishes to privatize Canadian Government activities. The way it has been done is stupid and ignorant. God, how awful this Government has become that it is so totally indifferent to the interests of the Canadian people and this industry.

Some Hon. Members: Oh, oh!

Mr. Axworthy: The fact that Tory Members are laughing about this only underlines just how hardened and calloused they have become toward what Canada is all about. I suppose they may be laughing out of embarrassment. They know that they are members of a Government which acquired office to see to the dismantling of Canada's sense of independence and integrity and its ability to provide a future that it will determine on its own. It is too bad that there is such insensitivity to those issues.

The fact is that this particular debate must be used to bring the lessons home so that Canadians will understand in the future what has happened here. The first thing Canadians must undersatnd is how poor a businessman the Government really is.

I attended a conference on Saturday at which a member of the Conservative caucus said that one of the great changes that took place as a result of the election of September 1984 was that the composition of the House of Commons has changed and that Conservatives now have a large representation by small business people. If I were John Bulloch or a representative of the Canadian Federation of Independent Business I would be ashamed of that. For all the so-called new business acumen, let us consider what they have done. Let us consider what kind of deal they have made. If one takes a look at the figures one will find that once again they have sold the store for nothing but fantasy and fond wishes. Today I said that the President of the Treasury Board (Mr. de Cotret) was fortunate in that Boeing did not offer the Government the Brooklyn Bridge for de Havilland because he would have thought that was a good deal. He would have grabbed it at the first opportunity.

● (1650)

I would like to point out to Hon. Members the type of things which we must look at with respect to this particular negotiation. First, and I think this is a serious charge which I must register, the Government has been guilty of serious irregular business practices. These are practices which, under normal business operations, would not be countenanced by any proper auditor of accounting. In order to deliberately show that de Havilland was having heavy losses what the Government did was take the funds being used for development purposes in the new product lines and charged that amount against operating costs. Under normal business practices these charges are normally amortized over 15 or 20 years. Whenever any business

makes a new investment over a period of time it puts it down on the books as a development cost. However, the Government, members of which are smart business people, charged the amount against operating costs. Therefore, when it comes time to sell an aeroplane the new owner will have virtually free and unfettered attachments to the cashflow because there will be no development costs. They have been written off as a result of the accounting practices of the Government.

However, there was a political purpose in this respect. Members of the Government were motivated because they wanted to put the books in front of the Canadian people in order to say: "Look, de Havilland is losing money. We had better show just how bad it is". Instead, they finagled and played the old accounting shell game. They moved forward what would be legitimate development investment expenditures and said that even last year with regard to a sale of $192 million de Havilland made only $11.1 million. The company was charged $78 million against its future investments. How can that be justified? What type of so-called smart business practice is that? It may be smart politics, although I do not think so, but it has nothing to do with honesty and integrity in terms of coming to grips with the issue of de Havilland.

One of the really great sights yesterday came about at the press conference held after the announcement of the sale. Someone asked the President of the Treasury Board and the Minister of State for Finance (Mrs. McDougall) a question something like this: "You are selling this company for $150 million. What are its assets worth?" The Ministers went through their books and they fumbled their papers and looked in the reports. Finally, they had to say: "We don't know". Here were two Ministers of the Crown making a public announcement of great significance and they did not know the value of the assets. In terms of commercial value the land around the Downsview Airport in that part of Toronto is worth more than the amount received for the sale. If one were to talk to municipal officials in that municipality one would find out what could reasonably be expected in terms of the value of the land, to say nothing of the equipment, the capital and development costs and all the other assets which normally go into accounting in terms of the total value of a company.

These Ministers are out selling this company without even caring about what they are selling. They did not care what the value was because the Minister of Regional Industrial Expansion wants to privatize. That is his religion. His theology is to privatize. It does not matter for what, what impact it will have or how it will influence the aerospace industry. He just wants to get rid of it. That is his answer.

I would like to set out another example of good business practices, as this Government likes to term it. The Government accepted a full share of the corporate liability and the insurance costs with respect to the aeroplanes. Boeing will have the value of all the assets and all the cashflow but the Canadian taxpayer gets stuck with the insurance costs and future liabilities. Is that not a brilliant stroke of negotiating skill? Does that not show an incredible sense of judgment? We will be stuck for the bill way down the line. Mr. Marshall was not too sure about the figure but he thought it was around $30 million. Where is that reflected in the sale price? What did Boeing do to receive that kind of deal? I will bet Hon. Members there is not one other deal which Boeing has ever entered into in which it received this type of sweetheart arrangement.

In addition to taking the $90 million in cash and not the full $150 million, the Government said it is also prepared to continue giving grants and loans for the development of the Dash-8, for other research and for modernization of the plant. We are talking about another $300 million or $400 million of additional government money going into this project. As was asked today: "Where are the taxpayers represented?" They will not be represented on the Board of Directors. Will they have any equity? Will they receive anything in return? They will not receive a sou—not a cent.

When we talk about free trade with the United States it is no wonder we say: "God save this country if this is the Government negotiating the deal". It is no wonder we have some concerns when we see the silkful negotiating and bargaining which these wizards of commercial transactions are able to arrive at. The Government sells the company at a write-down price, takes on additional commitments and it receives no equity. As has been said, what we end up with in the result is the loss of any ability to set the direction or management in an area of crucial and vital interest in terms of the Canadian export market.

The Government sold this company just when it was beginning to make money. The company had spent several years investing in a new generation of aeroplanes. The atmosphere of deregulation around the world is creating a new market for commercial aircraft. Just as the taxpayers of Canada were about to realize a return on their investment what did the Tories do? They are so smart that they sold this company off before we could receive the return. That is a great tribute to their great business acumen.

Conservative Members in the House, in particular the Hon. Member for Winnipeg-St. James (Mr. Minaker) and others, have said: "Don't worry about it. We have such a wonderful deal with Boeing and they are such a wonderful company that there is nothing to be concerned about". I would like to provide some commentary on that point. First, what is wrong with selling the company to an American multinational? Boeing is certainly a world-class company. It has a wonderful line of aeroplanes. However, to think that it will all of sudden play *noblesse oblige* with de Havilland is ridiculous.

The Hon. Member for Winnipeg-St. James spoke about the Boeing factory in Winnipeg. I would like to tell Hon. Members another side to that story. When the building was first developed on grants from the federal Government the commitment then was for a world product mandate similar to what de Havilland was given with respect to fibreglass technology in terms of aeroplanes. However, along the way, in the late 1970s when the airline business began to go into a trough, somehow or other that commitment disappeared. At that time the ability of Boeing in Winnipeg to maintain an independent marketing line for aircraft technology in fibreglass somehow disappeared.

It ended up making a few spare parts. Do Hon. Members know what the company is making now? It is making bathtubs. This is Canada's great vault into the new high technology area. This is the new frontier that Boeing of Canada has established in Winnipeg. It is now making bathtubs, which is not a bad product. There is nothing wrong with bathtubs. After all, people have to wash. However, if Canadians think they bought a new frontier in high technology they may want to think again.

Mr. Rodriguez: Can they fly?

Mr. Axworthy: We have never tried.

The fact of the matter is that it was a commitment of the Government.

I would like to point out some other facts with respect to the record. In front of me I have a wonderful article which appeared in *The New York Times* on September 8. It deals with the type of corporate citizen Boeing is in the United States. The company pleaded guilty to charges laid with respect to illegal foreign payments. It was fined $500,000. It has also been caught in military procurement controversies. It billed the Pentagon for $127,000 in political contributions. In other words, it gave money to politicians and then it billed the Pentagon for the same amount. It also sold pliers to the Pentagon for $700 a pair. That is a way of doing business, I suppose, but if the Government thinks that somehow it is going to get a different kind of treatment, it is wrong. In 1979, Boeing again cut its workforce from 155,000 to 50,000. It basically closed up its operations here. That is the difference, Mr. Speaker. It will be making those corporate decisions in Seattle and Spokane based upon the interests of its entire corporate empire and Canada, as a small division way over in the corner, will simply take what it can get.

• (1700)

The President of Boeing made a comment in today's *Wall Street Journal*. He was quoted as saying that the de Havilland line of products will represent a very small percentage of the total commercial sales of Boeing, that one 747 is equal to almost 20 of the turbo-prop products of de Havilland. Boeing certainly has a world-wide marketing network, but if you are a salesman for Boeing and you are trying to hustle a 747, a 756 or a 767, and you are spending your time and your expense account, you are going for the big product, not 20 to make up one. It is like Avon calling and you are trying to sell the person at home the full line of products and saying as an aside, "I have a little toothpaste in my bag as well".

The difference is that de Havilland is an independent Canadian company. It should have the opportunity to go out into the world market and sell our aeroplanes with pride and integrity not because we have a great line of jumbo jets but because it is our own product and we know there is a niche in the market for it and we are going out to exploit that particular part of the market. We should not be part of a great massive bazaar where we throw our wares out in front of everyone, saying: "If you buy our 747s, we will give you a couple of Dash-8s as a bonus". An independent company would have given us our own independent marketing ability. We would have been able to go into those world markets to develop our own capacity and our own potential in those markets. That is something which I believe Canadians wanted. That is something which has been taken away from them by this Government.

With respect to research and development, the Government tells us it is going to have this vast capital resource of Boeing to help exploit future development. I would suggest that Hon. Members of the Conservative Party read the very long article in the business pages of *The New York Times* of September 8. It talks about the big responsibility and obligation of the new president of Boeing. He will have to make tough choices. He has military planes and computer hardware. He has big commercial aircraft. He does not have enough capital to finance all of these things. He has to make choices between them. Does the Government think that de Havilland is going to get preference when it is competing with 747s, new SDI star wars projects and new computer development around the world? It will get it if we give Boeing sweetheart arrangements. If DRIE starts feeding it gobs of new research grants and more loans, Boeing will say, "Oh, yes, we will take it". Of course, it will. But the point is that in terms of research and development, the Dash-8 is now a fully mature aeroplane. It is out in the market. At some point down the line we have to ask ourselves what the future is of de Havilland. What new generation of air products will begin to be developed by that company? Where is the money going to come from for that? Are we going to find, as has happened with virtually every other company which has been absorbed by this large multinational, that the engineering, the administration, the R and D and the corporate decision making, will be consolidated at the American headquarters and the de Havilland division will be just one in a long line of supplicants for a very scarce amount of resources? We will become a sub-assembly plant in Canada. That is the future.

We are losing our sense of independence to become a sub-assembly plant. That, perhaps, says it all about the economic philosophy os this Government. It is happy that Canada becomes a sub-assembly plant for the big American corporate empires. It has no sense of pride that we can do things on our own. It has no sense of motive, will or purpose in trying to achieve something which Canadians can do well, making sure they have the resources to do so.

Mr. Minaker: Mr. Speaker, I would like to make a comment and then ask a very simple question of the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). His speech is not much different from the rhetoric I used to hear when the Hon. Member was a Member of the provincial legislature. I do not know how anyone can take the Hon. Member seriously when he makes the statement that Bristol Winnipeg manufactures bathtubs. I would like to read to you, Mr. Speaker, what they do manufacture in Winnipeg. It is unfortunate that the Hon. Member does not have the time to come home and see for himself some of the plants in Winnipeg. He would then

recogniz the leads we have in the aerospace industry. The Winnipeg plant, Aerodat, manufatures magnetometer booms. Avco Systems Division has the graphite/epoxy aerospace structural assemblies. Boeing makes all the composite components and assemblies for all Boeing commercial aircraft including the latest 756 and 767 aircraft. Boeing Vertol makes the 737-200/300 flap track fairing panels and CH47 inlet screens. Canadair manufactures a number of assemblies in the specialized fibreglass field. The Communications Research Centre does work on large graphite/epoxy structures for dynamic testing of satellite bodies and de Havilland manufactures component parts. Bathtubs have not been manufacture in that plant since February 1983 so I would like to know what the Hon. Member is using for research and who he is trying to kid about Boeing in Winnipeg. It is one of the leaders in the aerospace industry in specialized fibreglass components.

Mr. Axworthy: Mr. Speaker, I think the Hon. Member for Winnipeg-St. James has just proven my point. The fact is that that company, which was given a world product mandate in those areas, has become a manufacturer of components for other aircraft industries. It was the mandate that was given back in the 1970s for which it received federal grants from my Government. These grants were negotiated by Liberals to help employment in the Hon. Member's riding, which we continue to do because we are still using some of those DRIE grants even though his Government has cancelled the program. This company has now been relegated to the back corner to become a sub-assembly plant of components. It is not providing the kind of high technology leadership which would open a sales market around the world. It is simply doing the component manufacturing. I used the bathtub example because that is what they did produce for a long period of time—

Mr. Minaker: Two years ago.

Mr. Axworthy: —and it is still selling them. One can walk down the street and still purchase them. Perhaps because it did not work out so well, it was decided to discontinue the line. I am not saying that Boeing is not a good employer. It provides decent employment. However, it is a case of a lost opportunity and that is what we are talking about with de Havilland. It is a lost opportunity to become world leaders in this technology, to provide for an independent set of technologies, not simply to take the kind of orders which are coming out of the major headquarters. It supplies the blueprints and you get to work. I think the discouraging part of all this is that these people and this Government do not understand that difference.

Mr. Minaker: Mr. Speaker, I would just like to inform the Hon. Member, who is obviously not interested in seeing what is being manufactured in Winnipeg, that Boeing is not selling the bathtub. The design was bought by a Canadian company and the new Canadian company is involved in the manufacturing and sale of this bathtub.

Mr. Rodriguez: I listened carefully to the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). He mentioned that Boeing went to the trough, to use his words, and received this money and it was going to make fiberglass components for aircraft. Then it did not do that. It ended up making bathtubs. Which Government gave Boeing the money to do what it was supposed to do? If it did not do what it was supposed to do, what did the Government do to protect the integrity of the investment of the taxpayers in Boeing?

• (1710)

Mr. Axworthy: Mr. Speaker, I am not sure what point the Hon. Member is trying to make. Industrial grants were given for the expansion of a plant. There was a building and certain equipment went into that building, all based on commitments written into a contract. They carried on for a period of time. Then there was a depression in the airline market and Boeing simply made a decision at its corporate headquarters to no longer make those products. That is the kind of problem we find in doing this. If the Hon. Member is saying that he or his Party does not believe in the federal Government assisting companies in Canada to modernize or expand, then he is establishing a new policy. I have heard the Hon. Member for Essex-Windsor (Mr. Langdon) make wonderful speeches in this House about the necessity of Government providing investment funds to modernize and develop new technology. That is why I said that the responsibility here is to make sure that we have an equity position. We should be revising the way in which we provide economic development grants and support and take an equity position in the company concerned. The Liberal Government began to do that. I remind the Hon. Member that when the multinationals were going to close down de Havilland and Canadair, we stepped in and took the company to a point where we could maintain it. We would try to find someone for a joint venture so there would be a continuation of Canadian equity and whatever new company came about.

If the Hon. Member is interested in making cheap political points, that is all right. However, we are debating something much larger and much more significant than that, and it is too bad he does not see that.

[*Translation*]

Mr. Lopez: Mr. Speaker, the previous speaker . . . the hon. Member for Essex-Windsor (Mr. Langdon) made numerous references to Santa Claus, and since it will soon be Christmas, there is something I want to ask Santa Claus. If he has an extra supply of objectivity or common sense, I wish he would give some to the Opposition Members. It would certainly help the proceedings here in the House.

[*English*]

Mr. Axworthy: Mr. Speaker, I would refer the Hon. Member to a report commissioned in 1978 which sets out a variety of options concerning what should be done. I wish the Government had read the report because through a series of joint ventures the Canadian aerospace industry might have been able to enjoy world product mandates and manufacturing while Canadians still retained equity and interest in those companies. I would also point out that so far as de Havilland is

concerned, there was a consortium of Canadian companies which were prepared to buy the company. They have said publicly that had Canadian companies been given the same deal that was offered to Boeing, Mac's Milk could have bought de Havilland. It was a sweetheart arrangement. This Canadian group has the experience and it was prepared to buy the company and this Government did not even show them an open door.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

[*Translation*]

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, I welcome the opportunity today to speak to the House on the motion concerning the sale of de Havilland to the private sector. I also consider it a great honour to have been reappointed as Parliamentary Secretary to the Minister of Regional Industrial Expansion, who played a decisive role in preparing the historic agreement that led to this privatization.

When this Government came to power a little over a year ago, we announced our intention of turning a number of state-owned enterprises over to the private sector. During the months following this announcement, management and the board of directors of the Canada Development Investment Corporation negotiated with great dedication, on our behalf, and were successful in concluding an agreement that will be very beneficial to Canada. And that is how Boeing has now become the owner of de Havilland.

It is good news for de Havilland, its employees and the entire Canadian aerospace industry.

Under its new management, the company is expected to grow until it becomes a major partner of international caliber within this extremely competitive industry. Canada has gradually carved a niche for itself on world markets. If we add Boeing's marketing and financial resources to de Havilland's world reputation for the manufacture of short range aircraft, I think we have a winning combination.

As was pointed out by my colleague, the President of the Treasury Board (Mr. de Cotret), in privatizing de Havilland, our main objective was to revitalize Canada's role in the international aerospace industry, since a company must be strong and aggressive to win in an extremely competitive market, to expand its scope and create new jobs and attract new investment. de Havilland will now have access to Boeing's sophisticated marketing network as well as its technical expertise and financial resources. The result will be a stronger and more viable company that will safeguard existing jobs while creating the potential for new jobs across Canada. A company that provides employment is a healthy company.

We expect the agreement with Boeing to increase employment in Canada generally, as well as at the de Havilland plant in Downsview. The sale proposal provided for a purchase price of $155 million, including $65 million in the form of a repayable note. Under the terms of our agreement, for each $5 million worth of new jobs created by Boeing, $1 million will be cut off the amount owing. This could mean new projects estimated at $325 million across Canada, and the potential for thousands of jobs across the country.

Under the new management de Havilland will be responsible for designing and making all short-range Boeing aircraft for world-wide markets, thus maintaining Canadian leadership in that technological sector of aviation. Boeing fully expects to expand its sphere of activities at Downsview's de Havilland plant so as to make better use of existing manpower and equipment. We are extremely pleased with the way the negotiations were carried out with Boeing, and with the signing of the letter of intent which was finalized by the sale announcement yesterday.

There is no doubt that Boeing is an acknowledged leader in the aerospace industry, with capital investments of $9 billion and sales of approximately $13 billion last year. Boeing has also achieved an outstanding reputation in technological development and employer-employee relations. I should think that the board and management of CDIC deserve our congratulations for their efforts which led to yesterday's announcement. A number of bids were examined by the corporation, and an exhaustive market study was commissioned. CDIC management recommended acceptance of Boeing's bid and their recommendation was endorsed by several independent investment firms. They all agree that the decision is an excellent deal for Canada and Canadian taxpayers. This sale is another fulfilled commitment of our Government to take part in the economic renewal by privatizing those Crown corporations which no longer serve the best public interests. Better still, it is a unique occasion to maintain the strength and dynamism of our aerospace industry.

Our decision to sell de Havilland to private interests will have other advantages which Members of the Opposition have deliberately chosen to ignore, intent as they are to take a negative approach whenever the Government makes an announcement. For example, some of the tax provisions included in the agreement will be of special interest to Canada's regional air carriers. Our regional air carriers—so important in a country as vast as ours, and particularly in the less densely populated regions—will be able to purchase top-of-the-line equipment at low interest rates.

• (1720)

In fact, the growth and development of our regional air carriers are some of the main features of the policy of this Government which ensures that all Canadians receive quality services no matter where they have elected to live in this country.

Other corporations involved in the Canadian aerospace industry will also benefit from the privatization of de Havil-

land. According to the terms of the sale, Boeing has agreed to honour all previous contracts with suppliers who will also benefit from the company's increased sale volume. That is a golden opportunity for developing new contracts and co-operating with one of the greatest aerospace corporations in the world.

Contrary to our predecessors who had presided over the take-over of de Havilland, we behaved wisely and in a business like manner. The take-over occurred under a Liberal administration, without any sort of plan to ensure the growth of the firm and the expansion of its market. On the contrary, we had very precise goals in mind when we initiated the privatization of de Havilland. The privatization, as announced yesterday, will result in a renewed market, more jobs and the establishment of a strong and dynamic aerospace industry in Canada. Benefits and spin-offs are gained immediately and will accrue for many years to come.

As a Crown corporation, de Havilland seemed to alternate between good and bad years, like on a roller coaster. The number of jobs, from a record high of 5,000 in 1981, came down to nearly half of that two years later. Thanks to a new diversified investment basis which the new administration is planning now, Boeing should create a more stable environment. We believe that de Havilland had reached a critical stage in its development, a stage which required a solid direction and diversified investments from the private sector. Boeing is offering this corporation a chance to prosper and grow.

Mr. Speaker, I must admit that I am quite surprised by the negative reactions and criticism which a number of Hon. Members opposite have voiced following the announcement of this agreement with Boeing. Yet, ever since the acquisition of de Havilland in 1974, successive Governments had never denied their intention to sell this corporation as soon as they received a reasonable offer. Now, we have received such an offer which we have carefully studied and compared with others, and we have come to an agreement with Boeing in the best interest of both the Canadian Government and taxpayers. We see no benefit or logic in hanging on to a corporation which was a burden on the Public Treasury when we realize the advantages the Boeing corporation will be offering the de Havilland corporation by providing it with a solid financial base.

A number of Hon. Members have expressed some concern. They felt that, by privatizing the de Havilland corporation, we had failed to protect the development of the Canadian aerospace technology. Their concerns are without any foundation. The growth and profitability of the Canadian aerospace industry have been among the Government's primary concerns, and guaranties to that effect are part of the agreement.

Boeing has committed itself to maintain and enhance research and development at de Havilland's and has effectively established a long term investment plan. This is an indication of the seriousness of the corporation regarding the future. We know that Boeing is quite impressed by de Havilland engineering and will use this asset to develop the business.

As a Crown corporation, de Havilland did have some engineering successes. However, in recent times, there have been mostly failures. In view of the decision of Boeing to grant de Havilland a world product mandate for the design, development and production of the turbo-propelled shuttle, the growth potential of the company is obvious. The purpose of privatization was to find the best possible purchaser to build on the solid foundations established by de Havilland throughout the years and to guarantee job security and the creation of new jobs, not only in Toronto, but throughout Canada.

In our opinion and that of the independent financial advisers, Boeing was the company which best met our requirements.

I profoundly disagree with those who can see no benefit in this transaction simply because the headquarters of the purchasing company are located in the United States. The tendency in the aeronautical industry favours joint international endeavours which make use of the knowledge and experience of several countries.

Moreover, there is nothing new in the association of Boeing and Canada. The company already has plants in Arnprior and Winnipeg and will no doubt continue to be a good Canadian corporate citizen. Moreover, Boeing will appoint Canadians to its board of directors and consider Canadian equity participation. In other words, the Corporation understands the need to become involved in Canadian activities and has given enough evidence that it is willing to meet these requirements, including participation in other projects, jointly with Canadian suppliers.

Finally, I would like to say something about another sector of the aerospace industry which has developed in Canada in the last few years. From discussions with the Minister of Regional Industrial Expansion (Mr. Stevens), I understand that negotiations are now underway to sell Canadair to the private sector. In the meantime, this Corporation continues to increase its sales and improve its financial situation, showing that it can meet the challenge of international competition.

Mr. Speaker, I believe that selling de Havilland benefits all Canadians and that if we could succeed in getting as good a deal and in finding purchasers as competent for Canadair, it could also be of benefit to Canadians.

Considering both this information and the agreement which ensures the development of de Havilland, I am convinced that the Canadian aerospace industry has a great future. We shall never be content to manage a branch plant industry in Canada, but we shall continue to produce the most sophisticated of airplanes, maintaining the tradition of excellence which we have always had in Canada and of which we are rightly proud.

[*English*]

Mr. Deans: Mr. Speaker, I have a comment and then a question for the Hon. Member. I listened with some interest to what the Parliamentary Secretary said. If those listening did not understand the nature of the deal, much of what was said would likely be acceptable.

Let me point out that there is no co-ownership offer before us at the moment. If I recall correctly, the Hon. Member said that co-ownership between countries is now the normal practice in the aerospace industry. There is no co-ownership in this operation. Therefore, such a statement leaves an impression with the public that this situation exists. It does not.

I ask the Parliamentary Secretary to be factual at the very least. I do not mind if she attempts to put her argument forward in the best possible light. I understand that and do not expect anything less or more. However, when Parliamentary Secretaries to Ministers read statements into the record, I expect those statements to be factual and accurate. That statement was not.

I assume she has some in-depth knowledge of the nature of the deal. Can she tell us exactly how much the real property, the land and buildings, now owned by de Havilland was appraised at in advance of entering into this arrangement? Could she tell me the dollar value of the land and the buildings owned by de Havilland which will become the property of Boeing?

• (1730)

[*Translation*]

Mrs. Tardif (Charlesbourg): Mr. Speaker, I would like first to deal with the queer comment made by my Hon. colleague in the premise of his question.

It is quite unfair in my view, to suggest that when we are addressing the House here, we manage to say just about anything. I never charged my Hon. colleague with such intentions, and I regret that questions should be premised with such remarks.

In the information kit that was released at the press conference, there was enough material to give an outline of the memorandum of agreement to be signed. There is a contract to be signed. This must be finalized. I think that, as has been stated, when everything is completed, it will be tabled in this House and you will have an opportunity to examine it.

[*English*]

Mr. Deans: Mr. Speaker, I have a supplementary question. I am not interested in knowing what will be tabled in the House. I want to know from the Parliamentary Secretary to the Minister who is primarily responsible for the deal how much was the appraised value of the land and buildings now owned by de Havilland which will be turned over to Boeing. How much was it?

[*Translation*]

Mrs. Tardif: Mr. Speaker, during the question period, I think reference was even made to the agreements and to the memorandum to be signed. It was said that those documents would be tabled the moment they are ready. I think my Hon. colleague should wait and see what will be tabled in this House.

[*English*]

Mr. Foster: Mr. Speaker, this morning, the President of the Treasury Board (Mr. de Cotret) offered to provide me with some information concerning Advance Planning, part of the Camp company in Toronto. Apparently it was retained by Boeing to do consulting work. Since the Parliamentary Secretary was not in the House this morning, I was interested in knowing whether she was aware that Advance Planning actually carried out the negotiations on behalf of Boeing. Apparently that company represents Boeing in Canada.

How much of the negotiations was carried out by Advance Planning? Could the Parliamentary Secretary determine exactly what the Boeing Corporation paid that company to carry out the negotiations? Was the company on a commission basis?

It would seem to any normal observer of the situation that Boeing has got a tremendous deal, in that a company which cost the country some $760 million is being sold to it for $95 million. Someone negotiated a tremendous deal for the Boeing Corporation. Was it Advance Planning? Was that company paid a commission or a percentage for every million dollars by which it was able to knock down the price? I would like to know just what was the percentage. How much was Advance Planning paid to carry out this negotiation on behalf of Boeing? Obviously it is a well-connected company.

[*Translation*]

Mrs. Tardif: Mr. Speaker, I think this question was put today to the President of the Treasury Board (Mr. de Cotret), and he stated that he would table the answer.

[*English*]

Mr. Foster: Mr. Speaker, I have just a short supplementary question. Earlier the Parliamentary Secretary indicated that when the deal was complete, they would be tabling the documents in the House. Would she undertake on behalf of the Minister to table the documentation with regard to Advance Planning, as to what part it played, what fees it was paid by Boeing and so on?

In the spirit of the Prime Minister (Mr. Mulroney) when he said that he wanted to make the House pre-eminent, would the Government and the Parliamentary Secretary to the Minister of Regional Industrial Expansion (Mrs. Tardif) undertake to see that the matter is brought before the House for a vote? In that event every Member could vote on the issue. Obviously this is a major corporation. We passed legislation respecting Crown corporations on June 28, 1984, in which it was indicated that such situations involving major Crown corporations of the size and calibre of de Havilland should be brought before

the House for a vote. Would the Parliamentary Secretary make a commitment on behalf of the Government to do that?

[*Translation*]

Mrs. Tardif: Mr. Speaker, I would like to remind my Hon. colleague that I have no recollection that, under the previous administration, such requests were ever answered. My intention earlier . . . what I said is that, when the documents are ready, the whole thing would be tabled in its form and contents, in compliance with the usual standards, and I think the same answer applies to this other request.

[*English*]

Mr. Johnson: Mr. Speaker, I want to make a couple of comments. I did not take part in the debate mainly because I did not consider myself to be knowledgeable enough about the aircraft manufacturing business. However, after listening to some Hon. Members on the opposition side of the House, I am beginning to wonder what they know about it or the economics of it.

Sometimes we are all leery about believing what we see in newspaper articles, but I have been prompted to make a comment. I have seen that in the first nine months of this year, the sales of de Havilland were $204 million, compared with $160 million last year. At the same time, the net loss was $55.1 million, compared with $19 million last year. Do those figures make them wonder why we could not get any more for it than we are getting?

The Acting Speaker (Mr. Paproski): The period provided for questions and comments has now terminated.

Mr. Rod Murphy (Churchill): Mr. Speaker, the last Hon. Member who spoke on behalf of the Government said that he was not an expert on the airline industry and that he did not think Opposition Members were. That is probably true. I do not believe that most Hon. Members of the House are experts on any particular industry which we may be investigating at a given time. However, we have a wider responsibility, that is, to look at the actions of Government, especially when its actions have the effect of costing taxpayers millions and millions of dollars.

Let us look at the way in which the deal was entered into, the tax liabilities we inherited as a result of the agreement, future tax losses as a result of it, and the fact that the Government has committed itself to a share of all development costs. The people of Canada are being committed to more costs in respect of export financing. We are curious in terms of the real assets which will be sold—the value of the land, the buildings and other assets such as machinery. We do not know that information. The fact that the Parliamentary Secretary could not answer those questions is a concern to all parliamentarians.

Earlier today, a number of members of our caucus asked the Government to ensure that Parliament had access to that information. They asked for a parliamentary committee to hold hearings on the matter prior to any final vote or final agreement. We have not received assurances from the Government in that regard, and I think it is very important for them to be given.

It is not just that the Auditor General said that we as parliamentarians must do a better job looking after the public purse. It is not just that the Auditor General said that one area in which Parliament was weakest, in terms of doing that job, was that of tax expenditures. Obviously the memorandum of agreement with Boeing involves many future tax commitments to that particular company. It is not only because of those two concerns that I am participating in the debate. It is because I have a concern about the future of our entire aircraft industry.

• (1740)

I mentioned earlier today that I was a teenager when the previous Conservative majority Government decided to destroy the Avro Arrow program. That decision was made over 20 years ago but I believe that most Canadians who grew up in that generation still believe that that was a colossal mistake. The massive Conservative majority in the House of Commons made that decision. They were so paranoid that not only did they destroy the plans for the Avro Arrow, but they took the one prototype and cut it up into one-inch pieces. They absolutely destroyed the plans for that plane and the plane itself.

As a result of that decision we not only lost the lead that we had at that time in that area, but we lost the research and development that would have followed and the technological expertise that was in the country at the time as well as the resulting jobs. We are now importing the very types of planes which the Avro Arrow was providing us with the technology to develop in Canada.

I am afraid that what is being done in this particular case is a shadow of what the previous Conservative majority Government did over 20 years ago. The Conservatives say that they are getting rid of de Havilland because it is costing us money. Yet, we see from the very memorandum of agreement which has been signed and the few details that they have given out that we are committing ourselves to hundreds of millions of dollars of expenditure through tax write-offs or actual cash gifts to Boeing in the future. In other words, Mr. Speaker, we are not selling de Havilland to Boeing just to reduce the cost to the taxpayer because the Conservative Government is committing the taxpayers of Canada to spending hundreds of millions of dollars in the future to help Boeing. I think that certainly destroys any argument the Government makes in terms of this being a financial saving to the taxpayer.

The people who work at de Havilland were not consulted before this decision was made and neither was the Parliament of Canada. We do not have before us at this time a copy of the memorandum of agreement. We have no commitment from the Government that Parliament will hold hearings on the final agreement. That is important, not only because that final agreement could cost us hundreds of millions of dollars, and not only because we have no knowledge of what is involved in terms of tax expenditures, both of which are things the Auditor General said Parliament should know about, but, probably

even more important, Parliament must have hearings and access to the complete agreement prior to it being signed because there exists the very dangerous possibility that we will again destroy the whole aircraft construction industry in the country.

We do not need another Avro Arrow. Just because the Conservative Government has the same type of massive majority in the House of Commons does not mean that it has to make the same mistake. Instead we should have a commitment from the Government that it will not blindly follow an ideological path thinking that we must get rid of Crown corporations, that we should not put any restrictions on private corporations, and that we should not be concerned that Boeing could strip the operation of de Havilland and take the technology that we paid for out of the City of Toronto to San Francisco, Seattle, or any other operation they have in the States.

That is what we are talking about here. The Government is giving Boeing the company and saying that it will give them some money and tax benefits in the future and pay for any export financing costs and development costs for the Dash-8 even though it will now be in private hands. Yet, the Government is not putting any restrictions on. It is not asking for job guarantees or any guarantees that the technology will stay in Canada. The Government is even allowing the physical assets, aside from the land, to be taken right out of the country. That has been done before, Mr. Speaker.

This is not a small deal. It is a massive deal which will cost the taxpayers of Canada hundreds of millions of dollars, not only because we will still be giving money to Boeing, but because we will be losing money that we should be collecting in taxation. We will be paying for the future development of the Dash-8. Yet we have made no requirements of Boeing. Why is that, Mr. Speaker?

In closing, Mr. Speaker, I think it is important that we realize that when the Government signed this memorandum of agreement it showed us a very bad example of what it might do in the free trade negotiations. We are speaking about a Canadian Crown corporation. There is no question that it has problems and that it is costing the Canadian taxpayers. However, it also has a product which is being made and developed in Canada and guaranteed sales of over 140 planes in the next little while. What is the Government doing? Is it saying that we should have production guarantees in the country? Is it saying that those jobs should be secure for Canadians? Is it saying that there should be some concern for what happens to the people who work in that plant? No, it is not, Mr. Speaker. It is negotiating with its eyes closed. It is giving away the shop and is not requiring any guarantees on behalf of the people who will be buying a Canadian industry.

I, as well as my colleague, the Hon. Member for Beaches (Mr. Young) and others in the House, have negotiated before. I must say that you cannot control what the other side puts on the table. However, when you go into negotiations, whether for de Havilland or the free trade pact which the Government is so keen on having with the Americans, we have a right to know what our side is negotiating with. After having seen what I have of this memorandum of agreement I have absolutely no faith that the Conservative Government will negotiate a good deal on behalf of Canada. It has not shown that it will keep even the shirt on our back when it goes into negotiations. It has not shown that it is concerned about Canadian content, with keeping jobs in Canada, with keeping Canadian technology in Canada, or that it even knows the financial details of what it gave away.

In response to a question from the House Leader of the New Democratic Party the Parliamentary Secretary could not say what the value of the assets were. How much is that land in downtown Toronto worth? How much is that building worth? How much is the machinery worth? If we are negotiating an agreement with someone else, we should know what the heck is the value of our own position. The Government does not know the value of its own position and it is certainly not capable of knowing it when it comes to negotiating a much more massive deal with the Americans.

• (1750)

The Acting Speaker (Mr. Paproski): It being 5.50 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the Business of Supply in accordance with Section 9 of Standing Order 63. The question is on the amendment put by the Hon. Member for York Centre (Mr. Kaplan). Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Call in the Members.

The House divided on the Motion (Mr. Kaplan), which was negatived on the following division:

(*Division No. 139*)

YEAS

Members

Allmand	Berger	Deans
Angus	Blaikie	de Corneille
Axworthy	Broadbent	de Jong
Baker	Cassidy	Dingwall
Benjamin	Copps	Finestone

Members

Foster
Frith
Fulton
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Henderson
Kaplan
Keeper
Langdon
Manly
McCurdy
Mitchell
Murphy
Nicholson
(Trinity)
Nystrom
Orlikow
Penner
Prud'homme
Riis
Robinson
Rodriguez
Rossi
Skelly
Turner
(Vancouver Quadra)
Young—41.

NAYS

Members

Attewell
Belsher
Bernier
Bertrand
Binns
Bissonnette
Blackburn
(Jonquière)
Blais
Blais-Grenier
Blenkarn
Bouchard
Bourgault
Bradley
Brisco
Browes
Cadieux
Caldwell
Cardiff
Champagne
(Saint-Hyacinthe-Bagot)
Champagne
(Champlain)
Clark
(Brandon-Souris)
Clifford
Clinch
Collins
Comeau
Cook
Cooper
Cossitt
Côté
(Lac-Saint-Jean)
Côté
(Langelier)
Crofton
Crosbie
(St. John's West)
Crosby
(Halifax West)
Crouse
Darling
de Cotret
Desjardins
Domm
Dorin
Duplessis
Edwards
Ellis
Elzinga
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Friesen
Gagnon
Gass
Gervais
Girard
Gormley
Gottselig
Graham
Gravel
Gustafson
Halliday
Hamelin
Harvey
Hawkes
Hnatyshyn
Holtmann
Howie
Hudon
James
Jardine
Jepson
Johnson
(Bonavista-Trinity-
Conception)
Joncas
Kelleher
Kilgour
Ladouceur
Landry
Lanthier
La Salle
Layton
Leblanc
Lesick
Lewis
Lopez
MacKay
Malone
Mantha
Marin
Mayer
Mazankowski
McCain
McCrossan
McDermid
McInnes
McKenzie
McKinnon
McKnight
McMillan
Merrithew
Minaker
Mitges
Mulroney
Murta
Nickerson
Nielsen
Nowlan
Oberle
Paproski
Pennock
Peterson
Plamondon
Plourde
Price
Redway
Reid
St. Germain
St-Julien
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow
Stackhouse
Stewart
Suluk
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson
(Swift Current-
Maple Creek)
Wilson
(Etobicoke Centre)
Witer—141.

● (1820)

Mr. Speaker: I declare the amendment lost. Therefore, the next question is on the main motion.

I take it that it is the pleasure of the House to use the same vote with the addition of the Hon. Member for Fundy-Royal (Mr. Corbett), the Hon. Member for Cumberland-Colchester (Mr. Coates) and the Hon. Member for Cape Breton Highlands-Canso (Mr. O'Neil)?

Some Hon. Members: Agreed.

The House divided on the motion (Mr. Broadbent), which was negatived on the following division:

(*Division No. 140*)

YEAS

Members

Allmand
Angus
Axworthy
Baker
Benjamin
Berger
Blaikie
Broadbent
Cassidy
Copps
Deans
de Corneille
de Jong
Dingwall
Finestone
Foster
Frith
Fulton
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Henderson
Kaplan
Keeper
Langdon
Manly
McCurdy
Mitchell
Murphy
Nicholson
(Trinity)
Nystrom
Orlikow
Penner
Prud'homme
Riis
Robinson
Rodriguez
Rossi
Skelly
Turner
(Vancouver Quadra)
Young—41.

NAYS

Members

Attewell
Belsher
Bernier
Bertrand
Binns
Bissonnette
Blackburn
(Jonquière)
Blais
Blais-Grenier
Blenkarn
Bouchard
Bourgault
Bradley
Brisco
Browes
Cadieux
Caldwell
Cardiff
Champagne
(Saint-Hyacinthe-Bagot)
Champagne
(Champlain)
Clark
(Brandon-Souris)
Clifford
Clinch
Coates
Collins
Comeau
Cook
Cooper
Corbett
Cossitt
Côté
(Lac-Saint-Jean)
Côté
(Langelier)
Crofton
Crosbie
(St. John's West)
Crosby
(Halifax West)
Crouse
Darling
de Cotret
Desjardins
Domm
Dorin
Duplessis
Edwards
Ellis
Elzinga
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Friesen
Gagnon
Gass
Gervais
Girard
Gormley
Gottselig
Graham
Gravel
Gustafson
Halliday
Hamelin
Harvey
Hawkes
Hnatyshyn
Holtmann
Howie
Hudon
James
Jardine
Jepson
Johnson
(Bonavista-Trinity-
Conception)
Joncas
Kelleher
Kilgour
Ladouceur
Landry
Lanthier
La Salle
Layton
Leblanc
Lesick
Lewis
Lopez
MacKay
Malone
Mantha
Marin
Mayer
Mazankowski
McCain
McCrossan
McDermid
McInnes
McKenzie
McKinnon
McKnight
McMillan
Merrithew
Minaker
Mitges
Mulroney
Murta
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Paproski
Pennock
Peterson
Plamondon
Plourde
Price
Redway
Reid
St. Germain
St-Julien
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow
Stackhouse
Stewart
Suluk
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Warner
Weiner
White
Wilson
(Swift Current-
Maple Creek)
Wilson
(Etobicoke Centre)
Witer—144.

Mr. Speaker: I declare the motion lost.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

ESTIMATES—FORECAST OF GOVERNMENT EXPENDITURES

Mr. Bill Attewell (Don Valley East): Mr. Speaker, on November 19, 1985, I asked a question of the President of the Treasury Board concerning the recent Supplementary Estimates. While it was encouraging that those Estimates showed a modest increase by historical standards, I still find it troublesome in relation to the big job this Government has to do to get the deficit under control and to reduce the awesome size of our national debt. Many of my constituents continue to be alarmed at the size of that debt.

George Yates of Denver Crescent, and Ken Stephen of Meadowglade Crescent have mentioned this issue many times. Just today I received a letter from T. Richard Davies of Himount Drive in Willowdale to which he attached an article by J. Christopher Barron which outlines in a hard-hitting fashion the situation this Government has to deal with.

I believe we are on a collision course. Our national debt is now over $200 billion and the interest cost alone is roughly $20 billion to $22 billion a year. How long can we continue to spend $105 billion a year while collecting only approximately $71 billion? Households cannot do this. Corporations cannot do this. If you do not have the money, then bankruptcy will be the end result. I submit that Governments cannot continue in this fashion either.

We can be very proud of our social programs. Our care for our elderly is second to none in the world. Senior citizens now account for approximately 10 per cent of our population, but shortly after the turn of the century that will increase to 25 per cent. If we want to continue to give to that group the care it deserves we will have to get our spending under control. In a few decades the Canada Pension Plan will be in trouble if we do not have the money to support it. Other areas will suffer as well.

However, the recent meeting of the First Ministers in Halifax once again showed the difficult problem of coming to grips with the cost of running this country. This Government was very generous in granting a 5 per cent increase in transfer payments, an amount which is higher than inflation, yet we saw the Premiers demanding 7 per cent, almost double the rate of inflation.

Over the last 10 years the deficit has risen from a mere $2 billion to the $34 billion to $35 billion range today. Ten years ago our national debt was $24 billion. Today it is a staggering $200 billion to $225 billion. This erodes the confidence of investors. It reduces incentives for risk-taking.

Three out of four ridings elected a Conservative Member in the last general election. They wanted a change in the direction of this country. At the top of the list of things they wanted this Government to do was to get spending under control. There are a lot of good things happening now. The Nielsen task force is tackling hundreds of programs with a view to reducing their cost. Today the sale of de Havilland has been extensively debated. This company has been draining the treasury of $50 million a year and this sale will put an end to that. There are many more measures under way. I would just like to underscore that we know the task we have ahead of us and we will be working with due diligence to gain the respect of Canadians and get this ever-increasing deficit off of our back. In that way we can get on with the social programs which this country will need in the future.

[*Translation*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of State for Science and Technology): Mr. Speaker, whenever the Government is developing a budgetary strategy, it expects planned reductions as much as possible. For example, the 1985-86 estimates reflected its firm determination to reduce our expenditures in accordance with our November 1984 financial statement.

The implementation of those economic measures has effectively allowed us to reduce current supplementary estimates.

[*English*]

However, we must realize that Supplementary Estimates are a vehicle for seeking funds for unforeseen requirements and for new initiatives which are not finalized at the time Main Estimates are tabled. A few of the recommendations of the ministerial task force on program review are reflected in the level of Estimates for 1985-86. Still further reductions will be reflected in the 1986-87 Main Estimates.

In response to the question of when we will see absolute declines in the Estimates, we would draw our colleagues' attention to the fact that some 25 per cent of the Government's spending is on public debt charges in order to finance the current high debt levels created by the previous Government. I would also point out that almost 40 per cent of the total budget consists of transfer payments to persons directly, and other levels of Government. These payments are, for the most part, made in accordance with legislation which has indexing and other growth components built in.

With these facts in mind it is difficult to conceive of immediate over-all year-to-year decreases in spending Estimates. The aim of the Government is to reduce the budgetary deficit by reducing the growth of expenditures relative to revenues. The Minister of Finance's latest projections, as presented earlier this month in his progress report on securing

economic renewal, show that budgetary revenues and program expenditures will continue to rise but will be roughly in balance by 1990-91.

[*Translation*]

Our Government's budget is a priority if we are to reduce the deficit and, consequently, we definitely intend to operate within its tax limits for the current year.

FEDERAL-PROVINCIAL RELATIONS (A) PARTICIPATION OF FRANCOPHONES HORS QUÉBEC AT FRANCOPHONIE SUMMIT. (B) FRANCO-ONTARIANS—FIRST-CLASS CITIZENSHIP STATUS—PRIME MINISTER'S POSITION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, on November 18 of this year, I raised in the House a question concerning the Francophonie Summit, which appears to be taking shape and will be held at Versailles, France, in February 1986. A number of francophone countries will be meeting to discuss the future of the francophone group, something like what is done in the Commonwealth context.

• (1830)

I will not mention all the problems and pitfalls this meeting seems to represent for certain people, and I asked the Prime Minister—since an agreement had been concluded with Quebec and New Brunswick had also been given the assurance it would be participating on an official basis in the discussions—if he could ensure that the francophone diaspora, and I am referring to francophones outside Quebec, in the other provinces, and especially in Ontario where there are 500,000 . . . I asked him whether they too could directly participate in the discussions at this meeting.

The Prime Minister said with a great deal of empathy that he fully understood my question, and that he first wanted to explain that New Brunswick had been invited because, and I quote the Prime Minister as reported at page 8543 in *Hansard*:

—because the Province of New Brunswick is officially bilingual and it is a major reason for being asked to participate on an official basis.

I realize that, and the Prime Minister went on to say:

I would think that the decision was first made because New Brunswick is officially bilingual, which unfortunately is still not the case in Ontario.

And then he said:

Still I intend to look favourably upon the proposition of my colleague.

Mr. Speaker, the question this evening is whether the Prime Minister has had time to think about my proposal and whether he has a response, because I am a little concerned about the way the media, especially, reported the exchange we had in the House. I could give a few examples, Mr. Speaker: "Official bilingualism first says Mulroney", in referring to Ontario participation at the Francophonie Summit. "Franco-Ontarians will not be represented at the *Sommet de la francophonie*", a headline in *Le Devoir*. "Mulroney excludes Ontario from francophone summit", in *Le Droit*.

[*English*]

" 'Lack of official bilingualism in Ontario unfortunate'. PM" and " 'Unilingual Ontario is abnormal'. PM".

[*Translation*]

Mr. Speaker, it was my intention at the time to take a position approach and make Canadians understand there are francophones living in other provinces who like to think the federal Government speaks on their behalf. We just wanted to make sure that the Government representing us at the summit proceedings will do so in the appropriate manner and provide for the kind of presence and representation with which we could feel comfortable.

I simply want to ask the Parliamentary Secretary whether in his reply he could, for instance, give me the assurance that the president of the *Association canadienne française de l'Ontario*, the ACFO, who wrote to the Prime Minister on November 12 asking him, and he makes it quite clear in his letter, and I quote:

—75 per cent of Canada's francophones live in Ontario—

If we exclude Quebec and New Brunswick, of course—

—where they form an active and thriving community. It would therefore be desirable to have a Franco-Ontarian invited to join the delegation that will be representing French Canada at this international summit.

Mr. Speaker, I think it is a prefectly honest and legitimate request on the part of a group of people who are Canadians first, but who happen to speak French.

I would ask the Parliamentary Secretary if he could assure us this evening that Franco-Ontarians will not be excluded from the Francophonie Summit because their province is not officially bilingual.

This is the conclusion one can draw from newspaper headlines: because the province is not bilingual, Franco-Ontarians will be excluded from the Francophonie Summit. In my judgment, that is altogether unacceptable and saddening as a conclusion.

I know, Mr. Speaker—and I would like to explain this in the few remaining minutes—that we in Canada have a very special kind of bilingualism. New Brunswick and Canada are officially bilingual, they have two official languages, French and English.

Quebec is also bilingual, but in its own way, according to Section 133 of the Constitution which stipulates: In Quebec, you must communicate with your Canadian residents in French or in English when dealing with documents of the Legislature or documents before the courts. Therefore it is institutional bilingualism, and the same institutional bilingualism exists in Manitoba. Now then, if Quebec and New Brunswick were invited because they are "bilingual", why was Manitoba not invited since it too, according to Section 23, is

bilingual? You know why? I am a bit surprised at some of the standards of eligibility for this conference which I consider to be very important. I consider it essential to us because I think it is about time someone began to talk about our existence. Whether we like it or not, we are the cement of this country. As long as there are Francophones and Anglophones in Canada, this country of ours will continue to exist. But the moment the mortar crumbles, the bricks begin to fall, and the moment there are no longer any Francophones in British Columbia, in Manitoba, in Ontario or elsewhere, Canada will not stay together as I want it to. It will not stay officially bilingual, respectful of both official languages as it must be.

• (1835)

Mr. Speaker, I would like to be assured this evening that French-speaking Ontario will be guaranteed active participation in the February 1976 Versailles meeting, through its spokesmen, ACFO or others. I look forward to the response.

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister for External Relations): Mr. Speaker, I welcome this opportunity to answer the Hon. Member's question. I am afraid he is going to be somewhat disappointed, if he wanted a specific answer to the question: Will the ACFO be a direct participant in the summit? As my hon. friend said earlier, the ACFO sent a letter around the middle of November. You yourself very wisely remarked it was a complex issue. The Prime Minister has promised to think about it and in his reply he will certainly emphasize aspects that are encouraging for all Canadians.

Mr. Speaker, I think we should not forget that the Prime Minister will be representing all Canadians at this international summit, whether they are francophones or anglophones.

My second point, Mr. Speaker, is that there are certain countries . . . Let us say that Quebec and New Brunswick were members of the Agence de coopération culturelle et technique. Their two Governments were participants. And there are necessarily two aspects to the Canadian Government's participation, as my hon. friend has implied.

However, I think the Hon. Member should take another look at the answer the Prime Minister gave on November 18 and read it very carefully:

> but I would indeed be quite pleased were the delegation to include Franco-Ontarians.

Therefore, on the basis of that statement by the Prime Minister, who represents all Canadians, and since some of the provincial Governments are already active in international agencies, I think the Prime Minister will know how to show leadership, and will certainly, first, represent all Francophone and Anglophone Canadians and, second, give every opportunity to all of those who are anxious to fulfil their aspirations in this country.

[*English*]

ENVIRONMENTAL AFFAIRS—RECOMMENDED STIFFENING OF CRIMINAL CODE POLLUTION PENALTIES

Mr. Alan Redway (York East): Mr. Speaker, the Law Reform Commission of Canada recently recommended that our Criminal Code be amended to include crimes against the environment. That was a rather revolutionary recommendation on the part of that Commission because traditionally lawyers and judges, when dealing with the Criminal Code, have been very, very conservative in their suggestions and have usually taken the attitude that the Criminal Code is sacrosanct and should not be amended to include new types of crimes.

The Criminal Code was originally drafted over 100 years ago. The crimes included at that time were crimes of those days. Time has passed and things have changed, but very few new offences have ever been included in the Criminal Code. Therefore, it is rather revolutionary that the Law Reform Commission is actually recommending that new offences against the environment be included.

• (1840)

While it is a revolutionary idea, it is understandable that the Law Reform Commission should be recommending something like this in light of what has been happening to society in the last few years. As you know, there are now over 1,200 individual chemical substances that have been identified and are considered to be dangerous. When they escape into the air, the water or, for that matter, our food, they can cause more than a small amount of trouble. We can see the effect on the physical environment from acid rain. In addition to that, we can see impact on our own physical property when the dangerous substances result in fires and explosions. In the last week or so we have heard reports that would indicate that some of these dangerous substances may be in our processed foods. All of these things will obviously cause people great concern; cause them to want to see a real form of control over the pollutants and the people who are polluting our environment.

We have had many examples of these sorts of things in recent years, as you are well aware. It is just over one year ago that there was a great chemical escape from the Union Carbide plant in Bhopal, India, which killed upwards of 2000 people. In addition, we have recently had problems with a PCB spill in Kenora, Ontario. We have had continuing problems along the Niagara River in New York State. The chemical dumps at Love Canal, Hyde Park, S area and 102nd Street in Niagara Falls, New York, are all currently seeping toxic material down the banks of the Niagara River into the River and Lake Ontario potentially causing great problems for the four million Canadians who live around Lake Ontario. We have had problems with nuclear waste at Port Hope, Ontario, as well as many, many other problems of this sort.

The Law Reform Commission has, therefore, suggested that in order to focus on this and to put some teeth in the laws we should actually include offences against the environment in our Criminal Code. They do not suggest that we should do away with all the other offences in the provincial statutes or

other federal statutes, but do suggest that we should provide something specific in the Criminal Code to take into account serious acts of commission and omission, to take into account harmful acts, and to take into account acts which are performed with intent, wrecklessly, and with gross negligence. Those are the types of crimes against the environment that it is suggested should be included in the Criminal Code.

The commission indicates that in addition to the fines which we have now there should be penalties, orders for restitution, and jail terms for executives and directors of the polluting companies. This is not revolutionary because many other countries include this sort of thing in their laws. Ten states in the United States include this sort of thing in their laws, and West Germany and Japan both have provisions for crimes against the environment in their Criminal Codes. It is only logical that we should take this step in our country.

On November 27 I asked the Parliamentary Secretary if the Minister agreed with these recommendations and would urge the Government to amend the Criminal Code accordingly. He indicated to me that they were currently studying the matter and woulds be looking at some recommendations in the future. I hope that tonight we will hear from the Parliamentary Secretary what changes the Government is looking at. Hopefully it will be considering changes to the Criminal Code, rather than only changes to the Environmental Contaminants Act, which I know the Department has in mind. We should be making some changes to the Environmental Contaminants Act, but we should also include these very serious offences in the Criminal Code to show the people of the country that the Government is serious and wants to get on with dealing with environmental crimes.

● (1845)

[*Translation*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of State for Science and Technology): Mr. Speaker, as an engineer and a Member of this House, I am pleased to speak about this question which relates to the reform of Canadian legislation on crimes against the environment.

[*English*]

I wish to inform the House that Environment Canada is now giving careful attention to the Law Reform Commission's recently released working paper on crimes against the environment. As our hon. colleague is undoubtedly aware, the working paper is a discussion document. Its tentative recommendations are intended to bring responses from various sectors, including other federal Departments. During the comment period, Environment Canada will be preparing its observations in response to the report of the Law Reform Commission.

On the international level, Canada has treaty obligations with its neighbours. One example of such an obligation is the Boundary Waters Treaty of 1909, signed by Canada and the United States under which both countries are obligated to not pollute boundary and trans-boundary waters. It is this treaty which led directly to the Canada-United States Great Lakes Water Quality Agreement. As well, Canada is a signatory to several international Conventions designed to protect the environment, such as the London Convention on the Prevention of Marine Pollution by the dumping of wastes and other matter at sea and the Law of the Sea Convention. All Canada's international obligations and responsibilities would therefore have to be considered before a decision could be taken to amend the Criminal Code as contemplated by the Law Reform Commission.

There are five different levels of potential environmental rights discussed by the Law Reform Commission to which Environment Canada has turned its attention. First, there is the right not to have one's life or health harmed or endangered as a result of environmental pollution. The second is the right to a reasonable level of environmental quality, even when a specific pollutant or pollution source cannot be identified with certainly to be the cause of a specific health damage or risk. The third is the right to a reasonable level of environmental quality, a quality which is violated by pollution that deprives people of the use and enjoyment of the environment even when there are no health effects or dangers.

[*Translation*]

As you can see, Mr. Speaker, we cannot agree on this complex project before scrutinizing the many aspects of the problem and the intricate considerations of an issue which has international connotations.

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Therefore this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.47 p.m.

HOUSE OF COMMONS

Wednesday, December 4, 1985

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 22

[*English*]

INCOME TAX

NORTHERN BENEFITS REMISSION ORDERS

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, in the economic statement of the Minister of Finance (Mr. Wilson) in November last there was a section on northern allowances which read as follows:

Employees in the North and in isolated posts receive certain tax exemption from employer benefits under two remission orders. The structure of these remission orders was announced by the previous Government but the orders were not formally put in place. The orders are now confirmed and will be in effect through 1985. During this period, the Government intends to review the issue of northern taxation in consultation with all interested parties.

I am not aware that any consultation has gone on. The people in the North are not aware that any consultation has gone on. On the other hand the people in the North are becoming very concerned that this issue which is very important to them has not been dealt with by the Government and that, by the end of 1985, there will be taxation of northern benefits.

The Prime Minister (Mr. Mulroney) made a commitment in Yellowknife during the last campaign. I should like to quote from a press clipping from Yukon at that time:

Minutes after his chartered jet touched down, Mr. Mulroney said the federal Conservative Government would "absolutely not" tax northern benefits such as housing and travel allowances.

I want an assurance from the Government, before the end of the year, that after the end of 1985 there will continue to be, into the indefinite future, no taxation of northern allowances.

* * *

PUBLIC OPINION POLLS

REPORTED PLAN TO CENTRALIZE GOVERNMENT POLLING

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, we learned today that a cabinet committee will probably decide to award the Government's super poll contract to that super pollster, Allan Gregg, at Decima Research. It seems that the Prime Minister (Mr. Mulroney) will be the first to read the results of this centralized monthly polling scheme. If nothing else, it means that the Prime Minister can no longer claim that he does not know what is going on, at least in the minds of Canadians.

However, it also represents a very serious conflict for Decima Research and the Government. Decima should not be in a position to gather polling information for the Government of Canada when Mr. Gregg, by changing his hat, is the pollster for the federal Conservative Party and various provincial Conservative Governments.

Yesterday we were told about a study for the Minister of Employment and Immigration (Miss MacDonald) showing that most Canadians were unaware of the important issue of employment equity in the workplace. Regrettably, this $29,000 study shows that many Canadians are in the dark when it comes to understanding the many job barriers facing women, natives, the disabled and visible minorities. The Minister of Employment okayed $5.5 million to promote her Canadian Jobs Strategy program.

I call upon the Government to undertake a public information program to educate Canadians about affirmative action and to eliminate the confusion which surrounds the very important issue of job fairness.

* * *

[*Translation*]

ENERGY

CLOSING OF GULF REFINERY IN MONTREAL EAST

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, yesterday I was very disappointed to hear about the sale and subsequent closing of the Gulf refinery in Montreal East. I am sure this deplorable state of affairs is due to the disastrous national energy policy set up by our predecessors in the Liberal Government. Personally, I have to admit I feel somewhat helpless and rather limited in what I can do, but I firmly believe that with the help of my colleagues, the Conservative Government will be able to find satisfactory alternatives. The days to come will prove we were right. Needless to say, my feelings of sympathy go out to the 450 workers at the Gulf refinery, and I shall continue to give them my wholehearted support.

S.O. 22

HEALTH

NEED TO CONSIDER RISKS AND COST OF BREAST IMPLANTS

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, I wish to raise an important question in the House today which concerns over 17,000 Canadian women, including 7,000 Quebec women, every year. I was made aware of the issue by an eminent researcher at Laval University, Dr. Robert Guidoin. I am referring to a number of studies that were made on breast implant devices, studies the Department of National Health and Welfare does not seem to take very seriously. According to the analyses, the health of women who resort to this type of operation is at risk. However, no provision has been made by the Department to monitor the silicone implants being used. Research has shown that within two years after the operation, the implants break up or weep, thus causing considerable damage to the tissues of the patient, who then has to undergo a new operation.

In addition to the danger to the health of women who are obliged to resort to this kind of operation, we must realize that although the initial operation is not covered by provincial health insurance plans, the second operation that may be required owing to unsatisfactory implants costs the various provincial governments a lot of money. When the operation is redone, the patient's hospital costs are paid by provincial health insurance plans. Because this serious problem is costing Canadians money and especially because of the health risk to over 17,000 Canadian women every year, I consider this a very important issue and I feel it should be examined and regulated without delay.

* * *

[*English*]

EMPLOYMENT

IMPLEMENTATION OF GOVERNMENT PROGRAMS IN NEWFOUNDLAND

Mr. Speaker: The Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin).

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): God bless you, Mr. Speaker.

I rise in my place today to raise the difficulties experienced in Newfoundland with the job-creation program of the federal Government. In response to the disastrous situation in the fishery this year in Newfoundland and Labrador, the federal Government quite properly—and I must say that we applauded this measure at the time—announced a $9.5 million fund to assist people who were suffering as a result of the natural disaster in the fishing industry. The problem is that while the fund was announced two months ago and was called an emergency response, those dollars are still not in place and the projects which the fund was designed to create are still not ongoing. Hence we have the frustrating spectacle in Newfoundland of people having to engage in hunger strikes in order to draw attention to the problem.

• (1410)

If that were not bad enough, under the regular stream of the fall Canada Works Programs, community groups are being told that they will receive no funding under the program for six weeks. The Government is going to set up a situation whereby people will be allowed to have the tools to do a good job and bring a benefit to the community, but they will only be employed in the midst of winter.

I beg the Government and the Minister of Employment and Immigration (Miss MacDonald) to get their act together and get the shop working. Get the lead out, cut the red tape, and let people who want to work, work now.

* * *

[*Translation*]

EMPLOYMENT

NEED FOR GOVERNMENT TO UNDERTAKE JOB-CREATION MEASURES IN MONTREAL EAST

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, the Government simply cannot blame the former Liberal administration for the current situation in Montreal East. Since the Conservative Government came into office in September 1984 some 2,000 Montreal East workers lost their jobs, and now 433 Gulf workers will also be laid off as a result of Ultramar's decision to buy the Gulf refinery and shut it down.

As you may recall, Mr. Speaker, this Government gave a $600 million tax remission to Olympia & York for acquiring the assets of Gulf Canada. The people of Quebec, the workers of Quebec and the workers of Montreal East had enough of the cynic approach of the Government which does not do anything for workers but keeps on making generous gifts to big business.

When most Quebecers voted for the Conservatives in the last election they were expecting real changes. Now they know that the Prime Minister's promise about jobs, jobs and more jobs was indeed a snow job, for he really meant jobs for big business.

Mr. Speaker, jobs are disappearing at an accelerated rate in Montreal East, and the survival committee people are seeking a constructive approach to create employment, fed up as they are with the Conservative Government's cynic attitude.

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CROWN CORPORATIONS

SALE OF DE HAVILLAND CORPORATION

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I am pleased today to refer to an article published in *La Presse* of December 3, more specifically to an editorial of Mr. Frédéric Wagnière on the disposal of de Havilland.

Mr. Wagnière's editorial is entitled "A new departure".

This company in which the Liberals had sunk close to $830 million in Canadian taxpayers' money and which required a further $85 million annual injection of public funds to stay in business has just been sold to private interests, in keeping with our Government's privatization policy and economic development program. The only opposition to our project comes from Members on the other side of the House, Mr. Speaker.

I might point out that the privatization process will continue. In answer to the attacks of the misguided Liberals, I would like to ask them what they did in the case of Canadair in 1982 when they doctored the books of that company to hide their incompetence.

Fortunately the Auditor General uncovered their insidious tactic. They should take stock of themselves instead of criticizing us!

In conclusion, Mr. Speaker, our Government chose an outstanding management team, Boeing Aircraft, and made sure that the 4,500 workers in that industry will meet the Canadian challenge.

* * *

[*English*]

HISTORIC EVENTS

ANNIVERSARY OF HALIFAX EXPLOSION—CALL FOR INCREASED AID FOR ELDERLY SURVIVORS

Mr. Howard Crosby (Halifax West): Mr. Speaker, 68 years ago this month, on December 6, 1917, an explosion occurred in Halifax Harbour which rocked all of Canada and all of the world. Over 2,000 people were killed when two ships collided in Halifax Harbour, and many thousands of others were injured and maimed for life. All Nova Scotians, and I think all Canadians, should remember this terrible event in the light of current events across the world of equal magnitude in terms of disaster.

This was not merely an event in past history. There are many survivors of that explosion in Canada today. I want to take the opportunity once again to remind the Canadian Pension Commission and the Minister of Veterans Affairs (Mr. Hees), who now administer the funds available to these people, to take another look at the situation to see whether we can increase the aid provided to the survivors of the Halifax explosion. Most of them are in their very late years, 80 and 90 years of age. The small settlements they received and the minor payments they receive on a monthly basis should be increased now that they are in their senior days. I ask all Members of the House to support that action.

INDIAN AFFAIRS

PROPOSED TRADE SUMMIT SHOW—REPORTED REQUEST FOR CANCELLATION

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, the Ontario Indian leaders have asked the Minister of Indian Affairs and Northern Development (Mr. Crombie) to cancel the proposed native business summit and trade show which is scheduled for next summer in Toronto.

• (1415)

The federal Government is going to spend up to $2 million on this event. One and one-half million of that is coming from the Department of Indian Affairs and is being taken away from a program meant for community development. Indian communities desperately need those dollars. This trade show will do nothing to benefit communities that do not even have such basic services as water and sewage systems.

The president of the Union of Ontario Indians called the trade show an extravagant expenditure. The Grand Chief of the Nishnawbe-Aski Nation has said that it is money not well spent. The chiefs are now going to express their opposition directly to the Prime Minister.

Last April the Prime Minister stressed that policies regarding aboriginal people will be made only after full consultation. I ask the Prime Minister and the Minister of Indian Affairs and Northern Development to listen and respond to the concerns of the chiefs of Ontario with regard to this proposed trade show. I ask them to consider carefully the telex that was sent today by the Ontario regional chiefs.

ORAL QUESTION PERIOD

[*English*]

NATIONAL DEFENCE

CANADA-UNITED STATES TREATIES—PROVISION OF INFORMATION TO PARLIAMENTARIANS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would like to put a question to the Deputy Prime Minister. In Canada we have had a fine tradition of conducting our foreign policy in a relatively non-partisan fashion. That is why I cannot understand why the Government of Canada would treat Canadian parliamentarians from all three political Parties with such utter contempt. I refer, of course, to the fact that Canadian Members of Parliament have been attempting to elicit information on the current and prospective state of our treaties with the United States, particularly those relating to air defence and the protection of Canada from nuclear attack.

Why is it that Members of Parliament and members of the committee have to go to Washington to obtain from military experts information which they could have received from our own Government? Why is our Government not as forthcoming as our American allies?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I believe the question refers to press reports of the evidence of a private citizen in the United States and not to the United States Government. The right hon. gentleman knows as a member of a former Government, and indeed as a former Prime Minister, that there are classified documents in the service that go to the heart of the nation's security and that of our allies, the disclosure of which traditions prevent. Indeed, as he knows, an arrangement was signed by himself and the present Prime Minister (Mr. Mulroney), as has been the case with former Prime Ministers on the change of office, prohibiting the release of classified information to Members of Parliament unless they are security cleared.

REQUEST FOR *IN CAMERA* COMMITTEE MEETING

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, that agreement between successive Prime Ministers relates to cabinet documents and documents relating thereto. Of course the Federal Court has had something to say about that particular situation.

If the Deputy Prime Minister is worried about national security, there is an option open to the Government, namely, treat Members of Parliament and those members of parliamentary committees to the information now available to U.S. Congressmen and Senators. Have the committee meet *in camera* and give the Members from all three political Parties who are trying to assess the present state of our air defence agreements with the United States a chance to get the information upon which they can make a judgment.

Would the Deputy Prime Minister take this matter up with the Prime Minister and his colleague, the Secretary of State for External Affairs, to ensure that henceforth Members of Parliament and Senators get the same information on our mutual defence arrangements with the United States as U.S. Congressmen, Senators, and private experts get?

● (1420)

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the right hon. gentleman knows that parliamentary committees have held *in camera* meetings both while he was a member of the Government and now. The suggestion just made by him is certainly one which is deserving of consideration. Indeed, it has been done, as I am reminded from behind me, I believe with respect to the recent visit by that particular committee to Colorado Springs and NORAD, the entire briefing was classified and *in camera*. The difficulty with respect to that particular meeting, and others like it, is that some Members of Parliament, such as the critic in this area for the New Democratic Party, will not go to those meetings because of the fear of being compromised by the very information they seek.

Ms. Jewett: That is why they should not be classified.

[*Translation*]

NEED FOR CANADA TO RECEIVE INFORMATION IN ORDER TO MAKE JUDGMENT CONCERNING TREATIES WITH UNITED STATES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, that is a pretty weak argument. The Deputy Prime Minister is not a very open or accessible man.

However, to repeat my question: I believe all Canadians want the Canadian Government to be open and very frank, especially in our defence relations with the United States. Could he reconsider his position and the Government's and ensure that Members from all three political parties and the Senators sitting with them on joint committees, as representatives of the Canadian people, be able to obtain the information they need to form a Canadian opinion on Canada's treaties with the United States?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, where that can be done it will be done; but I am sure the right hon. gentleman is not for a moment suggesting that this Government, or any Government of Canada, should be exposing for public examination information which goes to the heart of the security of this nation and that of our allies. He knows, as a former Prime Minister and as a former member of a Government, that there is that type of information which does exist that does go to the security of the country. If he is inviting me, or this Government, simply to override all caution and make all information, including classified information—

Mr. Turner (Vancouver Quadra): Give us return tickets to Washington so we can get the information, will you?

Mr. Nielsen: —with respect to the country's security, then I for one have to reject that idea. He should not, Sir, try to leave the impression that any documents have been exposed in Washington that—

Mr. Speaker: Order, please. I am afraid the answer is becoming a little long.

* * *

CROWN CORPORATIONS

SALE OF DE HAVILLAND CORPORATION

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the President of the Treasury Board. Yesterday, in defending the sale of de Havilland, as reported at page 9072 of *Hansard*, he said that the main reason was to save money. Specifically, he said:

> The best estimate for next year was that de Havilland would lose $200 million. That is taxpayers' money, and that is what we are going to save the taxpayers.

The memorandum of understanding has not been made public. Is it not a fact that in that memorandum the loss for that period is estimated not at $200 million but at only $14

million, and that the memorandum states that in the following year de Havilland will make a profit? To whom is the Government giving the truth, this House or Boeing?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, this Government is obviously giving the truth to this House.

Some Hon. Members: Oh, oh!

Mr. de Cotret: I would like to answer the hon. gentleman opposite by saying that the main reason for the sale—and I think I made this point repeatedly yesterday—is to give this very vital industry in the country a new momentum, a new future, new growth and new jobs.

Some Hon. Members: Hear, hear!

Mr. Broadbent: We want the truth.

REQUEST FOR REVIEW

Hon. Bob Kaplan (York Centre): Mr. Speaker, the media in Seattle are celebrating this deal as an extraordinary bargain for Boeing, noting that there are no job guarantees for Canadians and that the price is far below value. If the Government is so proud of this deal, then before it is final why can the deal not be reviewed by the Government of Ontario, by the United Auto Workers—

Some Hon. Members: Oh, oh!

Mr. Kaplan: —and, above all, by the Members of this House? Does the Government not realize that a little advance thinking outside the tight circle which has looked into it so far might save the country the kind of losses which are involved now in the bank bail-out?

Some Hon. Members: Hear, hear!

• (1425)

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I would just like to say that I am happy that Boeing is celebrating the deal. It is a good deal. I would like the Opposition to be celebrating the deal as well. A good deal is a deal whereby both parties can celebrate the deal, and it is a good deal for employees and a good deal for Canada.

Mr. Broadbent: Mr. Speaker, the Minister is sure right that Boeing is celebrating. Because of the incompetence of this Government it is getting two or three times the price of what it is paying for.

TAX CONCESSIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the same Minister. We estimated yesterday that because of tax concessions and other benefits given by the Conservative Government, Boeing is actually going to get two or three times the amount of money it is going to pay for the company, from Canadian taxpayers. Will the Minister provide us with the Government's own estimates tabled for the House to see, of tax concessions and other financial benefits which the Government is going to provide to Boeing?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I think I already answered that question yesterday.

Mr. Broadbent: No, you didn't.

Mr. de Cotret: But I will answer it again for the Hon. Member. First, in terms of any tax concessions, the company will be treated as any other Canadian corporation. There is nothing in the understanding which gives it preferred treatment. There is one thing, however, which has to be underlined, and that has to do with the tax losses carried forward, whereby the company has agreed to use those tax losses carried forward only as it relates to financing schemes for sales to Canadian purchasers. In other words, it is a break for our Canadian airline industry. That is the only understanding.

Mr. Broadbent: Yes, and what that means in other language is that the Government is going to give Boeing $400 million in tax benefits to make sales on which it is already going to obtain profits. It still amounts to a $400 million gift any way the Government wants to look at it, and Boeing understands that very well.

REQUEST FOR PRODUCTION OF DOCUMENTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, there is absolutely contradictory evidence, flatly contradictory evidence, about how much profit or loss de Havilland is supposed to produce next year. I understand that the documents which were produced have the company saying one thing, and an expert from New York last night said something contradicting the Minister. I would ask the Minister, given the contradiction, will he ensure that all relevant documents are brought before a committee of this House before another silly financial decision is made by the Government?

Hon. Robert de Cotret (President of the Treasury Board): Again, Mr. Speaker, the premise is false. How can there be another silly financial decision when there was never a first one made?

Some Hon. Members: Oh, oh!

Mr. de Cotret: I would like to assure the Hon. Member that the estimates I gave to this House yesterday were based on the best available information that we possess in terms of the projected operations of de Havilland for the coming year, which is a loss in the neighbourhood of $200 million.

REQUEST FOR PARLIAMENTARY EXAMINATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Government is not only content to shift the decision-making for

this firm from Canada to Seattle—and they are going to decide which kind of aircraft is going to be produced for this country in the future—the Minister is nodding his agreement.

Mr. Epp (Provencher): No, he is not.

Mr. Broadbent: That's the truth. They are going to make the headquarters in Seattle.

Will the Minister tell the House when the final date is for the agreement? Has the Government made its mind up on that? And given the importance to the whole aerospace industry of this key firm, and given the importance that the people of Canada know what it is going to cost, will he ensure that the Parliament of Canada will be able to see all of these details before the Government signs on the dotted line?

Mr. Hnatyshyn: I suppose you want General Motors to leave Oshawa?

Hon. Robert de Cotret (President of the Treasury Board): First, Mr. Speaker, I would like to emphasize, in answer to the preamble to the Hon. Member's question, that through the world product mandate we are maintaining and retaining all of our technology in this country, we are expanding our world markets, we are providing jobs, and we are improving, through the marketing ability of Boeing, the ability of this industry to continue.

Mr. Broadbent: There are no guarantees.

Mr. Deans: Who is going to make the decisions?

• (1430)

Mr. de Cotret: The Hon. Member's second question was answered yesterday by the Right Hon. Prime Minister who said:

Mr. Speaker, those procedures which are in place and which would apply by the normal course of events will apply.

* * *

NATIONAL DEFENCE

CANADA-UNITED STATES AGREEMENTS

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I want to follow up on the very common sense questions that were posed by the Right Hon. Leader of the Opposition.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: I am glad you identified the questioner.

Mr. Hopkins: My question is directed to the Minister of National Defence and is with regard to information which the Standing Committee on External Affairs and National Defence was presented with in Washington yesterday. The committee was informed that a list of agreements provided to it by the Minister's Department was sanitized by leaving out a number of critically sensitive Canadian-American agreements.

Why is this information deliberately withheld from the MPs on that committee at a time when the Committee on External Affairs and National Defence is expected to make informed recommendations and sound judgments about the renewal of the North American Air Defence agreement?

Mr. Speaker: Order. Order, please! Order, please! The question is becoming quite long.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, as the hon. gentleman, who is the critic for his Party on defence matters, should know, there are virtually hundreds of agreements in existence between Canada and the United States touching upon the defence of the country. As the hon. gentleman would expect, some of those are classified. I do not intend to discuss documents of a classified nature which touch upon the security of the country or that of our allies. The news reports indicate that the titles of certain agreements which were in possession of the committee were discussed in Washington.

NORAD—ROLE OF STANDING COMMITTEE

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, my supplementary question is directed to the same Minister. Would he explain to the House how he expects the committee to carry out its mandate pertaining to NORAD and future defence co-operation with the United States when the Government is systematically withholding information needed by the committee to deliberate seriously about these important issues? Is this committee merely a public relations ploy by the Government? Would the Minister like to explain to the committee in particular, and to his own Members of Parliament—

Mr. Speaker: Order. Order, please!

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): I emphatically reject the accusation that the Government is withholding information from the committee which the committee is entitled to have. This committee, and all other standing committees of the House, have had far more information before them than ever before in the history of committees in the House of Commons.

Mr. Hopkins: Don't you trust your own MPs!

Mr. Nielsen: As the hon. gentleman has attended *in camera* sessions of that committee, he knows the kind of information that is made available to him. He knows perfectly well that sensitive information which goes to the fundamental security of the country and that of our allies should not be responsibly discussed in the public domain and I do not intend to do so. I only wish that his—

Mr. Speaker: Order, please. In fairness I think I must go on to the next Member.

CROWN CORPORATIONS

SALE OF DE HAVILLAND—CORPORATION'S LAND HOLDINGS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for the President of the Treasury Board. Since the value of the land owned by de Havilland could well be, depending on the circumstances, between $10 million and $50 million rather than the $10,000 listed in the annual report to Parliament, will the President of the Treasury Board table in the House today the Royal Lepage property evaluation document which he has in his possession?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, with regard to the value of the land, I would like to emphasize one very important element in the understanding we have reached with the purchaser. That is, should any excess land ever come to market the Government of Canada retains the right of first refusal—

Mr. Deans: At what price?

Mr. de Cotret: —at the price set by A. E. Lepage.

Mr. Turner (Vancouver Quadra): At what time?

Mr. Deans: At the price set by A. E. Lepage at what time?

Mr. Turner (Vancouver Quadra): At the time of the offer.

REQUEST FOR TABLING OF DOCUMENTS

Mr. Ian Deans (Hamilton Mountain): In addition to the document for which I have asked, will the Minister table in the House the product liability document prepared by Reed Stenhouse, the valuation of de Havilland asset document prepared by Arthur Andersen, and the all encompassing document prepared by Burns Fry which determines all of the values and potential values of the de Havilland properties?

Some Hon. Members: Hear, hear!

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I would like to emphasize once again that the various elements of the transaction were reviewed by experts in the field. We received from those experts assurances that the deal was indeed a good deal—

Ms. Copps: Just like the bank deal.

Mr. de Cotret: —a great deal for Canadians, and Members should be rejoicing.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

STOCK HELD IN BRYMON AIRWAYS

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the President of the Treasury Board. de Havilland has approximately 70 per cent of the stock in a British company known as Brymon Airways. This company has received approval from London City Council to construct an air strip near the Thames only 10 minutes from downtown London. It will be used as a landing point between London and the continent and will also be using the Dash-7 and Dash-8. Will the Minister tell the House whether this financial bonanza was added into the value of de Havilland prior to its sale to Boeing?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, not to the best of my knowledge.

REQUEST FOR PARLIAMENTARY REVIEW

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, in view of that response, in view of the concessions of $590 million which have been given to Boeing, and in view of the fact that the Prime Minister made a promise on April 11, 1984, when he said: "I don't think Canadian taxpayers should ante up any more cash until such time—"

Mr. Speaker: Order, please. Order! As the Hon. Member knows, this is becoming a long preamble. What is his question?

Mr. Dingwall: Will the President of the Treasury Board live up to the promise of his Prime Minister and have Parliament review this deal so that we can get answers to the questions I have posed, or is this another broken promise by a broken Government?

Some Hon. Members: Hear, hear!

An Hon. Member: He's a broken record.

Mr. de Jong: Table the document.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the Government is maintaining a commitment to return to the private sector commercial corporations—

Some Hon. Members: Answer the question.

Mr. Dingwall: It's a rip-off.

Mr. de Cotret: —that no longer serve—

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

Mr. Hopkins: He's skating.

Mr. Tobin: Santa Clause came early for Boeing.

Mr. Speaker: Order, please.

Mr. Rodriguez: It's called Tory ideology.

Mr. Speaker: Order!

Mr. de Cotret: Mr. Speaker, the Government is maintaining its commitment to Canadians for economic renewal. It is maintaining the commitment for new jobs across the country.

Mr. Dingwall: Answer the question.

Mr. Hopkins: Answer the question.

Mr. de Cotret: We are maintaining our commitment and getting the country back on the road.

Some Hon. Members: Hear, hear!

PROPOSAL TO MERGE DE HAVILLAND AND CANADAIR

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is also directed to the President of the Treasury Board and is with regard to a commitment made by the Progressive Conservatives during the election campaign last year. The Government promised to join de Havilland and Canadair into a single Canadian aerospace corporation, to make it profitable, and to ensure that the shares of that corporation would be put into the hands of Canadians.

Why is it that the Government abandoned that particular commitment which, among other things, would have come before Parliament for ratification? Why is it now selling out de Havilland to Americans without parliamentary approval?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, we mentioned during the election campaign—

Some Hon. Members: Mentioned?

Mr. de Jong: He doesn't even blush.

Mr. Speaker: Order, please! Surely it is reasonable to let questions and answers be heard by the whole House.

Mr. Skelly: We are waiting for an answer.

Mr. Speaker: Does the Member have a supplementary question?

COST OF TRANSACTION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, the Minister seems to have forgotten what the Government mentioned during the course of its campaign. I have pointed it out. I remind the Minister that the Government also promised openness, civility in Parliament, and accountability. Where is parliamentary accountability if Parliament will have no opportunity to review a transaction which will cost the taxpayers $.5 billion and lose us a leader in international technological development?

• (1440)

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, this will not cost the taxpayers anything.

Some Hon. Members: Oh, oh!

Mr. de Cotret: You don't like that. You don't like that kind of answer.

An Hon. Member: How about the truth?

Mr. de Cotret: Making de Havilland a profitable company in the aerospace industry in this country will be a net gain to Canadians as a result of eliminating the losses that de Havilland has been incurring year after year. It will be a net gain to Canadian taxpayers. The whole deal will be good for Canada, for employees, and for the Government.

* * *

NATIONAL DEFENCE

NORAD—LIST OF CANADA-UNITED STATES AGREEMENTS

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is directed to the Minister of National Defence. I hope that we can get a clear commitment from him this time.

In view of the fact that the Standing Committee on External Affairs and National Defence thought it had a serious mandate to study the NORAD renewal and Canada-U.S. defence agreements, is he prepared now to restore to the list of Canada-U.S. defence agreements drawn up by his Department those items which were deleted? Is he prepared to do that so that the committee, including Members from his side of the House, can have at its disposal all possible information?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the degree of information that has been supplied to this and other committees of the House is unprecedented in our parliamentary history. The committee is examining the NORAD question exactly as it has in the past, with much greater assistance in the way of information than ever before.

If the hon. gentleman is reiterating the question put by his Leader with respect to giving consideration to further in camera hearings, certainly that suggestion will be taken into consideration.

UNITED STATES STRATEGIC DEFENCE INITIATIVE

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, apart from the issue of the NORAD agreement, I want to ask the Minister about Canada-U.S. defence agreements with regard to the Strategic Defence Initiative. Is he prepared to assure the House and all Canadians that there are no arrangements for direct Canadian participation in the Strategic Defence Initiative?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the position of the Government on that question is very clear. There is no government-to-government participation on the SDI research initiative of the United States.

Mr. Deans: Everywhere else but.

Mr. Nielsen: However, the Government feels that that research initiative on the part of the United States is prudent.

[*Translation*]

HEALTH

BREAST IMPLANTS—REQUEST FOR STRICTER CONTROL AND ADDITIONAL RESEARCH FUNDS

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, my question is directed to the Minister of National Health and Welfare and is further to a meeting I had with the Minister a few weeks ago about breast implant devices.

I would like the Minister to give me a progress report, including measures that have been taken to monitor and, especially, regulate the quality of implants used by surgeons, and also the question whether funds have been released to promote research in an area where the health of 17,000 Canadian women are at risk every year and which generates considerable expenditures for provincial governments.

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, this is a serious matter that the Hon. Member has raised with me privately. She has done a lot of work in an area that is very important to society and women in particular. I want to advise her that breast implant devices are the subject of premarket review, and fall under the control of the Health Protection Branch. With respect to further research, I want to inform her as well that there are requests for funding for that type of research and that is being actively pursued by the Department.

* * *

NATIONAL DEFENCE

ACCESS TO INFORMATION

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is directed to the Deputy Prime Minister. We are not asking for an in camera meeting. The Liberals may want to proceed in a secretive fashion but that is not what we are asking.

Some Hon. Members: Oh, oh!

Ms. Jewett: Will the Deputy Prime Minister confirm now that citizens and parliamentarians of Canada will have access to the same information that citizens and Congressmen have in the United States under the Freedom of Information Act and their own Department of Defense?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, obviously the two systems are different and the legislation with respect to freedom of information is quite different than it is in the United States.

I do not know why the hon. lady refuses to be informed—

Ms. Mitchell: The Hon. Member.

Mr. Nielsen: —on security matters affecting the national security in in camera meetings held for the purpose of keeping Members of Parliament informed. She refused in 1979, refused in 1980, refused in 1984, and she has refused again to participate with her colleagues in the House of Commons on that committee in order to inform themselves with respect to NORAD and other defence matters.

Ms. Jewett: This information should not be given in camera. It is open in the United States. Why is it not open in Canada?

SUPPLEMENTS TO AGREEMENTS

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, will the Deputy Prime Minister, while he is now making this information that was whited out available to the committee, also make available to us the secret—although they are available in the United States—supplements both to the 1981 NORAD renewal and the North Warning System?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the assertion by the hon. lady is simply not true. I do not believe, as she apparently does, that we should bare our entire soul to potential adversaries in this country.

Ms. Jewett: Just a little.

Mr. Nielsen: If the Government of Canada were to publish everything that went to the heart of the security of this country there would be no need for any foreign intelligence services to operate in this country because they could buy it from the book stands.

Ms. Jewett: You could get more support from Canadians.

* * *

[*Translation*]

INDUSTRY

SALE OF GULF REFINERY IN MONTREAL—GOVERNMENT'S ATTITUDE

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, in the absence of the Prime Minister and the Minister of Energy, Mines and Resources, I would like to know whether there is a Minister in this Government who is frank enough to give us an answer. So whoever feels he fits the bill may rise.

I am referring to the sale of the Gulf refinery in Montreal East, a matter where Conservative Members deceived refinery employees by supporting Gaz Métropolitain which was supposed to buy the refinery and keep it running.

I would like to know first of all why the Government allowed these Members to kindle false hopes among these workers, when they knew perfectly well the transaction was doomed. Second, why did you wait until after the election in Quebec to make the announcement?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the assertions made in the hon. gentleman's question are absolutely false. Rather than rising in his place and posing questions on this matter, he should be ashamed of himself for supporting a Party that was in office during the closure of three refineries in the Montreal area, and which imposed the national energy policy on this country which led to the circumstances calling for the decision that was made between two private sector corporations.

Instead of throwing accusations across the floor, he should be reflecting in his own shame for supporting a Party that has had those results.

[*Translation*]

ROLE OF INVESTMENT CANADA

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): I have a supplementary, Mr. Speaker. The Deputy Prime Minister may not have noticed, but the other day in Quebec, we swept all the "blues" from the map. You are next.

My supplementary is directed to the Minister of State (Small Businesses). Considering the fact that Ultramar's decision to buy the Gulf refinery in Montreal East has to be approved by Investment Canada, could the Minister give the House the assurance that they will refuse to approve the purchase of this refinery and allow Gaz Métropolitain to acquire the refinery, so it will not be just another S-31 for Quebec?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I believe that I should respond to that question because, in the absence of the Minister of Energy, Mines and Resources who is unavoidably absent today, I am, on behalf of the Government, answering questions in the House today with respect to that transaction.

The answer to the hon. gentleman's question is no, the transaction that took place was a transaction between two private sector corporations and had nothing to do with the Government.

I point out again that, unlike the Government which he supported when he was in office which did nothing for the workers when three refineries closed in the area, we are addressing ourselves to the problem that this private sector decision has caused. He should follow the Minister's activities very carefully in Montreal next Friday with respect to an announcement—

• (1450)

Mr. Speaker: Order, please.

Mr. Lapierre: How about Investment Canada?

NATIONAL PARKS

WILDLIFE POACHING—HARSHER PENALTIES

Mr. Gordon Taylor (Bow River): Mr. Speaker, my question is directed to the Hon. Minister of the Environment. Despite the fact that a wildlife poaching ring operating in the Banff National Park has been brought to justice through the co-ordinated efforts of the RCMP, Parks Canada, and wildlife officers, there is still much poaching going on. What steps is the Minister taking to deal with this problem?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member is absolutely right. Poaching, especially underground organized poaching, is becoming a serious problem in our national parks right across the country. Dozens of our big game species are being slaughtered, largely by non-Canadians, for trophy purposes. For example, a big-horn sheep head will command about $50,000 on the black market. To meet the problem head on, we intend to change the fine, which is now only $500 and as such is not a deterrent but a licence, to $150,000 maximum. An we intend to include six-month jail sentences as a further deterrent.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

FOOTWEAR INDUSTRY

CONSEQUENCES OF IMPORT QUOTA DECISION

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I wish to direct a question to the Minister for International Trade. The president of the *Association des manufacturiers de chaussures* told us this morning that a Montreal shoe manufacturer is the first to announce a shutdown after the decision concerning quotas. How many shutdowns and how many lost jobs will it take to convince the Government that it must correct the mistake it made last week?

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, the Government followed the judgment handed down by the tribunal after an extensive investigation of over one year. In those areas where the industries were found vulnerable, we protected those industries. We are keeping our tariffs on for another three years. In those areas where they are not vulnerable and can compete, we have set them free. Is the Hon. Member suggesting that in those areas where they do not need protection, we should continue to have a cost against Canadian consumers of a half billion dollars per year?

SITUATION IN UNITED STATES

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, the manufacturers contradicted each statement of the Minister in their meeting with us this morning. Why does the Canadian

Government believe that it makes sense to eliminate shoe quotas when the U.S. Congress, after trying that experiment and seeing a huge loss of jobs, just yesterday, by a huge margin, voted to put shoe quotas back into force?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, the situation in Canada is different from the situation in the United States, in that its tribunal found injury and our tribunal in Canada did not find injury in certain areas.

Mr. de Corneille: Wrong.

Mr. Rodriguez: Dead wrong.

Mr. Kelleher: In those areas we removed the quotas, and in those areas where they found that there was injury and that they were vulnerable, the quotas remained in force.

Mr. Rodriguez: Tell us about the textiles.

Mr. Kelleher: We must also think of the consumers of the country too, and I am surprised that my hon. friend is not concerned about them.

[*Translation*]

MEASURES TO HELP LAID-OFF EMPLOYEES—GOVERNMENT POSITION

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, my question is also directed to the Minister for International Trade. When he announced the removal of quotas, the Minister told us he had made plans to help the thousands of workers who were to be laid off. However, Mr. Hétu of the CSD told us this morning that enquiries to the department revealed that no new program has been created to help those men and women who will lose their jobs. Would the Minister tell the House what those special programs will be, when they will be available, and how much money has been earmarked for that purpose?

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, as usual the Hon. Member is indulging in false premises. I never said that there would be thousands of workers losing their jobs. Indeed, the tribunal found that such would not be the case. However, in the event that there might be some minimal job loss, I quite carefully detailed at that time the available government programs which were set up by my colleague, the Hon. Minister of Employment and Immigration, such as the Industrial and Labour Adjustment Program, the Skill Investment and Skill Shortages Program, and the Labour Adjustment Benefits Program.

MINISTER'S POSITION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, 100,000 jobs have been lost in the United States, and now we are following Pied Piper Reagan down the same route. My question is directed to the Minister for International Trade. He has had a chance, during his tenure, to travel to Japan, Korea, West Germany, Stockholm, Paris, Moscow, Washington, New Zealand and Australia. Could he tell the workers in my riding—

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. Just a question, please.

Ms. Copps: Could he tell the workers in my riding at Susan Shoes, many of whom are facing job loss, why he has not had a chance to visit a single shoe factory in Canada?

Some Hon. Members: Shame!

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I am glad the Hon. Member recognizes that I have been out doing my job as Minister for International Trade.

Some Hon. Members: Hear, hear!

Mr. Kelleher: I thank her for that recognition. In addition, I want to advise her that I have, as have my officials, been meeting with representatives of the shoe industry. I have personnally met with them and the members of my Department have met with them on a number of occasions. Indeed, a further meeting has been set up next week with representatives of the shoe manufacturing industry.

* * *

RAILWAYS

CARRIAGE OF DANGEROUS GOODS THROUGH TORONTO

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Minister of Transport. The Minister is aware that Toronto schools near railway tracks have now started chemical spill evacuation drills. Will he take steps to relocate, reroute, or possibly even ban trains carrying dangerous commodities through high density areas of Toronto, bearing in mind that a recent announcement indicated that such would be the case in Vancouver and Victoria starting at the beginning of next year?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I would like to take this opportunity to express my appreciation to the Hon. Member for his ongoing concern and interest in this very important matter. I would hope to establish a task force to look at the possibilities of relocating the rail system in the greater Toronto area. However, I should also advise him that I believe most of the recommendations emanating from the Grange report have indeed been implemented. We are currently looking at ways and means to handle the issue of tank cars carrying dangerous goods. The matter is one of ongoing concern on the part of the Department and my officials. We will continue to co-operate with the Hon. Member and his usual fine—

Mr. Speaker: Order, please.

Petitions

FISHERIES

SALMONID ENHANCEMENT PROGRAM

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is for the Deputy Prime Minister. It concerns the Conservative election promise to fund a $200 million Salmonid Enhancement Program over five years. Would the Deputy Prime Minister admit to the House that he was the one who broke that promise, and that it was he who in fact shut down that program just prior to the appointment of the present Minister of Fisheries?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, there has been no breaking of a promise. In fact submissions to Cabinet are in preparation which will ensure that the Salmonid Enhancement Program continues to develop as envisaged and to bring the important economic and social benefits to British Columbia that both the Hon. Member and I recognize. Indeed, if there has been any misunderstanding on the question of whether or to what extent this program will be funded, it was merely because I stated a day or two ago that I thought it presumptuous to bring to Cabinet within the first two weeks of my responsibility a proposal to spend $200 million. That is all that has been said.

• (1500)

DEPUTY PRIME MINISTER'S POSITION

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I wish to direct my supplementary question to the Deputy Prime Minister. For the benefit of this House and to understand how this Government works, will the Deputy Prime Minister admit that in days prior to the appointment of the present Minister he rejected the current proposal in the area of $200 million to fund the Salmonid Enhancement Program on the West Coast? Will he admit that to this House?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, typical of the hon. gentleman, in his preamble he has so distorted the facts as to come close to going over the precipice of the lip of truth.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Nielsen: The fact of the matter is that he and most Members of the House know—certainly everyone in British Columbia knows—that the Hon. Member for Vancouver South has always had this program close to his heart. It is an initiative which I pursued as Acting Minister, and which the present Minister is now pursuing to the everlasting benefit of the country.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of two, presented by Hon. Members on Tuesday, December 3, 1985, meet the requirements of the Standing Orders as to form.

One of the petitions presented by the Hon. Member for Vancouver East (Ms. Mitchell) and the petition presented by the Hon. Member for Winnipeg North Centre (Mr. Keeper) do not meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*Translation*]

INTERNAL ECONOMY COMMISSION

TABLING OF EXTRACTS OF MINUTES RESPECTING STANDING COMMITTEE BUDGETS

Mr. Speaker: Order, please. Pursuant to Standing Order 87(2), it is my duty to lay upon the Table of the House extracts from the proceedings of the Board of Internal Economy approving the budgets of certain standing committees.

* * *

[*English*]

PRIVILEGE

DESIGNATION OF WOMEN MEMBERS OF PARLIAMENT

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I would like to raise a question of privilege. The archaic expression "honourable lady", which was twice used this afternoon by the Minister of National Defence (Mr. Nielsen), is I think offensive to most Members of this House who happen to be women. I would ask, Mr. Speaker, if you would ensure that this practice is discontinued and that all Members use the non-sexist term "honourable members" to refer equally to all Members of this House.

An Hon. Member: What's the difference? You're not a lady anyway.

Mr. Speaker: Order.

Ms. Mitchell: That is exactly what we mean. That is exactly the point.

Mr. Speaker: Order please. I take the point the Hon. Member has made. I am not sure that it is a question of privilege, but I take it as a strong representation. I am sure that all House Leaders here have heard the Hon. Member's point.

PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCES

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I am not going to take up the time of the House this afternoon. People in a number of ridings have signed the petition under Operation Justice. They petition the Government of Canada to withdraw the plans for the deindexation of the family allowance. These petitions have been signed by people in ridings as far away as British Columbia, Winnipeg, Manitoba, Cardigan in Prince Edward Island and Drummondville in the Province of Quebec. I wish to submit those petitions to the House and have them so noted, Mr. Speaker.

CHANGES AT CN MONCTON SHOPS

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, it is my duty to present to the House a few petitions, the first in a series that will be presented to the House voicing the concerns of workers of the Moncton area, in particular the workers at the CN shops. The petitioners pray—we are all praying—and call upon Parliament to stop any moves to downgrade in any way the CN shops in Moncton which would mean a loss of jobs.

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, I have the honour to present to this House a petition signed by a number of constituents in the federal constituency of Moncton and other ridings as well expressing their concern for the future employment at the CN shops in Moncton. Whereas the undersigned, your petitioners, humbly pray and call upon Parliament to stop any move to downgrade in any way the CN shops in Moncton.

UNEMPLOYMENT INSURANCE—PENSION INCOME DEDUCTIONS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the responsibility and duty to present to this House two sets of petitions. One set of petitions with 50 signatures, comes from the United Food & Commercial Workers Ontario Retail Council No. 30261.

I have another petition from the Newfoundland and Labrador Federation of Labour with some 56 signatures. Both these petitions call upon the federal Government to reverse its intended decision to change the Unemployment Insurance Act so that pension income will be considered earned income for unemployment insurance purposes.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have the honour to present two petitions, only two of many that continue to come to my office every day. In this case, they are from two neighbourhoods in my riding of Vancouver East, calling on the House of Commons to reinstate full indexation of the universal family allowance and to rescind unfair tax increases which will be so hard on Canadian families.

Mr. Neil Young (Beaches): Mr. Speaker, I have the honour to present a petition signed by residents of the communities of Ingersoll and Tillsonburg in Ontario. Those petitioners state that the deindexation of the universal family allowance is an unfair attack on women and families. They further state that this attack will not be offset by changes to the child tax credit and that other tax increases in the May Budget will place an unfair burden on low and middle-income earners.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have two petitions. The first petition deals with the question of family allowances. It asks the Government to retreat from its intention to deindex the family allowance because of its negative impact on low and middle-income earners.

SALES TAX ON PET FOOD

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my second petition deals with the sales tax on pet food. A number of individuals from the City of Winnipeg call upon the Government to rescind this tax as it affects blind individuals and their use of guide-dogs.

CALL FOR INQUIRY INTO USE OF NANOOSE BAY TEST RANGE

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, it is my responsibility to present a number of petitions, mostly from Victoria, B.C., concerning the Maritime Experimental Test Range at Nanoose Bay, B.C., pointing out that the naval policy of the United States is neither to confirm nor to deny the presence of nuclear weapons on board vessels using the said test range, and that it is unacceptable that the economic impact of the test range is not properly understood. They call for a full public inquiry before the present agreement is renegotiated with powers to investigate these concerns.

* * *

CANADIAN ARSENALS LIMITED DIVESTITURE AUTHORIZATION ACT

MEASURE TO ENACT

Hon. Stewart McInnes (Minister of Supply and Services) moved for leave to introduce Bill C-87, an Act to authorize the divestiture of Canadian Arsenals Limited and to amend other Acts in consequence thereof.

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

• (1510)

INCOME TAX ACT AND RELATED ACTS

ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-84

On the order: Government Notices of Motions:

December 2, 1985—The Minister of Finance:

That, in relation to Bill C-84, an Act to amend the Income Tax Act and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act, one sitting day shall be allotted to the consideration of the second reading stage of the said Bill; and

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

Mr. Speaker: Pursuant to Section (2) of Standing Order 26, the notice of motion standing on the Order Paper in the name of the Minister of Finance is transferred to and ordered for consideration under Government Orders later this day or at the next sitting of the House.

* * *

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, I have here four Orders on which I have consulted with Opposition Leaders and the various critics. There has been an agreement that these Orders will be permitted to be introduced and passed without debate at the present time. The first one deals with the business we will be considering this afternoon. Therefore, I believe I will present that one first. I move:

That, notwithstanding any Standing or Special Order of this House, when the House considers the Orders of the Day on this day, the first item of business shall be the consideration of the motion standing in the name of the Hon. Member for Winnipeg-Fort Garry in relation to the report made to the House pursuant to Section 62(5) of the Western Grain Transportation Act, pursuant to the provisions of Section 62(6) of the said Act;

Provided that:

(*a*) during the said consideration no Member shall speak more than once or for more than 20 minutes;

(*b*) for the purposes of this Order the provisions of Standing Order 19(4) shall be deemed to be in force;

(*c*) in the event that the proceedings pursuant to this Order expire prior to the daily hour of adjournment, subject to the provisions of Standing Order 19(4), this day, the House shall immediately thereafter proceed to the consideration of Government Orders until the said hour; and

(*d*) subject to the provisions of Standing Order 19(4), at the daily hour of adjournment, this day, proceedings pursuant to this Order shall expire.

Mr. Speaker: It would be easier for the Table Officers if we dealt with these motions one at a time. Does the President of the Privy Council (Mr. Hnatyshyn) have the unanimous consent of the House necessary to introduce his motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Hnatyshyn: Mr. Speaker, this motion deals with the intent of the Minister of Finance to make a statement under Statements by Ministers today. The Order is as follows:

That, notwithstanding any Standing or Special Order of this House, at 4.30 o'clock p.m., this day, the House shall revert to "Statements by Ministers" for the purpose of considering a statement by the Minister of Finance;

Provided that for the purposes of this Order, the provisions of Standing Order 19(4) shall be deemed to be in force; and

Provided that when proceedings in relation to this Order have been concluded, the House shall resume consideration of the business before it, when it reverted to "Statements by Ministers", until the hour of adjournment as provided pursuant to the provisions of Standing Order 19(4).

Mr. Speaker: Does the President of the Privy Council have the unanimous consent of the House necessary to introduce the motion?

Mr. Deans: Mr. Speaker, there is, of course, unanimous consent. I would just like to clarify that in the unlikely event that each of the three principal speakers for the Parties have not concluded their initial remarks on the western grain transportation motion, the third speaker, whether it be the Minister or a member of my own Party, may be allowed to conclude before the Minister of Finance (Mr. Wilson) commences his financial statement.

Mr. Hnatyshyn: Three times twenty equals sixty. If we get going, we will be able to get it done. However, I think that is quite fair.

Mr. Speaker: Therefore, there being unanimous consent, is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Hnatyshyn: Mr. Speaker, the following is another Order which reads as follows:

That, notwithstanding any Standing or Special Order of this House, when Bill C-84, an Act to amend the Income Tax Act and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act, has been read a second time, it shall stand referred to the Standing Committee on Finance, Trade and Economic Affairs.

This is as opposed, Sir, to referring the Bill to the legislative committee as is presently indicated in the second reading motion.

Mr. Speaker: Does the President of the Privy Council have the unanimous consent of the House to introduce the motion?

Some Hon. Members: Agreed.

Mr. Speaker: There being unanimous consent, is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Hnatyshyn: Mr. Speaker, the final Order is as follows:

That, notwithstanding any Standing or Special Order of this House, when the House reaches the hour of adjournment on this day, it shall not adjourn but small immediately proceed to the consideration of a motion to be moved by a Minister of the Crown, as follows:

"That this House take note of the matter of reform of the House of Commons".

Provided that during consideration of any such motion, no Member shall speak more than once and, except for the first speaker for each Party who may speak for 20 minutes, no Member may speak for more than 10 minutes and, that when the speaker is satisfied that the debate has concluded on the said motion, but in any case not later than at 12 o'clock p.m. midnight, this day, the proceedings in relation thereto shall expire and the speaker shall adjourn the House until the next sitting day.

Mr. Speaker: Does the President of the Privy Council have the unanimous consent of the House to introduce the motion?

Mr. Gauthier: Mr. Speaker, I would like to ask for a point of clarification. Will questions to the speakers be allowed after they have made their speeches?

Mr. Hnatyshyn: The arrangement that has been entered into is to allow as many Members as possible to participate in this special debate so that as many Members as possible can give the benefit of their views with respect to reform of the House for consideration by the Government. I believe this is an acceptable way to operate so that we can maximize the participation.

Mr. Speaker: I take it that it would be possible for further conversations to take place during the day. However, I think the President of the Privy Council wishes this motion to be adopted now. Therefore, is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am pleased to advise that the following questions will be answered today: Nos. 476 and 478.

[*Text*]

WELLAND CANAL

Question No. 476—**Mr. Angus:**

1. In the past 10 years, did the St. Lawrence Seaway Authority core or caused to be cored the walls of Lock 7 of the Welland Canal and, if so (*a*) in what years (*b*) what were the specific locations cored (*c*) what depths were cored to (*d*) what were the results of the compression testing?

2. For the same years, did the authority conduct or caused to be conducted salt scaling of the walls of Lock 7 and, if so (*a*) in what years (*b*) what were the specific locations studied (*c*) what depths were studied (*d*) what were the results of the tests on the samples?

3. For the same years, did the authority conduct or caused to be conducted an examination of aggregate stability of the walls of Lock 7 and, if so (*a*) in what years (*b*) what were the specific locations sampled (*c*) what depths were sampled (*d*) what were the results of the tests on the samples?

4. Was a "sink-hole" discovered adjacent to Lock 7 within the past 12 months and, if so (*a*) where was it located in relation to the collapsed section of the wall of Lock 7 (*b*) what analysis of the cause of the "sink-hole" were conducted (*c*) what methods and materials were used to fill the hole?

Hon. Don Mazankowski (Minister of Transport): The St. Lawrence Seaway Authority advises as follows:

The St. Lawrence Seaway Authority has regularly examined and maintained the walls of Lock 7 of the Welland Canal but has been advised by its solicitors not to reveal specific details of its programs as they may be reviewed in the course of litigation with which the authority has been threatened.

MONITORING DEVICES AT WELLAND CANAL

Question No. 478—**Mr. Angus:**

1. Are there pressure monitoring devices on the "penstocks" of the Welland Canal and, if so, what was the pressure recorded on each penstock for each recorded period during the 30 days up to and including October 14, 1985?

2. Are there water volume measurement devices on the penstocks and, if so, what was the volume recorded on each penstock for each recorded period during the 30 days up to and including October 14, 1985?

Hon. Don Mazankowski (Minister of Transport): The St. Lawrence Seaway Authority advises as follows:

The St. Lawrence Seaway Authority has been advised by its solicitors not to discuss these matters publicly as they may be reviewed by the courts in suits with which the authority has been threatened.

[*English*]

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

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

Mr. Boudria: Mr. Speaker, again I am forced to ask the Parliamentary Secretary why the Government does not reply to my questions, some of which have been on the Order Paper for in excess of six months. They are very simple questions like questions about the cost of redecorating cabinet Ministers' offices, the cost of the gala in Quebec City, and the cost of other Government extravaganzas like that.

Further, I would like to bring to your attention, Mr. Speaker, my Questions Nos. 450, 451, 452 and 453 which were supposed to be answered in the House on November 5 when the House was advised by the Parliamentary Secretary that a reply would be forthcoming that day. At the last minute, the Government changed its mind because of a technicality and asked me to reword my questions, promising to answer them the next day. That was on November 5. The Government still refuses to answer questions about the trips taken by the Hon. Member for Rosemont (Mrs. Blais-Grenier). I recognize that it is a terrible embarrassment to the Government but the

House needs and has a right to know about that kind of nonsense.

Mr. Lewis: Mr. Speaker, the House will know that the Government is far ahead of the last Government in answering questions. I am sure that the Hon. Member did not do this intentionally, but to correct him let me say that the questions were in fact ruled out of order by the Table Officers. The Clerk at the Table noticed that the ruling the Speaker applied under Citation 359(6) regarding Oral Questions should be applied to those questions, and so that is what happened. The Hon. Member has resubmitted his questions and we are doing the best we can to answer them.

Mr. Marchi: Mr. Speaker, I too must rise. We have every confidence in the abilities of the new Parliamentary Secretary to the President of the Privy Council (Mr. Lewis), but I have on the Order Paper Questions Nos. 372, 373 and 374 which pertain to the Minister of State for Multiculturalism (Mr. Jelinek). They have been on the Order Paper for six months and the questions refer to the First Minister's Conference and the appointments and the policies of the Government. It is factual information that I am seeking on behalf of a national constituency. I would like to hear from the Parliamentary Secretary whether or not these questions have been brought to the attention of the Minister of State for Multiculturalism and when the constituency through this Member can obtain some satisfactory answers.

Some Hon. Members: Hear, hear!

Mr. Lewis: Mr. Speaker, I hear scattered applause. I will certainly take those numbers up with the Department and get back to the Hon. Member.

• (1520)

Ms. Copps: Mr. Speaker, I, too, have a question which has been on the Order Paper for more than one year.

Some Hon. Members: Shame!

Ms. Copps: It was placed on the Order Paper almost as soon as the mandate of this Government began. I am sure the Hon. Parliamentary Secretary will not want to blame that on the previous Government, as he tries to blame every other error, folly and chaos committed by his Government.

Some Hon. Members: Shush!

Ms. Copps: I would like to ask the Parliamentary Secretary specifically why he and his Government have refused to table documents relating to the Economic Statement made by the Minister of Finance (Mr. Wilson) last November 8 in the House of Commons. At the very least, if the Government is not prepared to table the documents related to the Economic Statement, will it give us a reason for not being prepared to table these documents?

Mr. Lewis: Mr. Speaker, blaming the Department would be tantamount to blaming the Hon. Member for the Liberals' failure to win in the Province of Ontario for 42 years. I notice that when she left they won. So there is no relevancy in that respect. If the Hon. Member will be as kind as her colleague and give me the question number, I will seek out the answer.

Mr. Nunziata: Mr. Speaker, on March 15, 1985, I placed Question No. 296 on the Order Paper. This question refers to the Premier Hatfield marijuana case in the Province of New Brunswick and the involvement of the former Solicitor General in that particular case.

I have risen on a number of occasions requesting the Government to answer this particular question. The Government continues to say that the question will be answered soon. It would appear that the Government does not intend to answer my question. It appears that the Government is stonewalling and that the answer to the question will cause considerable embarrassment. Therefore, I would like to ask the Parliamentary Secretary why his Government is refusing to answer a question which was put on the Order Paper over nine months ago. Can he explain to the House the reason and whether or not he intends to answer this question?

Mr. Lewis: Mr. Speaker, the Government has definitely not refused to answer the question—

An Hon. Member: Of course it has.

Mr. Lewis: —we have just not answered it. I assure the Hon. Member that his question will be answered soon.

Mr. Nickerson: Mr. Speaker, may I ask the Parliamentary Secretary if it would be possible, as was previously the custom, to have published, possibly in a Wednesday edition of *Hansard*, a list of first and second Acting Ministers.

Ms. Copps: They are all acting.

Mr. Nickerson: Also, would it be possible to have a list showing the membership of various cabinet committees?

Mr. Lewis: We will take that under advisement, Mr. Speaker.

Mr. Taylor: Mr. Speaker, I would like to ask the Parliamentary Secretary if I may have an answer to a question which I placed on the Order Paper six years ago. I did not get the Liberals to answer it. Would it be possible to receive an answer?

Mr. Lewis: That question will go to the head of the list.

Ms. Copps: They die with Parliament. I'm surprised you old-timers don't know that.

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

Some Hon. Members: Agreed.

MOTIONS FOR PAPERS

Mr. Speaker: Shall all notices of motions for the production of papers be allowed to stand?

Some Hon. Members: Agreed.

STATUTORY ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

COMMITTEE REPORT ON CROW BENEFIT PAYMENT

Hon. Lloyd Axworthy (Winnipeg-Fort Garry) moved:

That this House take note of the Report of the Committee of Inquiry on Crow Benefit Payment.

He said: Mr. Speaker, if I had thought some two years ago that I would be initiating a further discussion in Parliament with respect to the Western Grain Transportation Act, I probably would have shrieked in horror. Having spent several months of delightful time in the House—

Mr. Benjamin: It was your Bill.

Mr. Axworthy: —putting the Bill through, and having had to entertain the delightful questions of the Hon. Member for Regina West (Mr. Benjamin) and a host of Conservative Members, one might have thought we had left that interesting piece of legislation behind us. However, I want to say, once again, that this shows the incredible foresight of the legislation. We built into the Act a requirement, an opportunity, for Members of Parliament on the moving of a motion to use a parliamentary day to examine the progress of the Act, and, in particular, to look at some of the outstanding issues which still give rise to debate and which are still of interest to members of the western Canadian farming community, as well as those in other parts of Canada.

I think it should be pointed out that it was our caucus which initiated this debate. It was our caucus which organized the gathering of sufficient signatures to ensure that Parliament would have an opportunity to bring this review, this re-examination, if you will, forward. We did this because we feel that it is one of the most important and significant pieces of legislation which we passed during our time in office. We feel that it has established the groundwork, the framework, for the major development and new direction in constructing modern transportation facilities for the movement of our major commodities.

Since the present Parliament is very much seized day by day with questions of international trade, I wish to remind Hon. Members that in western Canada we do not trade internationally if we do not have an effective transportation system. If we cannot move our grain, our potash, our cattle, our coal or our lumber to market then we do not trade. The question which

faced our Government at the time was: How can we provide the insurance in order that we can have the most up-to-date, modern and effective transportation system so that there will never again be questions about disruptions, stalemates or any form of dislocation of the transportation system when it comes to convincing foreign customers that we can deliver on time?

It is worth noting that the type of commitments which were made during that period of time are now being fulfilled. In looking at the statistics which are at least made available to us publicly, one sees that they point out that the two railroad companies will be spending close to $1.3 billion, or perhaps even $1.4 billion, between them on the modernization of the rail system. In terms of my best estimate, that will create close to 4,000 jobs—

An Hon. Member: No way.

Mr. Axworthy: Those are the figures. There are a large number of construction projects taking place across western Canada.

Mr. Benjamin: Ten thousand were laid off.

Mr. Axworthy: There are a number of new purchases being made from suppliers throughout Canada as a result of this commitment. Traffic is down, and the Hon. Member for Regina West should know enough about the railway business to know that when we go down from the shipping of 30 million tons to 23 million tons, due to weather and lack of cargo, it obviously takes fewer people to do it. I presume that is within the grasp of his knowledge.

The fact of the matter is that in terms of the basic objective, which was to unleash the type of capital expenditures which would bring the railway system into a modern, contemporary format, it is being fulfilled. It is providing a lead in terms of establishing a number of new transportation technologies as well. We would like to hear from the Minister of Transport (Mr. Mazankowski) with respect to whether or not it is being fulfilled and whether or not the types of powers which are within the Act to provide for enforcement of those requirements are being applied.

From the ostensible public evidence which we have been able to gather—and I refer to two reports published in 1985—the Canadian Pacific Railway will be spending something in the order of $600 million, as well as going ahead with its commitment on the Rogers Pass. According to the figures we have, the CNR will be spending $600 million this year in capital expenditures and it will be making purchases of more than $400 million. The jobs created will be something in the order of 2,000 in construction and 2,500 for suppliers. We are speaking in terms of 4,000 or 5,000 additional jobs being created by these major expenditures.

Because I can recall quite vividly the derision with which certain members of the Conservative Party treated the other side of our western grain proposal with respect to the encouragement of new investment on the part of western businesses through the Western Industrial Development Fund as a way of

diversifying the western economy, I would like to remind the House that these Members said that it would never work. They said that it would be nothing but a wasteful spending of money. I read with a great deal of bemusement, interest and, of course, happiness, the glowing public relations statements and releases put out by the Minister of State for the Canadian Wheat Board (Mr. Mayer), the Minister of Regional Industrial Expansion (Mr. Stevens) and various Ministers from the western provinces announcing how, under their generous program called the Western Industrial Development Fund, they are now giving grants to groups of Hutterites to start pork-producing plants and money to this factory or that group of farm organizations. In other words, all of a sudden the Government has found out that that program has produced a very helpful and useful set of incentives to provide assistance to western businesses, farm organizations and farmers so they can begin to develop capital value and added value processing of agricultural products. I have some of the press releases and I will not take the time of the House to read them. For the life of me I do not see what it has to do with agriculture, but that Department is now administering that fund, and that is its business.

• (1530)

I know there is a great fondness among Hon. Members opposite to claim, of course, that everything the Grits did was terrible, but if that was the case, why do they take such delight and satisfaction in utilizing those kinds of programs which we had the foresight to put in place to help western farm organizations? I think it only worth noting—because I am sure we will hear from those Hon. Members in the course of debate about what a terrible thing this was—and I want to make sure we have it on the record, that the Government is sure taking full advantage of all of the expenditures and programs initiated by the Liberal Government.

I was quite amused the other day when we heard the Minister for the Canadian Wheat Board speak in the House. The Hon. Member for Portage-Marquette stood in his place and bragged about all the assistance which was going to western farmers. But what did he point to? He pointed to the Western Grain Transportation Act, the Western Crop Insurance Program and the Western Stabilization Program. These were all programs which had been introduced and passed by the previous Liberal administration. That was his record of assistance and it was all being delivered under legislation and allocations of money which had been brought forward by previous Governments. I do not mind his bragging. However, he was not quite charitable enough to mention that those programs had nothing to do with his Government, that those were all previous initiatives and pieces of legislation. But I suppose we can forgive the Minister for the Canadian Wheat Board for having certain lapses of memory from time to time. I believe it is useful to have this kind of debate so that we can at least set the record straight. We can say that, because of the foundation which was laid by the previous Government, the construction and development of a new system is in place.

This debate is far more important, however, than taking note of what has happened. I feel it is also time that the Conservatives in this House stood up and be counted. The time has finally come for Hon. Members of Parliament from Alberta, Saskatchewan, Manitoba and British Columbia to get their act together. I went back with some degree of historical interest to read the debates which took place in this House. During those debates there were at least 14 or 15 different positions taken. I give some credit to Hon. Members opposite, they were very skillful in never making a decision as to where they stood on crucial questions such as methods of payment.

Mr. Mazankowski: Where did you stand?

Mr. Axworthy: We brought in the legislation. It is already in the Bill. The Minister of Transport should read the legislation. He knows where we stood. We put it in the legislation and there it is.

Mr. Mazankowski: What is the debate all about, then?

Mr. Axworthy: The Minister of Transport is, once again wallowing in his own self humour.

Mr. Mazankowski: Not wallowing as much as you are.

Mr. Axworthy: I simply point out that when the present Minister of Transport addressed the Western Grain Transportation Act, he had no less than 14 changes he wanted to have made. But when he became Minister of Transport, he made only two of them. It seems to me that somewhere between the fall of 1983 and the fall of 1984, 12 crucial changes and amendments to the Act were once again somehow forgotten. I look forward with great interest to see what the Minister of Transport and his colleagues will decide. They have a number of very important decisions to make. The reason we built a review into the legislation was to ensure that a piece of important public policy such as the Western Grain Transportation Act could come back to Parliament to be properly debated and examined by all Hon. Members of this House. We are now seeing that our legacy to the new Government is that it will now have an opportunity to come clean and to tell us where it stands on this. I could not be more delighted, Mr. Speaker, that Hon. Members of the Government finally have the opportunity to show us what they really believe.

Mr. Mazankowski: Why don't you take up acting?

Mr. Shields: Even he can't help smiling.

Mr. Axworthy: We had at least five or six months of debate in this House, but we could never find that out. Those Hon. Members were behind the curtains, behind the chairs, changing positions. From day to day it was a new story, a new theory, a new position. One of the responsibilities of Government is having to make choices, having to make tough decisions at times. That is something we know has not been practised to any great extent to this point in Conservative history when it comes to transportation systems in western Canada. The Conservatives have almost left everything we did

functioning and I say "almost" because many of those things they are covertly and subvertly changing.

Mr. Mazankowski: Make up your mind.

Mr. Axworthy: But the onus is now on the Government to decide what it is going to do. It is trying to prolong that day of decision. Once it had the Hall Commission Report, it formed another committee, the Horner Committee, to go back and study it all over again.

Mr. Mazankowski: Look at the legislation.

Mr. Axworthy: The Government is simply back once again trying to delay the day of judgment. It is trying to ensure that somehow or other *mañana* will apply, that the Armageddon will not come. In the meantime, some very serious problems have occurred. While the Minister of Transport was whittling his time away, the Government of Alberta was bringing in a major top-up subsidy for its livestock producers in order to provide compensation, and that has created a very major distortion for livestock producers in Saskatchewan and Manitoba. That is a program which is creating very serious dislocations for the livestock producers. It is subverting what I believe those who are concerned about agriculture would try to achieve, and that is, to establish some basic national standard in these programs so that the benefits in the agricultural field do not just go to the wealthy provinces which have full treasuries and can afford additional top-up subsidies. That is what the Minister of Transport is allowing to happen at the present time. The Alberta program is creating a serious disparity in the livestock markets in western Canada. No one has seen any form of action, response or indication of how this Government intends to deal with that major change and dislocation in the livestock market.

Yet the answers are at hand, Mr. Speaker. The Minister could make changes at any time. He does not have to slough it off to another committee. He does not have to wait, as he said, and extend and prolong the period in which the reviews will take place and new legislation will be passed. He knows that there is a very serious problem. It is the kind of problem we saw two weeks ago when the Hon. Member for Algoma (Mr. Foster), I and other Hon. Members spent two weeks of our time in western Canada talking to farmers about the agricultural crisis. We spent two weeks travelling to every small community throughout the prairie Provinces and British Columbia. We discovered that those farmers see a number of serious transportation problems which are not being addressed.

In addition to the livestock problems produced by the Alberta subsidy program, there are major problems now being faced on the branch line rehabilitation program. The senior officials of the Saskatchewan pools are saying that the indecision of the Government of Canada on the branch lines is causing major uncertainty and, therefore, forestalling major investments by the pools in new facilities. I want to remind Hon. Members of this House that while we were still in Government, we established a totally and complete rehabilitation program for all branch lines which were in the system. We had signed agreements with the railroads, the money had been allocated, and every branch line had a formula applied to it by which it would be upgraded. The new Minister came along and said: "We are going to freeze that program". The Government froze it all right and has since added a number of new lines to the system. But what has not happened is the rehabilitation. Members of the largest Wheat Growers Association in Western Canada are saying that the future of the branch lines is uncertain and unsure and that this is causing a major detraction. In other words, the Government, through its inaction on the branch line program, is in fact causing a reduction of economic growth and a reduction of jobs because it is creating a level of uncertainty for capital investment programs by the wheat pool. After the Government said it was dedicated to economic renewal and made all those bright promises and major commitments, why is nothing happening? What is the reason for the inaction in this area?

● (1540)

Let us look at the commitments made with regard to the ports of Canada which we use to provide an effective system for moving our grain. It is now December 4. The last statement we had from the Minister's office indicated that the issue of the Port of Churchill would be totally resolved by the end of November. That was only one among many, many statements made during the past year saying that the Government would come to grips with the Port of Churchill. There was a firm agreement signed and commitments have been made for major up-grading of that port. To this date only one of a number of measures have been implemented, that is, the commitment to build a tug. The Canadian Ports Corporation has not yet allocated a single cent of capital for the refurbishing of the elevator system or the dredging of the port. That is the key to the up-grading of the Churchill system.

It has been over a year ago, as I recall, when the new Government was elected, that the Minister responsible for the Wheat Board appeared before the Committee on Agriculture and said that the Government was firmly committed to the Churchill agreement. One year later there has been no work done. The Minister's deadline has once again passed. Perhaps he will use this debate to answer for that because there are a lot of people waiting. A number of other capital investments and initiatives are depending upon those proposals.

Look at the confusion which exists. A couple of weeks ago the Commissioner for the Wheat Board said that a new formula must be applied to the payment of transportation costs and that the equation was going to be switched from Thunder Bay to the lower ports in the St. Lawrence. It was immediately pointed out that that would cost the farmers of Manitoba and eastern Saskatchewan almost double what they are paying now. The Commissioner of the Wheat Board very explicitly said that he had made that proposal with the understanding and agreement of the Minister responsible for the Wheat Board. A few days later the Minister responsible for the Wheat Board said that he had changed his mind again and that he would reconsider it.

Once again we are faced with an act of indecision and the inability to come to grips with a key issue. That, Mr. Speaker, is what this debate is all about. It is now the responsibility of the Government to make its decision. The legislation is there and the Government will have to tell us today whether it is prepared to continue with it under the present formula and accept the method of payment which is in the legislation, or whether it is considering a change. Is the Government prepared to say that the proposals in the Hall Commission are worth considering and that it is carefully considering the application of an alternative method of payment? That is all we want to hear from the Minister.

Actually, we would like to hear a few other things. We would like to know why the other opportunities which existed in the transportation system that were given some momentum and direction have been allowed to lie fallow and in limbo. Those responsible have simply thrown up their hands and said: "Gee, we don't know. Who is responsible for that?" That is the question that must be answered by the Government in this debate.

Mr. Benjamin: Tell us about the method of payment.

Mr. Mazankowski: He forgot what the debate was all about.

Mr. Benjamin: He hasn't gotten to that yet.

Mr. Axworthy: I want to thank the Member for Regina West for considering that it is still my responsibility to make that commitment. I suggest to him that he throw off old habits and realize that the decision-maker is across from him rather than beside him and that the decisions on this issue must be made by the Government.

Mr. Benjamin: I just want to know where you stand.

Mr. Axworthy: I suggest that the Hon. Member read the legislation. However, we want to know what the Government is going to propose. We want to know where the present Government is going.

Mr. Mazankowski: What a joke!

Mr. Axworthy: Isn't this interesting, Mr. Speaker? Of course, the joke is across from me.

Mr. Mazankowski: Go to Hollywood.

Mr. Axworthy: The Minister is really saying that the Government is not prepared to make a decision, and that is going to be the ultimate joke of all time. At some point the Government is going to have to deliver the goods, because we are saying that it is now on notice. We want to know what the Government is going to propose, what kind of recommendation it is prepared to make, and what direction it is going to take with the Western Grain Transportation Act in order to show western farmers that it is prepared to act like a Government, which has not been shown up to this time.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, in my opening comments in this debate I must say that the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) is not only caught in his own legislative backwash but is literally wallowing in it. Quite frankly, we are dealing with a product of his own legislation which, unfortunately, was not able to be dealt with in the thorough manner in which it should have been because of the invocation of closure at about Clause 33.

We find it rather strange that the bulk of his remarks this afternoon was not about the issue at hand, the method of payment. He talked about Churchill, about railway investment, about the Canadian Wheat Board, and the plight of the western prairie farmer. It was the most convoluted and distorted contribution that I have ever heard from this Member in the House of Commons. He is pretty good on his feet, but he certainly missed the point completely today.

He says that the legislation had "incredible foresight". I want to put the debate into perspective. I think there is a fair amount of confusion as to why this debate is going on at this particular time. It is important to put the debate into its proper perspective. There is confusion in the agricultural community as to the formation of the Hall Commission to make an inquiry into the method of payment and with regard to the legislative requirement to conduct the review. It is obvious that the confusion exists not only in the farm circles, but in the mind of the Member who was the architect of this debate and of this legislation. We must go back to basics and talk about that which has triggered this debate.

The Western Grain Transportation Act is an Act to facilitate the transportation, shipping and handling of western grain and to amend certain Acts in consequence thereof. In Section 62 there is a requirement for a review. Section 62.(1) reads:

The Minister shall—

It does not say "may" but "shall". It continues:

—during the 1985-86 crop year, in consultation with such system participants and other persons as the Minister deems appropriate, carry out a comprehensive review of the operation of this Act and its effects on the transportation, shipping and handling of grain, including an evaluation of—

This is not willy-nilly. This is a statutory requirement. It continues:

(*a*) the appropriateness of the provisions of this Act respecting the apportionment of cost increases between the Government of Canada and the shippers of grain in respect of the period beyond the 1985-86 crop year, having regard to trends in the incomes of the producers, the relationship between transportation costs borne by the producers and the price of grain and the economic position of the producers relative to other major sectors of the national economy and to any other factors that the Minister considers relevant;

We now come to the pertinent paragraph which reads:

(*b*) recommendations referred to in subsection (5);

Subsection (5) refers to the Hall Commission report. Subsection (2) says:

The Governor in Council shall, on or before April 1, 1984, appoint a committee consisting of not less than three and not more than five persons who have expertise in matters affected by this Act and represent various regional interests.

Subsection (3) reads:

The committee shall examine all matters that, in its opinion, pertain to the method of payment in respect to grain transportation that would be the most conducive to agricultural development in Canada.

● (1550)

Section 62(4) goes on to outline the powers of the commission under Part I of the Inquiries Act.

We come to Section 62(5) which states:

The committee shall, on or before March 31, 1985, make a report to the Minister containing its recommendations pertaining to the method referred to in subsection (3) and the Minister shall cause a copy of the report to be laid before Parliament on any of the first 15 days that either House of Parliament sits after the report has been made to the Minister.

Section 62(6) provides the opportunity to trigger the debate on the recommendations of the Hall Report. However, here we have a situation where the Hon. Member has triggered a debate on the Hall Report while the mandatory review process is going on. There are many deficiencies in this piece of legislation and the Hon. Member has referred to them. This is clearly one of those deficiencies.

The Government, in its haste to pass the Bill, has drawn Parliament into this very difficult web. The slammer was laid on us on November 3, 1983. There were some 75 clauses in the Bill. During the report stage Parliament did not have a chance to consider Clause 33. So everything beyond Clause 33 was not debated by this Parliament.

I should also say for the benefit of the House that the Government moved closure after two days of debate at second reading and moved the Bill to committee. It was in a serious haste to ram the Bill through at all cost, without due consideration. Essentially, we are caught up in a process created by the legislative edict that was not clearly thought out. I am quite surprised that the Hon. Member would tread into this kind of debate given the fact that it is complicated by his own legislative measure. I must say that it really is a bit of a joke. The joke is on the Member who claims credit for this piece of legislation. He is also taking credit for triggering the debate.

The elements of the debate are enshrined in Section 62. That brings us to where we are today. Section 62(6) states:

Where, within sixty sitting days after a report has been laid before a House of Parliament under subsection (5), fifteen Senators or thirty Members of the House of Commons, as the case may be, by notice in writing addressed to the Speaker, request that the report be debated, the Speaker shall, as soon as possible thereafter, assign a sitting day of the House that is not later than sixty sitting days after the request is made, for the report to be debated and on the assigned day the subject-matter of the report shall be subject to debate without interruption . . .

That brings us to where we are today. It is quite obvious that the Hon. Member must feel very uncomfortable about it because he touched on the recommendations of the Hall Report in a very superficial way. I do not know whether he has read the report, but he did not even as much as tell the House what the major recommendations of the Hall Report were. I thought he would have done that.

Mr. Axworthy: We can read them.

Mr. Mazankowski: For the benefit of the viewing public I thought it might be worth his while.

We have a report before us that recommends that the Crow benefit be paid to the producers in the form of a grain transportation refund, based on net grain sales. I believe the Hon. Member knows that some people in the agricultural community agree with it and others do not.

Members of the Hall Commission went out across the country to debate and obtain further views on their report. I had a discussion with them the other day. There are some major concerns about this proposal and some major concerns have been expressed about the workings of the legislation. Of course, this is compounded by the review process which is also currently taking place under the provisions of Section 62(1), which must consider, among other things, the recommendations of the Hall Report. That is a statutory requirement. It must consider the advisability of inadvisability, and whether these particular recommendations will work. It must consider what effect it will have on grain producers, what effect it will have to the value added, what effect it will have on agriculture across the country. It must consider Quebec's views and Ontario's views. That process is taking place now. How can we realistically engage in an enlightened debate when that review process is taking place and we are caught up in the mandatory legislative review process? The answer is that we cannot.

It is so typical of the Liberal half-baked scheme. It is due to this sort of half-baked philosophy that the Liberals are not in office today. The people of Canada became sick and tired of it. That is why they were kicked out of office. The Liberals are trying to recover some political losses through a political manoeuvre here today.

The ongoing review which I am talking about must be carried out. It is not discretionary but clearly mandatory as enshrined in the Bill. It must be carried out in the crop year 1985-1986.

The Hon. Member says that I am dragging out that process. I detect some negativism about the review by the Grain Transportation Administrator, and it is rather strange because we have engaged an appointee of the Hon. Member's Government to do the job. In any event, we have asked that the report be forthcoming as quickly as possible, hopefully in February or March and surely before the end of the crop year.

On August 2 we requested the Grain Transportation Administrator to conduct this review. The terms of reference include the provisions outlined in Section 62 of the Act. It includes the method of payment. It was stated in a letter transmitted to Mr. Horner that: "Section 62(1)(*b*) requires that the review re-evaluate the recommendations of the Hall Commission of Inquiry into the method of payment of the Crow benefit". The letter goes on to state: "As you are aware, the Hall Committee established by my predecessor in 1984 submited its report to me in April and has recommended a pay the producer option". I asked that, in the context of the review of the WGTA and the possible future amendments, he evaluate its recommendations, guided by the need for the development of payment that is conducive to agricultural development

across Canada. A number of additional items were included which emanated from various producers and producer groups about the deficiencies in the provisions of this piece of legislation.

Therefore, consistent with the legislation, we are not only exercising the mandatory authority, but some discretionary authority as well. A very important fact that the review Committee is discovering is that this is the first time that a review is being conducted in a public way. Invitations are sent out to individual producers. We are not dealing only with producer organizations and we are not dealing behind closed doors.

As a matter of fact, in the letter of reference, I indicated: "I want to advise you that I attach significant importance to providing adequate opportunity for public meetings and hearings, as well as informal discussions". Many farmers are surprised by this because they were shut out of the process during the Gilson and Hall committees. They said that it is the first time that they, as individual producers, have been able to come forth in the public way and talk to anyone about this legislation which has a very major bearing on their economic welfare.

Quite clearly they were left out of this process. The Hon. Member for Regina West is aware of the difficulty we had in extending the committee hearings to allow producers to come forth. The Government even put time limits on the committee hearings. Therefore, we are doing some of the dirty work that should have been done by that administration when it was taking the Bill through its stages.

Quite frankly, I believe that this process is not only needed but is very healthy because neither Gilson nor Hall provided this opportunity to allow individual producers to express their concerns and feelings about what this legislation should be doing.

Ten meetings have been held: two in Manitoba, four in Saskatchewan, three in Alberta and one in the Peace River bloc. Three public meetings have been held in each of the prairie provinces at Winnipeg, Calgary, Regina and Saskatoon. In British Columbia, there were private meetings with 11 organizations, including the Government of British Columbia, longshoremen, the Grain Workers Union, the Port of Vancouver, terminal operators, the Chamber of Shipping and B.C. Rail.

● (1600)

In Alberta, there were two public meetings, at which the Government of Alberta, the Alberta Wheat Pool and Unifarm appeared. Unifarm is one of the major farm organizations in Alberta. It held 46 meetings throughout Alberta to talk about the workability of this particular piece of legislation, and it reported to the ongoing review process. Also the NFU appeared. It was the first time that the NFU ever appeared before a body which was talking about the Western Grain Transportation Act. Also the Christian Farmers Federation, the Alberta Cattle Feeders Association, the Alberta Feed Grain Users Association, the Western Barley Growers Association, the Alberta Soft Wheat Growers Association, the Alberta Cattle Commission and the Alberta Grain Commission appeared.

The following appeared before the Manitoba public meeting: the Government of Manitoba, the CNR, Manitoba Pool Elevators, Manitoba Cattle Feeders Association, Dominion Malt, Canada Malt and the UGG.

They not only confined their meetings to western Canada. They held meetings on November 28 and November 29 in Toronto and have set a meeting for December 11 in Montreal. They are getting some excellent feedback from the grass roots as to what is wrong with the legislation and what needs to be done. There are many inequities and many anomalies. The Hon. Member outlined a number of the issues to which we took exception in 1983. We corrected some, and we will correct more. However, we dealt with a volume cap, with improved producer representation, with a freight rate ceiling and with the inclusion of B.C. Rail. All those things were not done when the former Government was in power. We are making progress. There is no question about that.

It is fair to say that more needs to be done. There still are anomalies. As I said, at the present time there is no clear consensus with respect to the method of payment. There is no clear consensus in western Canada. Certainly there is no clear consensus across the country.

The following organizations support payments to railways: Manitoba Pool Elevators, Alberta Wheat Pool, Saskatchewan Wheat Pool. *Coop Fédérée*, *L'Union des Producteurs Agricoles*, Saskatchewan Association of Rural Municipalities, Canadian Dehydrators Association and the National Farmers Union.

The following organizations support the grain transportation refund: United Grain Growers, Alberta Grain Commission, Alberta Grain Commission, Alberta Cattle Commission, The Grain Rate Reform Committee, Manitoba Farm Business Association, Government of British Columbia, agricultural industry groups in British Columbia, the Government of Alberta, the Government of Ontario, various Ontario industry groups and the Maritime Farmers Council. A number of organizations clearly support the producer option, whatever it might be. It has not been clearly defined, but there is no question that more needs to be done. There is discrimination in the way in which the Act is working now.

For example, to move grain into Vancouver for export, it costs producers $5.75 per tonne to ship it. However, if that same grain is going into the interior of British Columbia for the purpose of feeding livestock it costs $32.79 per tonne. That is a clear inequity and anomaly if we want to improve our ability to value add and to process more of those products in Canada.

There is concern about the level of the safety net, about inflation, about variable rates, about what improvements must be made to improve the system, and whether we should rationalize and consolidate more. We must control costs.

We are looking at a number of pilot projects in which we can experiment and innovate with regard to branch line operations, those branch lines destined for abandonment. Shortly we will be announcing a number of pilot projects such as off-line trucking, straight trucking, short-line railway options and road-rail option.

I am pleased to note that those people who are knowledgeable and part of the grain handling, producing and transporting industry recognize that we must take steps to improve the efficiency of the system and to bring down the over-all cost. Mr. Ted Turner was quoted in the November 21 edition of the *Western Producer*. When speaking to his delegate body, he said:

> The many economic forces bearing on our present structure simply dictate that further consolidation is necessary if we are to maintain an economically viable operation and keep charges at reasonable levels.

Wally Madill, Chief Excecutive Officer of the Alberta Wheat Pool, is credited with stating the following to that delegate body on November 16:

> It will be necessary for it to offer leaner and more variable services to its roughly 60,000 members to survive in the more competitive industry.

Of course he was referring to the Alberta Wheat Pool. I could not agree with those people more. The long-term future of the industry will depend upon a reliable and efficient grain handling and transportation operation. Of course, many people wonder whether the payment to railways option is the best way to go in terms of improving that efficiency.

Mr. Benjamin: What do you think? Which way are you going?

Mr. Mazankowski: I hear the Hon. Member. I know what we can do. We will serve the best interest of producers, the best interest of Canada and provide the most effective and reliable transportation system. This is something which I will support right down the wire.

Many improvements have to be made. We are looking at them. The review process is ongoing. I assure all Hon. Members, contrary to what was said by the Hon. Member for Winnipeg-Fort Garry, that the Government is taking action and will continue to take action. We will have a darn good grain handling and transportation system at the end of this four-year period, one of which even the Hon. Member will be proud.

Some Hon. Members: Hear, hear!

Mr. Les Benjamin (Regina West): Mr. Speaker, I welcome the opportunity to take part in this debate. It provides me with an opportunity to illustrate and to repeat again the traitorous behaviour and the betrayal of grain producers in western Canada which started under a Minister of Transport in a Liberal Government in 1975 and was continued by two of his successors, including the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy).

Today the House is debating this piece of legislation. Hopefully motions and amendments will be moved and we will have a vote on the review of the Western Grain Transportation Act. In fact, the Hon. Member for Winnipeg-Fort Garry had an opportunity to move a motion which stated his position and the position of his Party. However, he moved that the House should take note of the report.

Mr. Axworthy: What did your Party do?

Mr. Benjamin: The Minister of Transport (Mr. Mazankowski) did the same thing. However, the ball was not in his court; he did not have to move anything. The Hon. Member for Winnipeg-Fort Garry could have and should have moved—

Mr. Axworthy: What is wrong with your caucus?

Mr. Benjamin: I will be moving an amendment in a few minutes. He could have and should have moved a motion concerning the report, which is the object of this debate. The number one recommendation in the report was that the $658.6 million of Government contributions under the safety net provisions of the Western Grain Transportation Act should be paid directly to producers in the Canadian Wheat Board designated area. However, the legislation seen through Parliament by the Hon. Member for Winnipeg-Fort Garry indicates that the payments should go to the railroads. I would have thought that he would have moved a motion today indicating that the legislation which he brought before Parliament would continue to say that the payments should go to the railroads. That is not what he did. He, as was the case with the Minister of Transport, talked about everything else but the method of payment and what was in the report which is under debate. Mr. Speaker, if you are going to be something, be something, and if you are something, say so. The Hon. Member for Winnipeg-Fort Garry is running away from deeds of his own doing. I cannot say a heck of a lot more for the Progressive Conservative Party. It was all for keeping the Crow rate. My goodness, they were so good about keeping the Crow rate in 1982, 1983 and even in 1984 until the election was over. They were for keeping the Crow, restoring the Crow, freezing the Crow, et cetera, *ad nauseam*. Both these outfits are like the girls at Jarvis and Queen. They work both sides of the street.

• (1610)

The issue is the Hall Report and the method of payment. There is a Hall number one and a Hall number two. He really is in second place. Hall number one states and I quote:

> If once tampering with the statutory rate is accepted or condoned or as an item on the bargaining table, all will be lost. For once the subject is on the bargaining table, it will be only a matter of time until it is lost step by step. There is no position to take except to adhere through thick and thin that the Crow Rate is not bargainable.

That is Mr. Justice Emmett Hall, who can hardly be called a raving socialist. We have agreed with that from day one. We stick to it to this day and will do so for many more days to come.

If there is any change in the method of payment to the producers instead of the railroads, the complete undoing in transportation costs to western grain producers will have been accomplished. I listened to the spokesman for the Liberal

Party today. About the only major thing on which we agreed with him in the legislation in 1983 was the method of payment. The Hon. Member knows that we supported him on that. It was about the only major item. He had an opportunity today to say so and he had an opportunity to move a motion to that effect. However, he failed to do so. Me thinks he is chickening out.

Let us take a look at the pros and cons of the method of payment. I want to say something for the benefit of my livestock producing friends in Alberta. Because of all the difficulties they are having with regard to the price of their product, they continue to take it out on their neighbours, the grain producers. There is something about those who would beggar thy neighbour. The difficulty of the livestock producers does not lie with the grain producers. It never did lie with the Crow rate. However, it did lie with a lot of liars who were trying to blame somebody else for their own difficulties.

Cheap grain means cheap livestock. When you have cheap grain, you have more livestock producers. Livestock prices then go down even more. One would think that the Cattlemen's Association and the Alberta Livestock Commission would learn a little from history. Every time our grain producers have been in trouble and increased their livestock production, livestock prices fell. They were all in trouble together. It has happened repeatedly. I am sick and tired of those who say: "Leave us the free and open market. Leave us to the market-place and market forces".

As soon as they are in trouble, as soon as market forces kick them in the head and the so-called free enterprise system lets them down, who is first to Ottawa looking for a hand-out? I remember the feedlot operators and the Cattlemen's Association coming here in 1969 and 1970. Who were the first with their hands out? They were the ones who wanted the free and open market. As soon as they got it in spades, who was the first to ask Parliament to bail them out?

The Crow rate was a part of the bargain for western Canada. It has little if anything to do with the price of hogs or cattle. It never has. It had to do with a bargain between the people of Canada and the railroads of Canada. It had to do with Canada and Canadian grain producers being able to export their grain and provide for their own needs. It took into account our geography and costs of transportation so that we could compete in export markets without transportation being a handicap and so that we could provide each other anywhere in this country with grain requirements, whether for human beings or animals, at a reasonable cost. The very essence of the statutory grain rates was to try to treat one another reasonably well and equitably, no matter whether you are a farmer or a livestock producer anywhere in Canada. Paying the producer instead of the railroads the $658 million means lower feed grain prices for our grain producers in western Canada. That might be nice in the minds of those on the Alberta Livestock Commission. However, it is not nice in the minds of the grain producers of the three prairie provinces. It might be nice for some big wheel ranchers in southern Alberta and southern Saskatchewan, but they are not that many in number.

What we have here in support of payment to the railroads and not the producers are the overwhelming majority of the grain producers in western Canada. The Minister of Transport recognizes that. It is not only the three prairie pools, but the Government of Manitoba, the Saskatchewan Association of Rural Municipalities, and the cow-calf operators in Saskatchewan. Something in the area of 80 per cent or more of the grain producers have decided and have said repeatedly how they want these payments to be made. Instead, we get a whole bunch of other outfits.

There is the Government of British Columbia, the coal association, the mining association, B.C. Forest Products and the Canadian Chamber of Commerce. There is a list as long as your arm. They demanded an end to the Crow rate and not a damn one of of them grows a bushel of wheat. They were great with their advice about what should be done to the other guy. The overwhelming amount of evidence in support for retaining the Crow rate and maintaining the payments to the railroads so that we would have some control over the operations and efficiency of the railways is endorsed in overwhelming numbers by those who produce the product, the grain producers of the three prairie provinces.

I appreciate that the Minister of Transport will be reluctant today to say whether he supports continuing the payments to the railroads or charging it to the farmers. I understand that. There is a terrible inequity in the price per tonne of export grain and feed grain in British Columbia. However, the Minister has the tools to cure that. There is no use getting up here and crying about it. I know that his problem is money. He needs the support of all his back-bench colleagues when dealing with the President of the Treasury Board (Mr. de Cotret) and the Minister of Finance (Mr. Wilson). We will back him up on that. He will have no problem with us. His problem is with his own guys. If he really wants to do something and if he wants to adhere to what he and his Party said prior to September of 1984, he will, during the next session of Parliament or sometime early in the new year, bring in legislation to repeal the whole damn Bill and restore the statutory grain rates. At the very minimum, he will give us a new statutory grain rate, which is the rate that is in effect for the current crop year. If he wants to do that, we will support him.

• (1620)

The method of payment is the crucial issue before us today. How much time do I have left, Mr. Speaker?

Mr. Deputy Speaker: Until 4.30.

Mr. Mazankowski: Are you running out of stuff to say? I'll give you some.

Mr. Benjamin: No, I am not running out of stuff to say. I am going to deal with some more stuff. I do wish to move an amendment, Mr. Speaker, and I would like to do that in the last minute of my remarks. I would appreciate it if you warned me of that, Mr. Speaker.

I would like to hear from the next member of the Liberal Party who speaks if the Party's position is the same now as it was in 1983 regarding the method of payment. I can assure the House that my position and the position of my Party is the same now as it was then and will remain the same however often this matter comes before the House. It will stay the same not because of some kind of paranoia but because we believe the evidence is in. We believe the evidence is overwhelming and indicates that in order for grain producers in western Canada to have a reasonable chance in the world markets and in order for those who require feed grains in other parts of Canada to be able to receive them at a price that is not outrageously enhanced by higher transportation costs, a statutory grain rate must remain in place.

There will be penalties in changing the method of payment. If the Minister believes for one moment that feeders from Nova Scotia, New Brunswick and Quebec, and I have spoken to some of them, will hold still if they have to pay $10 to $30 more per tonne for feed grain, he is wrong because they will not. If he thinks for one moment that the hog and dairy producers in Quebec whose production is as great as that of the three prairie provinces put together—

Mr. Mazankowski: What production?

Mr. Benjamin: Hog and dairy production. If he thinks that they are going to hold still without buying more U.S. or Ontario corn or without raising more of their own feed grain, he has another thing coming. He is dreaming in technicolor. They are not going to hold still for that. Changing the method of payment is a self-defeating exercise for the grain producers of western Canada. Even the feeders from British Columbia will not hold still for that. I suspect that they could probably buy feed grain from Washington for a lot less than they are paying now.

The payment to the railways exists for one main reason. It is a payment which has existed since 1983 to provide for the most efficient and best transportation system possible in Canada. That transportation system is not only for grain. To hear all the arguments against the Crow rate and all the arguments against payments to the railways, one would think that this is some kind of a hand-out, gift, subsidy, charity or welfare payment to the grain producers of western Canada. It is nothing more than a continuation of what was begun in 1881. It is a transportation subsidy, not a grain subsidy.

That transportation subsidy is not only for the movement of grain, it is for the movement of coal, potash, sulphur, lumber products, automobiles from Japan, automobiles from Oshawa and all the general commodities. We did not build a railway simply to move grain. We did not rebuild it, reduce grades and put in tunnels just on account of the grain producers.

Why are the grain producers being picked on and pointed out as being the villains in the piece? It is a transportation subsidy. Therefore the payments must continue to go to the railways. If they do, we have muscle to make the railways not only rebuild but perform. Sending the payment to the grain farmers leaves the railways with other choices. We could lose another 2,000 miles of branch lines. The producers have to buy bigger trucks. In fact, within a matter of weeks after the passage of this legislation, Canadian Pacific bought four trucking companies in northwestern Saskatchewan in order to truck grain.

Changing the method of payment means higher costs for western provincial Governments. It means higher costs for municipalities. It means higher taxes for grain producers. There should not be any question about this. The Government does not need to wait to hear any more from Mr. Hall or from the late unlamented Mr. Horner. There should be no question about it.

Mr. Mazankowski: We are governed by the legislation, though, Ben. We've got the legislation.

Mr. Benjamin: The Minister is perfectly right. He is governed by the legislation. He did bring in a few amendments with which we agreed earlier this year. Now he should bring in more amendments. He is the man who has the hammer. He is the fellow who can do it if he believes what he told us in 1983. If he believes it, he will do it, but we are still waiting.

Mr. Mazankowski: You haven't lost faith in me yet, have you?

Mr. Benjamin: I have lost faith because the Minister should not be putting up with this any longer. He should bring in a Bill tomorrow providing that the method of payment shall continue as it is. He should put an end to more hearings. He should put an end to hearing from everyone but farmers—

Mr. Mazankowski: The review is more than that, Ben. Now, let's not mislead.

Mr. Benjamin: Let us hope we get another day's debate on this matter so we can deal with other items. At least I got on to the matter under discussion, the Hall Commission Report. I sure hope the next Liberal speaker gets onto it just for a damn change. They are both trying to run and hide, but we are not going to let them stay hidden.

What we said in 1983 we are saying now and will continue to say. I would like to move an amendment. I move, seconded by the Hon. Member for Thunder Bay-Atikokan (Mr. Angus):

> That the motion by Mr. Axworthy be amended by deleting the period at the end and adding the following thereto:
>
> "and rejects the transfer of Crow benefits payments from the railroads to producers as recommended in the Report."

I now challenge Government Members and members of the Liberal Party to cease speaking on this matter so that it may come to a vote. I am interested to see whether Liberal and Conservative Members will talk this out to the end of the time allotted or whether they will allow it to come to a vote. I am anxious to find out how that goes because there are a lot of people on the Prairies waiting to see how these birds perform on this particular matter.

• (1630)

Mr. Deputy Speaker: It being 4.30 p.m., pursuant to Order made earlier this day, the House will now proceed to Statements by Ministers. The Hon. Minister of Finance (Mr. Wilson).

Some Hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

INCOME TAX

STATEMENT OF MINISTER OF FINANCE

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Canadian tax system rests on a foundation of self-assessment and voluntary compliance. It depends crucially on the respect of all our citizens. The continued provision of a high level of public services depends on an efficient, effective and fair system of taxation.

Over the past few years there has been growing public concern about the numbers of high income Canadians who pay little or no personal income tax in any one year through the use of various tax deductions and incentives. As Hon. Members will recall, my Budget of May 23 proposed a number of measures to improve the fairness of the tax system. I also announced that the Government would implement a minimum personal income tax to take effect January 1, 1986.

[*Translation*]

With the Budget, I tabled a discussion paper outlining three different types of minimum tax. And I invited comments to assist in meeting the challenge of designing and implementing an appropriate minimum tax.

Today I want to inform the House of the Government's decision on the minimum tax which will take effect for the 1986 tax year. In addition, I will be announcing other important measures to improve tax fairness.

[*English*]

Today, I wish to inform the House of the Government's decision on the minimum tax which will take place for the 1986 tax year. In addition, I will be announcing other important measures to improve tax fairness.

In choosing an appropriate minimum tax design, the Government has balanced a number of important objectives. First, an effective minimum tax must ensure that high income Canadians will pay a fair share of taxes in each year.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Second, a minimum tax imposed in the name of fairness must itself be fair. It must also be consistent with the valid social and economic goals for which tax exemptions and deductions have been created over the years. Third, a minimum tax should, as far as possible, complement the existing tax system and use familiar tax concepts. Finally, to limit the complexity inherent in any such measure, an appropriate minimum tax should minimize uncertainty by having as clear as possible a cut-off between those who are potentially affected and those who are not.

The Government has concluded that the minimum tax design which best meets these objectives is the option described in our discussion paper as the alternative minimum tax. I wish to take a few minutes to describe some of the key features of the chosen design.

All high income Canadians are potentially subject to the proposed alternative minimum tax, and it will significantly reduce the number who would otherwise pay little or no tax. In practice, however, the minimum tax will affect a rather small group of individuals, estimated at fewer than 100,000 of the more than 15 million Canadians who file tax returns. The vast majority of Canadians will not be affected by my announcement today. The minimum tax calculation can be ignored by almost all tax filers with earnings and other income of less than about $45,000 to $50,000, according to the number of dependants that person has. Likewise, for most individuals with incomes above $50,000 the minimum tax calculation will not be necessary because of the amount of regular income tax which they are already paying.

[*Translation*]

For those who are affected, the minimum tax calculation is straightforward. An adjusted income figure will be calculated for which some items will be deductible and others not. The taxpayer will then claim his annual minimum tax exemption of about $45,000 to $50,000.

[*English*]

Amounts exceeding the minimum tax exemption will be taxed at an effective federal-provincial-territorial rate ranging from 24 per cent to 27 per cent, depending on the province or Territory of residence. This is based on a federal minimum tax rate of 17 per cent, which is one-half of the top federal statutory rate. The taxpayer will always pay the higher of the alternative minimum tax or the regular tax.

This minimum tax will prevent high income individuals from using one or more tax incentives to pay little or no tax in any one year. I underline the words "in any one year" because available data suggests that very high income individuals have been able to avoid paying taxes for any number of years.

The Government is also aware that existing tax incentives were put in place for valid economic and social reasons. The benefits of these incentives should not be undermined by a minimum tax. Accordingly, the minimum tax will have a carry-forward mechanism to ensure that the value of tax incentive deductions and credits is not lost. Taxpayers will be able, in effect, to apply unused deductions and tax credits against their regular tax liability in future years. But in each and every year high income tax payers will never pay less than

the minimum tax based on a federal-provincial-Territorial rate ranging from 24 per cent to 27 per cent.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): I stated earlier that the Government is concerned that any tax imposed in the name of fairness must itself be fair. Accordingly, a limited number of deductions and tax credits will continue to be eligible in computing the minimum tax. This will mean that certain Canadians whose incomes exceed $50,000 may still pay no tax in any one year, but only in a strictly limited range of situations. These include some items allowed in order to preserve fairness to individuals in extenuating circumstances, such as those with disabilities or medical expenses under the Income Tax Act. Alimony and maintenance payments will be deductible since they are already taxed in the hands of the recipient. As well, contributions to charitable organizations will remain deductible in computing the minimum tax. Also deductible will be the actual costs incurred to earn income. Examples include employment expenses, including union and professional dues, moving costs, premiums for unemployment insurance and the Canada and Quebec Pension Plans and interest expenses of business persons, farmers and investors. Business losses will also be deductible. Aside from this limited number of deductions and tax credits of the type which I have just mentioned, no other amounts will be deductible in computing the minimum tax.

Non-deductible items include tax shelter losses created by claiming capital cost allowances on films and multiple-unit residential buildings, so-called MURBs, or by claiming exploration and development expenses, either directly or by way of flow-through share or similar arrangements. Dividend tax credits and contributions to Registered Retirement Savings Plans and registered pension plans will also be non-deductible for minimum tax purposes.

In the May Budget the Government proposed a $500,000 lifetime capital gains exemption. As I said in the Budget, that tax measure is an important incentive to assist in promoting investment, risk taking and job creation. The minimum tax does not remove this incentive. It will ensure that capital gains eligible for the lifetime exemption will receive favourable treatment.

[*Translation*]

What the minimum tax does is to prevent high-income taxpayers from using the capital gains exemption, alone or in combination with other tax incentives, to avoid paying tax in any one year. The result is a balance between preserving the value of incentives that contribute to productive investment and reinforcing tax fairness.

Special transitional reserve provisions will be available for qualifying farm property in order to assist farmers realizing large one-time capital gains.

• (1640)

[*English*]

The minimum tax will have a substantial yield. Although there is much uncertainty about such forecasts, I estimate that it will raise on additional $300 million in federal revenues in the 1986 taxation year. When provincial revenues are added, the total will be about $450 million. The new minimum tax should be viewed as part of a broad and continuing effort to improve the fairness and the effectiveness of the tax system. I want to speak briefly about this broader context of tax fairness.

There are some who have argued that a minimum tax ignores the real problem, the existence of significant tax preferences. I want to emphasize that I do not regard the minimum tax as a substitute for continuing efforts to re-examine the preferences which now exist in our tax system and, wherever appropriate, removing them. My record has been clear in that regard.

One of my first acts as Minister of Finance, together with the Minister of National Revenue (Mr. MacKay), was to suspend rulings on limited partnerships and similar financing arrangements which had the potential for major tax avoidance. Many of these arrangements involved a sale of deductions or tax credits from one taxpayer to another. They created benefit for only a small circle of taxpayers and they jeopardized the integrity of the tax system in the eyes of many others.

[*Translation*]

In October of last year, in response to concern about abuses of the Scientific Research Tax Credit, I announced a moratorium on quick flips under this measure and ordered a full review. As a result, in my May budget I eliminated this particular tax credit and introduced more effective, better targeted provisions to support research and development.

[*English*]

In addition, the Budget eliminated tax shelter financing of properties such as yachts, recreational vehicles and hotels. It also ended the long-standing advantages of splitting income between family members through low interest or interest-free loans, a practice primarily of benefit to upper income families.

The Government also acted to improve the fairness of tax administration. Limits to the powers of the tax authorities in the area of search and seizure, audits and demands for tax information, were clearly defined. Changes were made to ensure that taxpayers are not required to pay taxes in dispute until after a court rules on their appeal.

More recently, I moved to put an end to the so-called "carve-out" transactions whereby profitable oil and gas companies were temporarily transferring property to companies with losses in order to reduce their tax.

I am taking action to terminate the use of partnerships in corporate takeovers to increase tax deductions through so-called "partnership step-up" rules. I will be clarifying the law to ensure that the limits imposed on foreign property investments by pension funds cannot be circumvented by inter-

posing a Canadian company between the fund and the foreign property investment.

I am tabling a Ways and Means motion with respect to the minimum tax and the two measures I have just mentioned. I am also making available detailed information for Parliament, taxpayers and their advisers, and for all Canadians. The legislation to implement the necessary changes will be brought forward as soon as possible.

In conclusion, I want to emphasize the Government's commitment to measures which will make the tax system not only fairer but more effective in encouraging productive economic activity.

[*Translation*]

In just over one year, this Government has brought forward a wide range of measures to strengthen the fairness and effectiveness of the tax system as an essential part of a comprehensive program of economic renewal designed to benefit all Canadians.

[*English*]

The minimum tax is an integral part of this continuing initiative. In a careful, balanced and effective way, it gives real meaning to the broad principle of fairness which underlies our efforts to build a stronger economy and a better life for all Canadians.

Pursuant to Standing Order 65(1) I wish to lay upon the Table, in both official languages, copies of a notice of Ways and Means motion to amend the Income Tax Act. And pursuant to Standing Order 65(2), I ask that an Order of the Day be designated for the consideration of said motion.

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, this is another remarkable day in the life of the Minister of Finance (Mr. Wilson).

[*English*]

If success were to be measured by incoherence, confusion and complexity, the Minister of Finance (Mr. Wilson) would be seen as moving from triumph to triumph. We on this side of the House are perplexed, as Hon. Members opposite are clearly perplexed. Even the Deputy Prime Minister (Mr. Nielsen) is blushing.

Mr. Nielsen: Never.

Mr. Johnston: We are confused, we are bemused, but we certainly are not amused at what the Minister has brought us today. It is more tinkering by the greater tinkerer. He tinkered with the old age security indexation and, fortunately, we were able to convince him to back off on that. He has tinkered with the sales taxes. He has tinkered a little with the fuel taxes. He has tinkered with surtaxes. He has done all of this, I might say, at a cost of billions of dollars to Canadian taxpayers. But his greatest tinkering has been with the income tax system. The incoherence, the woolly thinking, and the lack of any sense of direction, seems to grow daily with respect to the budget measures brought in by the Minister of Finance last May. The Minister knows. I know that he knows. We all know that he knows how ridiculous the position of the Government is by the juxtaposition of this minimum tax with the capital gains tax exemption which was introduced in his Budget.

The Right Hon. Leader of our Party recommended a minimum tax during the election campaign in August of 1984. In a speech he made in Chatham he recommended an alternative minimum tax of 13 per cent on upper income Canadians who pay less than that or nothing at all. Let us compare that particular recommendation with what the Minister of Finance of the Tory Government is presenting us.

The Budget proposed a $500,000 lifetime exemption on capital gains. We thought—and I think most Canadians who reflected upon it thought—that that provision would not see the light of day in a motion of Ways and Means in this House. However, unfortunately, it has. It has been tabled. In addition to that, the Budget proposed that a minimum tax of some form would be introduced in 1986. Of course, that is the intention of the provision introduced today by the Minister of Finance. Everyone in the country, except members of the Government, saw the dilemma that was created, a capital gains tax exemption to a very small percentage of wealthy Canadians on the one hand, and a minimum tax proposal intended to target those same wealthy Canadians on the other hand. One would have thought that having taken nine months to bring in a Budget, the Government might have identified the paradox in that situation. Indeed, it may very well be because of this dilemma that a further six months, or slightly over six months, has been taken before we are actually seeing the minimum tax proposal.

• (1650)

We know that the Government is inordinately sensitive to criticism although, unfortunately, not to that which it receives in the House. If the Government accepted some of the advice it gets in the House, it would avoid a lot of pitfalls with the public. However, it chooses not to do so. I need only remind Members of the great debate on the deindexation of Old Age Security. We were told by the Government that we were all wrong, we insisted that we were correct, and finally the Prime Minister (Mr. Mulroney) and the Minister of Finance had the good sense to admit that we were correct all along. It was not sufficient that Members in the Chamber made that point and it was not even sufficient that Members on the Government's back-benches made it. It had to be made by the public. The people affected had to march on Ottawa to make that point.

We told the Government that the capital gains exemption was wrong as well. Of course, it has now been told that elsewhere as well. Undoubtedly, the Minister of Finance has seen the comments in the November 30 edition of *The Financial Post*. Some of the comments with respect to the capital gains tax exemption describe the dilemma in which he finds himself today. One article reads in part:

The exemption runs directly counter to the spirit and intent of another Mulroney government proposal, the minimum income tax. This, to be launched in 1986, will reduce the impact of various tax shelter deductions claimed by well-off individuals.

All of which creates a no-win situation for Wilson. If the minimum tax is applied to the capital gains sheltered by the exemption, it will negate the beneficial impact from the exemption. But if the new tax doesn't go after exempt capital gains, it will be seen as a joke.

Donald Huggett, national tax partner, publications, with Coopers & Lybrand, sees the introduction of these self-cancelling measures as "an exercise in futility and stupidity".

Huggett suggests the Government write off the experience as "a terrible mistake" and scrap or delay both the minimum tax and the capital gains exemption.

Of course, faced with that kind of criticism, the Minister had to find some way out of this dilemma. He should have dropped the capital gains and put in the minimum tax. Of course, he did not. He has twisted himself and the Income Tax Act into a pretzel in order to try to accommodate both of these objectives. In his attempt to reconcile the irreconcilable, namely to have tax free capital gains for the wealthy on the one hand and a minimum tax for the wealthy on the other, he had decided to add back one-half of the capital gains exemption in calculating that minimum tax of 17 per cent. That, effectively, means a tax of 8.5 per cent on the tax free gain, but it is refundable at a later date, as the Minister just told us, because the minimum tax will have a carry-forward mechanism to ensure that the value of all these tax incentives, the deductions and credits, is not lost to the individual taxpayer. Effectively, it becomes a refundable minimum tax on high incomes and is not a real tax at all.

Mr. Gauthier: Big deal.

Mr. Johnston: Quoting a great Canadian, the Minister should have opened his remarks today by saying: "A minimum tax if necessary, but not necessarily a minimum tax".

Mr. Benjamin: That sounds like a Liberal.

Mr. Johnston: To save face he has simply added more complexities and compounded inequities. He has told us that there are some deductions. In *A Minimum Tax for Canada* he refers to the dividend tax credit and the capital gains exclusion which, of course, he effectively has not dealt with. However, carrying charges in excess of investment income which may be interest write-offs is the real problem, and he has chosen to skate that one off-side and not deal with it.

Mr. Wilson (Etobicoke Centre): I learned from MacEachen.

Mr. Johnston: He says that he learned from the MacEachen Budget. The MacEachen Budget was intended to introduce some equity into the Act with respect to these exorbitant write-offs.

Mr. Broadbent: Why did you back down? You changed it all, Don.

Mr. Johnston: The fact of the matter is that what he must do is bring some coherence, clarity and simplicity to the tax system in order to avoid the necessity for this kind of exercise.

The Minister continues to drag us further and further into a swamp of fiscal incoherence and tax complexities. I know this is difficult in politics, especially for a Minister of Finance, but instead of admitting to the gross stupidities which characterize so much of the May Budget, he is wading further and further into treacherous quicksand and mud, praying that he will emerge on the other side of the swamp before he drowns.

Mr. Malone: Did he see MacEachen on the way?

Mr. Johnston: We have asked him to turn back, to withdraw, to start again on solid ground, but he steadfastly refuses to do so. He believes that he will save some credibility by moving straight ahead and drowning. I fear that drown he must, unless he backs out of this quagmire.

I will now turn to some of the other provisions of which we heard today. The Minister now tells us that he is going to terminate the use of partnerships in corporate takeovers to increase tax deductions through so-called partnership step-up rules.

[*Translation*]

Mr. Speaker, I would remind you that it was a similar arrangement—an advance ruling, a tax interpretation—that made it possible to transfer the shares and create a tax haven with respect to the Gulf case, a famous case here in the House where we asked the Minister many questions. Why did he not overrule the advance ruling in those circumstances?

[*English*]

He tells us now, after the horse has fled the barn, that he is going to stop this famous little Egypt bump which has cost taxpayers, in that one transaction alone, perhaps as much as $1 billion. Now we are going to stop that transaction.

Mr. Blaikie: Why don't we tax nerve. We would make a fortune.

Mr. Johnston: We are enjoying a little comic relief from the left. Mr. Speaker, during the great exchange over that Gulf transaction I recall asking the Minister why he did not simply refuse to give rulings on such transactions. We were told that it was in the law and that the law was there and that the law had been introduced by the Liberals and that they could not do anything about it and so on, all of which, of course, was just rubbish and nonsense. The Minister himself said today: "One of my first acts as Minister of Finance, together with the Minister of National Revenue, was to suspend rulings on limited partnerships and similar financing arrangements that had the potential for major tax avoidance". If $1 million is not major tax avoidance, I do not know what is. The Minister had the option to stop a ruling from issuing with respect to that Gulf transaction, as he did in the case of limited partnerships and other financing arrangements. I want to know why he did not do it.

Mr. Wilson (Etobicoke Centre): You know it is a different type of transaction.

Mr. Johnston: He says it is a different type of transaction. The fact is that it needed a ruling in order to proceed. He knows that, and there was no requirement whatsoever that that ruling be given.

[*Translation*]

Well, Mr. Speaker, it is indeed a difficult period for us. Hopefully, with the Government and our colleagues to our left, we are trying to improve the Canadian tax system. But every time the Minister comes up with a new project he makes the legislation ever more complicated.

Sure enough, the tax measures just introduced by the Minister simply confirm his reputation as an incoherent tax fiddler.

[*English*]

If I may be nostalgic for a moment, Mr. Speaker, I picked up a document called *A New Direction for Canada.* In it, under the heading "Tax Simplification" I find these words: "The tax system is overly complex. It imposes on taxpayers and their advisers an unnecessary cost in time and money just to understand and comply with the law, and the more complicated the tax system is, the less effective will be the investment incentive contained in it". Need I ask Members of the Chamber, who uttered those words? It is our Minister of Finance. What has happened to him? I can tell you that there are many people in this country who are wondering what happened to that Minister of Finance.

● (1700)

Mr. Deputy Speaker: I regret to interrupt the Hon. Member. I would ask him to conclude.

Mr. Johnston: Mr. Speaker, the Minister had tax lawyers, tax accountants and fiscal advisers in this country worried when he made that statement last year. These well paid tour guides in the labyrinth of the Income Tax Act were concerned. They now know that they are safe and secure. They would be well advised, before they go to sleep each night, to thank God for the Minister of Finance.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, at the beginning of the election in 1984 we had a tax system that permitted special deductions for yachts, for club memberships, special deductions for rather spurious research and development schemes that were constructed and special deductions in the corporate sector that provided no concrete incentives for investment to create jobs. One of them was known as the little Egypt bump. All of these produced in Canada one of the most unfair tax systems in the western world and it was created by the Liberal Government that preceded the present Government.

I have just seen the ultimate act of nerve of a critic for the Liberal Party getting up and denouncing a system of taxation that his Party created just over a year ago when it was in power. There are simply no limits to shame, as one of my colleagues has just said.

I will leave my Liberal colleagues—metaphorically and literally to the right—alone for the moment—

Mr. Guilbault (Saint-Jacques): We are reformers.

Mr. Broadbent: Now that they are on this side of the House they are reformers, Mr. Speaker. They shift with location in terms of philosophic positions.

Unlike the Liberal critic, I want to deal with what was specifically announced today. Before doing so, I want to put it into some perspective. In the summer of 1984 there was a perception by Canadian men and women all across the country that they were indeed paying plenty of taxes. As the Minister has acknowledged, even before today, there were thousands of Canadians with very high incomes who were paying not a penny in taxes. That was perceived by Canadians even before the summer of 1984 to be unjust.

On July 25, 1984, in this city, as Leader of the New Democratic Party I was very pleased to repeat in that debate between the Leaders of the Parties the position of my Party, speaking out for Canadians across the land. That position, succinctly stated, is that as long as ordinary men and women are paying their share of taxes, it is time everyone in this country paid his or her share. I was pleased, as were all Canadians, to hear the Prime Minister (Mr. Mulroney) say in that debate that if the Conservative Party formed the Government, in his view the rich would pay and, to quote him, "should pay handsomely".

After the election, we saw changes brought in by the Minister of Finance (Mr. Wilson) in his first statement in the fall of 1984, followed by the Budget. In those early provisions we did not see the kind of reform that was promised by the Prime Minister in that debate. We saw, along with other announcements, a package of tax increases on ordinary Canadians that amounted to approximately $1,000 per family, if one added the taxes together.

Mr. Côté (Lac-Saint-Jean): Oh, come on.

Mr. Broadbent: I would be happy to provide the documentation to my Conservative colleague. There were substantial tax increases affecting the ordinary family, but we did not see the promised minimum tax in the first year of the Conservative Government.

I say on behalf of my colleagues—and I make a distinction between righteousness and self-righteousness—that if there is something to which my colleagues remained faithful in that campaign it was that there ought to be tax fairness in this land. When we were elected in September, 1984, all NDP Members in the House plus many others in my Party across the country kept up our faith to work for tax reform.

We initiated a commission, under the chairmanship of our finance critic, the Hon. Member for Kamloops-Shuswap (Mr. Riis), that is under way now and will be hearing representations from Canadians across the country until the next Budget

from the Minister of Finance, because we intend to continue to address the important issue of major tax reform. Perhaps the Minister of Finance will know that the Prime Minister's Office acknowledged publicly some two weeks ago on Friday that, as a result of a campaign initiated by the NDP to mail out over one million pieces of literature throughout Canada, the Prime Minister's Office has received 1,000 pieces of mail per day in the past couple of weeks urging tax reform, a minimum tax in particular.

We have responded to Canadians' sense of fairness by carrying out our political obligation of maintaining pressure on the Government to do what it ought to do. I am pleased by what has been announced today. I see it as an important start. We now have a minimum tax, and I compliment the Minister of Finance for at last coming forward with that promise.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I also listened to him carefully when he said, with some emphasis, that this is a step and that he is committing himself once again to the process of continued tax reform, presumably leading right up to the next Budget.

[*Translation*]

However, Mr. Speaker, I want to emphasize that the policy introduced by the Minister today is just a starting point. This process must continue because all Canadians want to have a completely fair tax system. That is the objective of our Party here in the House of Commons.

[*English*]

I want to mention two specific items. First, of course, the minimum tax will provide some $450 million in additional revenue. That is important because $300 million will go to the federal Treasury and $150 million will go to the provinces. However, I would remind Hon. Members that the capital gains tax giveaway introduced by the Minister will mean a loss of $600 million a year. Therefore, the Minister has begun to retrieve a good part of that and we will be insisting that in the next Budget he retrieve the rest of it by abolishing that inequitable proposal.

Mr. Mazankowski: Let the farmers hear that.

An Hon. Member: You forget about western Canadian farmers.

Mr. Broadbent: My Conservative colleagues know that we have made provisions in our approach to this to recognize that home owners and farmers are in a special category and ought to be so recognized. I say to the Minister of Transport (Mr. Mazankowski) that if he will support our a special category we can have an interesting debate.

However, the Minister's proposal is an important and positive step. We question why the $40,000 in taxable income should be exempt and we will be very interested in discussing that proposal. I would also note that for some time our finance critic and other colleagues in the House have criticized the little Egypt bump, this interesting tax provision that has no economic benefit but has resulted in a great loss of revenue. Again, that was brought in by the Liberals. We were critical of that with the Liberal Government. We have been critical of that with the present Government. I compliment, unequivocally, the Minister of Finance today for removing that particular loophole.

• (1710)

In conclusion, I do not think the Minister took 15 minutes to make his announcement. The Liberal critic took 15 minutes to say nothing. I want to wind up my comments right now by saying that the Minister has made a good beginning. I do not qualify that. A good beginning has been initiated here today. He also said that it was step one in the process of taxation reform. On behalf of my colleagues in the House of Commons and New Democrats all across the country I want to say that we will continue with our mandate to fight for tax reform from now until the Minister's next Budget. We want the Minister, in that Budget, to deliver total tax reform on personal income tax and corporate tax. We will be watching.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: I wish to inform the House that because of the ministerial statement, consideration of Orders of the Day will be extended by 40 minutes this day.

STATUTORY ORDERS

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

COMMITTEE REPORT ON CROW BENEFIT PAYMENT

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

That this House take note of the Report of the Committee of Inquiry on Crow Benefit Payment.

And the amendment thereto of Mr. Benjamin:

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

"and rejects the transfer of Crow Benefit payments from the railroads to producers as recommended in the Report".

Mr. Maurice Foster (Algoma): Mr. Speaker, I want to take this opportunity this afternoon to say a few words on the motion before the House relating to the report of the Committee of Inquiry on Crow Benefit Payment. I must say that I was surprised when the Minister of Transport (Mr. Mazankowski) said that he could not understand why we would be having a debate on this issue now, when the legislation provided for a debate after the Hall Commission Report was tabled in the House. Surely this is one of the most important economic issues in western Canada.

Also I was surprised that the Minister did not report more on the progress of the Western Grain Transportation Act, its

effects in western Canada, and his views with regard to the Hall Commission Report.

The Hon. Member for Regina West (Mr. Benjamin) seemed to complain a lot about the motion today. If he had really been concerned about the issue, he would have petitioned the Chair, as our caucus did, and asked for the debate. It seems to me that the issue is important and worth-while enough for the House to debate it.

The Minister talked about the Government dealing in a very hasty way with Bill C-155 when it was originally passed. However, if we look at what the standing committee did beginning in the summer of 1983, we see that it held hearings for many months. Representations on that Bill were one of the most extensive I have heard tell about around the House. The Minister might have gone into more detail as to whether he accepted or rejected the concept recommended in the Hall Commission Report.

I should like to refer to what he said on second reading of Bill C-155 on May 12, 1983. He went into a long explanation of how the Crow benefit should be paid, in his view. As reported at page 25386 of *Hansard* for May 12, 1983, he said:

> In that connection, I have something to put forward to the Minister for consideration. Since there is no consensus on this issue and there are some differences of opinion, I ask the Minister to consider making the payment of the Crow benefit optional to the producer or to the railroad. Let the producer decide whether the money should go to the railroad, or let him decide whether it should go to him.

The Minister described this as his "freedom of choice" approach to the Crow benefit. Of course he was the transportation critic of the Official Opposition at that time. Since he was not in power, I do not suppose his view held much sway. However, now that he is the Minister of Transport, his opinions and ideas become very important.

In the same speech, he went on to say:

> I repeat that I think the principle has validity. It gives the producer some freedom of choice and we would be very pleased to work this matter out.

Although the Minister outlined those provisions of the Act which provide for the review committee, headed by the Hon. Jack Horner, a very good friend of the Minister, it seems to me that the Hall Commission has had massive resources at its fingertips. It certainly had available more resources and more detailed research than did the grain transportation committee. At some stage the Minister will have to make a decision with regard to the Hall Commission Report. We can only assume at this stage, now that the Hon. Member for Vegreville is the Minister of Transport, that his "freedom of choice" approach will prevail.

It would be very useful to the grain industry, to the pools, to the Canadian Wheat Board and to individual prairie grain producers to know whether the Minister's position, as stated on May 12, 1983, prevails; whether he will leave the Act the way it is and the way it was passed by us when we were in power; or whether he will adopt the Hall Commission Report, which essentially recommended a payment of benefit directly to producers.

In his statement this afternoon, the Minister indicated that he had a number of concerns about the operation of the Act. He mentioned the safety net, the efficiency of the grain handling system, branch line systems of rehabilitation and upgrading. It is interesting that when he spoke on May 12, 1983, he seemed to have the same concerns. At that time he spoke about the problems of transportation and efficiency in the handling of grain. For instance, he mentioned that grains were weighed six times before being finally loaded on to the bottoms in Thunder Bay or Vancouver, that grains were graded three times, and that we had an inefficient or poorly co-ordinated elevator system which operated on a five-day week, whereas trains operated on a seven-day week. Also he spoke about the difficulties faced by individual producers when loading boxcars and hopper cars themselves and not being able to make that $600 saving. However, when Bill C-44 came forward last year, essentially it contained only two substantive clauses.

• (1720)

This Government has been in power for over 15 months, yet the Minister did not deal with any of the major problems which he outlined today. Since the Minister has been thinking about these matters for two years now, why did he not spell out to the House exactly how he will improve these efficiencies, remedy the situation and overcome these problems? Toward the end of his speech, he made the vague statement that he would have a grain transportation system in place by 1988, but he did not spell out when in fact he would be bringing in amendments.

We wonder why those amendments were not brought in in Bill C-44. When the Minister spoke in the Crown debate in 1983, he outlined 14 major recommendations that he would like to have made. He had 14 objections to that Bill, yet only two substantive ones were included in Bill C-44, the amendments brought in last year.

Although during the election campaign the Government clearly committed itself to freezing freight rates at the 1983-84 level, when the Bill was brought in, they were frozen at the 1984-85 level. That is another campaign promise broken by the Government. When freezing them at the 1984-85 level, the Minister knew that the 1986-87 level would be 22 per cent lower, that is, the transportation rates for grains which will come into effect. The Minister is really giving the agricultural producers of western Canada absolutely nothing. Talk about giving the sleeves out of your vest! "Maz" sure did it with those amendments in Bill C-44. We wonder about the freedom of choice policy that he enunciated so clearly on that sunny afternoon in May 1983. Will he be leaving the Bill as it is or will he be adopting the recommendations of the Hall Commission Report?

The Senior Grain Transportation Committee, as I said, does not have nearly the expertise or the resources which the Hall Commission had to do an in-depth analysis. The report evolves down to a decision by the Minister as to the direction in which he will go. We have seen some problems develop *vis-à-vis* the

efficiency or practicality of feeding cattle in the West, with the Alberta Government providing $21 per tonne in transportation assistance for the feeding of cattle in that province. There will be some distortion compared with other western provinces with regard to the feeding of grain and finishing cattle.

Last week the Minister of State for the Canadian Wheat Board (Mr. Mayer), in response to the Leader of the Opposition (Mr. Turner), took great pride with regard to the benefit to be paid under the Western Grain Transportation Act, the $659 million. That is rather interesting because I do not recall hearing the Minister responsible for the Canadian Wheat Board ever speaking in favour of the Bill or voting in favour of it at that time. The Minister responsible for the Wheat Board also took credit for the crop insurance, the western grain stabilization fund and all the other programs under which the producer pays a premium and, if he suffers a loss, he receives a benefit. That is analogous to any kind of insurance program that does not result in any great largesse from the Government of Canada.

The uncertainty in the agriculture field is greater than it has been since the 1930s. We recently spent two weeks in some 14 communities in the West listening to over 100 witnesses, farmers, farm organizations and community leaders. We certainly gained the feeling that there was incredible uncertainty in the West, not only among young farmers facing the loss of their farms because of the cost price squeeze, declining land values and low international prices. There seems to be no clear commitment by the Government to make any firm decisions with regard to agriculture.

This afternoon we are debating the Hall Commission Report on the Crow benefit payment. As far as we know, the Minister's position is that there will be a freedom of choice whereby the benefit can either be paid to the railroad or the producer based on his position in 1983. However, it goes beyond that. The Government made glowing commitments during the election campaign. When the Estimates of the Department of Agriculture came out, we noted that the Estimates for the previous year for the Farm Credit Corporation had been $494 million. This year they are $90 million. Obviously there was going to be no help or very little for the Farm Credit Corporation compared to the previous year.

Looking on through the Estimates, we see the Government making very significant demands on user-pay and inspection fees. At the end of the Estimates we noted that the Estimates were not going to be indexed. When we inquired of the Minister of Agriculture (Mr. Wise), we found that there will be a loss of purchasing power by the Department of Agriculture of some 10 per cent to 15 per cent in the coming year. In addition, there will be a straight cut of $50 million. We do not know whether that will be in meat inspection or research. Not knowing that has increased the uncertainty in western Canada as to exactly what the commitment of this Government is to agriculture.

In our task force hearings, we talked to many drought victims. We talked about the loss of farms by young farmers and farmers facing the prospect of asking the provincial and municipal Governments for welfare. We received the answer last week when the Government said it would provide assistance on an average of $5 or $10 per acre at a time when the Saskatchewan Wheat Pool and other wheat pools were asking for benefits of up to $50 per acre.

We see the uncertainty there and the prospect of the Minister paying the Crow benefit either directly to the purchaser or to the railroad, the choice being made by the producer. That creates great uncertainty. However, we could look at the other input costs which the Government has imposed upon the producers in the last couple of months. On September 1, there was an increase in the price of gasoline by 9 cents per gallon. That will cost many producers with large holdings $1,200 to $1,500 per year more. On January 1, a 1 per cent sales tax will be imposed, which will impact not only on fuel costs but on all the equipment a farmer buys.

• (1730)

There is great uncertainty as to the Government's priorities. Clearly the Government was not there for the victims of the drought. Clearly it is not there for the cost price squeeze. The Government is now increasing this uncertainty. The Western Grain Transportation Act was designed to improve rail transportation in western Canada and to provide funding to compensate for the benefit, and we are seeing some improvement. For instance, CP Rail reports that this year, it will have record spending of $600 million for locomotive cars, new rail tracks and mechanical facilities and $175 million will be spent this year on the Rogers Pass tunnel and on double tracking in the mountains. It claims that over 1,000 people will be working on those projects.

Clearly the Bill is seeing to the modernization and upgrading of western transportation. The response of the Hon. Minister of Transport was that the entire Bill should be put on freeze for three years. I would ask him where the improvement in rail transportation would have been today if he had had his way and the Bill had not been passed for three years.

There is great concern among groups like the Saskatchewan Wheat Pool. The Chief Executive Officer for the Saskatchewan Wheat Pool has said that the Government is sending out conflicting signals by not encouraging major cost reductions and efficiency gains on one hand while reactivating uneconomic rail lines on the other.

The international climate is very uncertain. The United States is putting in place a bonus program and the EEC has in place a massive bonus program. In Canada, the Government's commitment to agriculture is certainly in question. There can be no doubt that because of the input costs provided by the Budget, the cut-backs in departmental spending and the $5 or $10 per acre benefit for drought victims, the Government is sending out very confused signals as to whether or not it has made any commitment to the future of agriculture. That is sad because it is a very, very important part of our economy. It is important to western Canada. The Government should come clean and get its priorities straight.

[*Translation*]

Mr. Michel Champagne (Champlain): Mr. Speaker, first, I would like to note my great satisfaction at being able today to take part for the first time, and there will certainly be others, in such an important debate, which deals with both agriculture and transport. I am all the more proud after seeing in *Hansard* that I am the first Member for Quebec, except for the former Minister of Transport under the previous Government, of course, to speak about the Gilson Report, Bill C-155, and finally the Hall Commission Report.

During all that time, Mr. Speaker, we did not once hear the Members opposite express their views on this issue, even though they were in power. We have been hearing for a long time that they were supposed to defend the interests affected by the reform that they, themselves, wanted to bring about. I repeat, Mr. Speaker, that no Liberal Member from Quebec dared to rise and speak on this issue, which was very controversial at the time. Mr. Speaker, I am proud to belong to a party in which everyone has the opportunity to speak about issues which are close to him. I am all the more proud that I can depend on a Minister of Transport who, before taking a final decision on such a controversial and nationally important issue as that of the Crowsnest rate, gives us an opportunity to discuss the whole matter in this House so that we may have a preliminary discussion and make, together and collectively, an enlightened decision in this regard. This reflects the will of the Government to consult the Canadian people and I thank the Minister for it.

Mr. Speaker, I would like to take this opportunity to tell anyone interested that we are open to discussion on the Hall Commission Report, that we are open to all points of views, that we are open to the necessary consensus of all parties involved to make an enlightened decision, and especially one which will take into account the unity of Canada and the various interests involved. Many interested groups from Quebec have outlined the parameters of this discussion. Everyone knows that the *Union des producteurs agricoles* and the *Coopérative fédérée du Québec* have made submissions, and if I may, I would like to quote a few passages which should confirm the consensus and meet with the approval of my colleagues in this House. Let us look first at the UPA proposals, and I quote:

> As concerns the Canadian grains policy, the concept of equity between East and West is based on three components: First, a single domestic market for grains, which means a single price throughout Canada for grain users, except for differences related to transportation costs. Second, if there is to be equity, the balance has to be maintained between grain and meat transportation costs so that the meat production industry can develop in both Eastern and Western Canada based on production efficiency. Finally, the concept of equity also requires that any assistance or benefit given by the Federal Government to Canadian grain producers be available to all producers concerned, whatever their region.

Mr. Speaker, I hope nobody in this House will dare suggest the opposite, and I hope they will agree with me that equity is the fundamental and most important parameter to be kept clearly in mind in order that the end result will not favour one part of Canada while harming another.

In another quote from UPA, it was stressed that producers firmly believe that the neutrality of payments must first and foremost be analyzed on the basis of their future impact on Canadian agriculture rather than on the basis of past results of a policy that was then different.

• (1740)

Mr. Speaker, the concept of neutrality of our resources is another basic and fundamental aspect that should be kept in mind in this debate. Although our country's economic complexity seems obvious to me, my hope is to attain, with all my colleagues, and as soon as practicable, some sort of neutrality in the interests of the country as a whole, and especially of Canadian agriculture.

Mr. Speaker, allow me another quote: "The payment method should not distort the forces of the marketplace by pinning down the production and marketing structures of Canadian agriculture." Once more, this is a vital aspect in this debate.

Finally, a last quote from the evidence submitted by the *Union des producteurs agricoles* and the *Coopérative fédérée du Québec*: "If we are not to rewrite history and create clearly destabilizing effects on Eastern Canadian agriculture, especially in Quebec, it is our view that Bill C-155 is the most neutral solution possible at this stage, the least disruptive for Canada as a whole, and the most in line with the history of the past 87 years."

Of course, Mr. Speaker, I am quoting here from two well-known organizations in Quebec, two organizations which are strong and which very aptly represent producers. And it is my view, as a Member of Parliament, as a Member from Quebec, that we will have the decency to closely follow those recommendations and try—as certainly we will succeed—to reach with all our Western colleagues an agreement that will give each Canadian farmer his fair share.

Mr. Speaker, the submissions from which I have just quoted were presented to the Hall Commission on November 2, 1984. To my knowledge, this still represents the position of these two powerful farm organizations. I wanted to read their views to make all Canadians and all Members of this House understand how much this issue concerns Quebec and all the other Canadian provinces.

Mr. Speaker, I believe that it is essential to consider the whole Crow benefit issue in the context of the future of agriculture in Canada, and in my case, more specifically in the context of agriculture in Quebec, always taking into account the principle of national equity and fairness so that Canadian farmers will feel at ease whether they live in Quebec, in Alberta or in British Columbia.

Selling Canadian federalism to Quebecers—and when I look at my colleague for Laval-des-Rapides (Mr. Garneau), I cannot help thinking about it—is first and foremost selling the concept of equity in sharing the resources available to develop and promote our agricultural industry.

Mr. Speaker, for a Quebecer, Canadian federalism also means having the constant political will to ensure justice and equal opportunities for all Canadian farm producers. We in Quebec consider that Canadian federalism must first of all promote our collective interests. If I may, I would like to remind each Member of this House that this is the major reason why they were elected.

In this regard, I would like to quote the words of the Prime Minister (Mr. Mulroney), who stated in Prince Albert that the whole issue of the Crow benefits had to be related to the principle of equal opportunities for the economic development of all regions in Canada.

I sincerely believe—

Mr. Benjamin: Do it!

Mr. Champagne: I will try! I sincerely believe that the concept of equity and equal opportunities expounded by the Prime Minister is the basic principle of all the policies proposed by our party.

This is a policy aimed at building a strong and stable agricultural industry in all Canadian regions and at promoting the development of the natural assets of each region.

As the Hon. Minister of Transport (Mr. Mazankowski) himself said: "Our objective is to implement an efficient and productive grain transport system to assure maximum benefits for the agricultural sector and the country as a whole."

Mr. Speaker, as I said shortly, not a single Liberal Member from Quebec dared to rise to recall these great concepts of equity and fairness which must permeate our Canadian agricultural policy as a whole.

As Riverolles put it: "It is a great privilege to do nothing, but it is hard not to abuse it." Mr. Speaker, it should be pointed out that the Liberals did nothing. I ask the people in Quebec, the farm producers, to remember that the Liberals decided not to pay for crop losses in 1983. I want to remind Quebec and Canadian farm producers that the former Government refused to pay $27 million for the crop losses. Remember, Mr. Speaker, when the previous Government turned down the request made by all the producers in Canada for a long-term dairy policy that would recognize the interests of every individual and every region. Remember the Liberals did nothing. Remember, Mr. Speaker, when the Liberals let farming interest rates soar to 17 per cent. Look at what happened. The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) should be listening, because at that moment he was in Toronto, a rich city. He should listen to what happened. What happened is that Canadian farmers, farmers in his constituency and in mine lost their farms—

An Hon. Member: They went belly up.

Mr. Champagne: —because of the failure of an irresponsible Government to act on farming.

Mr. Speaker, they did nothing. I will stop with this. You kept silent then when speaking was in order. I appreciate that the truth hurts, and this is why the Hon. Member for Glengarry-Prescott-Russell is yelling.

However, Mr. Speaker, I will conclude on that, for fear of imposing upon your kindness. And anyway the Hon. Member for Glengarry-Prescott-Russell knows very well that Canadian farm producers understood that on September 4, 1984.

Finally, Mr. Speaker, like other Canadians and at the request of the Minister of Transport himself, we from Quebec will have an opportunity over the coming weeks to further strenghten our common position, which is very firm on that whole question of the Crow rate.

Let me simply point out that Quebec farmers and their representatives in this House will share the prevailing ideals of fairness and equity; they will have discussions with all their Canadian colleagues, whether they are farm producers or Members of Parliament, in order to reach, more than ever in this Confederation which we have a duty to build, a national consensus, a policy under which we shall be respecting every Canadian man and woman across our nation.

[*English*]

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, it is my pleasure to join in this debate with respect to the Western Grain Transportation Act. I wish to commence my remarks by complimenting the Hon. Member for Champlain (Mr. Champagne) on his maiden speech in the House of Commons. I also wish to compliment him on the way in which he was able to respond to the inappropriate interventions from this side of the House. I congratulate him on a very fine presentation.

Some Hon. Members: Hear, hear!

• (1750)

Mr. Angus: I rise to support the amendment which I had the honour to second, which states that this House rejects the transfer of the Crow benefit payments from the railroads to the producers as recommended in the Hall Committee Report. As I listened to the Hon. Member for Champlain (Mr. Champagne), I realized that so often we in this House, and I think people across Canada, see the Western Grain Transportation Act as something which only affects the prairie Provinces. Nothing could be further from the truth. It affects the three prairie Provinces, yes, but it also affects Ontario, Quebec and Atlantic Canada. It does affect producers in each of those provinces in terms of transportation. I, like my colleague, the Hon. Member for Regina West (Mr. Benjamin), say that this

is a transportation subsidy not an agricultural or grain subsidy, and we should look at it in that context. The movement of grain from the prairie Provinces through the Port of Thunder Bay—half of which I represent—is part of the backbone of the economy of a lot of eastern Canada. The grain which moves through Thunder Bay is upwards sometimes of 23 million tonnes for export. As we note how it flows through the transportation system, we realize how broadly the Grain Transportaton Act affects the economy. Twelve per cent of the grain handled in Thunder Bay is also handled in the Port of Montreal; 7 per cent in Sorel; 7 per cent in Trois-Rivieres; 15 per cent in Quebec City. Saint John and Halifax both handle 2 per cent of the export grains which move through my port. Significantly, 37 per cent of the grain which moves on those rail lines from Manitoba through Thunder Bay is transshipped through the two ports of the riding of Manicouagan—which is the riding held by the Prime Minister (Mr. Mulroney) of this country—21 per cent in Port Cartier and 16 per cent in Baie Comeau. Clearly, whatever happens on the Prairies will be felt all the way through that system.

If there is a situation where more grain is moving in an easterly direction, then all of those communities will benefit both directly and indirectly. If, on the other hand, for some reason the movement of grain through the eastern leg of our export situation is reduced, then we hurt all the way through. We hurt in Manitoba in terms of rail jobs and services. We hurt in Thunder Bay in terms of grain handling jobs, marine jobs and the other spinoff jobs in the community. The same could be said all the way through the Great Lakes into the St. Lawrence River up to Atlantic Canada.

I rise in the House today to support the motion that we continue to pay the Crown benefit to the railroads rather than to the individual producer. There are a number of things which will happen out there in the grain industry if there is not a national policy in effect. With changes in pricing and rates, the individual farmer would have to make a very hard decision between supporting the Canadian economy on a broad base and recognizing the limitations of his own income and opting for an avenue of transportation which, while it would be beneficial to him, could be hurtful to other Canadians. It is no different from decisions individual Canadians make all the time about whether they buy a Canadian product or something which is produced in another country. It does not matter whether it is shoes or automobiles or a decision about which method to use to ship one's grain. If it is left to the individual, he will naturally look at his own finances and, of necessity, he would have to go with the lowest price.

But we, as a nation, have some responsibility. We provide a Crow benefit to ensure that our export grains can be moved to an export position in a manner which allows us to compete in the world markets. I think we have to stay with that concept, and the only way we can do that is by continuing to make the payments to the railroads. It is extremely efficient to do that. We only have to write out two cheques per year. If we pay to the producers, we will have to establish a very large bureaucracy, which will increase the administrative costs of providing that same benefit. For that reason alone, I think this Government should reject the Hall recommendation and keep the legislation the way it is and pay the railroads a transportation subsidy.

Having said that, I would like to point out that there needs to be some changes in the kind of allocations and some provision for those improvements in the transportation system about which the Minister talks, so that on a national basis we can ensure that our grain products can continue to move to an export position and be able to compete in the world market.

A lot of the grain which Canada produces moves through the Port of Thunder Bay. In fact, historically, 60 per cent of that grain has been shipped eastward, primarily to customers in Europe, Russia and other countries in that general neck of the woods. But in recent years, the balance has begun to shift to a point where today less than 50 per cent of that grain is moving through the Port of Thunder Bay. With that reduction have come lay-offs, and not only in Thunder Bay, although we have suffered the greatest amount of lay-offs. This summer, for instance, we had over 1,200 of our people out of work. That was felt all the way down the Seaway system. We have seen unemployment levels of around 45 per cent to 50 per cent in some of the communities in Quebec which are involved in grain movement. Eighty per cent of the business of my port is grain movement, so you can appreciate, Mr. Speaker, why it is so important to me and my colleague, the Hon. Member for Thunder Bay-Nipigon (Mr. Epp), that we keep fighting to ensure that we continue to get our fair share. If the Government decides to accept the Hall Report and its recommendations, then we will no longer get our historical and fair share of the grain movement.

The movement of grain is under attack from many sources. In another place in this capital city of ours, we will be dealing with an Act which will allow the Government to charge for coastguard services. That will add to the cost of moving grain east and west. It will add to the cost of dredging and ice-breaking and navigational aids. That will make us less competitive. The Laurentian Pilotage Authority has asked for increases in excess of 60 per cent. The CTC has held hearings but has yet to report on whether it will allow those increases to occur. This summer the cost of weighing our grain which is charged back to the producer and the elevator operators has gone up. The $30 million dollar carve out, as proposed by the Minister of Finance (Mr. Wilson) in this past spring's budget to take $30 million from the St. Lawrence Seaway Authority, is going to force the tolls up.

• (1800)

Most recently a gentleman by the name of Esmond Jarvis from the Canadian Wheat Board proposed that we legislate geography, that we no longer say that the midpoint between western movements of grain and eastern movements of grain is somewhere around Saskatchewan but that we move it to the Manitoba/Ontario border. It would henceforth become cheaper to move grain from Winnipeg to Vancouver than to Thunder Bay, which is only some 400 miles away.

We are being attacked on all sides. If the Government accepts the Hall Committee Report it will be one more nail in the coffin of the port of Thunder Bay. We cannot allow that to happen. We cannot allow any of these things to happen.

We have to continue with our traditional balance of grain movements in this country to ensure that those jobs that exist today can be retained where they are and not shifted to another part of this country or to another country. That is what will happen if we become less and less competitive.

We are already fighting subsidies provided by the Americans and by the EEC to their grain producers. The last thing that we in Canada should be doing is adding costs to our own products.

Mr. Speaker, I do not want to prolong this because I am hoping that the request that my colleague from Regina West (Mr. Benjamin) at the end of his remarks—

Mr. Mazankowski: New rules!

An Hon. Member: No new speakers!

Mr. Angus: Well, we offered the opportunity for the other Parties not to put up speakers but they chose to do so and, in fairness, we have to have some balance.

Mr. Blaikie: The truth has to be heard.

Mr. Angus: But I am going to have to conclude my remarks early. That would allow one more speaker 20 minutes and still afford an opportunity for a vote on this very important question. I think it is time that all three Parties in this House give a clear indication where they stand on the issue of paying the Crown benefit, whether to the producer or to the railroads. Thank you very much, Mr. Speaker.

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I believe today's debate is very timely, especially in the context of the current situation in agriculture. I had the privilege, together with a few of my colleagues, to go on a tour that brought us around Western Canada where we met with many farmers. Within 15 days, we visited some 15 communities from Winnipeg to Vancouver.

At each of these communities, between 8 and 12 briefs were presented to us, at the level of the national caucus of the Liberal Party of Canada, by farm producers' organizations, including the wheat pools, dairy producers, grain producers and in fact just about every commodity groups, and I was able to see first hand just how precarious the farm situation is in Western Canada, especially because of bad weather, including the drought and grasshoppers that devastated a significant part of the acreage, but also because of the cost price squeeze, the ever rising costs of production and the sharp reduction in the price of wheat resulting in an ever shrinking profit margin. So there is great anxiety in the agricultural sector.

Mr. Speaker, I would not want to digress too far from the motion we are debating; however, I suggest we cannot put this debate in its proper context without referring somewhat to the general situation in agriculture and without mentioning that the Hall report raises considerable concern and that farmers and commodity producers in Western Canada are anxious to learn about the position of the Government because of the impact it will have on their financial planning for the next few years.

I have noticed that most of the briefs that were presented to us, particularly by wheat producers in Manitoba and Saskatchewan, as well as by producers in British Columbia and Alberta, although the production is much lower in the latter Province, that most of the briefs that were presented to us in the Western Provinces insist heavily on the issue of wheat transportation and the manner in which payments or grants would be paid out.

I would not want to make a mistake or to risk quoting figures that could be misleading, but I would say offhand that some 75 per cent of briefs that were presented to us by various commodity groups and especially by wheat pools indicated a strong preference for maintaining the present legislation, that is, for continuing to issue payments to railways rather than to producers.

I must admit that in Alberta the reverse was true; however, when looking at the whole picture, it seemed to me that the view expressed in the briefs that were presented to us was, on the whole, abundantly clear. Moreover, on both sides of the matter, people are concerned because they cannot figure out what will be the position of the Government.

Turning now to the situation in the East, that is in Quebec, in the Atlantic provinces and also in parts of Ontario, there are also great concerns in these areas, and the motion introduced by my colleague from Winnipeg-Fort Garry (Mr. Axworthy) is certainly timely. Indeed, it could give the government the opportunity to reassure Western Canada producers, to bring them up to date on the issue while at the same time reassuring producers in the East. Obviously, significant amounts are at stake—some $650 million a year, as far as we can estimate. This is therefore a most significant amount in the overalll farming economy.

I listened earlier to my colleague the Hon. Member for Champlain (Mr. Champagne), and of course this was his maiden speech in this House, so it seems. It had not occurred to me that after a year and a half, there were still Progressive Conservative Members who had not not risen in this House. I apologize for that. I did not know it was his maiden speech. Had I known, I might have left out some remarks I made, but apart from that context of a maiden speech, I have to tell him he should be careful in his second speech. Apparently he forgot which political party introduced that legislation. But I am also looking forward to his stating, in the second speech he hopefully will be making very soon, whether he supports the Hall Report or not. He spoke for 20 minutes or so. He blamed the

Liberals for all kinds of things, but he still has to tell us what he, as a Progressive Conservative Member for Champlain, and his party were going to do. He quoted the UPA. He quoted the Coopérative Fédérée, and I am convinced that the UPA in particular would have been very pleased to learn that from a Progressive Conservative Member, and much more so from the Minister.

As you know, Mr. Speaker, the UPA is now holding their convention in Quebec City. It is their annual convention. I believe they will be sitting today, tomorrow, Friday and Saturday. Their discussions will deal with orientations. I am sure that the UPA during this convention would have appreciated being told by the Hon. Member for Champlain or another Member from Quebec what the Quebec Conservative caucus will do about that Hall Report. He did not tell us. He pointed out that apparently in years past the previous Government did . . . Mr. Speaker, that is a typical Conservative comment.

Looking at the speeches that were made during the debate on that Bill by our Minister of Transport (Mr. Mazankowski), who was then the Opposition critic, reading through his comments, we find all kinds of objections to the Bill that was then being discussed, but it is impossible to know whether he supported it or not. And that is today's problem in the farming economy. Perhaps my colleague from Western Canada will rise later and tell us what will be the policy of this Progressive Conservative Government. That is the main thrust of our motion.

They can blame the Liberals for all sorts of sins committed in the past, but they certainly cannot blame them for lacking courage, because there is a statute in our books that was put in there by the Liberal Party when it was in Government.

We may have made errors, Mr. Speaker. I was not a member of that Government, I was not even a Member in this House. The Liberal Party may have made errors with respect to that issue, but there is now in this House an overwhelming Conservative majority. What we are asking them is quite simply this: What are you going to do? You have criticized the new method for making payments in respect of wheat transportation, you have the Hall Report in front of you, you have the representations as quoted earlier by a colleague that were made by the UPA and the *Coopérative fédérée*, but he did not say whether he was for or against, but it does not matter. There are representations which we ourselves, which I myself have received during my visit to Western Canada, and it is up to you now, since you are no longer in the Opposition, after criticizing for years, it is up to you to take a stand on that Crow issue. Are you going to get rid of it? Are you going to maintain it? Are you going to let everyone choose for himself so that there will be complete chaos? What are you going to do about the Saint Lawrence river ports? Will everything be moved to the Manicouagan constituency and will the silos in Montreal and Quebec City be closed?

All these questions are related to the discussion we have had today, and in my opinion, it would be appropriate for the Government Members to explain their plans not only to us, as Members of the Opposition, but also to the Canadian farmers, who are doubly concerned because of what they were promised.

Mr. Speaker, as Deputy Speaker of this House, I know that you cannot take sides in partisan debates, but you heard like myself Quebec Members say during the electoral campaign: The Crowsnest will never be changed. When travelling in Western Canada, however, I learned that the Conservative Members of Parliament were saying just the opposite during the campaign. We now have an opportunity to know who was telling the truth: Conservative candidates in Western Canada or Conservative candidates in Quebec. As for us, we have already made our position clear. If there was a political price to pay, we have paid it. It is up to you now to decide and tell Canadian producers what you are going to do.

Mr. Speaker, Canadian farmers have many grounds for concern, and I must point out that another one was added today when the Minister of Finance (Mr. Wilson) made his statement about the minimum tax. This affects Canadian farmers directly because, if we read the documents we have received, after having announced to the farmers that they would enjoy a capital gains tax exemption of up to $500,000 during the fiscal year they sell their farms—and the Minister should listen carefully because he might want to convince his colleague to change this—the Minister of Finance now tells them that, if they have zero taxable income during the fiscal year when they sell their farm for $250,000, $300,000 or $500,000, because of the way this is written, they will have to pay 12.5 per cent taxes on their capital gains.

I do not know whether this was the intention of the Minister of Finance. I have reread this document and I could even quote certain parts by heart. I am very glad to have drawn the attention of the Minister of Transport (Mr. Mazankowski) to this issue, but I would like to invite him to read the information on the minimum tax in paragraph 4 on page 4 under "Capital gains and losses", where we see, for instance, that the part of capital gains which entitled taxpayers to the life exemption will be taxed at the federal rate—

• (1810)

[*English*]

Mr. Mazankowski: Mr. Speaker, I rise on a point of order. I know that from time to time a debate like this can be rather broad and far-ranging, but I am not sure what capital gains has to do with the method of payment of the Crow rate.

Mr. Garneau: Mr. Speaker, I think it is appropriate to tell Canadian farmers that they should not cross the Government. They should not cross it as far as the Crow rate is concerned, particularly Quebec farmers, but also those in Manitoba,

Saskatchewan, B.C., and Alberta. Two of my colleagues and I spent 15 days in western Canada.

Mr. Mazankowski: You can spend 15 years and you will not understand the west.

Mr. Garneau: We listened to many, many briefs. During the electoral campaign in Quebec some of the Conservative candidates were campaigning to keep the Crow as it is. I have been told that the Conservative candidates in the west were campaigning against the Bill. There comes a time when we should know the truth. That is why the farmers do not trust the Government.

There is an additional reason not to trust the Government, and that is the declaration made by the Minister of Finance (Mr. Wilson) this afternoon. At page 4 of the documentation tabled this afternoon it states that those who have a capital gain will have to pay 12.5 per cent on it. The year that a farmer sells his farm with a capital gain of $300,000 he will have to pay a minimum tax. This declaration comes only a few months after the same Minister of Finance and all the Conservative Members were praising the capital gains exemption as the thing which will save agriculture. Now they are coming back through the side door and imposing a 12.5 per cent tax on capital gains on farms.

[*Translation*]

Mr. Speaker, I think it is about time the Conservative Members of Quebec and elsewhere should stop playing hide-and-seek and speak the same language instead of doing like the Hon. Member for Champlain (Mr. Champagne) who quotes from statements made by other people but fails to take position himself. I would tell them that it is time for a debate on this motion that will give the Government an opportunity to take a position and tell the farmers who are now looking after their books, because this is their slack season and they will be sowing in the spring, what decisions will be made. I urge the Government to take advantage of this debate and refrain from playing hide-and-seek and to let us know what will be the position of the Tory Government on the Hall Report.

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, to begin with, I would like to congratulate the Hon. Member for Champlain (Mr. Champagne) for his fine speech.

[*English*]

I wish also, Mr. Speaker, to reply to some of the comments just offered by the Member for Laval-des-Rapides (Mr. Garneau). As happens so often with the Party which he represents, he has attempted to create confusion in many parts of Canada by spreading fear and apprehension. I know that the statement offered by the Minister of Finance (Mr. Wilson) today will be extremely well received by the people of Canada because they have been saying it is very important that all Canadians pay an equitable share of taxation. I believe that in the end the statement offered by the Minister today will meet a desire of Canadians.

I want to remind you, Mr. Speaker, other Canadians, and members of the Official Opposition, that Canadian farmers well remember which Party introduced the capital gains tax, and they will also remember very clearly which party nullified the capital gains tax for Canadian farmers.

Some Hon. Members: Hear, hear!

Mr. Clark (Brandon-Souris): The debate today is not on capital gains or on the minimum tax. The debate today is required by legislation dealing with the operation of the Western Grain Transportation Act at this particular time. Today we are taking a very important step in that process, a process which involves consultation with Canadian farmers and farm organizations. The process requires than an impartial committee be struck which is representative of the industry in Canada. It requires that committee to report to the House, and that the report, having been made to the House, be examined by Members of the House and then be presented to the Minister for his consideration.

• (1820)

The members of the Official Opposition have contributed a considerable amount of confusion to the debate this afternoon. I wish to stress that right now we are in the midst of this very important process. It is very appropriate that the Government should come before the House today and participate in this debate on the motion presented by the Official Opposition. Let us remind ourselves of that process and how it is unfolding. While we may be aware of it, I suspect that many Canadians are not. Unfortunately, if they only listen to the speeches by members of the Official Opposition I believe they will become more confused.

I remind Hon. Members and all Canadians that the legislation required that a committee be struck to examine the Western Grain Transportation Act and its implementation. This was done according to the statute. That committee was struck in 1984 and began its process of hearings as required by the legislation. The legislation required that it make a report to the Minister on or before March 31. Those recommendations were presented to the Minister and, as required by the legislation, were tabled in the House. There is provision within the regulations for Members of the House to request a debate, under certain regulations, and that is the debate which is taking place.

Let me point out that there has been a substantial change in the way Parliament operates. Our Government is in the midst of a process of consultation with farmers and farm organizations.

Mr. Mazankowski: As required in the Bill.

Mr. Clark (Brandon-Souris): That is required in the legislation. Indeed, it has been carried out because the Government is committed to consultation. With all due respect to members of the Official Opposition, it seems that they have not realized that a change occurred over a year ago with the election of a Government that was committed to a process of consultation.

Therefore, we do not enter into this process with preconceived decisions. We do not enter into this process under a facade of consultation. We genuinely have sought and continue to seek the input of farmers and farm organizations from all regions of Canada, as pointed out by the Member for Champlain (Mr. Champagne).

We are also extremely fortunate that the Minister of Transport (Mr. Mazankowski), unlike his predecessor who spoke earlier this afternoon, sincerely believes that the way to good Government is to work in co-operation with the provinces, the organizations, individuals and all Members of the House. Such a process has not existed for a long time. I speak as a historian as well as a Member of Parliament. I have been here for two and a half years but as a historian in Canadian politics I know that such a process has been lacking for the last two decades. Therefore, perhaps it is understandable that members of the Official Opposition are confused that we have no preconceived position on this extremely important issue.

The issue we are concerned with today has been of immense importance to western Canadians since 1897. Unfortunately, those listening to the Hon. Member for Regina West (Mr. Benjamin) may have come to the conclusion that the Crow's Nest Pass Agreement came into effect in 1881.

This agreement was very much a fabric of western Canada. Canadians will know that in 1897 the railways received certain benefits from the Government of Canada to construct the line through the Crow's Nest Pass, which is so much an integral part of British Columbia. In return for that financial compensation and acreage compensation which the railways received in 1897, the farmers of Canada were guaranteed a certain concession with respect to freight rates into the future.

A couple of years ago the Government of the day—the Official Opposition today—decided to change what had been a perpetual agreement up to that time. I will not repeat the debate which took place at that time, when we debated this issue into the early morning hours.

The point is that the legislation under which we are operating now was passed as a result of the decision by the Official Opposition, which was the Government of the day. It is important to understand that the so-called Crow gap, what is now called the grain transportation refund, was part of a package that was put together two years ago to compensate those western Canadian farmers who were injured as a result of that policy change. Many western farmers would have preferred that that policy change never took place two years ago. Indeed, they would prefer that we never became involved in the question of the Crow gap involving some $650 million or the question of how it should be paid. Nevertheless, we must live with that decision because it is the law of the land. It is an irrevocable change.

We are now concerned with a review of how that policy is operating. Let me stress that we are not talking about a new policy of subsidy implemented some two years ago. We are concerned with compensation for a policy that was enunciated some 80 years ago and changed two years ago.

The difficulty we face with this issue is that we are attempting to govern during a time of real financial crisis. Canadian farmers are suspicious about any policy change, the suggestion of a change or, indeed, any suggestion that would raise doubts about the future.

I say with all confidence that our Government has done more for agriculture in 15 months than any Government in Canadian history over a comparable period of time. However, despite what we have done and will continue to do there remains a financial crisis among farmers which must be addressed, as well as a tremendous suspicion within that farm community.

With all due respect to members of the Official Opposition, I believe that that suspicion which has been growing in western Canada is part of the legacy left to us when we came to office some 15 months ago. I am pleased to see that my hon. friend, the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), agrees with me for once. We regret that this legacy exists and that there was cause for such suspicion, but it is a fact. Therefore, when we address a question as important as this we must proceed with all caution so that we do not add to the suspicion or cynicism that exists.

That is why our strategy of consultation is exceedingly important. Philosophically speaking, I believe that this should be a strategy followed by any Government. However, it is particularly important at this time.

The Hon. Minister is reassuring Canadian farmers and I do not believe that there is another Minister in the Government or previous Governments who is better suited for the task with which he is appointed than the present Minister. I have every confidence that the Minister will proceed in such a way that he will reassure those various farm organizations that do not agree on this subject that their sensitivities and fears are being carefully considered.

The Canadian Federation of Agriculture was in Ottawa some three weeks ago to attend meetings. One of the highlights of that week was their meeting with the Prime Minister and 18 Cabinet Ministers. I believe that is an event such as has not taken place in recent times. I asked the Canadian Federation of Agriculture what they felt about the method of payment issue. It was not that they did not have any attitudes. Of course they had many, but they had no position. We recognize the issue which we are addressing as being extremely important for many reasons.

• (1830)

As I have said already, people are very apprehensive about anything which would work to their financial disadvantage. It is an exceedingly complex issue which is not well understood in various parts of Canada. Perhaps it is fair to say that it is not well understood by farm organizations in any region of Canada. There is still a considerable amount of confusion.

What we have is a report of an inquiry which tried honestly and sincerely to listen to farm groups and to alleviate some of their fears. It has tried to come up with a reform which is "resource neutral", in its own words. The committee of inquiry

went in that direction and sought a solution which would not injure any particular sector of the Canadian agricultural community.

I remind the House that there is a recommendation in the Hall report that compensation should be paid to any segment of the agricultural community, should it be established through due process that indeed there was injury. The fear that there might be injury and the possibility of dealing with that injury are recognized in this report.

Also there was an attempt in the report to alleviate some concerns about the previous recommendation of acreage payments. This report abandoned that particular proposal and talked about net grain sales. I think that is a step forward in that regard. However, there are some remaining problems in that particular part of the report, as I see it and as was expressed to me by farmers. There is a fear remaining about the difficulty of monitoring sales between farmers. Also there is some fear that farmers who are feeding their own grain might divide into a grain enterprise and a cattle enterprise and try to take advantage of the proposed changes. These types of concerns remain and stress the importance of the process of continued consultation.

I am sure Hon. Members of the Opposition realize that this is an ongoing process throughout this crop year. In essence, it began some 12 months or so ago. However, the Minister is required, by the end of the crop year, to have considered these recommendations. That is why the debate is occurring today. I am sure there will be other opportunities in the future for it to be continued. This is an ongoing process. I think we are looking at some seven additional months, and I hope within the course of that seven months that there will be adequate opportunity for various farm organizations to reach a definitive position. Also I hope there is an opportunity for farm organizations which fear some of the implications of the report to speak directly with each other.

It seems to me, as political scientists and historians have said, that Canada is a very difficult country to govern because regionalism, which is so much a part of us, tends to be divisive. One way to lessen that regionalism is for those people who represent the different regions of Canada, whether they be Members of Parliament or part of the farm community, to have a chance to come together and perhaps informally meet on common ground to discuss their differences.

The Hon. Member for Champlain made an exceedingly important point today. He stressed that under the new Government, which has been in place for 15 months, he felt perfectly comfortable in rising as a representative of his province, on behalf of his constituents, and expressing their concerns. He felt that he could do that in an atmosphere where such debate was welcome. Other Hon. Members feel equally comfortable in the process. I believe I may be followed by one of my hon. friends from the Province of Alberta. I know that he, too, feels equally comfortable entering into this debate. The essence of the parliamentary process is that those of us who represent varying constituencies which sometimes have conflicting points of view must have the opportunity to express those points of view. In fact, later this evening we will be discussing parliamentary reform as a result of the "McGrath" report which is before the House. If I understand that report correctly, that is one of the main principles in it. The parliamentary part of the process which began today is an important step in the direction of parliamentary reform.

I want to conclude by saying that a great deal of discussion must yet occur. Although many of the farm organizations are not yet in agreement, whether they be in western Canada or elsewhere in the country, what we are doing today is setting the stage. We look forward to being a part of that process. I compliment Hon. Members who participated in this debate. Even though in western Canada we see this as being primarily a western Canadian issue, for historic and economic reasons, I am delighted that all Hon. Members of the House feel comfortable in participating, and I congratulate them on their contributions today.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I realize—

Mr. Mazankowski: I thought you wanted a vote on this.

Mr. Blaikie: I understand that there cannot be a vote. I know that the Minister of Transport (Mr. Mazankowski), except on occasions when he disagrees with me, is very seldom wrong. I will take his word for that. However, on this occasion I want to reflect upon what happened to the statutory grain rate and to remind Hon. Members of the great things which were predicted by both railways if the Crow rate were to be changed.

In particular, I refer to something which happened this year as a result of an arbitrary action taken by one of the railways. I understand that a great many Hon. Members are concerned about it. I am referring to the arbitrary action of Canadian Pacific in depriving its pensioners of their pass rights. Many Members on all sides of the House have expressed concern about this matter. I am not aware of anyone in the House who supports the CPR in that action. I am sure almost all of us have CPR pensioners in our ridings and will therefore know how much of an insult this was to them, even though many of them may not use their passes. The amount of money which it costs CPR for those who use them is a very insignificant one indeed. However, that was the generous corporate response of a company that got its way with the change in the Crow rate and received $300 million per year which it otherwise would not have received. What was its response? Its response was to act in a mean, stingy, cold-hearted way toward its pensioners. I just wanted to put that on the record.

The other railway in the country, Canadian National, along with CPR, has responded in general through a systematic reduction in its employee levels. It has responded by trying to do away with what we regard as important processes for worker and public safety, such as the preservation of cabooses on trains. I do not have time to go into the record of the railways and their responses to getting what they wanted in terms of the Crow rate, but it has been an abominable one.

They have not shown the generosity one might expect from a recipient of this largesse from the public purse. They have not proceeded to deliver the kinds of jobs which they promised their employees. Many people in railway shops across the country were called in and showed nice movies about all the jobs that would be created. Since then we have had nothing but lay-off after lay-off. In fact, I was informed by CNR just yesterday that another 93 positions are to be eliminated at the Transcona shop. This is the kind of response we have had. Also we have had an unwillingness or a reluctance, shall we say, on the part of the Government to go ahead with other related programs, such as the boxcar rehabilitation program which came about as a result of a federal-provincial agreement. We have seen a third of that program implemented at Transcona. We have another two-thirds to go. That two-thirds is not happening yet. Instead, what do we have? We have more lay-offs at the shop.

● (1840)

I just want to put on the record that I think the behaviour of the railways following the change in the Crow Rate has not lived up to the promises they made to the Canadian people, and to a certain extent the Canadian people and Parliament itself, at least those who voted for the change, were hoodwinked by the railways.

Mr. Deputy Speaker: Pursuant to the order made earlier this day, the House will now proceed to the next order of business.

GOVERNMENT ORDERS

[*English*]

REFORM OF THE HOUSE OF COMMONS

GOVERNMENT RESPONSE TO COMMITTEE RECOMMENDATIONS

Hon. Don Mazankowski (for the President of the Privy Council) moved:

That this House take note of the matter of reform of the House of Commons.

Hon. James A. McGrath (St. John's East): Thank you, Mr. Speaker. It will be one year ago tomorrow since this House established a special committee on reform. In so doing, Sir, it embarked on the most ambitious and comprehensive reform ever undertaken by any Commonwealth Parliament. This is the first opportunity we have had since that time to discuss the committee's reports, although much has taken place since the committee was struck.

We already have in place the recommendations of the first report on a provisional basis. Before dealing with that, though, I want to take this opportunity to thank my six colleagues on the committee who gave so selflessly of their time and who put so much effort and energy into the work of the committee. I want to thank especially my two Opposition colleagues, the Hon. Member for Papineau (Mr. Ouellet) who served as first vice-chairman of the committee and the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), who was the second vice-chairman of the committee. They, Sir, together with my colleagues on this side of the House, the Hon. Member for Argenteuil-Papineau (Mrs. Bourgault), the Hon. Member for Peace River (Mr. Cooper), the Hon. Member for Prince Edward-Hastings (Mr. Ellis) and the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen) were able to rise above narrow partisanship and take the broader view, thereby taking up the challenges presented to them by the Government and this House.

They brought to the task a personal commitment, a commitment to make this a better and more effective place to deal with the business of the nation. Critical to this was their commitment to enhance the role of the private Member. I want as well to acknowledge the work of the alternate members of the committee and the 83 Members of this House who made submissions to the committee.

We brought to our task almost 100 years of parliamentary experience. As well, we had the professional support of the most able people who serve us in this place. I mention this because of the many new Members of this House who came here 15 months ago full of high hopes and great expectations. I can say to them that the frustrations that they experienced are well known to us who were already here. They expected great things from us and their ongoing interest served as a constant reminder of the importance of our mandate and the challenge inherent in it.

The House will be interested in knowing that in the 55 formal meetings of the committee, which included visits to the national Parliaments of Great Britain, France, the Federal Republic of Germany and the United States, there was not one single division. There were no heated partisan exchanges. As a consequence, the committee was able to reach consensus on the 82 recommendations contained in the three reports. The result, in my opinion, is a package of reform which would change the way this place functions in an important and fundamental way—change the way it functions in an important and fundamental way for the benefit of all Canadians.

Therefore, tonight I express the hope that this will not be a partisan debate. Were we to engage in such a partisan exchange we would destroy not only the letter but the spirit of these reforms. We are not here to score partisan points in this debate. We are not here to discuss the benefits or emoluments accruing to Members. Nor, Sir, for that matter are we here to cater to the complacent and the self-satisfied.

The fundamental question that each of us should ask ourselves tonight is what do the people of Canada expect of us? Are we who are here on their behalf satisfied with the way we conduct the business of this nation? Are we satisfied with the procedures already in place to hold the Crown accountable for the way it spends the taxpayers' money? What you have before you tonight are the efforts of seven private Members who attempted in the recommendations of the committee to address these important questions.

I would like now to pay tribute to the Prime Minister (Mr. Mulroney) for it was the commitment of the Prime Minister to the people of Canada to reform Parliament that resulted in the setting up of the special committee. The first priority of this Government in the Speech from the Throne called for the setting up of this special committee. I quote directly from the Speech from the Throne of last fall:

> The central focus of this task force will be the enhancement of the role of the Private Member. From that prospect the task force will examine and make recommendations concerning the powers, practices, organization and resources of the House of Commons.

The Prime Minister never once wavered in that commitment. Not only that, he publicly supported the work of the committee throughout the life of its mandate. That commitment to this House by the Prime Minister can best be summed up by his words which, consequently, I found at page 823 of *Hansard* for December 3, 1984, one year ago, and I quote:

> —what is emerging is a conflict between Parliament and the executive. I stand fully for the rights of Parliament.

Never in the history of this place has a Government, and I pay tribute to the Government House Leader, moved so quickly and so positively to implement the recommendations of a committee of this House. The recommendations of the first report which are now in place are dramatic testimony to that fact. When the Prime Minister agreed to give the committee the broadest possible mandate, he was by his vision challenging this House to reform itself. I hope, Sir, that we as Members of this House are up to that challenge.

Let me say that if we were to identify a philosophic thrust to the findings of this committee, it would have to be its attempt to enhance the role of the private Member and to provide for greater accountability by the executive to this House and its committees. That is the heart and soul of the committee's recommendations. That is what we at least attempted in our reports.

We have already set up legislative committees arising out of the recommendations of the first report. Let me say to my friend and colleague, the President of the Privy Council (Mr. Hnatyshyn), that I believe it was a mistake on the part of the committee to recommend a floor on the size of those committees. In retrospect I believe that was a mistake. That would have been better left as a question to be negotiated by the Leaders of the House, through the work of the Striking Committee. I do not say that to address the configuration of this House because that would be a mistake, if we were to address the reforms to this Parliament. I say that because I think that is much better way to go about the business of the House. However, I would like to say this parenthetically: when we made that recommendation, we never envisaged a situation of having more than six or seven Bills before a committee at any one time, as that had been the record of the House up to that time. I would say to the House and to the leadership of the House that neither was it our intention that these legislative committees be struck after first reading. They were to be struck after second reading and that is clearly explicit in the recommendations of the committee. I hope the House will take that suggestion seriously.

• (1850)

I would like now to move on to the specifics of the Government's response to the committee's second and third reports. Time will not allow me to deal with all the recommendations, all the changes that have been made as a result of some of these recommendations, or every response of the Government for that matter. Rather, I would like to highlight some of the areas that the House may wish to reconsider, and indeed the Government House Leader in a spirit of reform may wish to reconsider.

To its credit, and to the credit of the Government House Leader, the Government is for the most part in the process of moving toward implementing many of the recommendations of the second and third reports. However, I am concerned about a number of areas and I will refer now to two recommendations contained in the second report.

The first concerns new voting procedures. I would like to have some explanation in this regard, that the 30-minute bell proposed in the Government's response would only be an interim measure in place until the House installed electronic voting devices. Otherwise, it would make no sense. After examining the experience of the electronic voting system in the U.S. House of Representatives, one would see that to have the machines activated for 30 minutes would really make no sense. What we are recommending here is that for the 15 minutes while the bells are ringing, the machines would be open and Members would come to vote. This must be taken as well in the context of the attitude of the House toward the convention of confidence, something which I believe has to change. We made no recommendations there but we addressed the matter in narrative form. The Minister has dealt with that as well.

I am also worried by the proposed changes in the Standing Orders as they relate to the new voting procedure. Paragraph 4 of the proposed Standing Order 13 seems to indicate that either the Government or the Opposition could delay any vote while the bells were ringing for a period of one day. I hope I am reading that wrong. This proposed change would certainly make the job of the Party Whips easier, but I think it would dramatically alter the accepted principle of the House and how it votes. It would be a backward step. For example, any contentious vote could simply be delayed until the Parties were satisfied they had the numbers here to deal with it. That is not reform.

In the committee's recommendations concerning the precincts of Parliament, we recommended an intendant. We did that because we were concerned that we had lost control over this place and its precincts. We acted from evidence presented to us by former Speakers and present Speakers. Things are happening here that do not have any reference to Parliament at all. Just a few months ago, they put a marquee tent on the grounds of Parliament, something which had no reference to this place. We had the sound and light show learning up the

grounds of this place to turn the front lawn into a carnival without any reference to this place.

Surely we are responsible for this place and not the Department of Public Works or the bureaucrats from the National Capital Commission. I would plead with the Government not to tamper with that recommendation so that the proposed parliamentary intendant would become merely a co-ordinator between the Department of Public Works, the National Capital Commission, the Speaker of the House and the Speaker of the Senate. We want him to be in charge of this place, to execute our wishes on behalf of the people of Canada and to enhance and preserve this important part of Canada's national heritage.

Other than that, I am satisfied that the Government has moved with regard to the implementation of the recommendations of the second report. I hope the Minister or the House will reconsider those points, because the Government to its credit has not presented its response in a partisan fashion. It wants to hear from the House. I congratulate the Government House Leader and his colleagues for arranging for this debate.

The third report was tabled in the House on June 18 and is the basis for new provisional Standing Orders which will take effect next month.

One of the series of recommendations that we made in the first report was that all questions relating to confidence be removed from the Standing Orders. We did that because we felt that this was not the role of the Chair. It is not for the Chair to say when a Government should resign, when it has lost the confidence of the House or when it should not. That judgment and the responsibility for that judgment must be taken by the Government. Yet we have references to confidence restored to the Standing Orders by defining what is a free vote.

How can the Chair define what is or is not a free vote? How will the Chair be able to enforce the Standing Order if a Government is defeated on a measure which is defined in the Standing Orders as confidence yet the Government of the day decides not to resign? What happens then? The Chair is then left in the position of having a Standing Order that it in fact cannot enforce. I hope the Minister will give some thought to that.

We talked at great length about the myth surrounding questions of confidence that has grown up in this country. Governments should not have to resign when they are defeated on a Bill. All Parliament is saying is that we do not like the Bill, bring back a better one. If the Government gets defeated on a Budget, obviously it cannot function as it cannot get its Supply and it must resign. If it is defeated on a specific, explicit vote of confidence, then clearly it has to resign. But surely we should put in place reforms that will give the House an opportunity to express itself on legislation.

We know just as much if not more than those faceless people in the PCO who draft these Bills. Surely we should be given the opportunity to improve them. I would hope that the Government will take to heart the words of the eminent constitutional expert, Senator Forsey, who produced a 323-page paper for the committee on the convention of confidence. He said: "Questions of confidence and their definition are best kept out of the Standing Orders altogether".

If we adopted the attitude necessary to restore to the House a new approach to the so-called confidence convention, we would by that very fact be restoring to the House an important role in the legislative function, a role which I do not believe it now has because there are no surprises in this House any more. We know how we are going to vote on every Bill that comes before the House because the Whips are on on every Bill. We asked a representative from Britain about the three-line Whips. He said that they have used the three-line Whip there so often that it has become a feather duster. We have used the three-line Whip in this country on every Bill. It is about time we changed that.

If I want to vote against a Bill because it is not in the interests of my constituents that should not mean that I have no confidence in the Government I support; nor should it mean that I am a maverick who makes the headlines and the national news that night. When we in the House reach the stage that that fact no longer makes news, we will have achieved one of the greatest reforms in the history of this Parliament.

Some Hon. Members: Hear, hear!

Mr. McGrath: There are two other areas on which I wish to touch very briefly. We as a committee working with consensus felt that the heart and soul of parliamentary reform and the enhancement of the role of the private Member could best be done through a new committee system. We recommended a new Standing Committee system, and in order to ensure the independence of that committee system we recommended it be given its own budget, have its own ongoing mandate, be better equipped to hold the Government accountable during the examination of Estimates, and that Parliamentary Secretaries be excluded from membership on the committees.

There is a very important role for Parliamentary Secretaries to play and that is in piloting Bills through the legislative committees. In my view, they have no role on the Standing Committees. They may observe the proceedings but they should not in any way attempt, as surrogates of the Government, to interfere with the process of concensus and collegiality that will hopefully emerge from that new Standing Committee system.

• (1900)

Finally, I hope that the Government will accept our recommendations regarding Private Member's Business. Surely, that is something the House can deal with itself. My friend, the Hon. Member for Peace River, took the lead in putting those reforms together. It is one of the area, apart from the new committee system, about which we are most excited as members of the committee. We hope that the Government will give us a chance to function as legislators. The only way we can truly and fully function as legislators is if a new system with

regard to Private Member's Business is brought in. In this way, Bills will have a chance to become law. The last Private Member's Bill which became law in this place was a Bill establishing the beaver as Canada's national symbol. Who will take us seriously if we conduct ourselves in that fashion?

I will not indulge myself on the time of the House. This is a special debate by Special Order. I have 20 minutes and my time is up. I wish to say to the House, the Government House Leader the Prime Minister and his colleagues in the Government how grateful I am for the opportunity which was given to me as one member of the committee to be a part of what I consider to be this exciting process of reform.

I hope in saying this that the Government will not lose the spirit which prompted it to start this reform process in the first place because if there is one thing this Government will be remembered for, among all others, it will be its determination to reform this place in order to make it more meaningful for the people of Canada.

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, I am pleased to participate in this special debate tonight and I would like, at the outset of my remarks, to congratulate the chairman of the special committee on the reform of the House of Commons, the previous speaker, for the speech he just delivered, but especially for the outstanding work he has done as chairman of that special committee. In my view, he was an inspiration for all members of the committee and he prompted us to work in a non partisan fashion. Our job was excessively difficult in some regards but I believe the results have been well received and even applauded like no other report from a Parliamentary committee has ever been before.

The media unanimously paid tribute to the hon. member who presided over that committee and unanimously expressed the hope that the Government will implement as soon as possible the recommendations contained in what is commonly referred to as the McGrath report.

That explains why I was somewhat surprised, Mr. Speaker, when I read the response to the recommendations contained in the second and third reports from the special committee on the reform of the House of Commons, response which has been submitted to us last October by the Government House Leader.

I suggest the recommendations made public at that time by the House leader can be viewed in two different ways. On the one hand, one can say that the government seems to be prepared to accept almost all recommendations suggested by the special committee. This approach, this reaction is of course that of an optimist. On the other hand, a pessimistic or partisan member of Parliament could react in an exactly opposite way because when one examines very carefully the response of the government, one realizes that only one of the seven recommendations made in the second report is in fact immediately accepted by the government and that the six remaining are to be subjected to additional studies, consideration and discussion within the new Board of internal economy.

As for the third report from the committee, the government is telling us that it only accepts one third of the recommendations, that it wants to see further discussion about another third of the recommendations and that the last third is not accepted at all.

Well, Mr. Speaker, I am not sure whether, when rising tonight, I can consider myself an optimist or a pessimist. But I want to say this to government members, that we, as members of Parliament, every one of us, collectively, have a unique opportunity to operate a major, meaningful reform benefiting the institution of Parliament and all members, whether they sit on your right or your left, Mr. Speaker. And I suggest it would be unfortunate if, through misunderstanding or hesitation on the part of the government, we were to miss the boat on parliamentary reform.

I am prepared to accept the word of the Government when it says it is in a favourable frame of mind about this. However, I believe that this report which results from the assiduous work of all members of the special committee must be accepted in its entirety. The fact of the matter, Mr. Speaker, is that we have worked in a spirit of consensus, in a non partisan fashion. I am sure that the representative from the New Democratic Party who was sitting on that committee alongside with me would agree with me that we have agreed to some things in the best interests of Parliament even though we knew that for us, in the opposition, for the Liberal Party as well as for the New Democratic Party, some of these recommendations would not necessarily be well received by all our colleagues from the opposition. We accepted these compromises because, on the other side, the Government Members sitting in the committee were also willing to make certain compromises and non-partisan suggestions in the best interests of the Canadian Parliament.

The Government cannot now pick and choose in the document which has been presented to us and accept only those recommendations which it might find more interesting and reject other recommendations because they seem to favour the Opposition.

I believe that the balance which we have been able to maintain through the work of the Committee Members is a delicate one, and that it is essential that it be respected by the Government. Otherwise the package of recommendations made by the Special Committee on the Reform of the House of Commons will make no sense.

If we were to accept only the recommendations which favour the Government, it is obvious that the objective of parliamentary reform would not be reached. Essentially, Mr. Speaker, what our Committee tried to do is to bring to bear an

element of freshness, a new approach to Parliamentary procedure which puts more emphasis on the individual Member of Parliament. This does not mean the Ministers, Parliamentary Secretaries or Members of a political party, whether in the Government or in the Opposition, but the Members democratically elected by the public to represent their views in the Canadian Parliament. Throughout our work, we always kept one thing in mind, namely the obligation of parliamentarian to reassert the value of our institution in the eyes of the Canadian public. We should not delude ourselves. We have to face the brutal truth. Many Canadians have lost confidence in politicians. Many Canadians no longer see the Member of Parliament as someone with an important role in Canadian politics. If we want our democratic institution to have some meaning and usefulness, it is essential that we give back to the population a minimum of confidence in its representatives in the Canadian Parliament. I believe that this is still the fundamental purpose of parliamentary reform.

● (1910)

I would like to say that the first report to be approved by the Committee chaired by the former Member of this House who is now Senator Tom Lefebvre included a series of recommendations which were nearly identical to the recommendations accepted unanimously by the three political parties in the previous Legislature.

However, I have to say with some regret, Mr. Speaker, that three of the recommendations contained in this first report are not being rigourously applied and followed by this Government. The first of course concerns the legislative committees. We had recommended that legislative committees be created after the second reading stage, but that the Government also be able to decide after second reading that a bill would be referred to a Committee of the whole for consideration.

The Government obviously had a choice in dealing with bills. They could be referred either to a Committee of the Whole, to a legislative committee or even to a Standing Committee of the House. However, at the present time, there is a proliferation of legislative committees, much too many compared with what we had envisioned at the Special Committee on the Reform of the House of Commons, and certainly also with the views of the Lefebvre Committee, which had never recommended such a proliferation of legislative committees.

Yet, there are now 13 legislative committees, although seven only are active. Why were six other committees struck if they are not to meet and do worthwhile work? It is my view that something went wrong with respect to the spirit, if not to the very concept of the use of legislative committees.

Secondly, we had mentioned appointing Members of Parliament, Private Members, back-benchers to the Committee on Internal Administration, because as suggested earlier by the Hon. Member who spoke before me, the Hon. Member for St. John's East (Mr. McGrath), it is important that Members of Parliament should control the administration of their own institution. Of course we have no objection to House Leaders from the three parties sitting on that Committee.

However, it may happen that they will not always be as nice and civilized as the three present House Leaders, and the spirit of cooperation now prevailing between House Leaders could also deteriorate. It would be too bad, and most unfortunate were the Committee on Internal Administration to become just another forum for discussion between House Leaders. I simply wanted to point that out, because we believe it is very important that the other committee members besides the two Ministers, the Speaker and Deputy Speaker who play an important role on that Commiteee, be actually Members of Parliament, not necessarily Officers of the House, but actual Members of Parliament.

Finally, the provision concerning Ministers' statements is something we wanted, but on this side of the House we have been somewhat amazed to see to what extent the Governement can take to the letter of the new procedure. What I mean is that Ministers' statements must be delivered in an orderly manner, and the least we can expect is that there should be some advanced notice because, as you know, Mr. Speaker, Ministers' statements are made after the oral question period, and proceedings go on after normal hours at 6, 6:30 p.m. We ask for advanced notice at least on the day before such Ministers' statements are made—I am not asking Ministers who will be making statements to send their documents, but at least to notify the Opposition that there will be a Minister's statement the next day—in order that on this side we may, at least prepare for the debates for a period somewhat longer than after 6 p.m. Those are the comments I wanted to make concerning the second report.

I want to commend the Government for deciding to proceed with parliamentary reform. The fact that they accepted the first report is a very clear signal that they wish to implement parliamentary reform, but one thing I woud like to suggest this evening is that in order to have a genuine parliamentary reform, the second and third reports have to be implemented almost entirely. Failing this, we of the Opposition will have been somewhat gypped in the co-operative effort made at that non-partisan committee to arrive at a series of recommendations which in my view are most fair to all Members of Parliament, whether we are Government or Opposition Members.

My major concern is with some proposals made in response to that report by the Government House Leader. I cannot understand in particular why he does not accept the suggestion concerning the in-depth consideration of the estimates. We believe—a view that was shared by all Members from both sides of the House—that the consideration of the estimates is practically a farce. The way it is done leads to a minimum of scrutiny in the discussion of the estimates of various Depart-

ments. And it is our view that strengthening the MP's role depends on the opportunity for that Member to make a more thorough study of the various expenditures of Canadian Government Departments. What we have suggested, in view of our parliamentary tradition and precedents . . . We did not want to change completely this review of budgetary estimates, but we thought that Committee Members who will look into these estimates should not only have the right or the privilege to put questions for a few minutes to civil servants or ministers, but also to ask a series of questions to officials concerning the activities and spending of their Department, and to obtain a written reply in time to make it possible for Committee Members to carry out a better informed and more useful study of a particular Department.

I cannot understand why the Government has not accepted this recommendation. I can assure the Government that this suggestion had been made not only to benefit Members of the Opposition, but also in response to the wishes expressed by Government Members. I dare hope that we can find a formula which will satisfy the Government so that these questions which could be tabled with the Clerk of the House in an appropriate form may be accepted and answered before consideration of the estimates.

Mr. Speaker, I see that unfortunately my time is just about up. To conclude, I should simply like to say that 20 minutes to describe the great experience which I have lived with my colleagues on the Special Committee on Reform is not enough. I want to thank all of them for their co-operation, understanding, and I hope that the Government will remember that this document is so valuable that it should be accepted in full, not just in part.

• (1920)

[*English*]

Mr. Bill Blaikie (Winnipeg-Birds Hill): Thank you, Mr. Speaker. I want to begin this evening by expressing my congratulations to the Government House Leader for instigating this debate before any resolution of the recommendations made to the House by the Committee on the Reform of the House of Commons took place. I am glad to see that this is indeed happening.

I also want to congratulate the Hon. Member for St. John's East (Mr. McGrath) with whom I have had the pleasure to work in two special committees dealing with parliamentary reform.

In that respect I want to say that tonight we are nearing the end of a stage which really could be said to go back to 1979 when the Hon. Walter Baker, the predecessor of the current President of the Privy Council (Mr. Hnatyshyn), brought in a position paper on parliamentary reform of the Government at that time.

Since that time of course we had in the last Parliament the Special Committee on Standing Orders and Procedures chaired by the former Member of Parliament, now Senator Tom Lefebvre. I had the opportunity to serve on that committee as the vice-chairman and as well in this Parliament as vice-chairman on the Special Committee on the Reform of the House of Commons.

I recall these things because I want to be clear that what we are talking about tonight is the accumulated consensus of the opinions of many Members of Parliament from all sides of the House. If I understand the history of parliamentary reform correctly, we are nearing the end of what has been a truly remarkable process. Going back to the last Parliament, leading up to this very moment, we have seen a remarkable process whereby consensus rather than division and partisanship has been the rule of the day. I feel that I as a Member of Parliament have been privileged to be a part of that process for as long as I have. I estimate that I have probably attended about 95 per cent of all of the meetings that have been held on parliamentary reform since the bells rang for 16 days.

During that time I have had the privilege to see the best side of many Members of Parliament and the best side of what Parliament can be. I say that tonight because I am, as I hope it can be said of me throughout the process, not out to pick a fight with anybody. I do not want what I say tonight to be understood in that way at all, but I want to say some things in what I hope will be a strong and convincing way about how I think this process should come to a successful end. It needs to be nursed to a final conclusion consistent with the spirit that has imbued the process from the very beginning.

The Goverment has a special responsibility in this respect because if the process is to end as it began with consensus then the Government must not flinch as it faces the final stage of parliamentary reform—or at least the final stage in this stage of parliamentary reform, because we know that the process of reform is ongoing. The Government must not falter in the respect it has previously and consistently shown for the consensus arrived at by the Special Committee on the Reform of the House of Commons.

It can fairly be said that the Progressive Conservative Party has demonstrated a consistent interest in and support for parliamentary reform. The Prime Minister (Mr. Mulroney), to his credit, as was said by the Hon. Member for St. John's East, has made it a centrepiece of his claim to represent a new era in Canadian political life. I say to the Prime Minister, through you, Mr. Speaker, do not back off now; reconsider some of the ways in which the Government's response to our final report needlessly tinkers with some of the recommendations, with little or no reason offered for doing so, in many cases; reconsider the ways in which it significantly violates both the letter and the spirit of our reform particularly as it pertains to the question of the confidence convention, and to the matter of parliamentary secretaries sitting on standing committees. I will elaborate in more detail in just a few minutes on those two matters.

But first I want to say a word about something that has arisen more as a problem than as a principle, and that has to do with the way the recommendation on legislative committees has unfolded. We know there is a problem with the legislative

committees, that people feel Members are overloaded with work and that there are too many committees. I think we have to acknowledge a couple of things here, and make a few suggestions about which I think can be easy consensus.

First of all the committee, in its imagining of how legislative committees would work, always imagined the legislative committees working simultaneously with smaller standing committees. I understand the mechanics of what the Government wanted to do, and rightly so; to introduce our second report. So they did, and that brought about legislative committees. Our smaller standing committees were in the third report fully, so there was a chronological difficulty there. Let us keep that in mind when we are critical of the existence of legislative committees, as some Members have been. Hopefully it is only a matter of time before they exist alongside smaller standing committees. That will help to ease the problem.

● (1930)

It will also help to ease the problem if, at the same time as we initiate the next stage of reform, we also more to make the number of Members required on legislative committees more flexible. I do not want to second guess the work of the committee, but I think that we should have recommended more flexibility for the size of legislative committees. We did not, but I think there is a consensus in the House that it will be possible to have smaller committees for noncontroversial legislation and larger ones for legislation which is seen to be politically controversial.

I think there is also a consensus that there should be some kind of traffic control on the creation of legislative committees. There should be only a given number of legislative committees sitting at one time. There are various ways in which we could do that and I will not use up my time suggesting them. However, I think it is important for Members to realize that the problems with legislative committees are solvable and that we should not allow transitional irritants to lessen our enthusiasm for reform. My concern with legislative committees to this date has not been with the possibility of them working as we intended them to, but that in the short run they have made some Members skeptical about the reform process.

I will now turn to the two elements of the Government's response to our final report which I find to be the most troublesome. The first and the most troublesome has to do with parliamentary secretaries sitting on standing committees.

As you know, the committee recommended that there be smaller standing committees with seven members and the Government responded by recommending standing committees with eight members and parliamentary secretaries. We recommended that the committees have a form of tenured membership with Members selecting their own alternates. This will, hopefully, develop a sense of collegiality that will provide better scrutiny of and accountability for the various departments which these standing committees will mirror than we have seen to date.

I say to the President of the Privy Council that what all Members and the public imagine for these committees and, falsely, for present committees, is an independence from the Government which will be impossible if parliamentary secretaries are allowed to sit on those committees. I say that with no disrespect to persons who are presently or may in the future be parliamentary secretaries. It is just in the nature of the beast that this will be the case.

The Government argues that parliamentary secretaries will play an important role in liaising with the Minister. Mr. Speaker, if we get these new committees and if they are as important and as meaningful as we want them to be, the job of liaising with the Minister can easily be done by a capable chairman of a committee. The chairperson will still be appointed by the Government rather than by the Speaker as is the case with legislative committees. That chairperson can work with the Minister and the Minister will have more inclination to keep channels open with these new committees than he may have had in the past with former standing committees.

As long as there is a parliamentary secretary sitting there feeling, quite naturally, some obligation to defend Government policy, the Minister, or the department, and to report back to the Minister about what has been going on there will be inhibition of the free, frank and independent collegiality that we want to have developed on committees. It just cannot happen if parliamentary secretaries are allowed to be on committees.

Imagine a standing committee coming to a unanimous decision that a judgment or an action of the Government or a department is to be criticized. A parliamentary secretary could not very well make unanimous a recommendation of a committee which was critical of his Minister or department. Let us think about that recommendation because I believe it goes to the heart of reform. If the Government does not change its mind on that it will be very, very difficult for me to be supportive of any conclusion we arrive at. However, I will do my very best because I want this to result in consensus, if at all possible.

I would now like to speak about the issue of confidence. The whole gist of our recommendation up to and including the final report was to deproceduralize confidence. That is the reason we recommended that the language of confidence be taken out of the Standing Orders, and presumably that is the reason it was accepted. That has already been done. We did that because we wanted the question of confidence to be explicitly political rather than a procedural maze in which Members could find refuge when they wanted to as was often the case, and Members of all Parties were guilty of it.

Motions of supply on Opposition days were procedurally matters of confidence so people said that they had to vote with the Government even though they were really against testing the cruise, for example. That is one example. But people in all political Parties were guilty of using that procedural reality in a number of ways which debased the coinage, if you will, of what Parliament is all about, that is, standing up and being

counted for what you really think about an issue and being answerable to your constituents for that.

What the Government proposes is not only a violation of what the committee recommended, but if the President of the Privy Council moves ahead with this he is asking for an incredible number of problems just in terms of trying to define what confidence is. As has been suggested before, having that in the Standing Orders and putting the Speaker in the position of having to rule on Standing Orders that deal with whether the Government will stand or fall is an incredible position in which to put the Chair. That is certainly quite the opposite of what we contemplated when we recommended that all reference to confidence be taken out of the Standing Orders and that only those motions that are explicit motions of non-confidence in the Government be so regarded. The Government will continue to have the freedom, at the political level, to say what is confidence and what is not.

The idea is to give the Government the flexibility to say that it pays attention to Parliament and because a particular Bill was defeated, either in the House or in committee, it will go back to the drawing board and have another look at it rather than being caught up in a codification of what confidence is all about.

• (1940)

I say to the Government House Leader, who I know has great respect for the common law tradition, that he should not try his hand at any other tradition at this point. I would refer Hon. Members to various studies conducted by Doctor Forsey and Doctor Norton for the special committee in which the case for this is outlined at great length and quite convincingly.

With respect to the question of recorded divisions, I could be satisfied if what the Government has recommended is seen as an interim measure and that it intends to go ahead with our recommendation of conducting a vote while a 15-minute bell is ringing. When that recommendation is finally implemented, we will not have the possibility of House Leaders deciding to defer a vote during the time it is being taken. That is possible in the Government's response. It may not be significant in this Parliament but one can imagine the problems that might occur in a minority Parliament where pressure could be on people overnight if a vote could be delayed by people interested in the outcome once the vote had started.

The Government's response with respect to the precincts of Parliament is a half-hearted acceptance of our recommendation for the establishment of a Parliamentary Intendant. I do not understand why the Government could not have accepted our recommendation to establish a Parliamentary Intendant and that we gather to ourselves all the various and confusing jurisdictions that now exist with respect to how Parliament Hill is administered. We would then have some control over our own lives. We would be accountable to the Canadian people for what is seen to be related to us. Too often we have been put in a position of not knowing what is happening. An example which was already mentioned is when construction was taking place about which we knew nothing.

If time permitted, I would comment on many other questions. However, I believe I have spoken to the two issues that are most important to me. They are the ways in which I believe the Government is tempting itself to set itself against the momentum which has been created for some years now. We have done so much and made so much possible that it would be a shame to fail in this eleventh hour. It would be a shame for the Government to fail by backing off in crucial ways as it is tempting itself to do. I hope that as a result of the debate tonight, and as a result of whatever process remains before there is final agreement, the Government will reconsider those very important areas that are now at variance with what the committee recommended.

Some Hon. Members: Hear, hear!

Mr. Albert Cooper (Peace River): Mr. Speaker, thank you for giving me this opportunity to participate in this debate. I must say that this is a very special evening because in the six years that I have been in Parliament this subject has become a love of mine. It is a subject that is important to me and one that I think is extremely important, not only to this institution but to the people whom we represent throughout Canada.

Tonight I want to begin by acknowledging the Chairman of the Committee, the Hon. Member for St. John's East (Mr. McGrath). He is a tenacious, demanding task master and I think it is very much to his credit that we as a committee were able to come forward with these recommendations. He pushed and worked us hard. I often remember getting off an airplane after a hard weekend in my riding only to know that there was a phone call from the chairman with a message that we were about to go back to work. It was a tough ongoing process and I pay him the greatest compliment I can by saying how much we appreciate his work. It was because of his work that we have what is before us tonight.

I also want to pause for a moment to mention the Prime Minister (Mr. Mulroney). When this debate began and the committee was given this job, I recall frequent comments that the Prime Minister, although new, would never go through with this change. It was said that he would pull the rug out from under us so that this would not happen. As stated by the chairman, the Prime Minister supported us throughout the process. He listened to our concerns and I believe he has responded to our report.

I also want to mention the Government House Leader who has made this debate possible. That in itself is a reflection of the kind of work we were doing in committee. We believed that when important reports came to the House there should be some discussion of those reports. Tonight we are seeing that in a real, intensive debate that gives each of us an opportunity to express our opinions.

I must also thank my colleagues from both sides of the House who worked with me on the committee. When we look at the membership of that committee we see a quite unlikely group to arrive at a consensus on a report. It is an unlikely group that would go through some of the discussions and

decisions which we made without a vote to arrive at a consensus.

If one considers the structure of this committee, it is no accident that it arrived at many of the reforms and recommendations it did. For example, it is no accident that it was recommended that there be seven members on standing committees. We picked seven members because our committee was made up of seven members from all sides of the House who were able to get together to confront an issue that we all believed was important. Therefore, I want to say a very special thanks to each of those members.

I also want to mention the staff who worked with us, some of whom are watching the debate tonight from the gallery, some of whom are at the Table, and some who are watching on television. They gave their all to make this evening possible.

I want to mention one final group. As we went through this reform process, people talked about the responsibilities of the Government, the responsibilities of the so-called McGrath committee and the responsibilities of the House Leaders. However, throughout the whole report there is the responsibility of Members of Parliament.

Reform, no matter how wise, how effective and practical, will not work unless Members of Parliament have the courage and the desire to make it work. My concern is that once we move from this stage into practising some of the recommendations we have put forward on a provisional basis, the success of those recommendations will very much depend on the understanding and demonstrated concern of all Members of Parliament from both sides of the House.

Let me move to the issue on which I want to focus tonight. In many ways, I think this question personifies what we in the committee were trying to accomplish. The area I want to talk about concerns Private Members' Business. It deals with the whole issue we were trying to address in terms of parliamentary reform. I came here in 1980. Since then I have watched the process of Private Members' Bills and Private Members' motions. I have found it one of the most humiliating, frustrating and perhaps most useless processes in which any Member of Parliament can engage.

In his remarks, the chairman of the committee referred to the last private members' Bill that was passed concerning the symbolism of the beaver for Canada. That is a picture of what has been happening with Private Members' Bills but, more important, I think it is a picture of what has been happening to private Members in the House of Commons of Canada.

● (1950)

I have chosen tonight, in the few moments I have, to focus my remarks on this particular area and to put forward my concerns and ideas about why we have to proceed with the reform of Private Members' Hour. A Private Members' Hour with teeth and with opportunity for private Members would change the way that we as Members of Parliament look at this institution. It would change the way that the Government looks at private Members. As well, it would change the way Canadian people look at their own Members of Parliament, the role of MPs, the institution called the House of Commons, and the Government as well. It is crucial to come to grips with that.

For a few moments I should like to talk about some of the fundamental elements which I feel are absolutely essential in a proper and effective Private Members' Hour. The first element is that any subject an Hon. Member wishes to bring before the House has to have at least the chance of a vote. Otherwise, it is nothing more than talking in the wind, nothing more than speaking for the record, nothing more than rhetoric. It has no chance for action; it has no chance to demonstrate a concern, and it has certainly no chance to make a change to the country.

We have recommended that any Private Member's Bill which comes forward should go before a committee of selection, comprised of our peers, to discuss whether or not the Bill should have the opportunity to come to a vote. That is absolutely fundamental and essential. If that is allowed to happen, then all of a sudden there is a reason for those of us who are private Members in the House to take an interest in a subject, to seek a solution and to go out to try to achieve some action. That is the first element which I think is important.

The second one which I felt was important was the whole idea of other Members of Parliament being able to say "I support" the Hon. Member from whatever riding it may be. Then, as we begin to work, not only individually but collectively as Private Members of Parliament, we begin to impact on this institution and ultimately on the nation. My dream and my ideal would be to see an Hon. Member come forward with a Private Member's Bill, have some seconders sitting around him, but also someone from the other side seconding his or her motion. It would then demonstrate that private Members are trying to take control of some of the responsibilities given to them by their peers and by their constituents.

Another area about which we talked in this reform was that a Private Member's Bill, once introduced in the House, must have an opportunity for thorough debate. I have sat through Private Members' Hour here; all of us have. We have watched what happens. Hon. Members rise to speak on subjects which are important to them, only to have two or three speakers come after them often filling time, because if they manage to talk the clock out, the Bills die and the potential for opportunity or change is finished. Thus, all we have engaged in is an exercise in frustration. However, if we had the ability to vote, the ability to attract others to demonstrate their support for what we are working on and a designated time for debate, then Private Members' Bills would take on a whole new dimension.

I see you signalling, Mr. Speaker, that my time is coming to an end already. It is difficult, after the work we have done in committee, for those of us who love this institution and feel that the work we are doing here is important to express it in just a few moments. In closing, I believe that if we change the way in which Private Members' Bills and Motions are viewed in the House of Commons, we will change the way that Canadian people, our constituents and we, as Members of Parliament, view this whole place. Then we will have a House

of Commons which relates to, brings dignity to and really accomplishes what the Canadian people dream about, talk about and hope for.

Some Hon. Members: Hear, hear!

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, the Hon. Member for St. John's East (Mr. McGrath) and those who worked with him on the McGrath committee stand in the company of a determined and dedicated few who continue to believe most fervently that Parliament, this greatest of democratic institutions, stands always in the need of reform. I believe the Hon. Member for St. John's East, himself an outstanding parliamentarian and a reformer, knows that the road to parliamentary reform is not one that is well travelled.

It was in the year 1830 that the Prime Minister of England, who was so out of touch with reality and with the demand for parliamentary reform in his country, was able to say in the House of Commons: "The legislature posesses the full and entire confidence of the country", and he was wrong. Two years later he was out of office and, in 1832, the Parliament of Great Britain got its first reform Bill.

I simply mention that because I believe that the citizens of Canada today know that their Parliament is not serving them as well as it should or could. This institution today, to a significant degree, lacks public confidence. It desperately needs to be changed. It needs to be reformed. If we do not understand that and do not believe that, then we too are out of touch.

The report of the McGrath committee is a radical report, but it is radical in the very best sense of the meaning of that word, that is to say, it goes to the root of the problem. This report does not merely tinker and dabble and rearrange our Standing Orders. Of course, the procedures and rules of our House are vital to orderly and democratic disposition of the nation's business. Our orders ensure as much as possible the smooth operation of Parliament, enabling the Government to govern but to do so under the close scrutiny of the peoples' representatives.

More than just procedural reform, the McGrath committee calls for attitudinal changes on the part of Hon. Members, Ministers, party Leaders and Whips.

Mr. Gauthier: I knew you would say that.

Mr. Penner: Of course the McGrath committee saw the need for more effective committees to monitor carefully the performance and spending of government departments. As much as we look to the Auditor General as one of our allies, we cannot rely upon him entirely to do everything for us. We, too, every one of us, have been elected as watchdogs of the public purse. We have a responsibility to do as good a job as we can and to be allies with the Auditor General to see that taxpayers get the best deal for their dollars.

With rare insight, however, the McGrath committee saw what is a central and persistent problem with the Canadian parliamentary system. Our parliamentary system is dominated, controlled, manipulated and at times even suffocated and exploited by a far too powerful executive branch of Government. The legislative branch in our system is alarmingly weak. There is in Canada a serious and extreme imbalance between the executive branch and the legislative branch. That is our essential problem.

What is the result? It is that we have a parliamentary system in Canada which is underdeveloped, immature, retarded and defective. For example, in what other Parliament of the world are Members referred to as sheep or trained seals? Can we imagine one of those appellations being applied to a Member of the United States Congress or even to most Members of the United Kingdom House of Commons? Certainly not. Among most MPs there is a prevailing sense of frustration. Ours is a full-time job to be sure, yet there is such limited room in which to manoeuvre as one seeks to serve his or her constituents. Around here, to have an independent mind, to have one'w own thoughts on some public policy issue, to buck Party disciline is to be what, a maverick, a loner? In our heart of hearts, do we not admire those who display such courage?

• (2000)

Just the other day magnificient words of respect were paid to our late colleague, Max Saltsman, a man who fought for himself, a man who acted and spoke always in the best interests of his constituents. Would not every one of us be proud if those kinds of words could be uttered about us when we are no longer active in this place or no longer present on this earth?

From the very outset the McGrath committee defined the problem as it saw it. I quote:

> The purpose of the reform of the House of Commons in 1985 is to restore to private Members an effective legislative function, to give them a meaningful role in the formation of public policy and, in so doing, to restore the House of Commons to its rightful place in the Canadian political process.

With this in mind, the McGrath committee examined the principle or the convention of confidence; that is, that every vote in the House of Commons is in some way a direct threat to the credibility, to the acceptability or even to the right of the Government to govern. What a ridiculous convention that is.

The McGrath committee concluded that Party lines would become more flexible if there could be a change of attitude on the part of MPs, the Government and the Party Leaders. That is the way to essential parliamentary reform rather than by simply changing the rules of procedure. The McGrath committee has argued very effectively and convincingly that it is up to Members themselves to prove their independent spirit and the Government should avoid raising the question of confidence at every turn. It does not serve it well, it does not serve Parliament well.

Therefore, Mr. Speaker, the ball is in our court. It is up to us as Members to reform this institution that I think most of us respect and even love. I wonder how we are going to respond.

Reform of the House of Commons

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I want to say at the outset that I will be eternally grateful for having had the opportunity to serve on this committee. I would echo the words of the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) that it has been an opportunity to see the best of the institution and the best of the other Members of this House. I believe it is worth mentioning again that we brought together recommendations that should bring about sweeping reform, almost radical reform of this place, and we did it without a vote. It was a committee that represented all Parties of this House and we did it without a vote. If that, does nothing else, it ought to prove that we can get a lot of work done here without confrontation, argument and bickering if only we will get close enough to other Members to establish some kind of trust. We can set aside some of our ideological differences for the betterment of the institution and the country if only we will put some trust in other persons, get close enough so that we know them and have confidence in them. We can do away with the confrontation, accomplish a lot more and work for the welfare of our country.

There are three reasons I was interested in working on this committee. I want to say how pleased I was that the first working statement in the Speech from the Throne by our Prime Minister (Mr. Mulroney) was the statement calling for the establishment of a task force that would enhance the role of the private Member. You cannot enhance the role of the private Member unless you free him. What you have to do is emancipate the private Member.

The private Member gains his authority from the people who elected him. When we come together as a House of Commons representing all of our Parties, representing the entire country, we become the aggregation of the voice of the people. However, to come here as a private Member and find that legislation and policy has already been drafted by people who were not elected and find that you are supposed to give the stamp of approval to something over which you had no voice is unsavoury. We need to emancipate him.

Therefore, it is central to any kind of reform that we deal with an ocean of confidence, as other Members have already said. We cannot free the private Member if at the same time we enslave him to the work of the bureaucracy. We cannot free the private Member if he is made to feel that he has to obey slavishly the Party line and thereby neglect the wishes of his constituents, the particular part of the country that he represents, and overlook the mandate that his people have given him in some cases. Therefore the notion of confidence is central to the emancipation of the private Member.

What will happen the first time a private Member or private Members vote against their Party? There will be first of all a psychological rupture within that particular caucus. Imagine what the press gallery will say the day after that vote has been taken. "Aha, there is a split in the Party ranks of the Government", or "The Liberal Party is split again", or "The New Democratic Party is fractured". If we are not careful, we will allow ourselves to be pistol-whipped by the press because we are afraid of the image we will create. Therefore, we will fall back into the chains and the slavery to which we have become so comfortably accustomed.

We will have to overcome that psychological slavery. There will have to be some political will on the part of private Members to take the initiative on a Bill on which they feel strongly to vote against the majority of their colleagues and their caucus. Some day that will happen and we will have to suffer the fall-out. We had better have the courage to do that.

I say to my colleagues that it is easier to accept the *status quo*. It is more courageous to adopt a change that will free us all. I would urge, as other Members have, that the notion of confidence be adopted in such a way that the Government or the opposition Parties will have to take the initiative to declare what is a matter of confidence in that instance. Therefore, my first concern on becoming a member of this committee was the motion of confidence, the opportunity to free us all and be able to represent our constituents in a much more accurate way than we have been able to do in the past.

The second reason I was concerned about this work was the whole notion of Orders in Council, the practice and use of Orders in Council, otherwise called delegated legislation. I remember several years ago talking about what we call the emergency planning orders and how easily the Government of the day slipped massive powers into its hands by an Order in Council which is not fair to call secret, but which was quiet, easy and had the force of law. There was no way in which the House at that time could overcome those Orders in Council. Now to find that we have the means of neutering those massive powers that the Government has accumulated, over the years, and the means of giving back to the Members the opportunity to negate some of those powers which the Cabinet has taken for itself, it is very important that when the Committee on Regulations and Statutory Instruments meets that it take the initiative to nullify those Orders in Council it finds offensive to the freedom of the private Member.

• (2010)

The third issue to which the committee addressed itself that I think is important is the matter of private Members as has been so well stated by my colleague, the Hon. Member for Peace River (Mr. Cooper). We must have a guaranteed vote. I can tell Hon. Members that I worked for six years on a private Member's Bill. I flogged the House with it. It was a Bill dealing with the matter of parental abduction. The former Government did adopt it as part of its legislative package back in 1982, something for which I am grateful. However, why should it take six years? Why should children in those six years have had to undergo the threat of abduction simply because the legislation referring to abduction happened to be a private Member's Bill?

If a private Member sees a need and wants to reflect a need, that is not a matter of Government policy but reflects a concern expressed in his constituency or in a narrow constituency across the country, why should he not have the opportunity to do so? I say to Hon. Members that the biggest problem that we in the House have had to face has been a commitment

to the *status quo*. We need a commitment to changing the past. We cannot afford to be defensive about the flaws that we will continue to see in the Standing Orders we will bring forward. There are going to be mistakes made. The Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) has already pointed out the flaws in some of the changes we have made. That is a human institution. It is a human committee. We will need to make further changes. We cannot afford to be defensive about the flaws in the system. We must take the initiative. We must have the courage to change the flaws before we get accustomed to them.

The greatest danger that I see is the commitment to the *status quo*. It is easier to stay the same. I would like to commend the Government and the Government House Leader for adopting the measures that the committee has presented through recommendations so that sweeping reform is now possible. I would urge that we not be committed to the present as it is, but that we continue to look for ways in which the role of the private Member can be enhanced so that he can be emancipated in order to represent the people of Canada in a much more accurate and wholesome way.

Mr. Neil Young (Beaches): Mr. Speaker, it gives me great pleasure to have the opportunity to speak on this debate this evening. At the outset, I would like to extend my congratulations to the Hon. Member for St. John's East (Mr. McGrath) for the tremendous amount of work and effort he along with his committee has put into this report for the benefit of the House and all Parliamentarians. I would like to let him know that I as an individual appreciate it very, very much.

Some Hon. Members: Hear, hear!

Mr. Young: I know one member of the committee a little better than I know others and that is the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie). He has been a champion within our own caucus for parliamentary reform and has studiously apprised the caucus of the work of the committee as it went through this process. Individual members of my Party were kept aware of what was going on. I appreciate that as well as do other members of my Party.

If I may be permitted to do so, because it is key to the remarks I want to make this evening, I would refer to one of my first experiences on a standing committee of the House after I was first elected in 1980. When I was elected, like most Members of Parliament, I thought I was coming to the House of Commons in Ottawa to participate in great debate. I thought I was coming here to act as an individual Member of Parliament not only on behalf of my own constituents but in the best interests of Canada generally. I hoped in that role to do something to better the lot of all citizens around the world. I must say that that impression was rapidly savaged.

My clear impression of the first several years I spent in this place was that it was one long, continuous, all-candidates' debate, such as the ones we see during election campaigns. I saw very little evidence of Members of Parliament working together in the common interests of the people of Canada. We seemed to be much more interested in adopting positions as political Parties rather than as a group of people working in the best interests of Canadians, with one exception. There was one saving grace to that and it occurred on the Standing Committee on Health and Welfare.

My first meeting of a standing committee was of the Standing Committee on Health and Welfare. Stanley Knowles took me to that committee. Stanley had to leave and he said to me: "You keep an eye on things". So I said that was fine, but what I was supposed to keep an eye on I had absolutely no idea.

The then Minister of National Health and Welfare came before that committee and made a broad, general statement on policy. The Hon. Member for St. John's East decided to ask the Minister some questions; he did so. Then the Chairman said: "Mr. Young," and I said: "Yeah?" He said: "Would you like to ask questions on behalf of your Party?" The Hon. Member for St. John's East leaned over to me and said: "You're supposed to ask questions, Scotty".

I dreamed up some quick questions to ask the Minister which were promptly ruled out of order because I was not discussing some particular vote of which no one had ever heard except the Clerk of the Committee, and perhaps the Chairman of the Committee. So I got into a dispute with the Chairman and decided I should exercise my authority as a Member and challenge the Chair. The Hon. Member for St. John's East leaned over again and said: "It's not an NDP convention, Scotty. You can't challenge Chairs around here". The Hon. Member for St. John's East jumped in there because he knew I was a new Member and he argued for my rights as a Member of Parliament to ask the Minister questions. The committee agreed and I appreciated that. It was an example to me of how this place should operate. Every one of us should be supportive of each other, regardless of political Party affiliation.

Having said that, I would note that since the last election there have been some 100 new Members elected to the House of Commons. I think it has made a difference. It has brought a fresh point of view to this place, and certainly to Standing Committees. I have found the standing committees to be somewhat less partisan merely because people have minds which are more open than they were before. That is no reflection on the previous Parliament or the previous Government, because I do not think that had anything to do with it. It was the tradition and the history of this place that had led to the stifling of debate.

• (2020)

I have found that the newest Members of this place are less likely to fall into that trap. Certainly in committees on which I have sat Government Members have been more willing to go after the Minister involved if they did not like what that Minister was doing. They would question the Minister just as strongly as members of the Opposition were likely to do.

On the question of parliamentary reform, I had the opportunity to serve as chairman of a legislative committee which examined a Bill referred to it. That was a great experience. It

is a refreshing approach to the way we do things in this place. I must admit that when I sat in the chair and called the meeting to order a few members who have been around the House for a long time looked at me in wonder as if to say: "What is he doing up there?" Eventually, one of them finally said it: "What are you doing up there?" I said: "Under parliamentary reform and the changes which have taken place in the House of Commons, the Speaker has appointed me as Chairman of this committee". "Yes?" they said. And I said: "Yes". I explained what was happening in terms of parliamentary reform. I have to hand it to those Members, it took them about ten minutes, but they finally accepted a member of the NDP chairing a legislative committee. As we went through the Bill a strange thing happened. Members of the committee no longer looked upon me as being a member of the New Democratic Party caucus. They started to look upon me as the Chairman of the committee. To people outside this place that may sound strange, but in here it is extremely important. Members from all sides of the House must participate in all functions of this place as equal and responsible Members.

The reforms which we have initiated thus far have taken us a long way down the road to achieving that end. A number of different Members have been appointed to chair committees. That does not mean to say there have not been problems. Of course, there have been problems. Change does not take place without creating some problems. That is so because what is happening is changing from something which is old to something which is new. In many cases that newness creates a resistance on the part of some people because they do not want to accept it.

That is not to say that some of the problems have not been real—they have been real. Personally, I think the size of legislative committees is far too huge. They are too unwieldy. I do not know why we need 20 Members to discuss a piece of legislation. There is an obvious lack of research capability in these committees. I would much rather see a committee have an independent reserach capability of the Members' choosing as opposed to the way it is done now. It would make the committees much more effective. What I mean to say is, put in place a reserach capability which is permanent, as is the case with standing committees, as opposed to having different researchers at different times depending upon the subject of debate.

I see some problems with respect to the matter of research and with the size of committees. The difficulties we have at the present time are the result of an overabundance of committees. This places tremendous pressures on the time allocation of individual Members. I think that will be straightened out when the second or third report of the committee is adopted.

I see that my time is up. I thank Hon. Members. I hope we can get on with it.

[*Translation*]

Mrs. Lise Bourgault (Argenteuil-Papineau): Mr. Speaker, I am particularly pleased indeed to speak tonight on the subject of parliamentary reform as I was appointed as a new Member of Parliament to sit with my colleagues on that Special Committee on Parliamentary Reform, and I wish to take this opportunity tonight to express my thanks first and foremost to the House Leader who gave me the opportunity to be a member of that committee, and also to thank with all my heart my colleagues, and in particular the Hon. Member for St. John's East (Mr. McGrath), the Hon. Member for Papineau (Mr. Ouellet), and my colleagues here on the Government side who supported me at all times, because as you know, Mr. Speaker, I joined that committee as a new Member of Parliament with great expectations . . . and I had another problem: I was not very fluent in English.

The committee therefore was a tremendous school of parliamentary procedure for me as a newcomer to the House of Commons. I did not know at the time that I would become so deeply involved in parliamentary reform and procedure. That committee also gave me the opportunity, Mr. Speaker, to get a free English course so to speak. I therefore thank my colleagues for their co-operation and help at all times so that I might become a full-fledged member of that committee like the rest of them.

In looking at this House tonight, Mr. Speaker, it is interesting to see that so many Members are present at 8:30 p.m. on a Wednesday night, and the reason is that they are interested in parliamentary reform. Not only are those Members interested, Mr. Speaker, but also all the Members of provincial legislatures in Canada. Other countries are also interested, as shown by the fact that the main debate at the 25th Annual Meeting of the Commonwealth Association which we hosted last summer centered around the Special Committee on the Reform of the House of Commons. The private sector is also interested in parliamentary reform. The Hon. Member for Papineau and myself were invited not very long ago before a group of Montreal businessmen who are very concerned with the reform process, and who asked us to tell them about our experience; they asked us: What is in fact parliamentary reform, and what is it going to mean for us, as citizens, as business people? Most of those individuals come from time to time as witnesses before our committees and, with the advent of television in Parliament, those groups were not sure that their views, their suggestions were really considered by the Government, when they came before a committee.

So I was pleased to meet them, and of course, we told them about our experience with the work of the Committee.

My colleague from Peace River (Mr. Cooper) was ahead of me, Mr. Speaker, because it was important for me too to raise the matter of the Private Members' Hour, between 5 p.m. and 6 p.m. I had myself the opportunity to experience recently the fact that after that one hour, after 6 p.m., it is over, it is gone, I do not know where . . . Mr. Speaker, one day, I would appreciate if you would show me the boxes of papers you must have in the anterooms of the Government. I would like to know what you do with all those documents, what happens to the

incredible work done by Hon. Members to bring forward a notice of motion, to debate it, and to know how many hours our staff puts in to enable us to have an interesting debate, to get our bill passed. I am interested in the volunteer sector. I have another motion, Mr. Speaker. As long as I sit in this House, I will put forward motions to enhance the role of volunteers in our society, every six months, as long as that matter is not passed at a certain time somewhere, at the first or second reading stage, in a committee . . . I don't give up easily.

Now, I echo what my colleague from Peace River said about bills. So, in order not to repeat myself, because as you know, ten minutes is a short time, and I would have so many things to say . . .

Mr. Speaker, you know, according to an English saying, "*You will never get another chance to give a first good impression.*" You will understand that. Well. When one comes to this House as a new Member, one is in for quite an experience. Now the biggest ceremony . . . Of course, the Clerk is a charming man who welcomes us with the usual courtesy, except that we are sworn in almost in secret. And when the Speech from the Throne, the most important part of our Government . . . here we are, we poor ordinary members, behind the curtains of the High Chamber of the Senate, trying to see what is going on inside, that is our first impression. You know, one feels pretty small in such large surroundings and our Government has agreed to the principle, for which I am very greatful, that collective oath taking ceremonies would be interesting for new Members of Parliament and even for those who have been around for a long time, and then the people of my riding would see me. The next morning, I got some phone calls: Mrs. Bourgault, I watched television, how come I did not see you, you were not sitting next to the Speaker, nor beside the Prime Minister. Where were you?

Therefore, Mr. Speaker, I did not dare tell them that I was at the back, trying to get a glimpse of what was going on inside the Senate Chamber. I could not tell them. It seems to me that I would have offensed them somehow.

I have too much respect for my constituents, and I am therefore very happy that in future, my colleagues, those who will follow us, the new Members of Parliament, will at least feel they are part of the big family and that together, we are sworn in for the good of all.

We have also dealt, Mr. Speaker, with the issue of the convention of confidence. Well, I do not want to repeat myself either. I share the views of my colleagues but I would like to add a few personal views regarding the concept of confidence. I have checked and since our proceedings are broadcast on television, a dramatic change has occurred. I was speaking today with the Hon. Member for Joliette (Mr. La Salle), because we happened to visit my riding together and he told me that he missed those happy times when there were substantive debates, heartfelt discussions, when Members were rising and reacting on the spot. Now, some people are watching us on television. We now have the American C-SPAN Network that broadcasts our proceedings as well as, of course, Mr. Speaker, the great national show, Question Period.

Our constituents are always asking the same question: "What are you doing? How is it that when I visited the House of Commons last week, Mrs. Bourgault, you were not there?" I tell them this: "Listen, I sit on committees, but committee proceedings are not televised". Therefore, ordinary citizens do not know . . . There is in Weir, in my riding, a constituent who watches the oral question period every day hoping to see me doing something. So it is important, Mr. Speaker. Leaving aside the principle of trust, I will say that the TV broadcasting of committee proceedings would make it possible for Hon. Members to tell their constituents: "If you want to know what I am doing, just watch me tonight, at such and such hour, because I will be sitting on the Agriculture Committee, which is of great interest to my riding".

The fact is that, outside of Parliament, there are the committees. People do not know well enough how Parliament operates. There are people who come and see us, and they are astounded. Perhaps there should be a system which would make it possible for these people to say: "Well, that is what a Member of the House of Commons does in his or her everyday life. When the House opens its doors at 10 o'clock in the morning, he or she is sitting on a committee." Well, if some committee proceedings were televised, we could at least tell our constituents that we are working.

Mr. Speaker, I see that you are trying to cut me off. I must regretfully say that I had a great many other things to say but I thank again the Government for allowing me to sit on that committee, and I hope that the Parliamentary reform . . . Mr. Speaker, I urge all Hon. Members to push for this Parliamentary reform, because it is far from being over. This process will certainly continue. Let us all try to sell this reform and make sure that the House becomes the major forum which all our constituents expect it to be.

• (2030)

[*English*]

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I am pleased to take part in this debate. I regret Hon. Members have only 10 minutes because there is so much in this report to comment upon. It would take much longer than that to do justice to the recommendations. Although I was not with the Special Committee on Reform, chaired by the Hon. Member for St. John's East (Mr. McGrath), I was with the Committee on Reform in the last Parliament. It is a subject with which I have been struggling within this House for many years.

Before we consider what the role of this House should be, I believe we have to come to some decision as to what the goals of this Parliament should be. It is only by having some idea of

what the goals of Parliament are that we can construct rules of the House to achieve those goals.

In considering that matter, I think the first thing we must deal with is that the rules of this House cannot be evaluated in terms of how they best serve Hon. Members here. They must always be looked at as to how they serve the Canadian public. What is the Canadian public interested in? First, we must have rules in the House of Commons that enable Canadians to believe that we can do the job for them, that we can deal with public issues and develop public policy and pass legislation. We must have credibility in this institution. I am afraid that at the present time, many Canadians do not believe that this institution is doing the job for them which they want done. In fact, many Canadians hold this House in disdain, and that is regrettable.

I believe Canadians want to see a parliamentary institution where all of the issues could be raised, not only national issues, but local and regional issues. They want those issues fully discussed and finally resolved. They also want an institution where Hon. Members can keep in touch with them. For that reason, of course, we should not be sitting all the time. Because if we sat too long and too often we would become a ghetto here in Ottawa and would lose contact with the people we are supposed to represent. We have to consider that aspect in developing our rules. We must have an opportunity to keep in touch with the people we represent, and we should do that not only on a personal and individual basis but through our parliamentary committees, subcommittees and so on.

It is my belief that Parliament should seek to accomplish three goals. It should be a legislature, a watch-dog and it should control the public purse. As a legislature, it usually deals with legislation prepared by the Government. As the saying goes, the Government proposes and Parliament disposes. However, in order to do that in an effective way we should be able to deal with legislation as we really believe it must be dealt with. If there is something lacking, we should be able to amend it or defeat it without fear of defeating the Government. Unfortunately, that is not the case at the present time. As many Hon. Members have already said, at the present time all Parties vote in unison without any consideration of their personal feelings with respect to Bills or measures put before this House.

Our role as legislators has to be improved. As watch-dogs, we try to keep the Government accountable and responsible and we do that through Question Period and through Motions for Production of Papers. We also do it through Opposition days. That system can be improved as well. In Parliament we can control as well the spending of money by the Government. We do that through the Budget debates and Budget votes and by supply days and our votes.

To accomplish all of these tasks this House has to be an effective forum where we can discuss those issues and put forward all the pros and cons, the majority and minority views. Sometimes the debate becomes hot, and sometimes it becomes unruly. I do not believe Canadians should be shocked when that happens. I say this because people come to this House with strongly held views and policies. They come here with passion, in many cases. This is a place where those strongly held views result in confrontation. This is a place where we resolve those conflicting views. How fortunate we are that we have this House, when we consider that in countries like Lebanon, El Salvador, Ireland and Poland, and I could name many others, the great political issues of the day are not resolved in parliamentary institutions, but in the street and mountains with guns and bombs. So when things get a bit passionate here let us compare that with what we find in other parts of the world. Remember that of the 150 countries in the United Nations only 25 are democracies. Only 25 have forums like this where representatives can come together and fight out issues on the floor of the House in a very moving and passionate way. Once these issues are voted on and resolved here we accept them. We do not resort to terrorism, bombing or shooting it out in the streets.

• (2040)

I think that Canadians should understand that no matter how good our rules are, and I believe we need reform and I am going to get to that in a minute, there will always be partisan debate and strongly held differences.

Mr. Speaker, of course there have to be clearly understood and well defined rules, and we are dealing with that in this report. There has to be a balance between the Government and the Opposition, even when the ratio is 282 to 70. There has to be a balance between the front benches and the back benches so that the front benches are not in a dominant position all of the time. There has to be fairness to the third and fourth Parties. We have to consider, when we are adopting rules for this House, that there will not always be a majority Parliament. I have lived through three minority Parliaments. In one of those minority Parliaments there were four Parties in opposition. So when we are making the rules for Parliament we cannot just consider the stereotype that we have before us in 1985.

With respect to some of the specific recommendations in the report, I fully agree with the additional powers given to the committees, allowing the committees to commence investigations and studies and work on their own without references from the House. I fully support the fact that they are given independent research resources and so on, but I am not convinced at all that we need legislative committees. That is one proposal in the report about which the members of the committee will have to convince me.

At the present time the 282 Members of this House are spread so thin that we are not able to do the things that we must do as Members of Parliament. One must remember that as Members of Parliament we must be available for debate in this House. As well, at the present time we must be available to deal with 22 standing committees, nine special committees and, at last count, 15 legislative committees. We also have our caucuses and the responsibility to meet with lobby groups and groups coming here to make representations. We must return to our constituencies from time to time. We have Party

responsibilities. We have many things to do as Members of Parliament and this proposal to add on legislative committees in my opinion is not well founded and is not reform. I am willing to listen to more debate, but I am not convinced that it is reform. It is almost as if those who made that proposal felt that over here we would have one group of Members who would serve on the standing committees and there would be another group over here serving on the legislative committees. In fact, Mr. Speaker, it is the same Members who are expected to do both.

There have been days in the last few weeks when at nine o'clock in the morning we have had standing committees; at eleven o'clock we went to legislative committees that went on until five or six in the afternoon, and then we went back to standing committees again. I would like to hear more discussion on that.

Mr. Speaker, with respect to confidence, I fully agree with the measures that are put forward in the report on confidence. I wish I had more time to discuss them.

With respect to voting procedures, I like the electronic voting but I cannot accept the fact that the vote must take place in 15 minutes. That would never work in a minority Parliament.

My final word, Mr. Speaker, is that there are some good things in the report, but we need a lot more discussion in this House before we reach a consensus among 282 Members on what that reform should be.

Mr. Alan Redway (York East): Mr. Speaker, I am very pleased to have this opportunity to say a few words in connection with the report of the Special Committee on the Reform of the House of Commons, and also on the Government response to this report. Many important issues and recommendations are dealt with both in the report and in the response. To begin, I would like to congratulate the special committee itself and the chairman of the special committee, the Hon. Member for St. John's East (Mr. McGrath) on the outstanding job they have done. I would like to congratulate as well the Prime Minister (Mr. Mulroney) on being prepared to recommend the establishment of this committee and the adoption of the recommendations coming out of the committee. I would like to congratulate the House Leaders on their efforts to date in putting these recommendations into effect, and I hope that all three House Leaders will actually concur so that the recommendations can be put into effect.

Mr. Hnatyshyn: Hear, hear!

Mr. Redway: I am a new Member of this House, as you know, Mr. Speaker, but two of the areas that have been dealt with by the committee particularly stand out in my mind. The first is the right of the private Member to speak out on behalf of his or her constituents in this House, and I might say, particularly the right of the Government supporters to do that. That may be of a concern to Opposition Members but it is certainly of much greater concern to Government supporters.

As a new Member of this House I came here not knowing what to expect. I had great visions that we would be having new rules, that we would be having reform and that private Members would be able to speak out and speak their minds. I find, as we all have, that there are a number of barriers to this that prevent us from speaking out on behalf of our constituents as they expect us to do.

First, of course, is the whole concept of confidence itself, that parliamentary tradition and convention that says that every vote in this House is a vote of confidence, that if you vote against the Government the Government might fall and if you vote against the Government that is an indication that you do not have any confidence in the Government. That certainly is the number one barrier to a private Member speaking out on behalf of his constituents.

The second is perhaps the Government itself, and a number of the Hon. Members tonight have spoken about that. There is what I guess you would call a subtle pressure on the part of the Government to make sure that all of its Members speak with a common front. That is an understandable concern on the part of the Government because it has a legislative program, it has Government policies and it wants to see those policies and that program put into effect. So it is quite understandable that it wants to see them supported as unanimously as possible.

A third barrier to this whole process of speaking out on behalf of our constituents is in fact the members of one's own Party. There is within one's own Party a team spirit and a feeling that if in fact one speaks out and goes against the team that is breaking faith. So there is a group pressure, a peer pressure, if you will, to restrain particularly the private government Member from speaking out on behalf of his constituents.

A fourth barrier of course that has been mentioned also tonight is the press and the media. As soon as a private Member does speak out on behalf of his constituents, if it is in any way, shape or form in variance with the Government's position, right away the media seize upon those remarks as an indication that there is a division or a split and that perhaps that Member is a maverick. I myself have been referred to in the press in those terms and I undrestand what that means and what a potential barrier that is.

I guess the final barrier in my mind is the inhibitions of the individual Members themselves. I think when you add up all of these other barriers, the convention of confidence, the Government's feelings about private Members speaking up, their own colleagues' feelings about them speaking up and the press and the media, it is no wonder that individual Members have certain inhibitions about speaking their own minds and actually representing the true feelings of their constituents.

● (2050)

I have struggled with this problem since my arrival in the House of Commons. There have been a great many issues about which I have had some concern, and about which I know my constituents have had some concern. There have been a great many issues on which I have wanted to speak out. I did

speak out on some of them and I felt the censure of the various barriers to which I referred as a result.

However, whether there are these inhibitions and barriers or not, it is clear to me that the people of the country, and certainly my constituents, expect me to speak out in their behalf. They expect me to speak up if there is a problem which affects them. If I do not, they do not understand. They do not know why I am not speaking out and representing their thoughts and feelings. They feel that perhaps I do not understand them. They feel that I am not sympathetic toward their concerns and views. They feel that I am not representing them properly and, at the bottom line, they feel that Parliament as an institution is not working.

I hope that this report and these recommendations are part of the answer to a great concern of the people of the country. They want to see their Member of Parliament, whether or not he or she is a Government supporter, speak out and represent their feelings and problems. That sort of thing can be answered in part by this report and by the Government's response, but it must be answered as well by the Parties in the House. It must be answered by the House Leaders. They must agree if we are to put these reforms into effect. I have heard a lot of comments tonight about how wonderful the recommendations are and how wonderful the Government's response is. However, the proof of the pudding is in the eating; it all depends on whether we actually adopt these recommendations. I trust that we will, after all is said and done.

There is one other thing in addition to that, Mr. Speaker. After we adopt these recommendations we will have to put them into effect—not only the words on a printed page but the spirit of them. Individual Members will have to be prepared to speak out to ensure that this works. I have with the existing rules and this is not very easy. I suspect it will not be very easy with the new rules either. If an individual Member speaks out he will feel the response from the Government, his Party and the media. All of the individual inhibitions which I mentioned will come out to stifle the spirit of these recommendations.

I am hopeful, Mr. Speaker, that we will be able to break out of those inhibitions, that we will have the courage of our conviction, that we will have the courage to utilize the rule changes which I hope will come. We must not do this in the way the Soviet Union does with its constitution, but in the way we in Canada and other western democratic nations have practised those things that are in black and white.

There is one other area which I think is very important, Mr. Speaker. I would like to commend the committee and the Government for the recommendations with respect to the parliamentary review of Order in Council appointments. I think that is very, very important. It was an issue in the election and has been an issue since. On September 9 the Prime Minister indicated that he was adopting those recommendations. I think it is essential that they be adopted as well as the other recommendations in order that, to use the Prime Minister's words of September 9, "We can revitalize the faith of the citizens of the country in their institutions and their government". Mr. Speaker, that revitalization is long overdue.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I do not propose to take very long, but there are some things I want to say. First of all I would like to congratulate the members of the committee for the work they did. Although I do not agree entirely with every recommendation, without exception I would be prepared to see all the recommendations tried in the form in which they were recommended. I entrusted that committee with the job of reviewing the procedures of Parliament. Having been a part of the committee at one point, I know that it worked diligently to come up with recommendations which seemed to fit the changing times. Therefore, from my point of view, that which they recommended should be given a fair trial. I think that on balance that is in fact what is going to happen.

The one aspect that is always difficult when dealing with recommendations for change is the diverse nature of the change and the need to co-ordinate and to understand how one change impacts on another aspect of political life in order to ensure that we do not unnecessarily add to the burden in one area in an effort to cure what may well be a problem in another area. That falls, in some ways, to the House Leaders, myself and my colleagues.

I want to deal with another aspect of parliamentary life which I believe is necessary to be dealt with now, and that is time allocation but not time allocation as we see it on an irregular basis when the Government and its predecessor bring forward a motion designating a day or two to complete deliberations on a Bill. That kind of time allocation inevitably leads to political confrontation.

It is not that about which I am talking. I am talking about the allocation of the time of Parliament and of the time of Members of Parliament. How can we best utilize the hours that we have available to us? How can we, as Members of Parliament, both in Government and in opposition, establish a system that will allow the various and many agendas which we establish from time to time, either on a partisan or individual basis, to be met and the results to be fruitful?

I want to set out a challenge. Time allocation is the responsibility of every Member of Parliament. It is not simply the responsibility of Government; neither is it the responsibility of the collective opposition. It is everyone's responsibility. It is our time that is being allocated.

I suggest that there are two areas in which self-discipline will bring about time allocation. The first is in the process of dealing with Estimates. I recall when I served in another place. We developed a process whereby, knowing how many hours were available for the consideration of Estimates, we set out the priorities of each of the three caucuses. We decided on an annual basis which Estimates we wanted to go into in some detail and which Estimates we were prepared to pass with less investigation. This meant that over the life of a Parliament all of the major Estimates received careful consideration in some detail and certain of the less major, although not necessarily minor, Estimates received lesser consideration in terms of the time allotted to them.

We did that in the following way. We submitted our priorities and a group chosen from Parliament sat down and in turn priorized. If the first choice was that of the Official Opposition, that was put down as the first Estimate to be considered, followed by an Estimate chosen by the Government and then by an Estimate chosen by the third Party. This process was continued until we had gone through each of the Estimates. We then decided how much time was required to give fair opportunity for careful scrutiny, while at the same time recognizing that it was not open-ended and that each Estimate had to be given some review. I must say, in all fairness, that this system worked.

I would like to suggest that in the new year we consider a system that would allow that kind of consideration. In return for doing that I would expect, however, that the Minister, the Deputy Minister, and the officials requested by the Opposition would appear before the appropriate committee for the duration of the time agreed upon for those Estimates. There would, in fact, then be an opportunity to discuss, not only the details but also the political decisions relating to the details. I would commend that to the House for its consideration in dealing with Estimates. I have only touched on it but I think it bears some careful thought. I believe it would add to the public's sense that we are indeed requiring accountability in expenditures. It would follow in some ways the model that has been used by the Auditor General in conducting in depth reviews in certain years and somewhat less in depth reviews in other years.

● (2100)

Let me turn to legislation, which is the next major problem. I believe that the chairmen of the committees that have now been established should, in themselves, form a chairmen's committee. When legislation is referred to a committee, the chairman should meet with the steering committee of that legislative committee and work out a time frame within which the deliberations can be concluded. The chairman should then sit down with the other chairmen and together work out the schedule of work, taking into account that certain Bills will take longer than others. Then, in the process, committees will be assigned some heavy work and some lighter work so that they will be able to proceed in a more orderly way.

I say to the Government House Leader in the most friendly way that it ought not to be necessary for the Government to move time allocation, except in the most extraordinary circumstances. I believe that we should be able, together, to look at legislation and determine how long is reasonable time for dealing with it at second reading. We should be able, without fear of criticism publicly or otherwise, to determine within the time frame that we know is the parliamentary calendar how much time can reasonably be allocated for dealing with a piece of legislation at a particular stage. If I may say so, I do not recall when I made this point some years ago and got the wholehearted support of the then Official Opposition. I might get it now, since the then Official Opposition is in Government, but I may not get it from the present Official Opposition. However, I believe that in the interests of Parliament we should seek that kind of understanding. The time we are talking about is not endless. The responsibility is to point out the flaws in the legislative program. However, the responsibility is to also deal with it.

I suggest that when these new legislative proposals come into effect, albeit on a trial basis, together we should consider the three suggestions I have made and make every effort to live by them. It should not be a practice to breach them; they should only be breached as an exception.

Having said that, I look forward to the trial period. It will not be easy. We have to be patient and we must understand that not everything will work exactly the way we anticipated.

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, I am pleased to be able to participate in this debate tonight on parliamentary reform because I believe it is one of the most important issues that will be dealt with in the House. I want to commend particularly the committee and the chairman of the committee for producing what I believe will be important wide ranging reforms.

Each of us brings his or her own perspective in the House. I have had a rather checkered political career. In a very short period of years I have been in opposition, a Government Member in a minority Government, I have been out of office and I have been a Government Member in a majority Government. I think I have just about covered all the bases in a very few years. I have come to some conclusions about the necessity of parliamentary reform as a result of seeing Parliament from the different aspects I have experienced in those few years.

I want to deal with three issues that are in the report and one issue that is not in the report but that I believe is important to parliamentary reform. I believe that parliamentary reform is necessary to have an effective Parliament and effective Members. The first issue was dealt with earlier, but I believe I can put a different perspective on it. It concerns votes of confidence.

I do not want my remarks to be misunderstood by the Opposition, my fellow Members or the press. I am proud of the record of our Government. I think we have had a solid economic performance, with good legislation. However, let me say quite frankly that I think the record could be improved with respect to legislation we have presented.

In some cases, I think legislation should have been amended in committee. I am not quite sure that I am ready to say that legislation should have been defeated, but I certainly see some cases where Government legislation may warrant defeat. I am not out to end my political career in martyrdom by trying to pick a Bill with which to defeat my own Government, but I think we are talking about an important principle. Members of a Government Party or indeed members of the Opposition should feel free be able to vote against a Bill if they feel strongly about it. It is important to recognize the pressure that can be put upon Members both by their own Party and indeed by the opposition Parties.

The Member for Cochrane-Superior (Mr. Penner) said earlier tonight that the onus is on the Government to free up its

Members. Well, I would argue that if the system is going to work, the onus is equally on the Opposition. The onus is on the Opposition because the first time a Government Member breaks ranks, the temptation will be there in the Opposition to talk about the Tories being divided again, to say that they cannot stay united and so on. It is in their interests that we not go back to that old system. That will force the system back into the rigidity which we have had in the previous years.

I do not believe it will be the end of the world if a Government measure is defeated. Margaret Thatcher has a majority Government comparable in numbers, at least, if not percentages, to that of our Government. However, she has lost a number of Bills since she has been Prime Minister. No one is suggesting that Margaret Thatcher is weak because one of her Bills was defeated. Perhaps it is a reflection of a strong Parliament and strong individual Members of Parliament.

If and when a Government Bill is defeated, let the Opposition not use that to point out that it is due to a weak Prime Minister. It may not be our Prime Minister. It might not happen until another Parliament. However, let the Opposition recognize that it is the way Parliament should function if parliamentary reform is going to work.

The second issue dealt with by the committee is the issue of smaller standing committees with broader powers which can produce wide-ranging reports. Something which has struck me since I have been in Parliament—I have been in three—is the high quality of Members from all Parties. I have had the opportunity to work on many standing committees. Recently in this House, I worked on the Standing Committee on Health, Welfare and Social Affairs when we were producing a report on child benefits. I also worked on the Standing Committee on Finance, Trade and Economic Affairs when we were working on the investigation of banks, trust companies and insurance companies.

I could list the members from my Party who impressed me, but perhaps I could make my point better by saying that on the Health, Welfare and Social Affairs Committee I particularly enjoyed working with the Member for Vancouver East (Ms. Mitchell) and the Member for Sudbury (Mr. Frith) because I thought that together we were able to produce something that was useful. Similarly, in the Finance, Trade and Economic Affairs Committee I enjoyed working with the Member for Kamloops-Shuswap (Mr. Riis) and the Member for Trinity (Miss Nicholson) to whom I never even had a chance to talk let alone get to know and find out how valuable and hard working she was as a Member.

● (2110)

The point I want to make is that I think we have a tremendous amount of talent in the House which, with parliamentary reform, can be used for the benefit of the country. As I see it, smaller committees with much more power can investigate matters that may not be that important to the Government of the day but can be important national issues on which there can be consensus. Just as the reform committee was able to produce some pretty revolutionary ideas, I see the same thing happening under the new standing committees.

The third issue about which I want to speak briefly is the matter of Private Members' Business and allowing some of it to come to a vote. The system we have now where basically the Government decides which measures come to a vote is wrong. It should be a committee of private Members that decides what measures warrant coming to a vote. There are many Members bursting with ideas here which could be accepted. Perhaps they will not bring in the wide-ranging Bills a Minister is expected to bring in, but they could bring in measures which are important for the country and improve the quality of life of many people, regions or whatever. Allowing Members to designate which Private Members' Business comes to vote is a very important part of reform. I hope we can approach that issue in as non-partisan a manner as we have the reform committee itself.

I indicated that I wanted to speak briefly on a subject which was not covered by the report. I think it is an important subject when it comes to dealing with the effectiveness of Members and of Parliament. It concerns recognizing that Members have different responsibilities which in some ways are reflected by the size of their ridings. I happen to represent the most populous riding of the country, which is now some 10 times to 12 times the size of the smallest riding in Canada. The Hon. Member for Nunatsiaq (Mr. Suluk) represents a riding which I think is a little bigger than Europe. He has special responsibilities as a result of that. While those different demands on him are recognized in a very small way through the moneys available to Members, they are not adequately recognized. I do not think his ability to function as an effective private Member is really available to his constituents because of the constraints placed upon him. Certainly I feel the same, representing the largest riding in Canada.

I talked briefly about supporting or not supporting a Bill. I happen to support a Bill which is before the House right now dealing with redistribution. I also recognize that the new redistribution Bill cannot be brought into effect before 1988. I am somewhat terrified by the prospect of representing, not a quarter of a million constituents when the average is 85,000, but some 350,000 to 400,000 constituents by that time. In order to make Parliament effective, the House has to address the problem of what should be done for Members who represent very large geographic or remote ridings or Members who represent enormously growing ridings, so that they can be effective Members of Parliament, representing their constituents adequately and also representing their views adequately in a national forum.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I am pleased to rise to participate in the debate on reform this evening. First let me say, "Amen and me too" to the last words uttered regarding the size of ridings and the facilities available to Members of Parliament, given various kinds of ridings—some of them are large and rural and others are heavily populated—and the current disparity which exists. That matter was not addressed in the report. I believe the

House can address it by way of the Internal Economy Commission, if we have the political will to do so.

Perhaps I represent, in some sense, the majority of Members of Parliament in respect of this reform exercise. I am one of those who did not pay a lot of attention to the exercise. I am one of those who did not participate by taking the time to come before the committee to understand what it was about and to make my views known. I am one of those who very nearly was not here tonight because I thought that what would happen was esoteric and would not make that much difference.

A few days ago I read, from beginning to end, the report of the reform committee. I really read it, rather than quickly look at the major recommendations and not give much thought to the exercise. I became excited about the reform process when I read the report. When I came here in 1980, like many new Members I believed, contrary to that famous quote by someone or other who said that parliamentarians 50 feet away from Parliament Hill were nobodies, that to be elected as a Member of Parliament was a great honour and privilege and was quite a serious responsibility, by the very nature of the fact that my constituents saw fit in an election campaign to send me here. I truly believed that my voice would count for something and that I could in a substantial and real way, as could every Member of Parliament, make a difference. I believed that my being here would count for something and that I would have some input if I was prepared to work hard. I discovered that it was not the case that parliamentarians were nobodies 50 feet from Parliament Hill, that the opposite was true, and once we got within 50 feet of this place we became nobodies. In our ridings the understanding of the mandate given to us was fairly clear. It was to speak in the House of Commons, to participate in the decision-making process and to exercise, bearing in mind our constituents' views, our best judgment in the final analysis. As a member of the Liberal Government of the day—and I am sure it is no different whatever Government is in power—I discovered that in order to get along I had to go along. I discovered that if I exercised an independent point of view or judgment, I would be considered a rabble-rouser or a rebel because I would be bucking the carefully laid plans of the executive branch of Government, and there were no rewards for that kind of attitude.

What does that teach Members of Parliament? What does that tell us? It tells us that the House of Commons—and this is somewhat of an exaggeration—is a little like Beirut. There is a green line running down the centre carpet, and a Member in his own caucus and in his own Party is best rewarded when he aims his gun across the way and pulls the trigger, irrespective of whether or not in his own best judgment his energies are truly being well spent and in a way which represents the best interests of his constituents.

There is a real opportunity for all of us, as a result of the report, the excellent work of the McGrath Committee and all members who served on it, to make a change. That is not to say that we will function in a parliamentary system where we are all chums, where we agree all the time and where we always operate with a consensus. That will not happen. There will be times when we agree and when we disagree strongly. That is as it should be. However, we ought not to be disagreeing just for the sake of establishing Party lines and undertaking our responsibilities as Party people versus parliamentarians.

I have a couple of concerns to which I would like to see a positive Government response if the reform process is to work. One of those, and I believe the most important, is in the committee process and having parliamentary secretaries taken off those committees. I was a parliamentary secretary for three years. I will tell you what my job was. It was to understand the Minister's point of view, to understand what the Minister wanted to happen, to rally the majority of Members on the Government side, and I did that effectively, and to get the Bill through in exactly the manner in which the Minister proposed it or with the least possible change.

• (2120)

What happens when you set up that kind of system? Government Members initially resent being told how they should vote, what is acceptable and what is not. However, after a year find they cannot fight the system or, if they do fight the system, they are not rewarded. To the contrary, they become rabble-rousers in this place. They learn to come in, be a warm body, find out which way the Party is going and vote accordingly.

That is not because parliamentary secretaries have an inherent desire to run a dictatorial regime. It is not because the Government or even Ministers have an inherent desire to run a dictatorial regime. That is the system we have had. If we are going to continue to have parliamentary secretaries, and this is very important, sit on these committees, there must be an opportunity for Government Members and Opposition Members to reach a real consensus. Consensus means give and take. It means you do not get everything you want. However, you expect to see some sensitivity that at least people are listening to your ideas. Even if your ideas are rejected, there is some satisfaction in knowing that you at least had the opportunity, starting with the first clause of the Bill, to make your views known. Hopefully, people on all sides are listening to your point of view, accepting it or rejecting it for rational reasons.

I say to the Government House Leader that there is nothing more important, in my judgment, on the matters on which he reserved that needs to be corrected than this question. If this is not corrected, we will have changed the structure, but we will have presented a factor in the committee work that will make it impossible to have any kind of serious, objective consideration of government proposals.

It is strange when all of us realize that caucuses, which are the place where Parties should come together to develop policy, do not work that way. We all know what caucus is primarily used for, particularly if you are in Government. I have been there. Caucus is the escape valve where Members who cannot speak their mind because of the current make-up of the system go behind closed doors and let off steam. It is not only the escape valve but a red light indicator for the execu-

tive. The executive discover from time to time when matters are building up and the pressure is becoming extreme. That works in all caucuses, Opposition and Government. There is no better indicator that it is not just a minority of Members who feel the desire to operate as more independent agents or as agents of their constituents and their conscience in this House.

Tonight there is almost a magical mood in this House. I find it a fascinating experience to listen to parliamentarians on all sides. I sense the desire for real change. When the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) was in the chair, he did a fine job, enjoying the confidence of Members on all sides of the House.

I close by simply saying that the majority of Members of this place are not here. I suppose most of them are like me. They are either late coming to the reform process, they have not paid much attention, or they are so cynical about the current structure that they think nothing can make any difference. We must address the question of parliamentary secretaries, the question of confidence, and address something which is terribly cloudy in the reform process. People are venting their frustration in the wrong way. Legislative committees have got out of control. They are too big and too numerous. That must be addressed immediately.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, it must indeed be a magical evening when I can stand up after the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin) and say I agree. For several years that has not been my experience and it is indeed a pleasure.

I sat here this evening remembering my sense of deep anguish during the constitutional debate and in the constitutional committee. My sense of anguish about the constitutional committee was that we had probably collected in that room from among the Members of the Senate and the House of Commons almost as good a group of Canadians in terms of their background and concern as was possible. We were able to call as witnesses the most informed group of Canadians in the country. When it came to amending that piece of legislation, the power did not lie with the Members who sat in that room. The power lay outside the room. We did not know who it was, but we knew that whoever it was, they did not have the time to listen to the witnesses, to share the sense of anguish or the sense of hope, whatever was there, and then use their judgment to produce a basic law for this country that would work.

What the parliamentary reform committee is proposing to this Chamber is not reform of the Chamber. It is a revolution for the Chamber. As is the case in all revolutions, you can espouse the cause, fire the guns and achieve the revolution, but there is a delicate period which follows as to whether the revolution will stick or disappear.

This evening I would like to direct by remarks, perhaps in a somewhat critical fashion, at some of the Government's response to some recommendations of the parliamentary reform committee. If we are really going to use the talents of the Members of this Chamber, and I concur with previous speakers who say that the notion of confidence and its use or abuse lies at the very heart of the reform process, we must not have the tendency to think of that sense of confidence simply in terms of votes in this Chamber. In reality, the useful work which Members will do is more often in committees. The executive branch of Government must have confidence in those committees and in the wisdom of those committees to do a lot of the work.

I was sitting here this evening wondering if I am ever going to see a Minister come before a standing committee or legislative committee and say: "Here is a piece of legislation which represents the best thinking of the executive branch. What I want from you is a lot of hard work to see if you can make it better. Do not come back to me and ask me about my judgment. Simply call your witnesses, hire your experts, sit in dialogue together, take that piece of legislation and make it as good as you can".

If that were the set of instructions to a standing committee or a legislative committee, it would make the world for all of us a great deal more satisfying. More important, it would make legislation better. Legislation would be more sensitive to the reality of all parts of this country. What we have had in place up to this point is a set of bureaucrats who live in Ottawa. They may be in Justice and do the actual drafting or they may be in a policy analysis part of Government. They live here in Ottawa, they are captives of the Ottawa television stations, radio stations and newspapers. They do not understand the reality of Canada. It is Members of Parliament who were sent here to reflect that reality. Whatever we can do in this new revolution to free those Members up to do their jobs will work in the best interests of all parts of the country. That delicate situation relies on the political leaders. The risks are greatest for the Government and less so for the Opposition, but the leaders of all three political Parties and the sub-leaders within those Parties must demonstrate in the things they say and the ways they act a commitment to the processes that are possible within this place.

• (2130)

The part of the report on parliamentary reform about which I have thought the most and about which I know the most is the part about the role to be played by committees in the future. I was pleased to see that the Government simply agreed with Recommendation 4.1 which sets out the role of standing committees. However, the Government then began to deal with the structure of the standing committee system, and there we begin to disagree. I would like to suggest to the Government House Leader and the House Leaders of the other two Parties that they think about that a little more.

The biggest deviation from the philosophy of the reform committee's report as it affects standing committees is the decision by the Government to go to eight-person committees rather than seven and to include the parliamentary secretaries as the eighth person. When the Hon. Member for Burin-St. George's (Mr. Price), who had that kind of experience with the previous Government, laid out his concerns about it, I found myself nodding my head. I think he was dead on. There

is a role conflict, and that is what the committee told us and what our experience has told us. I hope that the Government will reconsider that in what is an experimental year.

There is nothing that stops a committee from co-operating with a parliamentary secretary and nothing that stops a committee from bringing the parliamentary secretary forward as a witness. However, having a parliamentary secretary as a member of the committee creates a problem regarding the issue of confidence. That is its biggest flaw. There is as well a secondary flaw. Any time there is a committee with an even number of members, more pressure is put on the committee when it comes to creating a quorum. It is easier to get four out of seven members together than it is to get five out of eight. I would hope that the Government would reconsider and return to seven-member committees as recommended in the report of the reform committee.

The other major area of disagreement I have with the Government is in its comments regarding the review of delegated legislation. All of us know that we are in a situation in which 3,500 to 4,000 Orders in Council are passed per year. All of us who have served on the Regulations and Statutory Instruments Committee know that the impact on people's lives from the publication of regulations can be and frequently is absolutely enormous. The regulations are more important in terms of impact than the actual legislation itself in most if not all instances. To leave the job of reviewing those regulations to one committee, a joint committee of the two Chambers, is to ask that committee to do the impossible. With the new setup for standing committees, if the Government were to go along with the committee's recommendation that standing committees be given the responsibility for reviewing the regulatory environment related to their areas of responsibility, I suggest that possible mistakes could be avoided and certainly regulations would be better promulgated.

I would make a brief comment on legislative committees. I would like to see them have from 10 to 30 members rather than thee present 20 to 30 members, and I would like to see their composition cut across committees. Someone from the Justice Committee should sit on every committee, as should someone familiar with finance. That way we could put a screen across a piece of legislation containing all of the different emphases Members might have.

I sent a letter to the committee recommending that we bring back evening sitting hours. I did that because I believe that if the House were not so sit until 2 p.m. four days per week, the sense of push and rush that all of us are feeling would be relieved. I know the committee did not accept my view, but it is my feeling, having experienced both systems, that one of the reasons Members do not have the time to think carefully, consider and learn enough about much legislation, is that we try to put too many things into too few hours in the course of a normal week.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I hope a few of the members of the public who watch the House of Commons during Question Period and see us as being the most undisciplined day nursery in the country will have had a chance to listen to this particular debate. I think it reflects Parliament at its best and gives us a chance to talk about some very serious concerns.

We are trying to reform this place and we are trying to ensure that the momentum for reform which built up in the last Parliament is continued. I do commend the members of the committee for their leadership and I also commend the Government, not for all of its responses but certainly for the fact that it is prepared to go a substantial way toward indicating its support for the recommendations.

I would like to talk mainly about committees tonight. Certainly in recent weeks we have experienced overload because of the overlap between the legislative committees and the larger standing committees which have different timetables. We now know that it is possible for an Hon. Member to begin his day at nine o'clock in the morning and wind it up at 10 o'clock or 11 o'clock at night and to have been in the House or committees continuously during that time. Frankly, that is exhausting and is not good in terms of the quality of work we can do. I do not think we can sustain it. That is why I would like to talk in some detail about some of the specific recommendations and ideas that I hope will be taken seriously by the House Leaders and the Government.

First, it is important that the new, smaller standing committees be independent. I happen to feel that to have only seven members on a committee with a permanent attachment may not be sufficient. My experience on the Public Accounts Committee and other committees on which I have played a part is that it is a bit like tag-team wrestling. Members do have many commitments in their ridings for speaking engagements and those sorts of things. Therefore, it seems to me that in addition to seven members on the standing committees, we should have a permanent alternative group of another seven who have some greater privileges and access to the committee minutes and agendas than other members. It should be expected that those members keep in touch with those committees and work very closely with the members to whom they are an alternative.

I do not think that a parliamentary secretary should be a full member of a committee. If the Government wants to assign a parliamentary secretary to sit in on meetings of a standing committee, exercising the right of any Member of the House to be there, I think that is fine. However, to have parliamentary secretariess on the steering committee and giving guidance to committees will, it seems to me, essentially undercut the independence of the committees. I certainly endorse the comments of the Hon. Member for Calgary West (Mr. Hawkes) and others on that particular question.

There is a danger in the fact that the legislative committees, because they are *ad hoc* and have no history, will not have give and take between Opposition and Government Members, something which I think makes a committee work particularly well. I am concerned over the fact that some of the committees on which I have sat have seen an effort by Government Members to guillotine debate and shut down the amount of time in which consideration of an important matter could take place.

Since there was no appeal, we wound up wrangling with each other and playing the kind of games that I think people are anxious to try to avoid.

While allocation of time is becoming more prevalent and the Government seems to have chosen to use closure on an almost continuous basis, there must be in committees some recognition of the rights of the Opposition as well. Given that there is no give and take because legislative committees are temporary, it seems to me that there should be some right of appeal so that Opposition Members may go to House Leaders and dispute decisions of legislative committees which seem to have been too rigid in terms of their allocation of time. It seems to me that we should not have a situation in which the Government is all take and no give in terms of the way the committees work, in terms of the witnesses they hear and in terms of the amount of time which is given to ventilate concerns over important pieces of legislation, such as the divorce legislation or the legislation dealing with family allowances. These issues will come up again and again.

● (2140)

I endorse the comments which suggest that the size of legislative committees should be made much more varied depending upon the importance of the issue and also upon whether or not an issue is controversial. Given that the committees have to work very quickly, consideration should be given to having research support on legislative committees and, occasionally, on standing committees, allocated to caucus, that is to say, on a partisan basis and not just allocated to the committee as a whole. With respect to particular Bills, there are times when we in the New Democratic Party, or members of the Liberal Party and maybe even Government Members want to develop a particular line of thinking. We do not have the resources in our offices to carry that out. Our caucus research staff is limited and cannot focus on these committees. Sometimes the hearings of a committee may go on for a long period of time and we need to have access to either partisan researchers, who are also attached to the Library of Parliament, or perhaps even people who come in on an *ad hoc* basis for particular considerations.

My next point deals with the question of timetabling. It is a long way from matters of principle. However, it is very germane to all of us who have experienced a meeting at 3.30 p.m., a meeting at 6 p.m. and a meeting at 8 p.m., have gone home exhausted and in a bad temper without having had a decent supper and not having been able to do a particularly good piece of work.

When the legislative committees began it was decided that they would sit when the House sat but the standing committees would not. I think that decision is wrong. At times standing committees took place on a very artificial schedule. They were blocked in to two meetings, one a 6 p.m. meeting and one a day-time meeting. They have important work and yet find it impossible to fit within that particular strait-jacket. We have had situations in the Public Accounts Committee, on which I sit, which needed to meet for three hours but was told it had to quit at 11 a.m. to make room for legislative committees, even though on certain days no such committees were scheduled after that time.

I suggest the balance has gone too far. I suggest too much day-time has been allocated to legislative committees and not enough to standing committees. I suggest something which is a great deal more simple and perhaps more manageable. I suggest that the mornings be given to the standing committees and that the afternoons be given to legislative committees exclusively, that is, outside of the time for Question Period. Then, in the evenings, when committees will only meet if they are particularly preoccupied with a subject, standing or legislative committees should be allowed to spill over into the evening hours, whether it be 6 p.m. or 8 p.m. We could see how that would work after a trial period of one year.

Some flexibility is in order because certain committees, such as the Standing Committee on External Affairs and National Defence, need a lot of time for their considerations. The Finance Committee, which is considering the Green Paper on financial institutions, needs a lot of time and should not have to be subjected to artificial limitations.

I am also concerned about the allocation of administration costs of the House of Commons to the committees. At the moment the cost for staff alone is estimated to be something more than $1,000 per committee meeting. That enters into the budget of a committee. That will make heavy costs which could be misunderstood and even discourage committees from meeting frequently, despite the fact that most of these costs are fixed costs of the House of Commons and not variable costs, as is the case with the cost of printing committee minutes and other matters which can probably be costed and charged to the committees. I am glad to see the Government House Leader (Mr. Hnatyshyn) nodding his head.

With respect to the question of costs, we should look at ways by which committees can reduce the costs of travel, possibly by having a stripped-down form of reporting and of translation or other means by which it is flexible enough for committees to travel without the feeling that it will cost $5,000 or $6,000 a day, a sum which is felt to be intolerable.

In the limited time I have available to me, I also suggest that we should be looking at ways by which committees can communicate what they are doing to the public and call for witnesses without the need to spend $30,000 or $40,000 to advertise in every major daily newspaper across the country. That could well come into part of the public relations effort within the Speaker's office. Perhaps there should be a weekly journal of Parliament which is easy to understand and which could include notices of committee meetings calling for witnesses or informing the public about consideration of particular pieces of legislation. We could then make that journal available at a low subscription cost to every public library and newspaper in the country. Something in that respect could be part of an effort which should be made in order to find means to communicate what Parliament is doing.

The suggestion that the parliamentary channel be expanded and turned into a sort of Canadian version of C-SPAN is a

good one. The suggestion that committees be televised but that those televised versions of committees be run at night when the proceedings of Parliament are no longer on is also a good one.

The suggestion which I make now is that parliamentary notices with respect to committees seeking witnesses and so on should be on the parliamentary channel every morning between eight o'clock and nine o'clock. In this way people would know to look at the channel at that time. That should be encouraged.

The suggestion with respect to interpretive material on Parliament being televised on the channel and also in a Museum of Parliament, perhaps where the Postal Museum used to be, should be considered. The suggestion that we should try to find ways to interpret what this place is doing to visitors who come to Canada is something which is also a good idea.

Perhaps these ideas stray somewhat from what is contained in the report of the committee. However, I think they are all part of a desire that many members share, which is to make Parliament relevant and ensure that Parliament is seen to be relevant.

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, it is a great pleasure for me to participate in this debate with respect to the reform of the House of Commons. Since I became a Member of this House approximately 17 or 18 months ago it gives me particular pleasure to take part in a debate in which we are talking about reform of the institution which represents the people of Canada.

With respect to the proposal regarding the reform of the House of Commons, I would like to restrict my remarks to the recommendation of a standing committee which suggests that there be a standing committee on human rights established. I think it is important in 1985 that a standing committee on human rights should be established. I would like to elaborate on that point.

In 1982, the Charter of Rights and Freedoms was passed by the House of Commons. There was a delay experienced with respect to one section of the Charter. I refer to Section 15. This section of the Charter refers to equality, that is, that every individual is equal before the law, has the protection of the law and receives the benefits of the law. This section of the Charter came into force on April 17, 1985. When it came into force, the previous administration had done little to prepare for this three-year delay. Of course, the delay was facilitated to change programs and laws in order that they could comply with Section 15. When my Party took office in September of 1984, very little had been done in terms of preparing legislation and changing programs to comply with Section 15 of the Charter. Thus, the Minister of Justice (Mr. Crosbie) brought in an omnibus Bill which changed minor items. In addition, he established a parliamentary committee formed by members of all Parties of the House to review programs and legislation.

Last summer and spring I had the opportunity to serve as vice-chairmen of the subcommittee dealing with equality rights. As all Members know, this committee was charged with the responsibility of reviewing federal laws and statutes in order to determine if they conformed with Section 15 of the Charter of Rights. The work of our committee was crucial in helping develop a practical and sensible approach to equality issues under the Charter. Our report *Equality for All* covered a wide range of issues which demanded immediate attention.

• (2150)

I believe it is important for the work of the Equality Committee to go on, and it is important that that work go on here, in Parliament, carried out by parliamentarians. Therefore, I propose, consistent with the recommendations in both the McGrath Report and in the *Equality for All* Report, that a Standing Committee on Human Rights be established to deal with the important equality issues surrounding Section 15. The *Equality for All* Report listed three key reasons for an ongoing assessment of federal laws in light of Section 15 by a standing committee. First, a mechanism for public input into the process of addressing Section 15 to the wishes and needs of the community is very important. Under the current committee system, that mechanism does not exist.

Second, future Government policies or programs which are introduced into the House as legislation, may not conform to the Charter and, therefore, that legislation would merit scrutiny by a Human Rights Standing Committee.

Third, an all-Party committee would be in a position to review the Charter conformity of federal laws, providing the opportunity and enabling the examination of that legislation with input from witnesses attending that standing committee. That, in my opinion, would assist the Ministers of the Crown who are often consumed with the details and intricacies of the legislation. The standing committee would give us the overview representing all the regions of the country.

If there is one important message which came through loud and clear during the cross-country hearings of the Equality Rights Committee, it is that Canadians are very interested about how their Charter will affect their lives. Those concerns will continue to arise as our legal system grapples with the details and complexities of Section 15. Therefore, it is most important that Parliament deal with these issues as opposed to putting these issues into the hands of the lawyers or the courts. It is most important that we as parliamentarians continue to work toward practical application of the Charter which will fulfill the great principles of equality, justice and fairness for which this country has always stood.

The issues raised in the Equality for All Report represent only the beginning of a long and exciting process of clarifying our Charter and applying it to Canadian society. Let us make Parliament a part of that process by establishing a Human Rights Committee which will address the fundamental equality issues this country is now facing and those it will face in the future.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I take some pleasure in participating in this debate, mainly because the wisdom of whoever drafted the motion that this

House take note of the matter of reform of the House of Commons has given us all a chance to address the issue of reform in the House, and many other matters.

Since the end of June of last year, we have been operating under a different set of rules. We adopted, I believe, on June 27, some modifications to our rules which were inspired, in part, by the special committee of the House chaired by my friend, the Hon. Member for St. John's East (Mr. McGrath). These were supported, I believe by most Members of the committee—at least all those I have come in contact with—in the spirit of trying to make this place more relevant to the issues of modern society and more understandable to Canadians.

I do not want to address all of the issues because none of us could do that in just 10 minutes. But since we have been operating since June under certain rules, I would like, as Party Whip of the Liberal Opposition, to make a few comments on how we have done with the new rules since September. I do not believe we can operate without a foundation of trust among the House Leaders of the Government and of the opposition Parties. I believe there have been some elements of difficulty which have arisen from the fact that some rules were either misunderstood or applied unequally.

[*Translation*]

What in French, Mr. Speaker, would be referred to as "demi-mesures". I do not think that in this Chamber we can tolerate that when a parliamentary committee makes recommendations, Members only go along with what suits them and drop what does not.

This evening, there has been some discussion about the legislative committees. I believe there is a problem. We have 282 Members in the House, and two weeks ago I counted 51 committees including standing, legislative, special and joint committees, task forces and sub-committees; add to these the task forces of political parties that travel across the country and all the work that has to be done in committee and in the House. Members each have to do their share of a very impressive workload, something which I think is at times frustrating because we are not always able to work in the manner we would like and to see exactly where we are going.

Mr. Speaker, not long ago you sent me to England to see how legislative committees were handled over there. I appreciated this opportunity because I found that with 650 Members and a very impressive legislative menu, the people over there had managed to set up eight legislative committees, which they refer to as standing committees, and each committee receives the legislation which is sent by the House of Commons, and there is a line-up and people wait their turn to be heard. I think that is eminently sensible.

We did not do that. Every Wednesday, I sit down with the Government Whip and the New Democratic Party's Whip and we have to appoint Members to legislative committees, when the House has adopted a bill on first reading or the Member has presented a Private Member's Bill in his name. That is not what was recommended by the Committee on Parliamentary Reform. Somebody failed to understand what the Committee's recommendation was and this caused some problems. We are now stuck with an incredible number of committees and that has caused problems as well.

The other question I wanted to raise—and I realize I don't have much time—concerns Ministers' comments or statements. Ministers' statements are usually made on very short notice, and the Official Opposition and the other opposition have the right to reply, but the time spent on these statements is made up at the end of the day. Sometimes this may cause problems. A statement may take five minutes or half an hour, and this time is added on at the end of the day.

The point I wanted to make, Mr. Speaker, and I think you know what I am referring to because I already brought this up two or three times this week, or at least in the last few days, and that is that the provisions of Standing Order 46(7) provide that normally, the hour set aside for Private Members' Business... If I am a backbencher and I want to have an adjournment debate because I asked a question and was not satisfied with the reply, I have the right to ask for an adjournment debate, a late show.

• (2200)

[*English*]

I can request that a question be dated on the "Late Show", and at certain times it is allowed. Standing Order 46(7) says when there is a vote the "Late Show" shall not take place unless there has been a statement by a Minister and Standing Order 19(4) applies—then there is a "Late Show". Yesterday we had a typical example of that. I cannot understand the logic of that. I do not know who came up with that, that sometimes, when there is a Minister's statement of five minutes, we have "Late Shows", and other times when there is no statement there is no "Late Show". I do not understand that. Somebody must clarify for us some day why a private Member is entitled to a "Late Show" if a Minister makes a statement, in certain circumstances, and at other times he is not. This does not make sense, and these are the things we have to clarify. I hope the Government House Leader will take that into consideration when he comes in with his package, if he has one to present.

I just want to make a few comments during this opportunity we have at this time to address the question of reform. I have been here for 13 years, Mr. Speaker. Every time we have talked reform in this House we have had difficulties, because the opposition is too strong or the Government is afraid and we do not move. This time I think the Government has the proper atmosphere and the proper timing, and it should move. But, very importantly, we must be entirely satisfied that we have debated this question thoroughly.

Speaking for the members of my caucus, I do not think we can accept that some deal will be made somewhere, that it will come in a package at whatever time in the evening, and we will say we have agreed to these changes of our House rules. I

think the Government has to come in with a package, and that the package must be debated in this House as it is tonight. I think it is a matter of eloquence, Mr. Speaker. The speeches I have heard tonight have been very eloquent and very interesting. I really must say that I have been here for some years now and I have heard some very, very nice statements and some very good ideas put forth by Members.

The point I really want to make clear to the House Leader is, and I think his little distrust comes from his misunderstanding of this point, that we want debate. Tonight 10 minute speeches are too short. I would like to have put questions to the Member for St. John's East (Mr. McGrath). I would like to have put questions to the Member for Papineau (Mr. Ouellet). We could not do it because of our constraints tonight.

I hope that if the Government House Leader intends to come in with a package of new reforms, these reforms will be inspired by this committee work, and that indeed the Government will read it properly, digest it properly and come forth, not with half measures but with full measures. Surely it is time we moved on reform, and that we created that type of atmosphere in which we all participate in a debate—not a monologue as we see tonight. I think it is good, it is interesting, it is eloquent, but I would like to have some real debate with some Members of the House. Those of us who cannot attend all of these committees need to have this debate in the House. We have to be able to discuss with our colleagues in the House the pros and cons, for example, of electronic voting versus manual voting versus lobby voting versus a whole system of improving the way that we vote.

I would like to see us debate these questions at the appropriate time, and I leave it in the House Leader's hands to arrange that. I repeat that the trust is his to take and to go with, and we will certainly work with him in the interests of House reform.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, this is a very interesting discussion we are having tonight. I do not believe it can be tainted by any acrimony or any accusation of political binding. It has been in effect a free-wheeling, free-speaking debate.

I think we are attacking in this debate tonight some symptoms which we cannot get at by the reforms that have been suggested in the remarks of the Member for Humber-Port au Port-St. Barbe (Mr. Tobin) and to the Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand). Their emphasis was not on the difficulty within the House, but rather was on the failure of the Parties concerned to allow input from backbenchers to obtain the consensus we are now seeking to obtain by parliamentary reform, when in fact what we need is an element of caucus reform which does in fact accommodate the opportunity for the individual to represent his policies, his principles, his own interests with Canada as a whole.

There has been some discussion as to what is a free vote and when should it occur. Let us suppose that we introduce into this House an opportunity for a free vote. Let us take some examples of legislation that has been dealt with in this House of Commons since it has been my privilege to represent my constituents.

Let us assume for the moment that we adopted the pattern of the United States Government where there is in fact a free vote, in principle, although I submit to you that most Members are bound by the principles they have espoused in their own constituency, that they are as bound in their voting by their own constituencies or their own districts as is any Member of this House bound in his vote as a result of his association with the Party and the constituency which he represents. It is a myth that it is totally free. There are a few people with stature who can in effect vote freely to their hearts' content, who will be returned to the Congress or the Senate of the United States, but there are only a handful of people who really have at their disposal a totally free vote.

I am going to make a suggestion here tonight which will not be acceptable to a great many people. I may get ruled out of order by some, or they might wish I would be. We have a bicameral system, and if ever there was need for reform it is that we reintroduce the intent of the bicameral system which was brought in with Confederation. There is an opportunity for the Senate to be given Green Papers, White Papers—whatever papers—for study and reference. I can think of no better work than that done by the agricultural committee when it studied soil erosion and prepared a report. I think that is typical of what it could do, and what it should do. This would relieve this House of those onerous duties that are beyond the capacity of most Members. It has been pointed out many times by many speakers on all sides of the House that the overload of committee work, plus constituency work, does render us to a degree incapable of serving all the purposes for which we are here.

We have heard some talk about what should happen to private Bills. I have had a little experience in this area. Let us be honest about private Bills. Some private Bills are introduced on principle. I think the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen) who spoke earlier in the evening, espoused a principle in a Bill that he pursued for six years. I think it should have had the opportunity of a vote in this House—not a Party vote, not a vote on the whip at all.

I want to cite an example of a mischievous Bill which was introduced by one Ralph Ferguson who later became the Hon. Ralph Ferguson and the Minsiter of Agriculture. If ever there was a Bill intended to incite discontent in this nation it was that private Bill.

How then, Mr. Speaker, do we delineate between the mischievous Bills and those of principle which should have consideration? To say that private Bills should automatically be accepted by this House and go to committee is saying that every mischievous act of every mischievous Member, and there are many of us here who could be mischievous in opposition or in Government, should indeed be referred to committee for study. The Bill introduced by the Hon. Ralph Ferguson is an example of why, under no circumstances, should there be a *carte blanche* for private Bills to hit committee or the House in

debate. How then do we sort out the mischievous from the sincere in principle?

● (2210)

I say to the Hon. Member for Surrey-White Rock-North Delta, through you, Mr. Speaker, that his is an honourable case, but all cases are not honourable. How many of us have participated in the preparation of private Bills which were intended to be mischievous and embarrassing to the Government? That was their purpose and there is no question about that.

Before I arrived in Ottawa as a Member of Parliament I had the privilege of sitting in a provincial Government. I think that Government had the answer to some of the problems which have been voiced directly and indirectly or insinuated. That Government allowed Party members the opportunity to participate and influence the consensus within their own Party and before virtually every piece of legislation was introduced in the House it was vetted in principle before the caucus or the caucus committee. That would remove a great many of the problems which have been voiced here. But it has not been the principle of the executive of the Party, let alone the executive of the Government, to vet its policies, legislation or principles before its own caucus or caucus committee with a particular concern of interest.

If a free vote had been introduced I believe there are two or three pieces of legislation which the Members from the Atlantic provinces would have rejected out of hand during the last Government. I do not see any other Maritime Members here. Oh, there is one at the far distant corner of the House, the Hon. Member for Annapolis Valley-Hants (Mr. Nowlan), and there is one behind me from Prince Edward Island.

The health Bill introduced by the then Minister, Madame Begin, was one which deprived Atlantic Canada of badly needed money by virtue of its phraseology. Had the Atlantic region had a free vote in the House the Government of the day could not have passed that Bill in the form in which it did. Therein lies the difficulty of an area getting consensus in its own caucus, because had that area been able to achieve consensus and express the needs of Atlantic Canada that Bill would never have appeared in the House as it did.

One could go further than that and refer to certain pieces of legislation related, for example, to the fishing industry, a very major item in Atlantic Canada. The Member for Southwest Nova and I moved and seconded a motion for information in the fisheries committee. The results of that motion never came forward because the then Miniser of Fisheries blocked the information we requested. We should indeed explore what information can be obtained in committee. There is reform required.

However, let us not consider that we are part of a republican system. Before we go too far with the reform of the Hosue we must consider whether we are indeed trying to adopt republican principles in a British parliamentary system. there is room for changes. The Auditor General was mentioned tonight, and, as he said, it is impossible for a self-respecting member of the Committee on Pubic Accounts to nail down the information which gives rise to the allegations of the Auditor General. He made a charge with regard to the Dairy Commission of Canada. Unless we had a leaker within the Dairy Commission—one who would give us confidential information—we could not ask the right questions to learn why he made the charge, who was the culprit, and who should be dismissed. The Act, as it presently exists, does not serve the House of Commons or Canada.

These are areas which require reform, Mr. Speaker. I thank you for the opportunity to speak on this debate. However, let us not dream that we are a republican system—we are not. Until we change the minds of the Opposition Parties, the people, and the press, the free vote will depict split Parties, whether NDP, Liberal or Conservative. Let us face reality.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I really had not intended to say anything tonight, I had not even intended to be here, but I happened to walk into the parliamentary lobby and, not only did the sandwiches look good, the debate on TV was excellent. I am very glad I stayed. I join with other Members to say that it has been a most enjoyable and worthwhile session. We must have more of them.

I would just like to add a couple of things which I do not think have been covered. I also want to say something for my colleague, the Hon. Member for Ottawa Centre (Mr. Cassidy), who wanted me to mention one point he did not have time to raise. He feels that we should have an on-going review of this institution and that once a year we should have an open session such as this to allow people to speak in a very non-partisan way and to share feelings, ideas, and inspirations.

One of the things which bothers me, and probably bothers most Members of Parliament, is the perception that most people have of politicians. I am sure there are many reasons for this. Most of the politicians whom I see here day after day work very, very hard and are pretty serious minded. We do not always think alike, but that is part of the system as well. However, the perception of the public seems to be that we are pretty irrelevant, perhaps opportunistic, and somewhat shallow and manipulative. I must say that I do not find that. I think we are a pretty noble bunch, on the whole.

I think that we need to show this kind of a session to the public occasionally. This is kind of an in-House meeting that we are having tonight. I do not imagine many viewers in the outside world are as interested in parliamentary reform as we are. However, surely there is some way in which we can get this kind of mood projected into some of our other sessions so that the public will see us a little differently. So many of the people I speak with think that Question Period is just a squabble. Every time I return to Ottawa my niece asks if I am going back to the "funny farm". I find that it is people who enjoy theatre and politics who really enjoy Question Period. An awful lot of people do not understand what we are getting at. Perhaps the commentators on TV could help us to explain that the Opposition has an important role to play in democracy by criticizing. Many people do not understand that. We must try to change perceptions a bit.

The point I really want to make has to do with the role of Members of Parliament other than in the House. I always feel that my first responsibility is to represent my constituency, to create a two-way flow between Ottawa and my constituents and make Government and Parliament come alive. I am wondering why the Committee on Parliamentary Reform did not deal with any of the responsibilities we have and the reforms that are needed in our roles in the constituencies. I imagine it did not have enough time.

We all tend to say that our ridings are all different; some are close to Ottawa, some are very distant, some are rural, and some are urban. I personally feel that we do not have enough common standards to follow. I would like to mention two or three things.

I think we would all agree that the MP in the local constituency office has a responsibility to provide accurate information about federal programs and legislation. Yet we do not always have the necessary tools to do this. I would like to have a regular report on what is going on in the House that we could make available to our constituents. We all do our own things in our householders which are slanted to our own perspectives. However, I think that something quite factual and direct is needed. I have had ethnic groups in particular asking for this. I think we could improve our information systems. I do not know what it is like in the riding offices of other Members. However, it is often very difficult to keep an effective information system operating when being visited by many constituents. I believe that system could be standardized to a greater extent.

• (2220)

I believe most Members would agree that Members and their staff in those offices should be available to act as ombudspersons. We have a problem-solving role to play, particularly with respect to federal issues. But we are also advocates for citizens and have a responsibility to bring the problems of our constituents to the attention of the bureaucracies. Of course, we must also represent our constituencies in the House.

I am not sure that all Members of Parliament have set schedules for the public to visit their constituency offices in order to see their Members. I realize that it is very difficult for Members who live on the West Coast to make sure that they can be at the office. One is often called back for votes and other matters. However, if we are going to make reforms in this area, perhaps we could set a standard.

For those of us who come from a distance, we can work much more efficiently by spending one week during a month in our riding. One can be available and accomplish much more, rather than recycling jet lag every two or three days. I suggest most Members would agree with such a procedure.

I believe there should be a general procedure by which Members have a monthly accountability session for their constituents.

Another question concerns how our constituency offices are used. I believe that, because my constituency office is paid for by the taxpayer, it should be available to be used almost as a community resource, provided it is in a non-partisan way. There may be ways in which we can relate to different community organizations. For instance, perhaps some offices could provide help with income tax matters, using volunteers. I recall having a UFFI information service from my office. It is a public office and I believe it should be available for community use.

Those are some of the questions that occurred to me. However, I am essentially suggesting that at some point this might be another chapter of the reform book. Again, I want to congratulate everyone who has done so much work for us.

Some Hon. Members: Hear, hear!

Mr. Bruce Halliday (Oxford): Mr. Speaker, I am indeed pleased to have an opportunity to participate in this debate. I only had an opportunity to listen to part of the debate tonight, but I was impressed with what I heard.

I think you would agree, Mr. Speaker, that in my 11 years in the House my role has not been one of speaking frequently in this chamber. One of the reasons I have not spoken frequently is that all too often these debates in the House are meaningless because Members are simply repeating what has been said by others. It is part of a game that is played between both sides of the House, and I do not like to participate in that game too often. However, this debate tonight is altogether different.

First, I want to congratulate the President of the Privy Council (Mr. Hnatyshyn) for allowing this debate to take place, as well as to congratulate the House Leaders of the opposition Parties for co-operating and allowing this debate to be held.

There are two areas I would like to address which have been of great concern to me in my years in the House of Commons. One is the role of private Members and the other is the role of standing committees. I am sure that when all of us come here in the first year we are rather impressed, but certainly dismayed by the lack of a role for the private Member. Many of our colleagues have spoken about that tonight.

I have been particularly impressed by that problem in the last year when we had a great influx of approximately 140 new private Members. I am deeply concerned about the degree of disillusion that I see among some of the very bright young Members in the House over the lack of opportunity they have to fulfil some of the aspirations they brought with them from their ridings. Perhaps those Members from both sides of the House feel that they do not have the opportunity to express themselves and be heard in an effective way by the powers that be. I have had the privilege of serving on both sides of the House and appreciate the problems faced by Members from both sides.

Let me compliment the Hon. Member for St. John's East (Mr. McGrath). He is one of the veterans in the House and, in being chosen as chairman of this special committee, has been able to exercise his experience over the years in helping to

formulate some of these new recommendations. He and his committee are to be congratulated.

The Hon. Member for Vancouver East (Ms. Mitchell) suggested that perhaps the public was not too interested in what is being said here tonight. I do not believe that is true. Many of my more concerned constituents express extreme dismay when they learn that I come to the House to vote on an issue without even knowing what the vote is about. One simply comes in and follows the leader. As a private Member, one is not challenged to think about an issue; we can survive very adequately by voting as we are told by our House Leader. That dismays some constituents because they believe they have sent us here to express our views on issues and expect that our views will be heard and given due consideration.

One of the points that I believe the Hon. Member for St. John's East and his committee is attempting to make, and which I believe the Government in fairness is trying to recognize, is that we have a right to be adequately heard. I commend the committee on its attempt to allow a so-called free vote in the House, recognizing that there must be votes of confidence on certain issues.

I also recognize the caveat expressed by the Hon. Member for Carleton-Charlotte (Mr. McCain) that we do not want to have a presidential system here. However, I believe that within the parliamentary system as we know it there is room for more involvement by private Members than we have had heretofor.

I am impressed by the committee's suggestion for the role of private Members in standing committees, including that there be seven Members on the committee, without a parliamentary secretary. I must admit that I have not given much study to that suggestion, but I like the idea and hope that the President of the Privy Council and his colleagues will reconsider their move to make it an eight-member committee.

It has occurred to me over the years, as it has to many of my colleagues, that private Members have very little opportunity to effectively influence legislation that goes through the House. Let us assume that the executive branch knew that it would have to gain individual support from Members on all sides of the House when bringing in legislation. If that had happened when the Liberals were in power there would not have been some of the bad legislation we have seen over those years. The same is true now. If we have not already done so, our Government may introduce bad legislation, because most government supporters feel obliged to support a government Bill. I hope there will be more opportunity for private Members to have input before legislation has been drafted by the Government.

As always, my colleague, the Member for Calgary West (Mr. Hawkes), gave a most eloquent presentation tonight in which he expressed the importance of encouraging the Government to attend committees, asking those committees to convert its ideas into good legislation. I believe that such a process would result in attracting better Members of Parliament who would stay here. Furthermore, legislation introduced by the Government would be much better vetted and studied before being voted on in the House.

• (2230)

Without taking up more time of the House, let me say that I commend the committee, and its Chairman in particular. I hope the Government will see fit, in co-operation with the opposition Parties, to make some appropriate changes to the House which are long overdue.

Some Hon. Members: Hear, hear!

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am pleased to participate in the debate tonight. I want to start by complimenting the Hon. Member for St. John's East (Mr. McGrath) on his excellent work in reform of the House of Commons and on his contributions to this area in the past, as I think all other members of that committee merit praise for trying to make Parliament work better.

It is not often that we have occasion to participate in an excellent debate, as is the case tonight, in a manner which is far less partisan than is sometimes the case. I have been known to have been partisan on rare occasions myself, but I am very pleased to participate in this debate tonight without any partisan overtones. At least, I hope not to inject any of those overtones into my remarks.

One matter I should like to raise with the House concerns possible changes to Private Members' Hour. I had the honour and privilege of being elected at the municipal, provincial and federal levels. When I was in the Ontario legislature, I was very fond of the process by which it dealt with Private Members' Business.

In this House, Private Members' Business only lasts one hour, and it is toward the end of the day. In my view the present process here is nothing short of a glorified adjournment debate. When Private Members' Hour comes along everyone leaves. Everyone knows that there will not be a vote at the end. In fact, what we have is an adjournment debate which lasts an hour and 30 minutes instead of a 30 minute adjournment debate. I think that is very unfortunate.

The process in the Ontario Legislative Assembly—and I believe it still exists—was better than the one we have here. First, the debate lasted all afternoon, one day a week. There was a very good exchange in which four or five Members from each political Party participated. Also there was no such thing as talking out a Bill. At the end of the day there was a vote. Every Wednesday afternoon at 5.50 o'clock there was a vote. There actually had to be a conscious effort on the part of someone to defeat the Bill, if that was the case. It made for a very interesting afternoon. Often we saw Government Members voting with the Opposition and Opposition Members voting with the Government against one of their own colleagues, and so forth. It was truly a Private Members' Hour in that sense. There was no attempt at trying to be polite and speaking in favour of a colleague's Bill when one was really trying to talk it out, because the whole thing was an embarrassment or something like that. Sometimes this happens in the debates during Private Members' Hour in the House.

I note that good improvements are listed in the "McGrath" report, but I do not think that they go far enough. I hope we will take further steps to totally remove the partisan aspect. For instance, in that respect we could have no Whips at voting time. We could probably advocate that the Whips absent themselves from the House during the vote. Perhaps it would be symbolic, but it would be a good way of doing it. In the Ontario House, the Whips voted but they did not actually salute the Speaker prior to the vote in Private Members' Hour. In any case, I believe it would be an improvement over the system we now have.

I should like to speak briefly about the broadcasting of the House of Commons. The suggestion of televising parliamentary committees is not the way we should be going. I know that many people are in favour of it, but I tend to disagree. If we want to improve the availibility or the opportunity for Canadians to see their Parliament, we should use what we now have. In other words, often 6.20 p.m. or 6.30 p.m. when the House adjourns we could rebroadcast the House of Commons in the evening; we have the channel, and we have the facilities. We have everything. There is no reason that we could not repeat the process. Public opinion polls and surveys indicate that the majority of people watching the proceedings of the House of Commons are senior citizens. Why is that? It is because they are the ones who are at home in the daytime when we are on. Why not replay it at night when most people who work during the daytime can see it?

I should like to address the issue of the Clerk of the House. Of course I support the recommendations of the McGrath committee in that regard. In part, the report reads:

> The role of the Clerk of the House of Commons should be one of leadership and inspiration for all employees of the House. For this reason the Clerk of the House must be, and be seen to be, the principal permanent officer of the House, accountable to it, and its bodies, for operations of the House of Commons.

As the McGrath committee indicated, the most senior officer under your jurisdiction, Mr. Speaker, should be the Clerk. There should be only the Clerk with that level of importance relative to the staff of the House of Commons. For one thing, it would enhance the powers of Members of the House—and the McGrath committee agrees with that—in the sense that the principal officer who is concerned with services offered to Members is actually in the House of Commons, where Members can see that principal officer, where Members can easily dialogue with that principal officer, and where Members can easily explain to that principal officer when an ongoing process is not beneficial to Members of Parliament in general, or specifically to an individual Member. There has been considerable discussion back and forth, through previous Speakers and so forth, on this issue. However, I think the McGrath committee goes in the right direction on that recommendation. It is one toward which we should move swiftly.

I should like to speak briefly about Order in Council appointments. Of course we are aware of the recommendations in the McGrath report which basically indicated that some 1,900 appointments should be available for review and that some 64 appointments should be subject to the veto of the House. In other words, the House should have a veto over the appointment of officers of the House—the Clerk, the Auditor General and so forth. Because those people are officers of the House, I think that is the right way. I do not think there should be a veto over all political appointments. The mere process of recommending is the right way to go. However, in order for the process to work, the first thing we must do is put it into effect. Of course we have not done that yet, even though there has been a stated intent on the part of the Government in that regard. I think we should be moving in that area.

I should like to deal very quickly with the issue of office space for Members of Parliament. It has been the case in the past with previous Governments, and it is the case now with the present Government, that we see cabinet Ministers hogging space in the Centre Block of the Parliament Buildings. I do not say that in a partisan way, because the situation was the same before. It is not right that a cabinet Minister who uses his or her office here for an hour a day should have eight rooms. Many times there are not even eight people in those eight rooms. At the same time I have, as do other private Members, two rooms in the Centre Block. Many times there are four permanent people there, myself and three staff, and some days there are two temporaries. There are actually six or seven people in those two small rooms in Centre Block. The Board of Health would kick us out if it had any jurisdiction over it. That is not right. We should do something in the very near future to reallocate space so that private Members can have a lot of room.

• (2240)

Looking at previous experience, for example in the Ontario House, cabinet Ministers do not have offices in the building at Queen's Park, but in the surrounding buildings. The Premier and Deputy Premier are the only two members of the executive council who have offices in the Parliament building. The others do not.

I bring those remarks to your attention, Mr. Speaker. I thank the House for listening. Again I would like to compliment all Members for the very good and fruitful debate we have had tonight.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I will just say a few words as I'm sure other Members wish to speak. As I entered the Chamber, I thought of the rule of procedure which states that I should not walk between the person who is speaking and the Speaker's chair. As I walked in and thought about that, I also thought of the fact that if you look at the rules of procedure in Beauchesne or Erskine May, you see that practically everything we do in the House of Commons is out of order. I have noticed that you, Mr. Speaker, sort of try to coach the Opposition, saying they should ask questions about the policy of the Government. If you read the rules in Beauchesne, Erskine May or the leftovers of the British parliamentary system, you have to conclude that you cannot ask questions about Government policy in the future, that going strictly by the rules you can only ask questions about what the Government has already done. You cannot even entertain a motion in the House which deals with

the expenditure of public money in any way, shape or form. I use that as an illustration for my few remarks.

An Hon. Member: Hear, hear!

Mr. Baker: The Hon. Member says "hear, hear". If he would listen, he might learn something. The Parliament in Canada is different from any other Parliament in the British parliamentary system. Our Parliament is a true definition of the word, coming from the French word *parler*, to speak. If you use the general term "legislature", which is a general term for all Parliaments under the system to which we belong, you would have to say that the British Parliament is a legislature. They legislate. Over the years we have developed a custom of really being a Parliament, to speak.

If you look at the British system and the Canadian system, you find that they have evolved differently. The Australian system and other systems have evolved to meet their own needs. In the British Parliament, there is no seat for you. There are not enough seats for all the Members. Here you take your seat and be part of Parliament and speak. Perhaps there's nothing left of a resemblance between the Canadian Parliament and any of the other so-called Parliaments in the British parliamentary system.

In changing the rules, I am willing to bet that you cannot find one legislature under the British parliamentary system that changed its rules to any degree through a committee of that Parliament. It would be a joke to go to the British Parliament and say that you have a committee of the House to change its rules. The way they change their rule is by having the academics, the outside people who are not a part of the parliamentary system, do that. They deride us as a Parliament in saying that this is a cumbersome system, a system in which nothing can be done. Surely Parliament is first and foremost a legislature. In practically all of the legislatures, a motion comes to a vote at the end of the sitting day.

The systems have evolved and you cannot compare one system to the other. To my knowledge, changes that have been made in other legislatures under the British parliamentary system have evolved in such a way that something else has taken the place of Parliament as we know it today. When looking at changes in our parliamentary system, perhaps we can borrow something from what these other legislatures have done. This brings me to the reason for my standing here today.

Given the fact that the only similarity we have is that the Opposition and the Government are two sword-lengths apart, that you are not allowed to lean on the rail, and you are not allowed to wear a hat in the gallery, perhaps we can borrow something from their committee structure. In the British Parliament, a member of the Government or a member of the Opposition are both equal the way the custom has evolved. The Speaker does not recognize a member of the Official Opposition, then the Opposition, and then get around to a government back-bencher. It goes right and left, right and left.

Something else that is completely different is that a Member has to give notice of a question. That is somewhat distorted because you can give any kind of notice that has something to do with your question. Government Members, who have no seat stand up as a matter of custom and adamantly criticize their own Government. That is a custom.

My point can perhaps best be described by referring to the chairman of this committee, the Hon. Member for St. John's East (Mr. McGrath). Every Member in this Chamber is frustrated. He has a great interest in a particular subject. For example, the Hon. Member for St. John's East has a great interest in search and rescue, as we all know. Everybody has a particular area of great interest which affects the people in their riding and their province. As things now stand, even with the suggested changes, their aspirations will never come to pass unless we have committees which can originate their own terms of reference totally to address immediate and long-term problems.

It does not matter whether the committees are called standing committees or select committees. I believe that could be borrowed from the British parliamentary system. We do not have rules whereby the media cannot tape record the proceedings or that do not allow for television cameras. Committees could be made the forefront of Parliament. I do not think Parliament would be robbed of anything other than to decrease the *parler* part of Parliament. It would decrease the amount of speeches given and the time spent in Parliament. Parliament would automatically adjust its time schedule.

That would require a great sacrifice on the part of the Government. It would require the Government to say to the committees that when something comes up, whether it be search and rescue tonight or tomorrow "buffalogate", a committee can at a moment's notice investigate that matter and have the power to call whomever it wishes before the committee and get the answers to both immediate and long-term problems, such as search and rescue in which the Hon. Member for St. John's East is so greatly interested. It would provide a forum in which the answers would eventually be given. If the Government would not want to make changes, it would certainly be embarrassed into making changes.

• (2250)

That is my contribution tonight. I could go on for hours on this matter. As you know, Mr. Speaker, I am perhaps the only former Clerk of a provincial legislature to sit in the federal House of Commons.

Mr. Pat Nowlan (Annapolis Valley-Hants): Mr. Speaker, I would like to compliment the Hon. Member for Gander-Twillingate (Mr. Baker) for his contribution to this very interesting exercise that we are going through tonight. As one of the veterans of this House, and as some people think the defanged tiger that does not have any teeth left, I wanted to listen and take in all the contributions of Hon. Members. I know that other Members will perhaps speak later, and I might provoke some to speak later.

I think this is a tremendous exercise and I compliment the President of the Privy Council (Mr. Hnatyshyn) for holding this debate. Frankly, I would have liked to have gotten my

notes into an orderly form so that I could have developed my speech in a logical fashion. However, I am not known to do that. Therefore, I come now to the heart of the whole situation.

First I would like to get my Christmas kudos out of the way. Without being facetious, I would like to compliment the Chairman of the committee. I do not usually give him compliments because, quite frankly, I find I usually take a different stance from the Hon. Member for St. John's East (Mr. McGrath). However, regarding his leadership of the reform committee that has produced the first, second and third reports which are the reasons why we are here tonight, I would like to give him, as well as the entire committee, my personal compliments.

I do not want to repeat this too many times, but I used to sit here listening to the then right hon. gentleman for Prince Albert who had been here longer than I. He used to talk about Parliament and I am going to talk about Parliament. One of the few reasons I want to stay here is to make sure that this institution is fundamentally reformed to reflect the body of opinion of Members of Parliament and is not just rubber stamping things that come from on high. That is the carrot in the sunrise that will encourage me to run again.

The Hon. Member for Gander-Twillingate, whom I respect, has had an interesting political history. He is one of the few and at the moment the only former Clerk of a legislative assembly to be a Member of the House. He then warped the political label, but I do not care about labels.

Since we come to the House of Commons to vote on Bills that affect Canadians at large, we have to move to a mutation between a congressional and a parliamentary system. Unless Members of Parliament can rise in the House or contribute in committee on issues that affect their constituents or their own opinions without simply rubber stamping Bills, then this place is a charade.

I compliment the Hon. Member for Humber-Port-au-Port-St. Barbe (Mr. Tobin) who talked a little about the words of a former Prime Minister who said that we are nobodies when we are 50 feet away from the House and somebodies when we are here. The 140-odd brand new Members of the House came here with such excitement, enthusiasm and idealism. Over a period of perhaps six months or a year, they found out that they are fighting the same parliamentary procedure that was the procedure at the time of Sir John A. Macdonald. Of course he was our first Prime Minister in 1867.

You know, Mr. Speaker, because you are relatively new to the chair and you are certainly relatively new to Parliament, as a defanged veteran, that you went through the depression and frustration of these 140 brand new Members who are representing all parts of the country. They came here thinking that they would change things and found out that they were in the strait-jacket of Sir John A. Macdonald.

The one thing I love about the McGrath report is its potential for the independence of Members. This independence is not to defeat Governments. I agree with my hon. friend for—I know him better as George but I have to call him the Hon. Member for Gander-Twillingate. When I think of Twillingate, I think of Pickersgill. He was one of the Hon. Member's predecessors. There have been too many Members. I am an old Member as this caucus of mine thinks. Frankly, though, in terms of parliamentary reform I am one of the youngest Members it will ever see.

What these new Members do not understand is what reform really is. Unless we can get in the Chamber and committees the right of Members to represent their constituents, regions and own consciences independently, then I would agree with the former Prime Minister who said that we are nobodies, but I would say that we are nobodies both inside or outside the House. We can change that around, and we have to change it around.

The mutation system to which I referred must apply to committees and we are trying to do that on an experimental basis in the Transport Committee in which I am privileged to be a participant. We are getting some expert information on issues of the day and we have to do that in a more organized way. Members of the House must come here to speak on Bills.

The matter is not too complicated. I would like this Government to continue in office for another 44 years. I sat in Opposition for 20 years and I do not want to switch back.

There are easy ways to effect reform. A Bill can be drafted by the bureaucrats and put forward by the Minister which may not find a majority vote in the House. This is not in the McGrath report but it is the easiest thing in the world. Sometimes the easy things are like Newton's Law. When something falls down, it means that gravity pulls it down. If we wanted to assess that like Einstein, we would have had an Einstein theory on why the apple fell to the ground, or why two feathers fell from the Tower of Pisa at the same rate. I do not want to deal with complicated matters like that.

Regarding parliamentary procedure, we must have the licence, liberty and independence of parliamentary debate. It will take time to happen. The fact that a Bill does not command a majority in the House of Commons simply means that it is sent back to the bureaucratic catacombs to be redrafted, after which it then gets the consent of the House. When a Government Bill goes down to defeat, I hope that in my lifetime as a parliamentarian there will be a procedure whereby, without any debate, the Speaker would ask if the Government has lost the confidence of the House. Without any hesitation or even a burp, the votes would return saying that the Bill was defeated but the Government had not lost the confidence of the House. It would be a clear message to send back to the bureaucracy and the ministry that the Bill be redrafted to command the respect and the vote of Members of the House of Commons.

• (2300)

Some Hon. Members: Hear, hear!

Mr. Nowlan: I know that my time is limited. I have so many things to say. When I heard there was a ten-minute limit on

this crazy debate, which I am glad to participate in, I thought to myself that for me ten minutes is just like a burp.

My time is coming to an end in terms of this debate but I hope it is not coming to an end in terms of what I am trying to propose. You are the symbol of this Chamber, Mr. Speaker. I commend you and congratulate you for doing a very difficult job. I have sat here by the clock, close to the door, and I am gosh darned glad to be sitting here sometimes so that I can get out the door. Let us not kid ourselves.

I was in favour of bringing television cameras into the Chamber. I was on the committee which proposed such a move. I am telling Members of the House that until and unless, or unless and until, we reform our procedures, Members of Parliament who know the mechanics of expressing views will not be able to take advantage of the cameras. Why should I play the game like John A. Macdonald played it? I watched the debate for hours today. We have all the mechanics to do our jobs. The one thing that we do not have yet, and psychologically this debate may help us get it, is the assurance that in this age of change with a new Government we can instil and complement the work of the Standing Committee on Procedure and Organization to ensure that Members of Parliament, be they in committee or in the House, can express their views and cause defeats, perhaps even of Government Bills, but not bring down the Government. I refer to legislation other than Speeches from the Throne, Budgets and tax Bills.

I can see you are getting anxious, Mr. Speaker. I wish to sit down myself. However, unless we do something of this order then we are a charade. I will stay here as long as I can to ensure that your disquiet with my time and not my words will see you become, in my lifetime as a parliamentarian, the commander of the Chair. You will bring back into focus—

Mr. Speaker: I regret to interrupt the Hon. Member who is making a speech which the House is enjoying, but his time has expired.

Some Hon. Members: Hear, hear!

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I must say that in looking at the clock I can see that it is nearly 11 o'clock and I know that I am competing with the national news. At this point in time I know what most of the ears of the nation are tuned into. However, it is still important for me to enter this debate.

What the debate and the underlying question with regard to it mean to me has to do with democracy in the sense of the distribution of power between the private and public arena. Most citizens are familiar with the fact that, by and large, civil servants and bureaucrats run the Government. It is civil servants and bureaucrats who largely frustrate the people we represent. Thus, reform of the House of Commons has to do not just with updating some quaint institution which is of interest only to the few of us who happen to be elected here and have the duty to serve here, but it is something which is central to the democratic life of the country.

As a Member of Parliament who has been here for a few years, but not that many, one thing I find shocking about this place is the lack of financial control which the House has over public expenditures. Parliament was born out of the recognition that the executive, the people who run the country and spend taxpayers' money, had to be accountable. If there is one thing that this place demonstrates it is the lack of accountability with regard to the expenditure of public dollars. Any real reform of Parliament has to increase accountability in terms of financial matters. It is not enough to have the Auditor General issue a report to Parliament once a year which is discussed in Question Period for one, two or three days and is then forgotten. We have to find some means, some mechanism, by which to examine in a thorough way the expenditures which are authorized by the House.

It is not enough to have just one committee, such as the Public Accounts Committee, perform such a function. All Members of Parliament and all committees of Parliament should be involved in a thorough analysis with respect to public spending. In today's political and social climate if we are to find the money which is necessary to meet the many needs of our constituents, then we have to demand a new excellence in public spending. We have to demonstrate to bureaucrats that as parliamentarians we will not put up with the waste of public dollars. We must ensure that public dollars are spent wisely and effectively. Any real parliamentary reform should first address the issue of financial accountability.

I would now like to address another area of parliamentary reform which interests me. It has to do with Order in Council appointments. Given the fact that bureaucrats have such a stranglehold on public power in the country, it seems to me we should find a way to subject senior bureaucrats, Deputy Ministers, presidents of Crown corporations and, since the introduction of the Charter of Rights I would say Supreme Court Justices, to some sort of public review as a part of the nomination process before they are finally put into their ultimate positions. These are people who carry real power in our society. They are the ones who make the real decisions. Their views and values should be examined in a public forum before they are given our blessing and those high positions. I would like to see us find a way for Order in Council appointments to be reviewed before the appointments are made. There is another function of the House to which we should pay more attention. That is the matter of petitions. With respect to the debate concerning family allowances and the debate on pensions, petitions played a significant role in the House. Petitions offer an opportunity for public input into the policy-making process. If petitions could come to this place asking specific questions of the executive, which Government Departments would have to answer in writing to the petitioners, then perhaps we could find a way for the public to have a more significant input into this place and into public policy.

The question of legislation in terms of Parliamentary reform has received a fair amount of comment. Primarily, it has been in terms of the freedom of the private Member to vote this way

or that following his or her own conscience. I believe there is another aspect of legislation which has to do not only with our individual values but our collective values. As members of different political Parties there should be a way by which we could allow a real and significant impact on the legislation which comes before the House and the way in which it is drafted. Through our collective values, having been elected to this place, we should find a way by which we could have a greater impact upon the type of legislation which finally passes through the House.

I know that there is a negotiation process in this respect which goes on among House Leaders. Surely that process could be made more meaningful and could be handled in a way by which legislation would actually be amended, changed and improved upon, which could become a part of our policy-making and political process.

In conclusion, it seems to me that the question of parliamentary reform, whether it concerns financial matters, appointments of senior bureaucrats, public input or the type of legislation which is proposed by the House, is about democracy. It is about the private and public distribution of power. As an elected Member of Parliament, my commitment is to public power rather than private power. If we are going to have significant reform in this place, we have to bring decisions made by Government into a public forum. That really means bringing a lot of the decisions which are made by permanent members of the Civil Service into some forum for review by elected officials. The most important decisions which must be brought in for review are the financial decisions.

• (2310)

As I have said, I welcome the opportunity to say a few words in this debate about parliamentary reform. I must say that if parliamentary reform is to be significant, then it has to impact, first, on how public dollars are spent. Unless we can raise the level at which we examine public dollars, and unless we can reach a new attitude with regard to the expenditure of public dollars, we will not have the resources to meet the needs of our citizens.

Mr. J. R. Ellis (Prince Edward-Hastings): Mr. Speaker, I listened at the opening of this debate to the very learned and carefully crafted remarks of the Hon. Member for St. John's East (Mr. McGrath). I feel a little humble with my few notes here in winding up the debate. I know that the Hon. Member for St. John's East was, and has been, totally wrapped up in the issue of reform of the House for a number of years. He sat as a Member from the Conservative caucus on the Lefebvre Committee, along with some other Hon. Members, and he contributed then, as he has contributed tremendously to this particular report.

History has shown us the evolution of the House of Commons. Some of us who have been in Parliament a little longer than others have watched it grow and change. Yet it is fair to say that many of the rules which were put in place by Sir John A. Macdonald are still with us. It is interesting to me that some of the changes which we recommended in our speeches this evening were some of the things I would have liked to have seen discussed at a little more length.

In looking at the index of our last report, I see such things as the disciplinary powers of the Chair and I think we could spend a great deal of time on that, given some of the unruliness in the House over these past few months. I look at things such as the reorganization of Private Members' Business. I have heard other Hon. Members comment on that at length and I do not intend to go into it.

A good deal of time was spent on the prayer in committee, as well as a good deal of time spent on many other items. I think there is a need for change there. Perhaps reports from official parliamentary delegations would do away with articles like the one in the weekend *Citizen* about the travels of Members of Parliament around the world. Perhaps if we had those reports in place at least some of the press who now know, but who like to print differently, would understand as well as know why those trips take place.

I could speak about all of the various things which took place in committee but I want to take a moment to talk about the committee system and tell you, Mr. Speaker, that I am concerned that right now there is a great deal of criticism of the new legislative committee system. I believe we all have to be very careful and give that idea a good try. I know that as of today there is at least one Bill which is now going to be referred to a Standing Committee instead of a legislative committee. That concerns me. We have only had the legislative committee in place for a very short time and already we are short-circuiting it. I am concerned because the Hon. Member for St. John's East made the point that those of us who sat on the committee had an aggregate of about 100 years of parliamentary experience. I would hate to think that that much experience, having put some of these ideas in place, would be erased much too soon.

I would like to say again in my very brief remarks that when the chairman of the task force, the Hon. Member for St. John's East, said that there were no heated partisan exchanges in the committee, he was absolutely right. However, there were heated exchanges. They were not partisan but there were a number of heated exchanges. I am going to take about a minute and put on record, as I did on the 26th of this month in a Private Members' Bill, brief notice that I have a major disagreement with the report when it deals with the administration of the House of Commons. I have, perhaps, spent more time dealing with the administration of the House of Commons than most of my colleagues and I am sure that they get tired and fed up to the teeth hearing me talk about it. But, having been that close to it, I think I can say with some authority that the system we now have in place, the system which has been in place in other major western Parliaments for many years, is a system to which we must adhere if we are to retain the supremacy of Parliament and if we are to retain for Members of Parliament those services which they need and desire. I suggest that to go back to the old ways would get us into a great deal of trouble.

I could go on at great length about the many services which we have received as a result of the administration of the House of Commons and which have been in place effectively for five or six years. I would like to take a moment and compliment you, Mr. Speaker, for having had the courage to broadcast our Question Period to 22 million Americans last week. It seems to me that to have taken that step required a great deal of courage. To have the temerity to put our happenings over American television must have taken a great deal of thought. I could go on about that but, if I did, I am sure that some of my colleagues would want to hang me with the telephone wires which have been causing them all so much trouble this last little while, and I know they would not really want to do that.

I would like to say one other thing. At the table this evening were two of the staff who served us very well, and added to the 100 years of service which members of the committee had. The staff had a huge number of years. They served us with patience and willingness to put up with us and a willingness, where necessary, to argue for things they saw that we might not have seen. I want to give them a pat on the back as well.

I am proud to have participated in this particular task force. Hon. Members of the House must look at what we have put before them and understand that, whether they like it or not, we put it before them with the highest expectations, after giving it the most serious consideration, discussion, thought and argument. Nothing was put in that report lightly or frivolously, and as I said before there are parts of the report with which I disagreed. Nothing was put in that report without all of us putting a great deal of thought and effort into it. I would ask the House to give it a good try. Perhaps in a year or two years from now it may be necessary to appoint another similar task force to clean up some of the things we missed. The Hon. Member for St. John's East made the point to the Government House Leader this evening that in retrospect he saw a couple of items he would have liked to have changed, and there will be others. We did try, and tried hard, and I ask the House to give it every opportunity to work. If, down the road, the House thinks there needs to be a change, at least give us credit for doing what we could.

● (2320)

Mr. Alex Kindy (Calgary East): Mr. Speaker, it was really a pleasure for me to be able to participate in this debate at this hour. It is somewhat late, but Members are still here and I think they might listen to a new Member who has comments to make on his experience in this House of Commons.

As I came here I had some expectations that we were going to produce something positive for our country. We have been doing pretty well in certain areas, but in others we can formulate criticism. That criticism is that as a Member of Parliament one has very little input into legislation. As the Hon. Member for Annapolis Valley-Hants (Mr. Nowlan) said, we are just rubber-stamping most of the legislation that is brought in through the Departments. The legislation is drafted by bureaucrats, and brought to a Minister, whether it is good or bad. If the Minister is weak he accepts that legislation and brings it to the House. Then we have to vote on it, whether we like it or not. I think this is the problem. This is the fundamental problem that we have to address.

Among the different systems in the world there is a system that exists in the United States where they have a separation of the executive branch and the legislative branch. If a Democratic Congressman is elected he can still vote with the Republicans, and if their President is a Republican he can still vote for that President on certain legislation. It does not mean that he is against his own Party. He votes for what he believes his constituents want. This is a fundamental point.

Our Prime Minister (Mr. Mulroney) said the other day in the House, looking at the Opposition: "You are just trained seals". But I was sitting on the opposite side and I looked at the members of the Government and they were all applauding. The Member beside me said: "Look at those trained seals." Those are maybe not nice words but this reflects reality.

[*Translation*]

Mr. Speaker, perhaps I should continue in French. In my opinion, there has been very little debate this evening in the other official language of the country. We have quite a few new Members from Quebec. Those Members can contribute a lot to the democratic system of our great country. The only thing is they have to feel they are part of this great assembly which is the Parliament of Canada.

There was an election in Quebec two days ago. Unfortunately, I must say that the Conservative Party was not strongly represented in that election. It is really too bad, because democracy means more that the immediate vote or the immediate result. A great Party like the Progressive Conservative Party of Canada should have taken part in that debate in the Province of Quebec. It left the road clear for the Quebec Liberal Party and the Parti québécois. That is how we as a national Party came to be left out of that great debate in the Province of Quebec. This is to indicate that, as parliamentarians, we do not act freely. It is because the national Party had decided it would not be advisable to get involved in a provincial election that the federal Conservative Party refrained from supporting a provincial Party, the Conservative Party, and this is how it is not now represented in a province which will strongly influence the future of Canada.

This, Mr. Speaker, is perhaps . . . You will be wondering why I am talking about this, but I am doing it because a debate must be open, in Parliament we must be able to express ideas, try to sell them, debate them. Through the process of debate we reach conclusions which are good for the country.

[*English*]

Mr. Speaker, I would like to conclude by saying that we have made progress in this Parliament. We have brought in some reforms, but those reforms do not go far enough. I would like to see that we are able to vote against the Government and that the Government is not defeated because of that. If we move in that direction we are going to help democracy and help our nation.

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if I may in closing debate from our side, I would also like to join with the other members of the House in thanking the Members of the committee from all three Parties who put such effort into the report, and also to thank the Members of Parliament who contributed to the debate tonight.

I think it is fair to say that in the last election campaign all three Parties promised parliamentary reform. I think we have achieved remarkable progress because all three Parties have worked at parliamentary reform. I am sure that I speak on behalf of all Members of Parliament when I say that we shall all try to make these reforms work and that they are by no means the last of the reforms that we want to make. There are some kinks to iron out and I am sure that we will all work to find where those kinks are, to iron them out, and to proceed to further reforms. Thank you very much.

Mr. Speaker: It has been a marvellous evening. Maybe the House would let me say that I have never missed the right to speak so much as I have tonight.

Debate on the motion before the House has expired. Pursuant to order made earlier this day, therefore the House stands adjourned until tomorrow at 11 o'clock a.m.

The House adjourned at 11.29 p.m.

HOUSE OF COMMONS

Thursday, December 5, 1985

The House met at 11 a.m.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT AND RELATED ACTS

ALLOCATION OF TIME TO CONSIDER SECOND READING STAGE OF BILL C-84

Hon. Ray Hnatyshyn (for the Minister of Finance): Mr. Speaker, I move, seconded by the Minister of State for Fitness and Amateur Sport and Minister of State for Multiculturalism (Mr. Jelinek):

That, in relation to Bill C-84, an Act to amend the Income Tax Act and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act, one sitting day shall be allotted to the consideration of the second reading stage of the said Bill; and

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

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, this motion for time allocation on Bill C-84, an Act to amend the Income Tax Act and related statutes, reflects the urgent priority the Government places upon getting this important tax legislation into committee for detailed examination.

The Bill touches upon a wide variety of issues, including tax fairness, fiscal responsibility and taxpayers' rights. There has been ample debate on the principles of the Bill. I would remind Hon. Members of the six-day budget debate which took place in May and early June, following the budget presentation. Since the introduction of the Bill on November 29, it has been debated on another four days. In all, about 50 Members have taken part in those debates. They focused on a wide variety of experience and points of view, and their comments are of course on the record.

It is important to note that on this occasion we are breaking new ground in the parliamentary consideration of tax law. For many years it has been the practice to conduct the detailed examination of tax legislation within the House of Commons itself, sitting as the Committee of the Whole.

Our new procedure calls for a reference to a committee where, unlike in the House, experts from the private sector can appear to present comments and suggestions from taxpayers and professionals who work in the tax field. Members are no doubt aware that, by agreement of all Parties, this particular Bill is to be sent to the Standing Committee on Finance, Trade and Economic Affairs, rather than to a legislative committee.

This committee procedure is a major step forward and should not be delayed. As the Minister of Finance (Mr. Wilson) stated on Monday, when he gave notice of this motion, many taxpayers have already expressed to him their concerns about the timely passage of the Bill to provide some certainty in tax planning. Many of the measures are of major importance to the business community, particularly to small business enterprises. These will have positive effects on the economic growth of the country, and Canadians are already responding to them in job-creating and investment opportunities.

For example, there are the provisions regarding capital gains; small business bonds, extended for another two years; and special investment tax credit, extended until the end of 1986. Small businesses may now obtain equity financing from pension and RRSP funds. Artists will be able to write off the costs of creating a work of art in the year that the expenses were actually incurred. Previously, as the House knows, they had to wait until it was sold.

I should like to take this opportunity to point out briefly to Hon. Members that the Government's policies are already bringing about positive and encouraging results. We know that economic indicators show that Canada is well launched on the road to economic renewal. The prime bank lending rate is well down from previous levels, inflation is lower and mortgage rates have declined. Employment is up, consumer spending is up and confidence in the future is up. There is a feeling that our country is moving in a more positive direction. We are becoming more confident and productive.

The Hon. Member for Prince Albert (Mr. Hovdebo) complained about the length of time taken to bring the Bill before the House. I suggest to him, given the size of the Bill and the wide range of issues it covers, that there was no inordinate delay. In addition to the extensive drafting involved, which incorporated many technical points raised in the post-budget representations to the Minister, a 150-page book of technical notes was prepared to explain the numerous amendments.

On the same point, other budget Bills of recent years have taken considerable time to prepare. The Income Tax Act revisions stemming from the Budget of June, 1982, which were not nearly as extensive as the ones now before us, did not arrive for first reading until December of that year. In the case of the April 1983 Budget, the tax Bill came to the House nearly eight months later. This indicates no unreasonable delay but rather, I would suggest, a commendable initiative in bringing forward this Bill. In the case of the 1983 budget Bill,

the House completed debate on second reading in four days and spent only one day in Committee of the Whole. In the case of the 1982 tax Bill, six days we spent at second reading stage and six days in committee.

As I said, on this occasion the committee examination will have a far wider scope than anything done in past years, and it is important that we get to it as quickly as possible. Therefore, I appeal to all Members to support the motion for time allocation which will move the Bill expeditiously to committee.

● (1110)

Hon. Donald J. Johnston (Saint-Henri-Westmount): Frankly, Mr. Speaker, I and my colleagues in this House are amazed that the Government would seek to terminate the discussion in this House on the principles of this legislation.

[*Translation*]

Mr. Speaker, what we have here is a major amendment to our taxation system which will change many basic principles that have been an integral part of this system for many years. The Government wants to change these principles, and for our part, we wish to debate these changes in the House.

[*English*]

I find it incredible that the Government, having taken nine months to produce a Budget, having taken another six months to produce a tax Bill, given the obvious complexity of these fundamental issues of principle with which it was wrestling, would expect us to satisfy ourselves or the people of Canada, our constituents, that we had had a full opportunity to debate the principles of the Bill in this House for a mere 11 hours and 24 minutes. That is the amount of time devoted to this debate today. After 15 months of preparation of Budget, of drafting, we are given 11 hours and 24 minutes to debate the fundamental principles that are at stake here. It is outrageous.

Any reasonable person looking at this document with its 143 clauses going in the most detailed way into some parts of our system, which, as I said a moment ago in French, existed for many years, and being told that this document should be debated in principle in under 12 hours would find scandalous the treatment of Members on this side of the Chamber.

Let us look for just a moment at some of the issues in principle which we have only begun to debate. Believe me, we will serve the people of Canada well if we can dispose of some of these issues of principle in a positive way here on the floor of the House before moving this extraordinary document into committee.

The Minister of National Revenue (Mr. MacKay) mentioned the lifetime capital gains exemption in Clause 58.

[*Translation*]

We have told the Government that this proposal has been badly thought out and that it is certainly not helpful for our taxation system at this time. We even suggested other ways of dealing with capital gains, not here in the House, but elsewhere. These are major issues which should be discussed here.

[*English*]

If they do not accept our word for it, what about the independent experts who have looked at this provision? The Canadian Tax Foundation met in Quebec City a few weeks ago. We have comments from Ernst & Whinney saying it "will have a disastrous effect structurally on the tax system". What could be more of an issue in principle than that this provision will have a disastrous effect upon the structure of the tax system? Let me quote more from this report of that meeting. It states:

> —after studying the proposal in more detail, the experts say it is badly flawed. As they wrestle with the massive legislation based on the budget proposal—which was tabled in the form of a ways and means motion last week—there is some embarrassment that they were unable to convey this message earlier.

They say it will create enormous complexity, that there will be scores of teams of tax lawyers, accountants and tax advisers seeking their way around the application of these provisions. They conclude that it will not in any way contribute to investment or job creation.

I find it interesting that the Minister of National Revenue, who has a vested interest in tax simplification, would come into the House this morning to deliver the message to us, his colleagues, that the Government wants to terminate debate. I would think the Minister of National Revenue would regard us as allies in this cause, trying to clean up this horrendous mess, make his life more simple and make the Tax Act more effective.

Mr. Deans: Not only allies but perpetrators.

Mr. Johnston: Not only allies but perpetrators, says the House Leader for the New Democratic Party.

[*Translation*]

Mr. Speaker, as I have already said, this proposal to change the structure of our law on capital gains is a fundamental matter of principle.

[*English*]

However, we have other issues as well. We have the Registered Home Ownership Savings Plan, something which the Government has determined it will eliminate. That plan was introduced to stimulate home ownership. It was designed to give young people the opportunity to save for their first home. That plan was introduced after much debate and much thought as a means of helping young people and of stimulating the housing sector of this country. There are major issues of principle involved in that approach.

Not only has it been eliminated, but the funds to be withdrawn from that plan are tax exempt under this proposed Bill and can be applied for any purpose whatsoever, completely and totally unrelated to the principle underlying the introduction of that provision in the first instance. I say to my colleagues on both sides of the House that surely that is an issue which deserves a full airing of the fundamental principles involved here on the floor of the House of Commons and not in committee.

Let me draw another example to the attention of the House, the reduction of the annual indexing. The tax brackets were indexed. In fact, that indexing was introduced by the now Leader of the Opposition (Mr. Turner), our Leader, then Minister of Finance back in the early 1970s. The whole purpose of it was to put some restraint on the amount of funds that flowed automatically into the coffers of Government through an erosion of spending power and the taxation of inflationary income. There is a fundamental principle involved. In fact, not only is that principle destroyed by this provision, namely to constrain Government to limit spending, but it represents a massive tax grab—massive. The Government's own numbers shown in the document which was leaked on or about budget night by the Department of Finance show that in the year 1990-91, an additional $4.3 billion will flow to the federal Government by virtue of the elimination of that provision.

Some spokesmen for the Government have had the gall to compare this approach to that which we took when we introduced the famous and very successful six and five restraint program back in 1982. There is a major difference in principle. The six and five program preserved full indexation up to 6 per cent and up to 5 per cent. It placed pressure and it gave a real incentive to the people of Canada, employers and employees alike, to bring down their demands, to take inflationary pressure out of the system. It was successful.

By 1983 when the 6 per cent number was there for the indexation of the income tax brackets, in fact inflation was lower. The result was, of course, that no one suffered. In fact, they still had full protection against inflation.

[*Translation*]

What we have here is the complete opposite. In this case, the taxpayers are automatically penalized because there is no protection against inflation under 3 per cent. It is therefore the complete opposite. This is another question of principle, a basic principle which concerns the indexation of our taxation system.

[*English*]

This very issue of indexation and what role it should play in our income tax system and in our various programs is one of great principle which in itself deserves at least 12 hours of debate in this Chamber. The thought presented by the Minister of National Revenue to this House and the motion to limit debate on a Bill of this importance, a Bill with this number of fundamental changes to our income tax system, is totally unacceptable.

• (1120)

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I do not intend to take a long time dealing with this Bill but I would like to put on the record some concerns I have about the process through which we are going. This is not really a time to debate the Bill itself but rather to debate whether or not it is necessary for the Government to bring in time allocation in order to put forward its legislative program.

I think it is fair to say that the overwhelming majority of people in the country do not understand what is going on here. It confuses them when we claim, and I think quite fairly, that we can manage the affairs of the country but somehow cannot manage the affairs of Parliament. They see us constantly wrangling over whether or not it is necessary for the Government to proceed with its legislative program and what would be an adequate length of time for the Opposition to express adequately its concerns about what is contained in various pieces of legislation.

The other day as I was going through an airport, I met a woman who, after having watched parliamentary television, recognized me. She came up to me and said: "Can we talk?" I replied that I thought it reasonable that we should be able to do that. She said: "Why don't they grow up? Why don't they understand that we expect Parliament to operate effectively and efficiently?" I said that I had certainly raised that matter on a number of occasions as had others. She said that it was sad for the country that we are not seeing the right kind of behaviour.

By behaviour, I do not mean behaviour in the sense that people are misbehaving. However, we are not getting the kind of management in Parliament that we ought to have. The woman went on to ask me if I would raise the matter in the House, and I said that I most certainly would, and I have. It is important that we leave the right impression with the public, and we are not leaving that impression at the moment.

It is sad that part of the reason we face this so often is the inability of the Government to bring forward a legislative program at a time when it can be given the careful consideration that it deserves. I say to this Government, as I said to the previous Government that it is wrong to put complex taxation legislation before Parliament in the last three weeks prior to the end of the year and expect that parliamentarians will be able to give it the kind of careful consideration it must have in order to ensure that people do not have foisted upon them legislation that is inadequate.

It is not the preserve of the Government to decide whether or not legislation is adequate. Parliament is structured in such a way as to have Government put forward its proposals so that Parliament can then deal with those proposals. Parliament must be given sufficient time to deal with legislation in the depth necessary to come to grips with the complexities of tax changes. That is impossible for us if the Government and its advisers cannot bring legislation forward within a short period of time.

[*Translation*]

Mr. Speaker, the situation is very difficult for Members of Parliament and Canadian citizens. This bill is very complex. We must change the system immediately.

In the future, the Government should make its proposals and introduce its programs immediately after the Budget.

[*English*]

I believe that it is necessary for the Government to have its legislative program ready for introduction immediately after

the budget debate. That is when we should be dealing with taxation legislation. I believe that it is not unreasonable to suggest to the Government that it should now embark upon a new system, a system which, out of necessity, should make the point with the civil servants who prepare both the Budget and the legislation that flows from it that legislation must be brought to Parliament within a maximum time of four weeks of the budget debate. The reason we are having to deal with time allocation today is that we did not get what we ought to have received early enough in the year.

I would like to go further by saying that it is not solely the responsibility of Government to manage the time of the House of Commons. When one manages the time of the House of Commons, one manages the time of all of its Members. It is therefore the responsibility of all of us to priorize the program of Government and to attempt wherever possible to move it forward, and to oppose it where opposition is necessary and desirable. It becomes therefore everyone's responsibility to pay particular attention to the over-all program the Government hopes to put forward and to work out a system among ourselves for dealing with that program. We cannot do that if we get the program in dribs and drabs. We cannot do that if we get the Budget in April and the taxation legislation that flows from it in December. How are we going to manage the time of Parliament if that is to be the case?

I hope, come the next session of Parliament beginning some time in the early part of 1986, that the Government will pay some heed to what I am suggesting. The legislation, if there is any, that flows from the Throne Speech should take no more than a month to introduce, and the legislation that flows from the Budget should not only be introduced immediately but should be dealt with forthwith. We ought not to be continually put in the situation in which we have been put over the many, many years of having to cram through at the last minute important, intricate, delicate legislation just because the Government or its advisers did not see the urgency of the matter and did not understand the complexity of the parliamentary system well enough to bring legislation forward in time to allow it to be dealt with.

This legislation can have and likely will have a detrimental effect on a large number of Canadians. How are they going to put their views before Parliament? How much time will there be for a committee to deal with this legislation given its diversity? How will people who have studied it have time to bring their concerns before the Parliament of Canada given that we are now entering the pre-Christmas season at which time the majority of people are already tied up with other important matters? Yet we are told that the legislation must be put through by the end of December which, in our case, means December 20.

I therefore plead, and if pleading will not do I do not know what else I can do, with the Government to change the system. I understand that it has been in place for years. I made the same arguments when the Liberals were in power. I suggested the same thing when I was a Member of the Legislature. I know it is difficult. I realize that those who—

Ms. Copps: But we listen to you.

Mr. Deans: My friend, the Hon. Member for Hamilton East (Ms. Copps), said that she listens to me. I have never noticed any change in her attitude; but nevertheless maybe she did.

• (1130)

I believe that if the Government were to say to the draftspeople who draft legislation: "We need it by a week on Friday", then they would get it by a week on Friday. As long as we allow them to delay and procrastinate then, in fact, we will not have the legislation before us in time. That requires leadership. That requires direction. I ask the Government to provide both the leadership and the direction in order that we can manage the affairs of Parliament in a much more sensible way.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the points which have been made by my hon. friend, the Hon. Member for Saint-Henri-Westmount (Mr. Johnston), as well as the points made by the Hon. Member for Hamilton Mountain (Mr. Deans), illustrate in an effective way how the Government has sold a bill of goods to the Canadian people. The Government talked about openness. We have heard the Government House Leader say that he wants to have more discussion and more involvement by individual parliamentarians. We then heard the Minister of National Revenue (Mr. MacKay) say this morning that he wants to cut, cease, abort the debate after only 50 Members have had a chance to speak. I am not sure whether the Government with its 211-person majority thinks that participation by 50 Members, many of them members of the Opposition, is enough. As was pointed out by my hon. friend from Saint-Henri-Westmount, the Government wants to cut off debate after 11 hours and 24 minutes.

The people of Canada should know that in the two tax measures which are before us specifically dealing with the issue of direct tax on persons and direct tax on corporations and government businesses the Government is cutting off debate after having spent only one hour on each $1 billion involved. We have been allowed only one hour of debate for every $1 billion which is being spent. For the Government to suggest that participation by 50 Members and debate of one hour for each $1 billion which will either be spent or taken from the Canadian people is adequate is to my mind an absolute farce. For the Government to suggest that it is somehow reforming the parliamentary process by insisting on a time allocation motion, the rebuttal of opposition arguments in the House, points to the fact that the Government has misled and lied to the Canadian people.

Let us consider the issue of direct taxes on corporations. Why is it that yesterday the Minister of Finance (Mr. Wilson) stood in his place in the House and talked about the wonderful minimum tax which will be imposed? He did not tell the Canadian people that, on balance, those people who will be charged the minimum tax will pay no more tax over the long term in their fiscal payments than they would have under the previous system. What he does not talk about is corporate

taxation. What he does not talk about is the $7 billion which is currently sitting in deferrd taxes payable by 10 companies, the names of which I picked at random from *Fortune* magazine.

Ms. Mitchell: How did it accumulate? Under the Liberal regime.

Ms. Copps: The Hon. Member says that the previous Liberal regime was responsible. As a matter of fact, she has not gone through *Fortune* magazine. She does not know the facts. If she or any member of her Party had taken the time to look, as have members of my Party, at a random selection of the Fortune 500, they would have seen that, according to the annual reports for 1985, Bell Canada Enterprises deferred taxes amounting to $1,693,000.

Mr. Orlikow: Because the Liberals gave them that opportunity.

Ms. Copps: This is because the Minister of Finance stood in the House and suggested he was bringing in tax reform.

We are here to debate the direct tax on corporations and Government businesses. Why does the Government not talk about the $7 billion in tax deferrals which have been given to Bell Enterprises, Commco, Great Lakes Forest Products, Imperial Oil, Inco, MacMillan Bloedel, Noranda, Norcen, the Oshawa Group, Tech Corp., Hiram Walker and Canadian Pacific? Why? Because the Government is not interested in real tax reform.

[*Translation*]

Mr. Vincent: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Charest): The Hon. Parliamentary Secretary to the Minister of Finance (Mr. Vincent) on a point of order.

Mr. Vincent: Mr. Speaker, I do not believe that naming companies and so on is the point of this debate.

Ms. Copps: I am sorry, Mr. Speaker, but it is very unfortunate that the Parliamentary Secretary does not even know what this Bill involves, because it deals directly with corporate taxes. Since we are discussing corporate taxes, it seems to me that this includes the taxes which MacMillan Bloedel, Bell Canada, Inco and Imperial Oil will not have to pay. It is unfortunate, but I can understand why the Progressive Conservative Members do not become involved with these issues, with the problems in Montreal East, with energy issues, and with the petro-chemical industry which is on the verge of disappearing in Montreal East.

I do not understand why they are not willing to become involved in these issues, just as they are not willing to become involved in the issues related to the footwear industry.

[*English*]

This morning, in the City of Hamilton, 70 per cent of the workers at a shoe heel factory will be laid off. The lay-off notices have already gone out as a direct result of the Government's lack of initiative on the quota issue. I wish to tell Hon. Members that Kinney Shoes is now buying all of its parts in Taiwan as a direct result of the Government's measure and initiative. Yet the Government tells the people of Canada that, yes, it is creating jobs. In fact, we heard the Minister of National Revenue laud the great economic record of his Government, a Government which fails to deal with the issues of the direct tax which is being imposed on people. The Government does not talk about the cut-backs with respect to family allowances or those which are being levied against every mother and child across the country by a Government which is still prepared to give a $500,000 capital gains write-off to the rich. It does not talk about the $7 billion in deferred taxes which has been given by the Government to corporations across the country, names of which I picked at random. I did not deal with all of the 500 in the Fortune 500. I picked only 10. As a matter of fact, if one looks at the full picture, the number of billions of dollars in deferred taxes, one will see that those taxes are far greater than any amount of money that the Government will be able to squeeze from the single mothers and families with children who are seeing their tax credits and child exemptions cut back because of the Government's policies.

I must say that when the Minister of National Revenue can stand in his place and suggest that 50 Members have participated in the debate and that it is time to shut down the House and time for the matter to go to comittee—

Mr. Gauthier: Only 32.

Ms. Copps: The Minister says 50. My Party Whip says 32. I trust our Whip's figures far more than those of the Minister of National Revenue. He does not even know how to get his appointment book straight.

As a matter of fact, 11 per cent of all MPs have spoken on this issue. Where are the Conservatives? Where are the trained seals on the Conservative side of the House? Why are they not speaking out to fight for their workers? We have not heard a word from the Conservative Members with respect to the shoe industry issue in the City of Hamilton, the seventh largest major employer in the city. Where is the Hon. Member for Lincoln (Mrs. Martin)? Where is the Hon. Member for Hamilton West (Mr. Peterson)? We do not hear from them. They are too busy in a docile and knee-jerk fashion supporting policies of a Government which is prepared to destroy Canadian jobs and to send off all Kinney shoe orders to Taiwan.

The facts are in place. Kinney Shoes was a supplier to a Hamilton company which is now giving lay-off notices and what may end up in termination notices to 70 per cent of its employees. That decision was a direct result of this Government's refusal to protect the men's shoe industry in Canada. To quote one of the company spokesmen, the men's shoe industry in the country is dead. The women's footwear industry is not far behind. Yet we rely on those few in opposition—40 members of the Liberal Party and 30 members of the NDP—who have carried the responsibility, not only for deal-

ing with this Bill, which, as I said, includes more than $11 billion in tax measures which are being either added or subtracted—and I can provide the figures to the House if Members would like to see them—but we are being permitted one hour of debate for every $1 billion worth of government expenditure or tax grab. That is from a Government which promised a new era of civility in the House. That is from a Government which promised to allow full participation by all Members. That is from a Government that was elected because people believed the Prime Minister (Mr. Mulroney). People thought he was a man of his word. You may not have much in politics but what you do have is your word. If your word means something then people will support you. They may not always agree with your ideas, they may disagree with you on policy matters. I am sure that even in the Liberal Party from time to time we have disagreements on policy matters—

Some Hon. Members: No, no.

Mr. Beatty: Never. Tell us it isn't so.

Ms. Copps: If I am a person of my word, then the people of Canada will support me. Unfortunately, it has become clear that the Prime Minister is not a person of his word, and for that he will pay dearly.

• (1140)

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, with your permission, I would like to speak to the motion for allotting a limited period of time for subsequent consideration of the second reading stage of Bill C-84. As we know, the purpose of this Bill is to amend the Income Tax Act and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act. This Bill is one of the major elements in the Government's strategy for injecting new vigour into the Canadian economy, hence the Government's emphasis on this legislation and the need for introducing a motion aimed at expediting its passage.

This Bill contains measures proposed in two Notices of Ways and Means Motions tabled in the House earlier this year, one a general Ways and Means Motion tabled on May 23 and the other a detailed Notice of a Ways and Means Motion tabled on November 21. The Bill is an integral component of a comprehensive strategy to secure durable economic growth and create jobs for all Canadians, and the Government's purpose in presenting this Bill is to provide a stable and consistent framework that will secure durable economic renewal. The major principles and broad parameters of this strategy were previously the subject of a clear and specific message when the Agenda for Economic Renewal was released in November 1984, and the first important measures were introduced when the Budget was brought down in May 1985.

As you know, Mr. Speaker, the results are already being felt. The present rate of inflation is the lowest ever since 1971, and interest rate levels are such that major projects can now be undertaken. Of course the Opposition does not mention this, Mr. Speaker.

Since the Government came to office, the Canadian economy's performance has restored the faith of families and businesses in this country, and that is not being mentioned either. Economic growth has been far more vigorous than expected. Today, more than 300,000 Canadians who, a year ago, were unemployed have jobs. Consumer purchases, housing starts and investment are showing tremendous progress. The unemployment rate is still a little high but is dropping steadily, for the first time in ten years. This Bill marks a decisive stage in continuing our progress along the path we took on September 4, and its impact will undoubtedly be enhanced by the strategy already in place.

The Bill amends the Income Tax Act in significant ways, including a capital gains tax exemption of $500,000 that will encourage investment and enterpreneurship, although the Opposition prefers to take a distorted view of this measure. They cannot understand we are trying to work with and for Canadians. They cannot understand why a lifetime capital gains tax exemption of $500,000 is beneficial to business, to Canadians and especially to small businesses. Yesterday, when the Minister of Finance (Mr. Wilson) tabled his minimum tax measure, a measure the Liberals themselves had promised during the election campaign, instead of congratulating the Minister as the New Democrats did, they were complaining again. They can never find anything positive to say about what the Government does, and they have no alternatives to suggest either.

Mr. Speaker, these measures, which are aimed at increasing the fairness of the tax system in order to better protect the rights and economic effectiveness of Canadians, should be adopted as soon as possible.

Generally speaking, taxpayers will also get better protection with respect to search and seizure, audit and examination, and requests for tax information, and they do not mention that either. These are measures that tax experts and taxpayers have been asking for for ten years. This is the most extensive tax reform at the administrative level we have seen in the last fifteen years. They do not mention that and they did not even say once that it was a good measure.

An Hon. Member: They don't understand.

Some Hon. Members: They aren't even there.

Mr. Vincent: Right. There are not many on the other side either.

An Hon. Member: There is not a single Liberal in the House. Not one. Where are the Liberals?

Mr. Vincent: The Liberals? Mr. Speaker, they must be preparing speeches or looking for things to criticize.

As to the personal capital gains exemption, Mr. Speaker, it will indeed make it possible for us—and this is something the Liberals have never understood—to make the grade from a nation of savers to a nation of entrepreneurs.

Well, here is one coming in, not too bad.

It will give us an incentive to become more prosperous . . . Everything is just fine, Mr. Speaker. I like to have somebody in front of me when I speak.

Mrs. Mailly: We were getting bored, there was nobody.

Mr. Gauthier: Try to say something intelligent!

Mr. Vincent: I always speak intelligently. That is the difference! We were getting bored, Jean-Robert!

Mrs. Mailly: The Hon. Member for Ottawa-Vanier (Mr. Gauthier).

Mr. Vincent: Mr. Speaker, we believe that these new tax rules to encourage people to take risks and make productive investments are important. These things have not been emphasized, the Opposition has failed to understand them.

This Bill will help the Government strengthen the economy and improve investment prospects. As we all know, the more people will invest, the easier it will be to get financial backing at reasonable rates. The new tax rules will promote the investment of pension funds in the shares of small- and medium-sized businesses. These are good measures for all Canadians. First they will convince people that they should invest in small businesses, and then small businesses will grow more rapidly. Of course, the Opposition does not see it that way, and I am sure they will find arguments to say it is not good.

In addition, Mr. Speaker, more efforts will be made in research and development as a result of the new provisions concerning the capital gains tax, the elimination of restrictions in the definition of research and development eligible for tax incentives, and the higher ceiling on research and development tax credit. They have not said a word about, they did not even mention it.

A well designed corporate tax structure which reduces market imbalance to a minimum while appropriately rewarding risk takers contributes significantly to encourage private initiative. Mr. Speaker, reference has just been made to the minimum tax on individuals as compared with corporate taxes. Companies pay their taxes. All existing measures concerning corporations were not introduced by the Government that came into office on September 4. They were introduced by them, and now they complain that there are taxes to be collected. A tax system cannot be revamped overnight, but we did improve it a lot over the past year.

Mr. Speaker, the Government must be able to keep up the good work by adopting as soon as possible the measures contained in Bill C-84.

If I may, Mr. Speaker, I would point out that those measures have already been the subject of four days of second reading debates, not to mention the fact that they had been discussed at length during the Budget debate last May and June. Under these circumstances, I should think that time has come to refer the Bill to committee so we might get an early start on the clause by clause study. This way, Mr. Speaker, Canadians will soon get to know the final wording of those important tax measures for which they are impatiently waiting.

Last week, Mr. Speaker, I went to the Ville-Saint-Laurent Board of Trade to meet tax experts who told me: Introduce a budget, but adopt tax laws within a normal period. Do not do as the former Government who used to wait two years or two and a half years. And that is again the purpose of this motion. But the people in the field, those the Opposition ignore, want to know what are the tax measures. All of them want to see a final text and want to see it implemented. That is what they want. They do no want to wait an additional six months. One must be aware of reality. One must realize that there are people waiting for these tax measures.

To conclude, if I may, Mr. Speaker, I should like to emphasize a number of measures which demonstrate our Government's will to establish an equitable and well balanced tax system for Canadians.

[*English*]

This Bill contains measures to address our concerns for tax fairness. Through this Bill we have moved to prevent the use of income splitting to gain tax advantage. We believe fairness demands that the tax law be amended to correct this fault and stop those who have the resources to hire tax advisers from unduly abusing the system.

• (1150)

[*Translation*]

I listened to the whole debate on Bill C-84. I have not heard a single Member of the Opposition deal with it.

Mr. Gauthier: Because you are never here!

Mr. Vincent: I beg your pardon! I was here every time the House dealt with Bill C-84.

Mrs. Mailly: That is absolutely true. I can bear witness to that.

Mr. Vincent: Four days . . . I am not to blame if the Hon. Member for Ottawa-Vanier (Mr. Gauthier) was absent. I have just told you so. During these four days, you had nothing to say, you only referred to capital gains.

Did you deal with the trusts' income splitting—

Mr. Gauthier: You are imposing a time allocation. Give us some time and we will deal with it.

Mr. Vincent: —which we have removed? Did you talk about that? No, nobody did. You did not talk about trust funds either.

Mr. Gauthier: You are imposing time allocation.

Mr. Vincent: Is it a good measure? Naturally, it could not be a good measure—

Mrs. Mailly: Because it was introduced by a Conservative Government, I suppose—

Mr. Vincent: Instead of coming forward with useful suggestions, you keep on saying that there is never anything good—

Mr. Gauthier: There is never much good in this Government.

Mr. Vincent: You did not even find the minimum tax scheme good yesterday.

[*English*]

Our concern for fairness also spills over into the area of tax administration. Any gains in substantial tax fairness would be inadequate without corresponding advances in procedural fairness.

[*Translation*]

Mr. Speaker, I see that the time allocated to me has expired.

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I want to join with the other Members who have already spoken to add my protest to the way in which we operate in this Parliament. Despite the report of the committee which looked into changing and improving the procedures of the House, which we heard discussed in considerable detail last night, I do not think that anything which it proposed will change the very serious defect in the way in which we are operating today.

Surely the way in which the Government of Canada raises the funds it needs to provide services to the Canadian people is of the utmost importance. Surely the tax system, who pays taxes, and how much they pay ought to be discussed in great detail. We ought to allot all the time necessary for that. Instead, we have a very short period of time for discussion. The Budget was introduced in May and now, in December, we are dealing with the Budget and tax Bills under the gun. It must be done quickly and the Government has now moved to limit debate. Surely there is something fundamentally wrong with that.

I could not get up to speak without making a few comments about what I consider to be the phenomenal gall of members of the Official Opposition. Yesterday the Minister of Finance (Mr. Wilson) finally brought in a proposal for a minimum tax, an idea first brought forward by the Leader of our Party, the Hon. Member for Oshawa (Mr. Broadbent), which was endorsed in a television debate during the election campaign by the present Prime Minister (Mr. Mulroney) and the present Leader of the Official Opposition (Mr. Turner). We see defects in the proposal of the Minister of Finance. We do not think that it goes far enough and we believe that there are too many tax loopholes for individuals and corporations. That proposal was criticized by the spokesperson for the Official Opposition, the Member for Saint-Henri-Westmount (Mr. Johnston). Today we observed the spectacle of the Member for Hamilton East (Ms. Copps) listing 10 corporations, including CPR, Bell Canada and Dome Petroleum, just a few of the major corporations, which paid no real corporation tax at all because those taxes have been deferred indefinitely. The Member listed only 10 corporations. There are probably 100 corporations doing that. Instead of the $7 billion or $10 billion which she talked about, the figure is probably $30 billion or $40 billion.

How did that happen, Mr. Speaker? It did not happen just because we have had a Conservative Government for just over a year. It happened because for 25 or more years Liberal Governments brought forward Budgets and implemented provisions which permitted and encouraged corporations to do that kind of thing. Large corporations have not been paying their fair share of taxes for generations. It was Liberal Governments which permitted and encouraged that and the Conservative Government still is allowing too much of that to go on.

Our criticism of the Budget and of the tax measure is that the Government started with a completely mistaken objective in designing them. The Government believes that the reason we have unemployment and that the country is not operating at full capacity is that the deficit is too big. Well, Mr. Speaker, the deficit is not too big because we are spending too much money providing services and meeting the needs of the Canadian people. The deficit is big because the economy is not working at full capacity. The deficit is too big because we have more than 10 per cent unemployment and because our factories are working at probably only 65 or 70 per cent of capacity.

During World War II the deficit rose from less than 1 per cent of gross national expenditures in 1939 to 21 per cent in 1944. However, unemployment, which had been almost 11.5 per cent, fell to 1.5 per cent. The Government has followed the rhetoric of President Reagan and not the reality of what he does. It has been pointed out to us that the American economy has been growing and producing more jobs. President Reagan has talked about the evils of deficit financing by government. However, the Government deficit in the United States was $1 trillion when President Reagan took office and, at the end of eight years in office, that deficit will have doubled. While President Reagan talks about the need to cut the deficit, it will actually double.

What will the effect be of the kind of deficit cutting the Government has done? We will be told that we are making these criticisms because we are partisan and will not accept anything the Government proposes. I will put on the record the views of the United Church of Canada which issued an

analysis of the proposed Budget shortly after it was presented in May. The United Church said that there is no decisive action toward ending poverty in the Budget and that, in fact, the Budget will deepen poverty in Canada. It stated that changes in the federal sales tax, for example, are regressive and mean additional tax cuts to poor families.

• (1200)

Not only did the Budget increase the sales tax by 1 per cent, it added a host of health and related items on which sales tax must be paid which were not previously included in the sales tax. This added cost affects poor people in particular. As a result of this Budget we will add to the several million people already living in poverty.

Instead of helping the poor, the United Church of Canada says that there is an erosion of social support. Instead of action against inequality, tax breaks are of greatest benefit to high income earners and corporations. These tax breaks will amount to billions of dollars. Rather than making a commitment to full employment and direct help with job assistance for investors, it places its faith in the private sector and trickle down economics.

The Government is taking credit for the fact that unemployment has come down somewhat—

The Acting Speaker (Mr. Charest): I am sorry to interrupt the Hon. Member but the 10 minute period has expired.

Mr. Orlikow: One more sentence, Mr. Speaker. Unemployment is still over 10 per cent and all estimates show that in the years to come we will continue to have unemployment of more than 10 per cent. I say that that is shameful and unacceptable.

Mr. Geoff Scott (Parliamentary Secretary to Secretary of State of Canada): Mr. Speaker, it is a pleasure to speak today on second reading of Bill C-84, an Act to amend the Income Tax Act and related statutes. This Bill is part of our Government's plan to facilitate lasting economic renewal by improving tax fairness, controlling and reducing high deficits and stimulating private initiative. Its passage will provide the legislative authority for several changes to income tax measures outlined in last May's Budget.

Changes that will encourage private initiative will include $500,000 personal capital gains exemption, measures to encourage RRSP and labour and pension fund investment in small business, improvements to tax incentives available for research and development, and a special tax credit for investment in Cape Breton.

Changes to improve Government effectiveness include an increase of $140 in the child tax credit and increased tax assistance for the disabled and artists. I can empathize with both those areas, Mr. Speaker, and I will expand on that in a moment. Furthermore, there are clear limits on Revenue Canada's powers of search and seizure.

Changes that will help to control the deficit include modifications to personal income tax indexation, an end to the federal tax reduction and an end to the Registered Home Ownership Savings Plan.

The complexities of this Bill are obvious. Therefore, I urge the House to refer Bill C-84 to a legislative committee quickly, where it may be carefully and thoroughly examined.

Today, I would like to focus on the legislative changes that will aid artists, charities, small businesses and, time permitting, to examine the special investment tax credit.

Bill C-84 includes two measures that will aid the arts sector. Visual artists will be permitted to write off costs involved in creating a work of art in the year that the expenses are incurred. At present, they must wait until the work is sold. This alteration remedies the current rule that has caused difficulties for artists in valuing their finished works of art on hand, incurred expenses and the carrying of inventories for long periods of time.

This change will allow artists to write off the costs of creating art when they are incurred rather than when the art is sold and, very important, it will defer taxes in respect of the artistic endeavour until the artist realizes proceeds from the sale of his or her art. I believe that that is a tremendous change that will be applauded by artists across the country.

The second measure will permit an individual visual artist who donates his or her own work of art to charity after 1984 to elect any amount up to the fair market value of the work, as both the artist's proceeds of disposition and the amount of the gift. The current requirement has created an obstacle to giving by artists because the income inclusion often exceeds the 20 per cent limitation on the general charitable donation deduction and the gift can consequently cost the artist a substantial amount of money. This amendment alleviates the disincentive since an elected amount which is less than the fair market value of the gift will mean a smaller income inclusion and a greater use of the charitable donation deduction. This piece of legislation includes two measures of relevance to registered charities.

The first measure will permit registered charities, in the 1985 and subsequent taxation years, to engage in non-partisan political activities that are incidental to their primary charitable purposes or activities.

The amendment recognizes that it is appropriate for a charity to use its resources, within defined limits, for incidental political activities in support of its charitable goals. These activities would include advertising, rental of facilities or mass mailings to influence public opinion toward the organization's views on matters of law or Government policy related to its charitable purposes. I emphasize that it has to be related to the charitable purposes of that organization. Furthermore, this measure does not affect the present unrestricted ability of charity to provide information and express its views in briefs to Government to effect change in laws or policies.

The second measure concerns the donation of intangible capital property, such as shares, to charity. Currently, a taxpayer who donates tangible capital property to a charity is permitted under a present rule to elect to have an amount less

than fair market value treated as both his or her proceeds and the amount of his or her gift. Bill C-84 will extend this special rule to donations of intangible capital property made after 1984 and will remove the requirement that the property be suitable for use by the charity directly in its activities.

As the Minister of Finance (Mr. Wilson) stated in his Budget speech, lack of access to start-up capital has been a constraint for many small and medium sized businesses. Our Government is taking strong steps to remedy this situation.

At present, farmers and small businesses can arrange financing of up to $500,000 under the small business bonds program, at interest rates that have typically been 5 to 6 percentage points less than they would otherwise have had to pay.

The small business bonds program was scheduled to expire in 1985. It has played a useful role in providing interest rate relief in cases where a business failure might otherwise have resulted. The program has been particularly important to agriculture and there is a growing awareness of its role in that sector.

Bill C-84 will extend the program for a further two years to cover debt instruments issued before the end of 1987. Bill C-84 also introduces measures which will allow taxpayers who have borrowed under this program to either refinance existing loans or obtain new loans at any time before 1988 where the borrowers are in financial difficulty.

Moreover, the present rules provide that the aggregate face value of all such bonds issued by the taxpayer and other related parties cannot exceed $500,000. The measures contained in this legislation ensure that a taxpayer in financial difficulty may issue a small business bond at any time after May 23, 1985, and before 1988 if the total principal amounts outstanding does not exceed $500,000.

The last measure I would like to mention briefly is the special investment tax credit. Five years ago a tax credit was introduced to encourage investment in areas of Canada suffering from high unemployment and low per-capita income. This tax credit was scheduled to expire on December 31 of this year. Bill C-84 extends the expiry date for one year to accommodate investments made on or before December 31, 1986. A further extension of the credit applies for buildings under construction on December 31, 1986. In such cases, the tax credit will be available if the property is acquired before 1988.

● (1210)

In conclusion, I move:

That, pursuant to the provisions of Standing Order 9(4)(*a*), the House continue to sit through the lunch hour for the purpose of continuing its consideration of the motion now before it.

The Acting Speaker (Mr. Charest): The House has heard the terms of the motion. Would those Hon. Members who object to it please rise in their places?

Mr. Deans: I object to it most strenuously. It is an abuse of the House.

And fewer than 25 Members having risen:

The Acting Speaker (Mr. Charest): There being fewer than 25 Members rising in the House, pursuant to Standing Order (9)(4)(*b*), the motion is deemed to have been adopted.

Motion agreed to.

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, for a sixth time since this Government came to power, it is using its overwhelming majority in this House to gag Opposition Members. For the sixth time, Mr. Speaker! Is this the kind of democracy the Prime Minister had in mind during the election campaign? Is that the kind of civility he was also referring to during the campaign? I really wonder whether this Government has not decided, by using closure on every occasion, to prevent the Opposition from doing its work, notwithstanding the limited number of its Members.

Mr. Speaker, having Parliament gagged after just nine hours of discussion is truly a shame for democracy. Nine hours of debate on a piece of legislation that has scores of pages, hundreds of clauses.

A while ago, the Hon. Member for Trois-Rivières (Mr. Vincent), I believe, mentioned the fact that quite a number of items have not been considered, that the Opposition has not raised all the questions concerning some aspects of the Bill. That was to be expected, Mr. Speaker, because the debate has been going on for nine hours only, and because of the alternation of speakers from both sides of the House, it must be realized that the time needed for an honest, open and complete discussion of the Bill has not been made available, and the motion introduced by the Government House Leader is really a motion that I would brand as shameful for democracy and for the Government majority.

They are so imbued with power, they are so comfortable with their majority that they can no longer hear—I know that this is not your case, Mr. Speaker, but that of those backbenchers—they are so permeated with the power that has befallen them that they want to strangle democracy in this House by imposing closure—

The Acting Speaker (Mr. Charest): The Hon. Member for Gatineau (Mrs. Mailly) on a point of order.

Mrs. Mailly: Mr. Speaker, I wonder whether the "father of the Quebec deficit" should be allowed to speak on this Bill?

The Acting Speaker (Mr. Charest): The Hon. Member for Laval-des-Rapides.

Mr. Garneau: Mr. Speaker, I am not sure whether the Hon. Member needs to listen to a parliamentary debate or needs to go to the hospital for an injection because I believe there has to be something wrong buzzing between her ears. There has to be something that does not work well.

Mr. Speaker, if the Speaker will . . . I think it is better to leave it at that, yes, it will be better. Because if anyone wants to discuss the Quebec financial administration at the time I was Minister of Finance, I am quite ready to take up the challenge any time, either in this House or on TV—

An Hon. Member: Especially with her!

Mr. Garneau: Yes, especially with her.

Mr. Speaker, those back-benchers are so obsessed with their lust for controlling everything, for imposing their dictatorship over everything, that after only nine hours of debate on such a major Bill, they decide to gag this House.

I heard some of the Members say earlier that certain aspects of the Bill had not been dealt with. Mr. Speaker, this is exactly the reason why we are fighting this motion, to give those back-benchers an opportunity to explain, for instance, why the Government has decided to increase by $11 billion personal income taxes by the end of this decade. It would be important to have this provision fully discussed, and to be told why they are going to take $11 billion more from the pockets of Canadian taxpayers by the end of this decade.

I would like them to say, for instance, why they scrapped the plan through which young couples could accumulate funds in order to own their own homes eventually. In my view, it would be important for them to explain why young couples will henceforth be prevented from saving tax-free dollars for the purpose of buying their first homes. This will indeed mean an increased tax burden in the future, not to mention the negative effect it will have on home building in Canada, on jobs in the construction industry and on the quality of housing.

Mr. Speaker, had they not imposed closure, I suppose they would have explained why they chose by way of that provision in Bill C-84 and by way of changes in the family allowance scheme, why they chose to deprive Canadian families by the end of the decade of a little over $1 billion in benefits they used to receive as family allowances or child tax credits. This added together means a $1 billion loss by the end of the decade. It would be important for Progressive Conservative Members, who are so happy to sit with the majority, to explain to us why. Moreover, could we conceivably examine in only nine hours of debate all aspects of such an important Bill which contains hundreds and hundreds of clauses? Mr. Speaker, there is the whole aspect of capital gains, considering that the Government Party has been complaining for many years, and especially since the election campaign, about the extremely high deficit and what it costs Canadians in interest rates.

Well, I should like the Government to explain to us why, if it is so anxious to reduce the deficit, it has granted a capital gains tax break of up to $500,000 to the most affluent people in our society, a tax break which will result in a total revenue loss of nearly $5 billion by the end of this decade.

Yesterday, the Government announced a minimum tax scheme, and I urge all Hon. Members to read carefully the explanatory notes concerning farmers. I know that there will be temporary measures concerning farmers, but a farmer who has been told ever since the introduction of this budget that he would benefit from a capital gains tax exemption on the sale of his farm, and when we look now into the minimum tax scheme, we realize that this is a once in a life time tax break opportunity, and that if he has already used it as a great many other Canadian taxpayers have, he will have to pay an income tax of 12.5 per cent or even 25 per cent. I think that Government Members should explain that to us in the context of the capital gains tax, because an exemption is not a gift or something which happens at the time of death, because I do not see why a farmer should be penalized as a taxpayer for the rest of his life. Under this Conservative measure, he could not benefit from his investments. He would have to keep his tax break until he sold his farm to a son 25 years hence; if he has already enjoyed that tax break, he will be taxed up to 25 per cent or 12.5 per cent . . . The Hon. Member for Champlain (Mr. Champagne), is signaling that such is not the case. He should read the document again and tell me today if it is not true that a farmer who has used his capital gains tax break will be taxed just as he would have been before this new measure when he sells his property at age 65. And Progressive Conservative Members have been bragging about the enormous benefits for farmers.

We on this side of the House did, and do, agree that farmers should not be penalized with respect to capital gains on the sale of their farms. We said in the past that we thought they should have owned them for a period of ten years or so in order to be subject to that provision, but the Conservatives after having done a flip-flop are bringing in a tax: they closed the front door and opened the back door. Those Government Members, the Hon. Member for Gatineau (Mrs. Mailly) and others, could use their allotted time to explain why, under what rationale, and how they can claim on the one hand that they are fighting the deficit and, on the other hand, that they are giving away some $5 billion in fiscal benefits. In my view, they should do that. I think you should explain why. And the Conservatives could also explain why, when they are so anxious to fight the deficit, they grant benefits to the rich, why they give close to $9 billion in benefits to the multinational oil companies.

Perhaps we could be told about that, and clearly nine hours of debate have not been enough because nobody has referred to that. Certainly there are measures the Conservatives would want to brag about more, and we have nothing against that. But in the Opposition, we believe our duty is to point to the weaknesses in any legislation. We know very well the majority will revel in the strong points, but go ahead, discuss them, tell the Canadian taxpayers by way of this debate why you are going to increase taxes, why you are going to deindex income

tax tables, which will be costing taxpayers an extra $11 billion. Yes, you tell us! Tell us why you are going to add a surtax, yes, tell us, a surtax that will mean $610 million over the next two years. Tell us why you have removed the federal tax ... the federal tax reduction, which will be costing millions, that is $80 million the first year, $500 million the second year, $600 million the third year. Tell us why you will be imposing such taxes on Canadians.

You will say that it is in order to reduce the Liberals' deficit? But in the same breath you will be granting tax benefits to the rich and to the multinational oil corporations. I believe it is possible in a democratic debate to explain such flip-flops and contradictions that exist between on the one hand personal income tax increases and $1 billion cuts in family benefits, and on the other hand tax benefits that are handed out to oil multinationals and to the most affluent people. Concerning the capital gains tax, we are not the only ones suggesting that this makes no sense at all. My colleague for Saint-Henri-Westmount (Mr. Johnston) pointed out earlier in this debate, for instance, a most interesting report in the *Financial Post,* which gives the views expressed by tax experts.

This is not just a partisan debate whose only purpose is to hinder the Government, as these are tax experts who got together and who clearly said that, in spite of the fact that they will personally benefit from the Conservative Budget, because naturally, they will have to be consulted in view of the mess of the capital gains tax situation and they will make money, but in spite of these personal benefits, if I may quote from a *Financial Post* article written by Mr. Gordon Pitts about this meeting of chartered accountants:

—meaning the chartered accountants—

• (1220)

[*English*]

"They will earn hefty fees", but just the same they say, and I have to conclude, "that the proposal is ill-conceived and poorly designed."

[*Translation*]

Mr. Speaker, the Liberals are not the only ones to say so. Closure is a disgrace for Parliamentary democracy and for the Conservatives, and the taxpayers will eventually be the ones to pay for it.

[*English*]

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, as other Members have mentioned in this House, this debate marks the sixth time in its brief and inglorious history that the Government has imposed closure on this House.

Mr. Boudria: You did say inglorious.

Mr. Parry: Inglorious is the word I used and inglorious is the word that I am prepared to justify. If my hon. friend wants to go further in his condemnation, he will have his chance later.

I was somewhat amazed to hear the Minister of National Revenue (Mr. MacKay) in proposing this closure motion compare his Government's record to that of the previous Liberal maladministration, because, of course, it was precisely because this Government stated that it could and would perform better that it was elected with such a large majority. The improvements are really not worthy of the sort of trumpeting that the Minister gave to them.

Even those of us who were not in the House at the time know the record of the Liberal Government with its Budgets and how legislation sometimes never even made it to the House of Commons, how it was delayed for this and that.

Mr. Nunziata: Go easy.

Mr. Parry: The Hon. Member should ask me to go easy. This is a record that is worthy of further exposure and further examination.

This Government stated that it was going to do a lot better than that. We might categorize the improvement in the gesture of a well-known if not well-loved international leader as being a tiny little bit. That is all it is. For the Government to be introducing after such a short period of debate, barely into double figures in terms of hours, a measure which has such far-reaching impact—the Government says it is for the betterment, but we know, having done the calculations, that it will have far-reaching impact for the worst for the majority of Canadians—that it should have the nerve to introduce a motion of closure after barely double figures of hours of debate in this Chamber, does not reflect very well on this Government's stated commitment to consultation. First and foremost, it is in this Chamber that the consultation that the Government trumpeted so loudly should be taking place.

It is unfortunate that the Government has shown that it too is having difficulty in managing a parliamentary agenda. It is particularly unfortunate when we consider the very housekeeping nature, I would not use the word "trivial", but the fairly basic and simple nature of some of the legislation that has been put before us, that the lack of management of the parliamentary agenda should have led us to this point where we are debating closure of Bill C-84 which essentially enshrines the major Government budget measures in legislation. Just the size of Bill C-84 surely is illustrative of the importance the Government should give it in debate in this House. Just the thickness of that bill should give us an indication that it is something to be taken seriously and exposed to broad and far-reaching and, yes, let us not be afraid to use the word, lengthy public discussion in this Chamber.

When I look at the nature of some of the amendments, I have to acknowledge that they are worth while. Indeed, in my speech on the Bill I stated that if I was not able to say something good, I would not say anything at all. I mentioned that there were worth-while measures. We saw another one put before us yesterday. Of course, we have not had the opportunity to analyse it sufficiently. Again, it was a sign of some common sense in the tax system. The good effect of that common sense, I am afraid, is very much negatived by the bite

which Bill C-84 proposes to take out of the pockets of ordinary Canadians. I was surprised to hear the use of that phrase criticized by a Member of parliament quite recently in the debate on Bill C-84 because I think most ordinary Canadians know that they are ordinary Canadians. They can tell when they come to do their income tax form not only where they stand in the relative strata of income in our society—where the top 10 per cent takes 40 per cent of the income and the bottom 20 per cent takes 4 per cent—they know where they stand and where they will be standing after this Government's Budget. It is not going to be in a position of relative advantage to where they stood before that Budget.

The proposal to take away the indexing provisions from the tax bans in the present income tax system, to cut out the first 3 per cent, can best be characterized as profiteering on inflation. If there is one thing on which the previous Liberal Government could be complimented, it is that it did have the intelligence to realize in the early 1970s that inflation was supplementing or swelling Government revenues to a degree that was inordinate. Inflation was taking too much out of the pockets of individual Canadian taxpayers. The Government of the time realized that those taxes should be indexed in order that the effect of inflation on income would not lead to an excess tax burden when considering taxation in relation to disposable taxable income.

• (1230)

I am afraid to say that that approach is now going by the boards. The deduction of 3 per cent from the indexing provisions means that we will be in the position that we were in before 1973 of the Government making a profit on inflation. I do not think that is progressive nor is it the sort of provision that we want to see in our tax system. I for one would like to see the House spend much more time debating that sort of measure.

Yesterday we heard the Government's announcement on the alternative minimum tax. I think it would be worth while to take a few minutes to juxtapose the effect that will have on the effect of the changes in the pension deduction limits particularly on those with higher incomes. When the Registered Retirement Savings Plan and Registered Pension Plan deductions combined reach the level of $15,500 in 1990, we can anticipate that far from the cut-off point today of someone who earns an average income of $50,000, Canadians earning up to $200,000 will have the opportunity through contributing to pension plans of sheltering as big a portion of their income as those making a contribution of $1,200 or $1,500 per year for a much more modest pension. I would like to put on the record the effect that this will have on earnings that are far from modest but not by any means the highest.

Before the Budget, someone earning an income of $80,000 per year would have protected through his pension contribution that which was allowable for the deduction and would have saved $1,761 in taxes. After the Budget, by 1990 they will be able to save $4,328 in taxes. These are figures put together by the National Council on Welfare, the contribution of which we acknowledge. That represents a very considerable increase in the tax break on RRSPs and RPPs. I do not say that that is necessarily bad. I do say that there must be further discussion on this sort of measure. This is the sort of thing that is worthy of detailed consideration because that $2,500 would make up a very substantial proportion of the income of a person on welfare. In fact, under the welfare regime in the Province of Quebec, I believe that that would pay for the welfare of a single person under 30. While those amounts may seem to those of us who are fortunate to have reasonably high incomes to be modest figures, they are in fact very significant figures when related to the other social goals and objectives to which we in this Party certainly subscribe and for which the Government has expressed support, support which we do not see in practical terms.

When I rose to speak in the debate the other day, I spoke at some length on capital gains. I heard my colleague, the Hon. Member for Laval-des-Rapides (Mr. Garneau), quote from the report of the *Financial Post*, from which I too had quoted, concerning the way in which the $500,000 capital gains exemption could be used. Since I last spoke, other examples have appeared in the newspapers of the way in which these tax loopholes may be used.

We heard of the example of a research tax credit that was being converted into Brazilian cruzeiros in order that the people who were investing the money could presumably profit from the forecast fall in the value of that unfortunate country's currency. That is but one example. I am sure there will be many other examples of ways in which present tax loopholes and the newly introduced capital gains exemption can be misused. That is why I feel that Bill C-84 deserves a lot more debate than the Government is prepared to allow.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Once again, Mr. Speaker, we find ourselves in a situation where the Government with its huge majority decides to gag the Opposition. It is disquieting to note that this is not an isolated case. On the contrary, if we examine the Government record over the past year, this is the sixth time the Government resorts to Standing Order 80 to silence the Opposition and avoid a serious debate on important measures.

The first time the Government used this tactic was on Bill C-15, the Investment Canada Act. Then came Bill C-62, the employment equity legislation. As we recall, that particular Bill was badly drafted, it did not include any kind of enforcement mechanism, a Bill which was discredited by all the designated groups which were supposed to benefit from it.

After that we had Bill C-70 with its cut-backs and deindexation of family allowances: the Government chose to drop the guillotine, gag the Opposition and get the House to pass quickly that despicable Bill to which most Canadians are opposed. Then in turn came Bill C-80, the excise tax on drugs sold over the counter, the tax on all kinds of health products about which the public has again voiced strong opposition. The

Government also ended the debate as soon as possible by imposing closure on the House of Commons with respect to Bill C-86 which will enable the Government to re-imburse the major depositors of the Canadian Commercial Bank and of the Northland Bank, people having deposits in excess of $60,000 which are not covered under deposit insurance. Again the public raised hell, so the Government imposed closure to silence the Opposition.

Here we are today with Bill C-84, a rather special piece of legislation. A simple look reveals that the Bill has 234 pages, 143 clauses, then a schedule with 11 more clauses. It is almost an encyclopaedia, Mr. Speaker, a telephone directory, a Sears catalogue, a Bill thick enough to make Government backbenchers understand our position. Indeed, as we hear in the TV commercial, "there is no need for a dictionary to understand that". It is a huge Bill which will affect every facet of taxation. The Government lowers the boom, not after two or three weeks of debates, but barely after two days, even before the end of the second day of debate. Earlier today my colleague from Laval-des-Rapides (Mr. Garneau) said after nine hours of debate, if Hon. Members want to know, I checked with the Table officials. We had discussed the principles of this bill for exactly nine hours and 45 minutes when the Government decided to put an end to the debate. I am beginning to understand why. The more I look at this bill, the more I realize that it does not involve only one principle. There are 25 principles involved, as the bill affects many provisions of many acts including, naturally, the Income Tax Act, but also the Canada Pension Plan, the Unemployment Insurance Act, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act.

It is therefore a very complex bill, and I believe that the reason why this Government wants to ram this measure through the House of Commons is that it includes atrocious proposals, the worst one being the $500,000 capital gains tax exemption that will benefit the rich. Naturally, this proposal has been hidden in this Bill. It has been burried with some 50 others. The Bill includes 69 proposals. We have spoken about the others and I can tell you all about them. Personal exemptions are being de-indexed. This is an underhand way to collect taxes without anyone taking notice. Deductions for dependent children will be reduced. All these proposals are hidden in this Bill. Mr. Speaker, the Hon. Members opposite do not want to hear the truth and that is why they have imposed closure. Indeed, that is why the Government uses closure more and more.

We have a Government which uses its enormous majority to force its views on the Opposition. Instead of being content to win one vote after another in the House of Commons, the Government wants to prevent the Opposition from having reasonable discussions about its legislation.

This Bill is so far-reaching that there can be no justification for cutting off debate after only nine hours and 25 minutes. It is unthinkable, Mr. Speaker.

A Canadian Press article had this to say:

• (1240)

[*English*]

It is a real disgrace. The Government is steamrolling the Bill.

[*Translation*]

This means that the Government is ramming the Bill through the House of Commons. It is exactly what is happening.

An Hon. Member: Using the steamroller.

Mr. Guilbault (Saint-Jacques): Exactly, using the steamroller. You can correct me if you want, but what I am trying to do is to stop you from using your majority abusively. You will be held accountable not only for the way the country is being managed, but also for how the way you are dealing with the democratic rights of the voters we represent in this House.

I do not have much more to say. I think that I have made my point. It is a national shame that this bill is being rushed through the House of Commons. This is the thickest Bill, both literally and figuratively, that we have had in the House of Commons.

Mr. Speaker, I am sorry to witness that.

[*English*]

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I would like to express my serious concern about the use of time allocation with respect to the measure which is before us. Last night those of us who stayed in this place quite late in the evening had a moving experience in talking about parliamentary reform. We had hoped that, perhaps, we could work together in a more positive way in the House to benefit all Canadians. Again, today, we have not only time allocation imposed but the fact that the debate will take up the lunch hour is symbolic.

I wish to concentrate my remarks pertaining to Bill C-84 on the social aspects of it. I wish to deal with the effects the Bill will have on child and family benefits. The Bill which reflects the Conservative Budget is really the beginning of a process of erosion with respect to family benefits generally. I wish to illustrate this point with several examples. It is not just I and my Party who say that this measure is a serious erosion of family benefits, it is all the social policy groups in Canada which have appeared both before the Standing Committee on Health, Welfare and Social Affairs and the legislative committee to which Bill C-70 was referred. There was not one witness who appeared before either committee who agreed with the measures being taken by the Government.

The combined package of tax changes which will affect the child tax credit, the child tax exemption and the family allowance is definitely an attack on families and children. In

particular, it is an attack on women. I have said this before in relation to the family allowance issue. I say it now in relation to the changes and supposed reforms which are now before us. In my view they are not at all reforms to tax measures in a positive sense but something which will really hurt families.

I would like to remind Hon. Members that we are talking about not just average families who have to pay the costs of raising children and who have many more expenses and responsibilities than taxpayers who have no children at all, but we are talking about families which have several children and who are hurt several times over by the tax changes which will reduce benefits for families with children.

I would like to remind Members of the House about the very high incidence of poor families in Canada. The number is not decreasing in my Province of British Columbia. In fact, it is increasing. It increased 400 per cent over the last four years in British Columbia. There are over 4.4 million poor still in Canada and there are 1.5 million poor children. We hear these figures but I hope Hon. Members will take a moment really to comprehend what they mean.

We have already spoken about the family allowance which will be deindexed by 3 per cent. We will continue to protest this move. We have petitions flooding into our offices every day protesting such a cut. This is a measure which, by 1990, will take away $1 billion from the children of Canada. It will reduce the value of the family allowance, the only universal program which goes to all families. When representatives of the CLC appeared before the legislative committee they said that in 20 years' time, by the year 2005, the family allowance will actually decrease in value from $32, which it is today, to $18. That is a substantial decrease. If one thinks of the effect that this will have on families with several children, it can be seen that it is a major erosion in terms of the universal family program.

Of course, with regard to the Bill which is before us we are referring to tax measures. In this respect let us consider the child tax credit. We will agree, as will all the authorities, that this is a progressive tax measure. It is targeted at the low and middle income families in society. At any rate, it has been that in the past and according the Conservative Government it is really a program that is in place to help those in greatest need. The Government professes to be focusing on improving the child tax credit while it reduces other benefits to children. If we look at the measure before us more closely we will see that even the child tax credit, which will be increased next year, will be reduced in the long run. I would like to be more specific in this respect.

As I have said, the child tax credit will be increased by about $70 next year. I would like to point out that this increase will be cancelled by the sales taxes which the Budget will impose on these same families. Thus, poor families will not really have any more in their pockets. The amount of money will increase to $454 per child by the year 1987.

However, let us remember that the Conservative Government while pretending to give with the one hand is actually taking away with the other hand through the deindexation of the child tax credit. It will be reduced considerably. There will be a cap placed on the cost of living index with respect to the child tax credit by the year 1989. The eligibility requirements for the child tax credit are being seriously reduced. To qualify for the child tax credit this year a family will have to earn $26,500, which is just getting close to the average income. We would rather see that figure set at $30,000. However, the eligibility requirement is being reduced to $23,500. That might not sound like a big reduction in one year but if the deindexation is added to the level of the child tax credit the eligibility goes down year after year after year.

Let us listen to what the CLC had to say with respect to the child tax credit. It says that by the year 2005, in 20 years, the value of the child tax credit as a result of the measures in this Bill will be reduced to $326. It is projected that it will go down from $480 in 1988 to $384 by the year 2005.

Not only is the value of the child tax credit decreasing but the eligibility requirements are being drastically reduced. Families earning $13,800 will mark the eligibility level for the child tax credit in 20 years' time. That is down from $26,000. Even the poorest families will not be receiving the child tax credit by that time. This is something that is extremely serious. It is dishonest and hypocritical of the Government to say that the tax measures it is bringing in will benefit those in greatest need. It will not benefit those in greatest need. Instead, it will penalize them.

The National Council on Welfare says that by the year 1990 even the poorest families will lose $8 just in specific family benefits. And if you add all the other measures in the Budget, they will suffer even more. But that is reflective of Tory philosophy. There is no question about that. It is a philosophy which leads to finding $1 billion overnight to bail out the banks, at the same time taking $1 million away from Canada's children by 1990. It gives $9 billion to the oil companies and takes away the benefits from families. It is incredible that the Government can say that it is interested in strengthening families and in helping those in greatest need. These measures do not help families. In fact, they are very harmful to families and reflect the true philosophy of the Tories. They do not really care about people and families, particularly those people who are hardest hit.

• (1250)

We feel that the minimum tax is a step in the right direction, but is only a step, let us not kid ourselves. It has not erased the errors imposed on us by the Liberal Government. We feel we should reduce the marginal tax rate to the 1981 benefits. If we did this, we would have lots of money to improve family benefits, to increase employment programs and to reindex the family allowance. We would gain over $1.7 billion in revenue just this year if we went back to the 1981 marginal tax levels.

Even with the minimum tax, we will have money coming in which I believe should be used to do away with the deindexation of the child tax credit and the family allowance.

I have just a short time left to mention the child tax exemption. This is a very regressive measure. We said over and over in committee that this should be done away with, but only if we increase the child tax credit to cover the average and middle income families, and only if we maintain a fully indexed family allowance. The Government has not had the guts to do much for the child tax exemption. It will reduce it gradually by 1989 to the same amount as the family allowance. It will be deindexed as well.

Here again, this is an attack on taxpayers who have children. It is causing them to contribute, whereas those families who do not have children are not contributing in the same way. It is the middle income families which are hardest hit by these measures.

Mr. John Nunziata (York South-Weston): Mr. Speaker, I would very much like the opportunity to debate Bill C-84 but I am precluded from doing so because of the motion of closure which was moved by this Conservative Government. As a duly elected Member of this House, I would submit to you, Mr. Speaker, that I have a right to speak to the merits of this particular piece of legislation in order for my constituents, and others, to understand and appreciate where I stand and where the Liberal Opposition stands on this important piece of legislation. However, I am precluded from doing so because of this shameful, undemocratic motion put forward by the Conservative Government.

This is the sixth time since Parliament began a year ago that the Government has found it necessary to invoke closure, notwithstanding the fact that when that Party was on this side of the House it cried foul on the rare occasions in which the former administration invoked closure. The Conservative Government is showing contempt for every Hon. Member of this House. It is showing contempt for the democratic process and for Parliament. We have had only nine short hours of debate on a piece of legislation which implements the major budget measures which were introduced last May.

One could ask why this Government has decided to invoke closure after only nine hours of debate. Why is this Government so hypocritical when it comes to the issues of closure? I think the answer is obvious, and I am sure you would agree with me, Mr. Speaker, when I say that the Government is doing so because it is embarrassed. It is because it cannot stand the heat of the criticism arising out of its Budget of last May. Hon. Members of the Conservative Party cannot stand up in this House and defend this Bill, so what did they do? They decided to cut off debate and preclude Hon. Members of this House from speaking to the merits of this particular piece of legislation.

When I say that my privileges are being breached, I am speaking for all other Hon. Members of this House who want to speak to this piece of legislation but who cannot, and it is a shameful situation. It shows the arrogance of this Government and the hypocrisy.

The people of Canada spoke on September 4 of last year. They clearly wanted a change and they got that change. They elected 211 Conservative Members of Parliament. But they also elected 70 opposition Members and one independent. The people of Canada did not elect a dictatorship, nor did they expect that a dictatorship would result. By invoking closure on this occasion, and on the five other occasions, the Government is leading Canadians to conclude that this Conservative Government would like to rule Canada as a dictatorship. The Opposition Party is essential. It is a check and balance that this Government, or any other Government, does not run rough-shod over the people of Canada. Why is this Government stifling debate on this particular piece of legislation? Why has it done so on five previous occasions, which I indicated is unparliamentary and undemocratic? It is the basis of a parliamentary system that the Opposition be heard but, more importantly, that it be given an opportunity to debate in this House items of concern to Canadians. What has happened is that closure is becoming the rule rather than the exception to the rule. All Hon. Members recognize that closure is a tool which may be necessary in certain circumstances. I would suggest to you, Mr. Speaker, that those circumstances are extreme circumstances when, for whatever reason, a piece of legislation must be passed and passed expeditiously. Closure is not meant, and was never meant, to be a tool used by Government to stifle healthy, constructive debate in this House. But that is precisely what the Government is doing with this piece of legislation.

This Parliament and our democracy can only work with a healthy and vigorous Opposition. Had it not been for the Opposition, the Government would not have backed down on issues like the deindexation of senior citizens' pensions. It was because of the work done by the Opposition in this House and in mobilizing public support for the position taken by the Opposition, that the Government eventually backed down. We had a healthy debate, a good debate, on the issue of deindexation of senior citizens' pensions. The Government realized that it had erred and it backed down.

• (1300)

All we are asking for now is the opportunity for Members on this side of the House to speak on Bill C-84. However, we cannot do that because the Government is using its overwhelming majority to cut off debate. It would not take long to give every Member of the House an opportunity to speak for 10 or 20 minutes on Bill C-84. In that way the Government could avoid being criticized for bringing in closure. However, the Government has decided to drop the guillotine on the Opposition members.

What is worse, Mr. Speaker, is the fact that the Government is thinking of proroguing Parliament. It is obvious that the reason the Government is thinking of doing that is that it is without direction. It does not know where it is going. It realizes that its legislative agenda is stale. Yet, it wants to prorogue Parliament and give its Members a two-month vacation, but it refuses to allow members of the Opposition an opportunity to debate important pieces of legislation.

There is also a suggestion that the Conservative Government wants to extend the Christmas break by two weeks. I call that shameful. We could be here debating important pieces of legislation. I invite the Government, rather than extending the Christmas break, to restrict it in order to give members of the Opposition an opportunity to debate this piece of legislation. I want the opportunity to articulate the reasons why—you are about to cut me off, Mr. Speaker. You have indicated that I have one minute left in this very important debate. I suggest to you, Mr. Speaker, that you would be an accessory to this shameful act if you cut me off. I do not intend to sit down of my own accord. You are going to have to cut me off when my time expires on this particular motion. I suggest to you, Mr. Speaker, that you are being an accessory to this unparliamentary action by the Conservative Government.

Some Hon. Members: Shame!

Mr. Nunziata: Mr. Speaker, the Hon. Member opposite wishes to rise on a point of order. She, too, is now trying to stifle debate—

Mr. Blenkarn: You know better than that. Act like a Member of Parliament.

Mr. Nunziata: —on this particular piece of legislation. I want to be able, Mr. Speaker—

The Acting Speaker (Mr. Charest): Order. The Hon. Member's time has expired.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, once again, I am amazed that this Government having such a strong majority should use a rule it so often disparaged in the past. I will always remember those thundering speeches, the unbelievable crises Parliament went through in the past when those Government Members were sitting on this side, in Opposition.

The Hon. Member for Yukon (Mr. Nielsen) made blazing speeches against a Government which, after weeks of debates, would decide exceptionally to make use of this Standing Order, and I repeat, after weeks of debates, hours and days and days on end, on subjects much less important than the one now before us.

But this Government has decided it had a program of action, and I see my good friend the President of the Privy Council (Mr. Hnatyshyn) who is smiling. He is saying to himself: I will wear them down once more. And since they are good Opposition fighters, I will impose closure. Closure after closure after closure, five times within—

An Hon. Member: Six, six.

Mr. Prud'homme: —and this is now the sixth time. Five times before, and once again against such important pieces of legislation, where a small handfull of survivors if I may say so from that great landslide led by those Conservatives who had promised: "We will do better. The Liberals abused the rules, we will not do that." Well, Mr. Speaker, they are now abusing them, and it is regrettable that this House should be reduced to using such important rules, such—

[*English*]

Mr. McDermid: Order.

Mr. Prud'homme: You are not the Speaker, by the way.

The Acting Speaker (Mr. Charest): I am the Speaker.

Mr. Prud'homme: Yes, and I respect you, but I do not like to be called to order by another Member.

[*Translation*]

The Acting Speaker (Mr. Charest): It is always with regret that I must interrupt the Hon. Member for Saint-Denis (Mr. Prud'homme).

It being 1.04 p.m., the two hours provided for the consideration of the motion now before the House under the provisions of Standing Order 84 have now expired.

Accordingly, under the terms of the Standing Order, it is my duty to interrupt the proceedings and put every question necessary to dispose of the motion.

[*English*]

Mr. Hnatyshyn (for the Minister of Finance), seconded by Mr. Jelinek, moved:

That, in relation to Bill C-84, an Act to amend the Income Tax Act and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act, one sitting day shall be allotted to the consideration of the second reading stage of the said Bill; and

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

Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Call in the Members.

Time Allocation

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

(Division No. 141)

YEAS

Members

Andre	Fontaine	Murta
Beatty	Forrestall	Nicholson (Niagara Falls)
Belsher	Fretz	Nickerson
Bernier	Gass	Nielsen
Bertrand	Gervais	Nowlan
Blackburn (Jonquière)	Gormley	Oberle
Blais-Grenier	Graham	O'Neil
Blenkarn	Grisé	Oostrom
Bouchard	Guilbault (Drummond)	Pennock
Bourgault	Gurbin	Peterson
Boyer	Halliday	Pietz
Brightwell	Hawkes	Plourde
Browes	Hicks	Porter
Cadieux	Hnatyshyn	Ravis
Caldwell	Hockin	Redway
Champagne (Saint-Hyacinthe-Bagot)	Holtmann	Reid
Champagne (Champlain)	Hudon	Ricard
Charest	Jacques	St. Germain
Clark (Yellowhead)	James	St-Julien
Clark (Brandon-Souris)	Jardine	Schellenberg (Nanaimo-Alberni)
Clifford	Jepson	Schellenberger (Wetaskiwin)
Clinch	Kelleher	Scott (Hamilton-Wentworth)
Coates	Kilgour	Scowen
Cochrane	Kindy	Siddon
Collins	Ladouceur	Sparrow
Comeau	Landry	Stewart
Cooper	La Salle	Suluk
Corbett	Lawrence	Tardif (Charlesbourg)
Côté (Lac-Saint-Jean)	Layton	Taylor
Côté (Langelier)	Leblanc	Thacker
Crofton	Lesick	Towers
Crouse	Lewis	Tremblay (Québec-Est)
Darling	MacDonald (Kingston and the Islands)	Tupper
Daubney	MacKay	Turner (Ottawa-Carleton)
Della Noce	Mailly	Valcourt
Domm	Malone	Vankoughnet
Dorin	Mantha	Vézina
Duplessis	Masse	Vincent
Edwards	Mazankowski	Wilson (Swift Current-Maple Creek)
Ellis	McCrossan	Wilson (Etobicoke Centre)—131.
Epp (Provencher)	McCuish	
Fennell	McDermid	
Ferland	McKenzie	
	McKnight	
	McLean	
	Merrithew	
	Minaker	
	Mitges	

NAYS

Members

Althouse	Gray (Windsor West)	Nicholson (Trinity)
Angus	Guilbault (Saint-Jacques)	Nunziata
Axworthy	Hopkins	Orlikow
Baker	Jewett	Ouellet
Benjamin	Johnston (Saint-Henri-Westmount)	Penner
Blackburn (Brant)	Keeper	Pépin
Boudria	MacLellan	Prud'homme
Cassidy	Malépart	Riis
Copps	Manly	Rodriguez
Deans	McCurdy	Rompkey
de Corneille	McDonald (Broadview-Greenwood)	Rossi
Dingwall	Mitchell	Skelly
Fulton		Tobin
Garneau		Young—41.
Gauthier		

Mr. Speaker: I declare the motion carried.

It being past one o'clock, I do now leave the chair until two o'clock.

At 1.34 p.m., the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 22

[*Translation*]

WOMEN

IMPACT OF ELECTION OF NUMEROUS WOMEN MPPs IN QUEBEC

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I should like to emphasize the presense since Monday in the Quebec National Assembly of a large number of women. As a matter of fact, 18 women have been elected.

An Hon. Member: —as Liberals!

Mrs. Pépin: No, 18 women altogether. Of course, we are still very far from equal representation, but this represents an increase which I wanted to bring to the attention of the House, the more so because it has been announced that a woman would act as Deputy Premier. I therefore congratulate the new Quebec Government.

An Hon. Member: A Liberal Government!

Mrs. Pépin: I want to emphasize also that beyond the mere number of women, what is important is the willingness to support women related issues. In this connection, we should deplore the defeat of several candidates who had vigorously and constantly worked for the advancement of women related issues: Employment equality, day-care centers, and half-way houses.

Women's group deplore the absence of Mrs. Pauline Marois and Francine Lalonde.

Concerning the project to include women in pension schemes, I should like to remind the people involved in federal-provincial discussions that women will not accept demagogic statements which are sometimes easy to issue.

In this context as in many others, it is not enough to come up with half-measures or empty bills which settle nothing, such as Bill C-62. Women are no fools . . . Consider yourself told once and for all! And again, I say bravo! to all the women who have been elected.

EMPLOYMENT

POSSIBILITY OF JOB LOSSES AT CN REPAIR SHOPS IN MONCTON—GOVERNMENT POSITION

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I should like to call the attention of the House on the uncertainty which exists among working men and women at the CN workshops in Moncton, New Brunswick. These employees are aware that CN is currently reviewing its maintenance services and they fear that final recommendation to the Federal Government will be to close the Moncton workshops. The result would be a direct loss of 1,200 jobs. Already, Mr. Speaker, the CN has announced that it was laying off 225 workers.

On October 9, in reply to a question of mine, the Minister of Transport (Mr. Mazankowski) indicated that the lay-offs in Moncton were the result of reduced railway traffic and wished that these lay-offs were only temporary. How does the Minister explain the fact that 140 of these employees have been notified that their dismissal is permanent?

So far, the Government has neither taken a firm stand nor assured the workers that it would preserve these jobs in Moncton.

Although these employees are disappointed and very concerned, it is with determination that they intend to continue to fight for the Government to preserve these jobs.

* * *

[*English*]

SHIPBUILDING

CN MARINE—AWARDING OF FERRY CONTRACTS

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, it is no secret that the Canadian shipbuilding industry is in dire straits, to say the least. Because of the huge deficit inherited by the Government, government assistance has been minimized and this could close down or eliminate much of the shipbuilding industry in Canada.

How can our industry compete with other countries which give their shipbuilding industries massive subsidies, including concessionary financing and selling below cost? It is totally unrealistic to expect the Canadian shipbuilding industry to compete with predatory prices from abroad. There is no free market in shipbuilding in the world today.

A moratorium on foreign-built ships and offshore platforms and rigs being brought into Canadian registry is imperative for the survival of the shipbuilding industry.

Governments after Governments have urged Canadians to buy Canadian. This must apply as well to the Government to buy Canadian ships made by Canadian taxpayers.

• (1405)

The two large ferries that the federal Government is now considering for CN Marine must be made in Canada. This would provide 10,000 man-years of work and millions of dollars in tax revenue for the Government.

I strongly urge the Government to bring forth positive solutions for this important industry as soon as possible. Tomorrow may be too late.

* * *

NATIONAL FILM BOARD

DOCUMENTARY FILM ATTACK ON WAR HERO DENOUNCED

Mr. William G. Lesick (Edmonton East): Mr. Speaker, in 1982 the National Film Board produced a so-called documentary on the military service of Canadian war hero, Billy Bishop, V.C. Director Paul Cowan has used Billy Bishop as a tool to reflect his own views on war and the making of war heroes. A committee of the other place has examined the movie, and the script which has attempted to destroy the reputation and record of a great Canadian hero. It is a scandalous, misleading, and spurious twisting of fact.

For almost seven decades Canadians have known Billy Bishop as a hero of unqualified and unequalled calibre. Mr. Cowan has blatantly attempted to tarnish the war record of our hero through unsubstantiated comments by people who surfaced decades after the facts had been well documented.

The National Film Board has qualified its support for the film which was released as a documentary. This documentary should be withdrawn immediately and without reservation by the Government. Canadians did not make Billy Bishop a hero, as the film suggests. Canadians did not glorify a man who did not deserve recognition for his service to his country. The film documents Billy Bishop as a man who methodically tried to manufacture his own record. This is a slap in the face to Billy Bishop, and a slap in the face to every veteran who knew him. It is a slap in the face to his dedication to our nation's war efforts overseas.

The film *The Kid Who Couldn't Miss* is a travesty. More than 35 factual and historical errors have been isolated in this so-called documentary. The film—

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

* * *

PUBLIC OPINION POLLS

REPORTED PLAN TO CENTRALIZE GOVERNMENT POLLING

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, not content with flying in two jets, using a presidential podium, and flashing red lights in the grill of his limousine, the Prime Minister (Mr. Mulroney) is now trying to control information by way of centralized public opinion polls.

The Minister of Supply and Services (Mr. McInnes) has reportedly given this measure his personal blessing already. Yes, Mr. Speaker, we will now have the Big Brother himself in

control of all information. Is it not a strange coincidence that the Tory pollster, Decima Research, will likely get the untendered lucrative contract for doing this? The information gathered could then be shared by the Government and the Tory Party.

There is another country in which Government and Party are synonymous. Although I will not name the country I will offer a name for this new agency. Let us call it "Pravda Canada". Polls will now run Canada, not the Prime Minister and not this Government, but public opinionpolls, of course by "Pravda Canada".

* * *

SOCIAL SECURITY

FAMILY ALLOWANCE—LETTER FROM SINGLE PARENT

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I have in my hand a letter from a constituent of mine in Aspen Park, British Columbia. It reads in part as follows:

I am a single parent with 3 children—I have been the sole supporter of these children for 8½ years.

I get $870.00 per month from Human Resources, plus the family allowance.

I pay $465 per month for rent, which is more than I can afford on Welfare.

My point in all this—is that I think it would really do us in if I lost the family allowance. We would not have enough money for groceries if that happened.

I would like Mr. Mulroney . . . and many others in their financial category to try to live on less than $1,000 per month and look after 4 people on that amount like I am doing. I would be willing to bet they couldn't make it.

This is a reality faced by thousands of families today. It is why the Government should rescind the deindexation of the family allowance. I cannot think of a better time to announce such a decision than 20 days before Christmas.

* * *

[*Translation*]

FISCAL MEASURES

GOVERNMENT POSITION

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, I would like to draw the attention of the House to the important tax measure announced yesterday by the Minister of Finance (Mr. Wilson) in the form of a minimum tax for individuals earning over $50,000. The House will recall that in 1983, 7,036 Canadian taxpayers who had incomes of over $50,000 managed to pay not a cent of income tax, thanks to all kinds of tax deductions.

Mr. Speaker, that is the kind of inequity and injustice Canadians were condemning. They asked for amendments to the Income Tax Act to close this loophole.

Mr. Speaker, this is now being done, and let me tell you I consulted with Canadians whose incomes were over $50,000. "We agree with the principle", they said, "and it is entirely fair and normal that Canadians should pay a minimum tax . . ." Those were their own words.

Our Government is on the right track with this measure, which is the kind of change Canadians have been asking us to implement. It was unacceptable that the rich could avoid paying income tax, and I want to remind Canadians that it was the Government opposite, the previous Government, that made this possible. We have put a stop to that now, and our new tax measure which is more equitable, will involve a minimum tax of between 24 and 27 per cent and collect $300 million for the federal treasury.

* * *

FOOTWEAR INDUSTRY

DECISION ON IMPORT QUOTAS

Mr. Marcel R. Tremblay (Quebec East): Mr. Speaker, I want to talk about a matter that is of considerable concern to the footwear industry in my riding of Quebec East. I have complete faith in the Minister's decision on import quotas in the footwear industry.

However, doubts persist in the manufacturing sector. After consulting with the GRENICO and FLEET firms, I can inform the House I was pleased to be able to examine the issues and work together with these two businesses and their directors. I am convinced that under the new rules, both business and industry will experience new growth.

That is why I intend to follow developments in this area in co-operation with senior management, which will let me know about any signs of dumping in our area. I will also table a monthly report here in the House, under S.O. 22, to inform the House of progress being made under the new rules.

Mr. Speaker, I firmly believe that our footwear manufacturers can prosper in a climate of healthy competition. However, we have a duty to protect the security and success of this important industry in my riding.

* * *

• (1410)

[*English*]

THE SENATE

SITTING HOURS IN OCTOBER AND NOVEMBER

Mr. Rod Murphy (Churchill): Mr. Speaker, Christmastime is fast approaching. No one understands what this means more than the many Conservatives who are surely dreaming of a trip to pork-barrel heaven, the red Chamber. Imagine waking up on Christmas morning, the phone rings, and that unmistakable deep voice of the Prime Minister (Mr. Mulroney) says: "Good morning, Senator".

It is kind of like early retirement. After all, in November Senators sat for only six days, amounting to a total of 10 hours and 50 minutes. Combined with October's legislative sittings, a mere 21 hours were spent in debate during the last two months.

Among the heavy pondering of the Senators was whether or not Senators, and I quote the Deputy Government Leader of the Senate: "Can safely take the extra week without running afoul of public opinion". They were, of course, referring to the Remembrance Day recess. In fact the Senators could not even remember whether or not they had adjourned for one or two weeks in the past.

The cost of those 21 hours spent in the other place amounted to—

Mr. Speaker: Order, please, I think the Hon. Member knows that he is verging on something which is in fact, by our traditions, out of order in terms of commenting on the other place.

* * *

CRIMINAL CODE

STIFFER PENALTIES FOR DRUNKEN DRIVERS

Mrs. Mary Collins (Capilano): Mr. Speaker, Bill C-19 is tough. That is the message we want Canadians to understand about the new drinking and driving laws which came into effect yesterday, December 4. As the Minister of Justice (Mr. Crosbie) visits cities across the country over the next 10 days to publicize these new laws, let all Canadians be aware of the new, tough penalties for impaired driving; fines up to $300 for a first offence and a minimum of three months' suspension from driving, mandatory jail terms and much longer suspensions for second offences.

This legislation has had unprecedented public support from community groups such as MADD and PRIDE who have led the way, police, doctors, and even the distillers themselves. Only with tough penalties can we hope to reduce dramatically the tragedy and high costs of the loss of human life and suffering now caused by individuals who drink and drive.

Yes, as we approach the Christmas season, Canadians have much to rejoice about, but if you have had a drink to celebrate, stop. Before you go to your car, think. Do you want to face the costs of the fine, the increased insurance rates, the fallout of having your licence suspended and a possible jail term? Act, as this Government has done; please, don't drink and drive.

* * *

EXTERNAL AID

UGANDA—FUNDING FOR OPERATION OF CLINIC AND SCHOOL

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, although Uganda is being torn apart by civil war, a Canadian couple, Jerry and Sarah Kambites, continue to operate a medical clinic and school on Bukasa Island in Lake Victoria.

Over the past two years Dr. Jerry Kambites has had some 25,000 patient visits in a small 12 foot by 14 foot clinic. He has immunized 2,000 children, and made 200 emergency trips across the lake in a 16-foot open boat with a 20 horsepower motor. Sarah Kambites helps to teach 210 students in a school building built by hand with lumber from local trees.

• (1415)

Canadians can be proud of people like Jerry and Sarah Kambites, but we cannot be proud of our record of support for them. They went to Uganda sponsored by Westmount Rotary under a matching CIDA grant. When Rotary asked that a Rotarian be named to the projects board, Kambites pointed out that this was not possible since their constitution called for a locally elected board and, obviously, there were no local Rotarians. The Minister of State for Mines at the time was the Rotary Club's contact person. When the request was refused, he threatened to cut off funding. In effect this is what has happened.

Both CIDA and Rotary International have an obligation to the Kambites and to the people of Bukasa Island. I call on them to get together to make sure that adequate funding gets through to the Kambites' project.

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—CULTURAL SOVEREIGNTY

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, it looks like the entire Cabinet was invited to Chicago to have a good time.

Some Hon. Members: Oh, oh!

Mr. Beatty: They are out looking for John Turner.

Mr. Axworthy: I will address my question to the one Minister who obviously did not receive an invitation.

Some Hon. Members: Where is Turner?

Mr. Axworthy: Mr. Speaker, the team is here. I would like to address my question to the Deputy Prime Minister who obviously did not receive an invitation.

The statement made yesterday by the Prime Minister reiterated for the hundredth time that the Government intends to protect cultural sovereignty during negotiations. Does the Deputy Prime Minister not think it is time the Government spelled out what it means by "protecting cultural sovereignty"?

Mr. Hnatyshyn: What do you think it means?

Mr. Axworthy: Could he tell us today whether the Government believes that it is essential that the present rules, regulations, and laws which protect Canadian content in broadcasting, Canadian ownership in publishing, and the advertising in Canadian magazines, are essential to the protection of Canadian cultural sovereignty?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the hon. gentleman himself has admitted that nothing has been so clearly spelled out and so often and concisely put by the Prime Minister and other Ministers in the House than that which was indicated by the Prime Minister in Chicago. If the Hon. Member cannot understand that after hearing it a hundred times, I am afraid I cannot help him.

GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, the Deputy Prime Minister is dissembling. He knows full well that protection of Canadian cultural sovereignty means nothing unless we are prepared to specify that during those negotiations the Government will in no way change the rules and laws affecting our broadcasting industry, our publishing industry, and our magazine industry. We would like to have assurance that the negotiations will not change those particular rules and laws. Can we have that assurance right now?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Prime Minister's speech in Chicago should have set that kind of fear to rest once and for all. The cultural sovereignty of the country and its languages will not be bargained away. The Prime Minister said that, if there is any danger of that, there is no deal.

MINISTERS' STATEMENTS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, it is bad enough that there is continuing confusion in the country, but we now have confusion in the Cabinet itself.

Mr. Epp (Provencher): It is only in your mind.

Mr. Axworthy: Yesterday in the Senate, in response to a Liberal proposal that cultural industries be excluded from the agenda, the Senate House Leader agreed and said that he supports that. Are we to believe the Secretary of State for External Affairs, the Minister of Communications, or the Senate House Leader whose position contradicts what the Secretary of State has already said? When will this confusion be cleared up?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): The only confusion, Sir, exists in the mind of the Hon. Member. The position has been stated and restated *ad nauseam* from this side. If the hon. gentleman cannot understand it yet, I cannot help him.

NATIONAL DEFENCE

CANADA-UNITED STATES AGREEMENTS

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, my question is for the Minister of National Defence and is with regard to his statements yesterday about the Canada-U.S. defence agreements that were deleted from the list given to the Committee on External Affairs and National Defence.

We now know that the Minister's claims of national security were, at best, convenient excuses for his usual secretiveness, because the complete list was made public to members of the committee in 1980. Will the Minister explain why agreements that were made public in 1980 suddenly become secret in 1985?

• (1420)

Mr. Hnatyshyn: Could you repeat the preamble?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, it is obviously a ridiculous tempest in a teapot that they are trying to exploit over there. The Hon. Member, and some of the media reports that I have read, fail to make that distinction between a list of the names of the documents and the documents themselves.

He is right when he says that the list of the names of those documents was released in 1980. I am surprised that that did not occur to him yesterday.

However, there is a distinction to be made between that and the documents. The documents that could be released were sent to the chairman of the committee, I believe. If there are other documents that the Hon. Member or members of the committee want to see that will be helpful and are within the power of the Government to release, we would be delighted to make that information available.

MINISTER'S POSITION

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, my supplementary question is directed to the same Minister. The only conclusion that can be drawn from the Minister's answers is that he does not trust the members of the committee. He does not even trust his own Tory members in the committee with the information that is either politically embarrassing or, indeed, affects national security. Will he simply tell us why he does not trust his own colleagues in the Tory Party?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I trust all Hon. Members in this House and those who sit on the committee particularly. Indeed, I trust them to the point where I offered yesterday to consider *in camera* briefings of the committee if that was its desire. I do not know how much more open we are expected to be.

Some Hon. Members: Oh, oh!

Mr. Nielsen: We are a very open Government.

Some Hon. Members: Hear, hear!

Mr. Nielsen: I do not know why the hon. gentleman does not take me up on that offer. In any event, I will be before the committee next week; he can ask questions to his heart's desire and I will answer them all fully and completely, as is my custom.

* * *

YOUNG OFFENDERS ACT

LEGISLATION'S PHILOSOPHY

Mr. Jim Jepson (London East): Mr. Speaker, my question, which is directed to the Hon. Solicitor General, concerns the subject of the Young Offenders Act. Much has been said about the shortcomings of the Young Offenders Act in dealing with what are often exceptional cases.

Will the Solicitor General tell the House, based on the findings from his consultations to date, whether it appears that the general approach taken in this legislation is effectively addressing the needs of young offenders, their families, and the criminal justice system, as was anticipated, notwithstanding the criticisms of law enforcement agencies across the country who have experienced a great deal of frustration—

Mr. Speaker: Order, please. That is long enough.

Mr. Jepson: —with certain aspects of the new Act?

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, I believe that the philosophy that underlay the Act as passed by Parliament was a good and sound philosophy. It is clear that there are some problems with administration.

Consequently, the Government has embarked on a process of negotiations which will culminate in meetings with our provincial counterparts and subsequent legislation being presented to Parliament. Our goal is to ensure that the Act will work in the way in which it was intended by Parliament.

* * *

CROWN CORPORATIONS

SALE OF DE HAVILLAND CORPORATION—PRIVATIZATION STUDY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I was informed that the President of the Treasury Board would be here today, but he is not. I will direct my question to the Deputy Prime Minister or whomever is filling in for the President of the Treasury Board.

We have been trying to obtain some crucial information pertinent to the giveaway of the de Havilland Corporation to Boeing. Yesterday we on this side of the House tried to get four or five documents and were turned down. There has been a study produced for the Privatization Secretariat that considered a number of options about the future of de Havilland—whether to keep it as a Crown corporation or to sell it off. There was a cost benefit analysis of both. Will the Government produce this study so that Hon. Members on all sides of the House can have a look at it and the people of Canada can understand in real terms what the options were?

• (1425)

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I will take the Hon. gentleman's question as a representation, but I draw his attention to the fact that the Prime Minister has indicated, as has the President of the Treasury Board, that all pertinent information will be available through the appropriate machinery of the House at the appropriate time.

REQUEST FOR RELEASE OF INFORMATION PRIOR TO COMPLETION OF DEAL

Hon. Edward Broadbent (Oshawa): Mr. Speaker, with all due respect, the Government having made its announcement, we think the appropriate time is now, not after the deal. Considering that the Deputy Prime Minister has used the phrase "at the appropriate time", as did the President of the Treasury Board and the Prime Minister in the past, will he give us clear assurances today that before the deal is consummated that information will be made available to the House and to a committee of the House, so that we can have a solid assessment of what is involved before the Government signs?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): We have a solid assessment now, Mr. Speaker.

Mr. Deans: We don't.

Mr. Nielsen: The Hon. House Leader for the New Democratic Party says that he doesn't.

Mr. Deans: I said "we".

Mr. Nielsen: He is not in Government. Government has decisions to make, and this decision has been made on the proper assessment.

Mr. Deans: What about Parliament, Erik?

Mr. Nielsen: The machinery exists for this kind of information to be examined. He knows that. He has been here long enough to know that those normal channels exist.

Mr. Deans: Don't you believe in Parliament any more?

Mr. Nielsen: However, in genral response to the Hon. Member's question, I might quote from the *Winnipeg Free Press* in which it is editorialized that "it will be a hell of a deal for Canadians, who will have in place a company which is employing Canadian workers, selling Canadian product all over the world and paying taxes to a Canadian Government".

Some Hon. Members: Hear, hear!

INFORMATION INQUIRY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, since the Deputy Prime Minister is quoting editorials, newspapers in Vancouver, Toronto, Winnipeg, Ottawa, and Montreal have all said that Parliament ought to have this information. Will he provide it before the deal is made?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I only repeat the answers that I made before. He knows full well that there is machinery in the parliamentary process for this kind of information to be made available, and it will be in the usual way that has been the time honoured practice of the House—

Mr. Broadbent: But you promised a change over there.

Mr. Nielsen: —as long as I have been here, which is somewhat longer than the hon. gentleman.

* * *

FOOD AND DRUGS

SALE OF BUFFALO MEAT FROM TUBERCULOSIS INFECTED HERD

Mr. Maurice Foster (Algoma): Mr. Speaker, in the absence of the Minister of Agriculture I will direct my question to the Acting Minister. Published reports today indicate that Agriculture Canada has approved for sale to Canadians buffalo meat from animals infected with tuberculosis. One official in the Department of Agriculture says that there could be a risk to humans in eating this meat. Why has the Government allowed this meat, infected with tuberculosis, to be sold to Canadians, when its own inspectors are questioning its safety for human consumption?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, in response to the question, what I understand from my colleague, the Minister of Agriculture—and he is unable to attend in the House because of other commitments—

An Hon. Member: Surf 'n turf.

Mr. Epp (Provencher): —is that all regulations were followed—

Mr. Nunziata: That is what they said about the tuna.

Mr. Epp (Provencher): —that pertain to the case. Also, the full letter of the law has been followed. If there is further information in this regard, the Minister of agriculture would be pleased to provide it.

UNSAFE FOR EXPORT

Mr. Maurice Foster (Algoma): Mr. Speaker, my supplementary question is directed to the Minister of National Health and Welfare. The buffalo meat was shipped to Edmonton after being processed in Toronto and was marked as unsafe for export purposes. Could the Minister explain why meat which is not safe to be sold for people to eat in other countries, is acceptable and has been approved for human consumption in Canada?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, again the Minister of Agriculture will be willing to provide that information.

Ms. Copps: Pass the buffalo.

Mr. Epp (Provencher): I would say to the Hon. Member that it would be best for him to convey or to ask those questions at that time.

* * *

● (1430)

CROWN CORPORATIONS

SALE OF DE HAVILLAND CORPORATION—PRIVATIZATION STUDIES

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a new question for the Deputy Prime Minister. With respect to the sell-out of de Havilland, will the Deputy Prime Minister specifically undertake to table with this House now, before that deal is consummated, the studies about privatization of de Havilland in order that this House can be able to judge the wisdom of that decision before the deal has been put through by the Government without parliamentary accountability?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I have answered that question three times now. The President of the Treasury Board has answered that question. The Prime Minister has answered that question. If there is any further doubt about the judgment call that was made, I might quote again the *Winnipeg Free Press* which states that "Lloyd Axworthy should be down on his knees on behalf of Canadian taxpayers thanking the Government for removing this millstone from around their necks."

Some Hon. Members: Hear, hear!

MINISTER'S POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my supplementary question is directed to the Deputy Prime Minister. Is the Deputy Prime Minister not aware that Paul Marshall, the head of the CDIC, said over television this week that if he had told Bob White in advance about the deal that Bob White would have screamed like a banshee and screwed the deal? Is he saying that if Parliament was told in advance that Parliament would scream like a banshee on behalf of the people of Canada, and screw the deal?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I think that the reference to a banshee is a self-definition of the questioner. There was not a

question there. I repeat to him that the information that is customarily placed before Parliament and its committees—

Mr. Deans: What are you hiding?

Mr. Nielsen: I am not hiding a thing.

Mr. Speaker: Order. House officers at least should know not to yell back and forth across the floor.

* * *

GOVERNMENT EXPENDITURES

FORMER ENVIRONMENT MINISTER'S TRIP TO PARIS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is for the Minister of the Environment. It concerns expenditures of taxpayers' funds by his predecessor who has since become the Minister of State for Transport, no doubt because of her great travel experience. In view of the fact that it has now been proven from official Government documents that the "April in Paris" trip had no reason to proceed and had been cancelled a long time before the Minister left, has the Minister yet asked his predecessor to reimburse the taxpayers of Canada for the total cost of the trip? If not, when does he intend to do so?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I can appreciate the Hon. Member's interest in international travel since of late he has become such an authority on the subject.

Some Hon. Members: Hear, hear!

Mr. McMillan: There is no new information in the public domain. We have always conceded that part of the Minister's travels were for tourism purposes, some very small part, for which she paid all the expenses herself.

Mr. Boudria: Mr. Speaker, those comments certainly do not coincide with what the Minister had to say about his predecessor in his householder mailing.

[*Translation*]

REQUEST FOR IMMEDIATE RESIGNATION OF FORMER ENVIRONMENT MINISTER

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have a supplemenatry for the Deputy Prime Minister.

In view of what Canadians now know, why does the Prime Minister not demand the immediate resignation of the former Minister of Environment?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Prime Minister is obviously not in the House today. The Hon. Member should know that it is his, and his prerogative only to respond to questions like that. It would be entirely inappropriate for me to do so on his behalf.

* * *

FOOD AND DRUGS

SALE OF BUFFALO MEAT FROM TUBERCULOSIS INFECTED HERD

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is for the Minister of National Health and Welfare. He will know that a herd of 56 buffalo were quarantined after one died with TB. Eleven had positive tests for TB and six of those 11 were found to have lesions on their internal organs. Will the Minister confirm that the meat from this TB-infected herd was put on the market and sold to Canadians before Agriculture Canada had a chance to do the tests on the internal organs and verity that this meat was not in fact contaminated?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, it is an important question. Again, as has been stated in this House many times, the Department of Agriculture, as have other Departments such as Fisheries, has full responsibility for inspection. That question in terms of the inspection process would have to be directed to the appropriate Minister.

MINISTERIAL DISCRETION INQUIRY

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my supplementary question is directed to the same Minister. The Government of Canada has an absolute responsibility to guarantee that the food which goes on the table of Canadians is wholesome and pure. Will the Minister acknowledge at this point that the Minister of Agriculture was apprised of this situation and had a chance to exercise ministerial discretion on allowing that material to proceed to market? Can he confirm that for this House?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, again in terms of the wholesomness of food on Canadian tables and the safety, that is a mandate the Government is absolutely fulfilling. As well, if the Hon. Member takes a look at the record of Agriculture Canada, in fact since 1907 that record is very clearly established and it is a very good record. People in the industry know that. On the specifics as to action, the answer that I gave to previous questions applies.

[*Translation*]

CORPORATIONS

INQUIRY IF STUDY WILL BE INSTITUTED OF POSSIBLE FUTURE MERGER OF GULF AND ULTRAMAR

Hon. André Ouellet (Papineau): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. The dealings of the Gulf and Ultramar owners look so suspicious that today seven Liberal Members of Parliament from eastern Montreal requested an investigation under the Combines Investigation Act, and a letter has been sent to the Minister in this regard.

Is the Minister willing to follow up on this request and will he use all his powers as Minister of Consumer and Corporate Affairs to prevent this merger?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker I can say that this issue has been the subject of concern on this side of the House also and that the Government certainly did not wait for the Opposition Members to put pressure on the Minister of Consumer and Corporate Affairs to take action. We have had consultations, and these concerns have also been raised on this side of the House by our own colleagues, especially the Hon. Member for Montreal-Mercier.

Naturally, the Hon. Member knows that it is the responsibility of the Director of Combines Investigations to take action as soon as he believes that there might be an infraction to the Act. As a precautionary measure, I asked the Director this morning for a report on this transaction.

If his conclusions and recommendations justify it, I shall consider it my duty to inquire further and to ensure that this matter is investigated.

REQUEST FOR MINISTER'S INTERVENTION

Hon. André Ouellet (Papineau): Mr. Speaker, I think that the Minister may not realize that, under Section 7 of the Act, six people can request an investigation. Moreover, we do not want a simple check, but a formal investigation by the Director of Combines Investigations. This request has been presented in due form, and we hope that the Minister will act on it.

I would like to know whether the Minister realizes that the closing of this refinery jeopardizes hundreds of independent gasoline distributors in the Montreal region. Will the Minister use his powers under the Investment Canada Act to stop this transaction?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I can assure my colleague that we shall act as conscientiously as usual.

[*English*]

INCOME TAX

INTRODUCTION OF MINIMUM TAX—DEDUCTION FOR UPPER-INCOME EARNERS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is for the Minister of Finance. Yesterday the Minister of Finance introduced his minimum tax proposal. He indicated that in the calculation of their tax payable, upper-income earners would get a $40,000 automatic deduction. In the interest of fairness and equity, and recognizing that all Canadians must pay their fair share of tax as well as a minimum tax, will the Minister explain why he decided to give upper-income earners this special deduction?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, in designing this tax I looked very closely at the proposal that was put forward by the New Democratic Party as one of the elements that we analysed. If the Hon. Member would think carefully, he would understand that under their proposal, which said that anybody earning over $50,000 would be taxed 20 per cent on total income, he would see that that means that someone who is not paying any tax who earns $49,999 would pay no tax. A person earning $50,000 would pay $10,000 worth of tax on that additional $1 worth of income. I do not think that is fair, and I am sure the Hon. Member does not either.

• (1440)

CARRY FORWARD OF TAX DEDUCTION

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, the Minister of Finance is playing a bit of a shell game. Our proposal was anything but what he has indicated. We felt that everyone should pay their fair share no matter what their level of income.

Would the Minister explain why he has included a carry forward provision in his proposal when he knows that even Ronald Reagan felt that it was inappropriate for the American minimum tax proposal? Why does the Minister allow people to roll ahead their tax deductions up to seven years if they cannot use them in one year now that there is a minimum tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, on July 29, 1984, the NDP Leader called for a 20 per cent minimum tax on the incomes of those Canadians earning over $50,000. That is the proposal to which I was referring, and I think the Hon. Member should consider that proposal carefully when he reflects on his first question.

The reason for the carry forward is quite clear. There are a number of very valid social and economic objectives that are encouraged through the Income Tax Act. We do not feel that this minimum tax should be used to discourage that type of activity in the social and economic policy sphere. It is for that reason that we have allowed for a carry forward so that those incentives are not lost forever by those who will be asked to pay a minimum tax.

[*Translation*]

CORPORATIONS

INQUIRY WHEN GOVERNMENT WILL ANNOUNCE CLOSURE OF PETROMONT AND UNION CARBIDE PLANTS

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Now that your Government has decided to close down the Gulf refinery in the east end of Montreal, to create 450 unemployed and contribute to the shutting down of the BASF Company in Laval, can the Minister tell us on what date he will announce the closing down of the Petromont and the Union Carbide plants in the east end of Montreal?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, I would like to state first that in his preamble the Hon. Member for Montreal-Sainte-Marie is once again trying to mislead us. The Gulf case is a matter involving two corporations. The Government of Canada is not and will not be closing down the Gulf refinery.

Mr. Speaker, on the other point, the Hon. Member for Montreal-Sainte-Marie as usual is talking through his hat. We are in consultation with the BASF Corporation. This morning I met people from the petro-chemicals industry in Montreal and Toronto, and we are looking for a medium- and long-term solution, instead of doing what the Liberal Party and the Liberal Government did in the past, namely shut down refineries in Montreal, to the tune of three during the last three or four years.

REQUEST THAT ANNOUNCEMENT BE MADE

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Minister of State for Small Businesses, now that he is allowed to answer questions. Since you are saying you met people in the petro-chemical industry, people from BASF, did they tell you that your decision came too late, that they closed down because of the failure, the wavering and incompetence of your Government? Did they tell you that at Petromont, because of the Gulf and BASF shutdowns, even if you do not want to bring in solutions as fast as possible, could you tell us when you will be announcing—

Mr. Speaker: Order, please. We already have two questions there.

Mr. Malépart: When are you going to announce—

Mr. Speaker: Order, please.

Hon. André Bissonnette (Minister of State (Small Businesses)): No, Mr. Speaker.

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—PRIME MINISTER'S SPEECH IN CHICAGO

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my question is for the Minister of Communications who will know that the only way to ensure that our cultural industries are not bargained away in free trade talks with the United States is to keep them off the bargaining table altogether. Will the Minister tell us what the Prime Minister meant by what he said in Chicago last night? Does this mean that the specific industries of film, broadcasting, and publishing will not be on the bargaining table at all?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): In Chicago yesterday, Mr. Speaker, the Prime Minister was perfectly clear. He dealt with the issue raised by the Hon. Member when he explained that everything that relates to our cultural sovereignty is not included in the negotiations with the United States.

[*English*]

MAGAZINE PUBLISHING INDUSTRY

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I appreciate that answer very much. I would like to focus in on one specific industry and that is magazine publishing. Will the Minister give assurances to this rather precarious industry, that now holds only 25 per cent of the magazine market in Canada, that the postal subsidies will be continued, or is he willing to risk this industry losing its 25 per cent of the market and falling even further behind?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): It is evident and clear that from the moment we explain, as the Prime Minister did yesterday, that everything concerning our cultural sovereignty is not negotiable, it is up to us to decide what will or will not be negotiable. It is our responsibility, depending on the benefits which we can foresee, among others, for our cultural industries.

* * *

TRADE

CLOTHING AND SHOES—REQUEST THAT DOMESTIC JOBS BE PROTECTED

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the Minister of International Trade. I should like to call his attention on a situation which is continuing and which is entirely deplorable. For some time, I have been receiving complaints from consumers to the effect that

imported pieces of clothing and footwear do not meet the specifications as described on the label.

Could the Minister advise the House wether he will take steps to protect jobs in the textile industry, given the importance of that industry which is vital to the survival of my constituents?

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, we are extremely aware of the importance of both the textile and footwear industries to Canada. If the Hon. Member would refer to my speech of November 25 as reported in *Hansard*, he would see that I said that we intend to see that the footwear industry remains a viable industry, and the same principle applies to the textile industry. We are presently reviewing the situation in the textile industry. We are very concerned about the importation of goods from other countries which are not properly labelled or marked, and we are also addressing that question. We hope to be able to report further to the House within the next month or so.

* * *

CROWN CORPORATIONS

SALE OF DE HAVILLAND CORPORATION—JOINT VENTURE INQUIRY

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is directed to the Deputy Prime Minister. He has quoted from an editorial which indicated that my colleague, the Hon. Member for Winnipeg-Fort Garry, should be on his knees. The fact is that the Government has cut the Canadian aerospace industry off at the knees. Was Boeing ever offered a joint venture by the Government of Canada and, if not, why was it not considered as an option?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): If the hon. gentleman does not care to believe the views and opinions of the *Winnipeg Free Press* with respect to his colleague who sits in front of him, let me quote the words of the Hon. Member for Saint-Henri-Westmount, the opposition critic, who has said the following:

> I would much rather see a couple of billion dollars in our educational system bringing on our great human resources, than in the Canadairs and in the de Havillands. I say let's not displace private capital and if we can sell Canadair and if we can sell de Havilland, let's do it as quickly as possible.

Some Hon. Members: Hear, hear!

CANADIAN FIRM'S INTENTIONS

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, we have had enough evasion. I would like a clear answer to the question. Rimgate Holdings has indicated that it was prepared to offer job guarantees but was never offered the same financial conditions as Boeing. Why was there discrimination against a Canadian firm?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, since the Hon. Member will not believe the *Winnipeg Free Press* with respect to the Hon. Member for Winnipeg-Fort Garry, nor the words of his colleague who sits on the front benches, let me quote the words of his Leader who has said the following:

> Canadair and de Havilland . . . are prime examples of what can go wrong when the government gets into commercial businesses and fails to exercise proper supervision and control.

The sometime Member for the—

Mr. Speaker: Order. Order, please.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member for Nickel Belt (Mr. Rodriguez).

• (1450)

Mr. Rodriguez: A reasonable question, brother.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Hnatyshyn: Will it be on de Havilland?

* * *

GOVERNMENT EXPENDITURES

FORMER ENVIRONMENT MINISTER'S TRIP TO EUROPE

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Deputy Prime Minister. Documents released by the Department of External Affairs today clearly prove that the trip taken last spring by the former Minister of the Environment was indeed touristic in nature and, in fact, the answers given at the time this issue was raised in the House were less than truthful and forthcoming. Since the Deputy Prime Minister has the reputation of being a slasher in Cabinet, can he tell the House if he thinks this is a good example which his Government should be giving to the people of the country with respect to this Government being able to spend like drunken sailors and get away with it?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I do not accept the description given by the Hon. Member of my character. As a matter of fact, I rather resent the demotion.

I can tell the Hon. Member that, rather than spending money like drunken sailors, some control has been brought back to the management of the Government—

Some Hon. Members: Oh, oh!

Mr. Broadbent: Who are you kidding?

Mr. Nielsen: —in bringing its fiscal affairs into order. Every economic indicator and figure which one reads today bears out that statement.

Some Hon. Members: Hear, hear!

REQUEST FOR REIMBURSEMENT OF PORTION OF COST

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I want to draw to the attention of the Deputy Prime Minister this specific, uncalled for expenditure which cost the taxpayers of the country $64,000, most of it not paid for by the Minister—

Some Hon. Members: Order.

Some Hon. Members: Question.

Mr. Rodriguez: Will the Government, and I am asking this of the Deputy Prime Minister, at least try to collect from the former Minister the money it cost for that part of the trip which her husband, her assistant and his consort, enjoyed at taxpayers' expense?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, it was the hon. gentleman himself, in his preamble, who introduced the national economic argument into this exchange between us. I respond to him, since the gist of his question has been answered many times before, that the real output, as measured by constant dollar gross national expenditure, has gone from 1.6 per cent to 6.6 per cent on an annualized basis.

Mr. Broadbent: Answer the question.

Mr. Nielsen: Residential construction has increased by 52 per cent and economic statistic after economic statistic will bear out that statement.

* * *

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

FEDERAL PAYMENTS TO ATLANTIC PROVINCES

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is for the Minister of Finance. Yesterday the Tory Minister of Development in the Province of Nova Scotia said the following:

—in the Maritime region of Canada we have a faced a very difficult task of developing an economic revival at a time when Federal support is a scatter-shot operation and less than adequate as a result.

Will the Minister tell the House when he and his Government will stop these discriminating policies against Atlantic Canada and fully restore transfer payments in the year 1986?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, far from being scatter-shot in our approach to the development of Atlantic Canada, we have introduced the most positive and most generous tax incentives in the Hon. Member's own area of the province, that is to say, the Cape Breton tax incentive. We have introduced a subsidy for electricity in Prince Edward Island. There is the Atlantic Accord and the offshore development funds in both the provinces of Newfoundland and Nova Scotia. The Hon. Member continues to bring out this red herring with respect to our cutting transfer payments. I remind him that these transfer payments to the provinces will be increasing from $65 billion to $90 billion in total. That is a huge increase. I think the Hon. Member should remember that.

LEVEL OF FEDERAL PAYMENTS IN 1986

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, the Tory Minister of Development in the Province of Nova Scotia disagrees. He said:

—is there anyone up there who will speak for the Hinterland—who will give such a voice to regional problems and legitimate desires as was given in the heat of an election campaign.

You have broken your election promises—

Mr. Speaker: Order, please.

Mr. Dingwall: Why would the Minister—

An Hon. Member: Sit down.

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

Mr. Dingwall: Why will the Minister of Finance not live up to his election promises with regard to regional development? Why will he not answer the question with respect to restoring full transfer payments to the provinces for 1986?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I ask the Hon. Member is $65 billion up to $90 billion not a substantial increase? Is that not a very substantial response to the commitment we have to federal-provincial transfers? I say it is, yes.

* * *

TRADE

LUMBER EXPORTS TO UNITED STATES

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister for International Trade. As I am sure he is aware, last week in the House the Secretary of State for External Affairs stated categorically that there will be no consideration given by Canada to voluntary restrictions on softwood exports to the United States, export taxes on softwood, to taxes on reforestation or to any other restrictions on Canadian softwoods. Just what does the Minister have on his agenda for the December 15 meeting with his U.S. counterpart! In particular, will he advise the House if he will make some kind of special offering of Canadian raw logs to the United States?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I will be the first to admit that I sometimes do not know everything that is going on.

Some Hon. Members: Hear, hear!

Mr. Axworthy: We finally got a clear answer from the Government side.

Mr. Dingwall: That is enough.

Mr. Speaker: Order, please.

Mr. Rossi: That is the most honest statement I have ever heard.

Mr. Speaker: Order, please.

Mr. Kelleher: This is obviously one of those occasions, since I am not aware of any meeting whatsoever which I am having with my counterpart, Mr. Yeutter, on December 15, nor have I even heard from Mr. Yeutter yet as to what he proposes to discuss if and when discussions ever take place.

Some Hon. Members: Hear, hear!

CANADA-UNITED STATES NEGOTIATIONS

Mr. Jim Fulton (Skeena): Mr. Speaker, we are likely to hear some heavy breathing in a few minutes. The Minister sent me a note yesterday saying that he was meeting with Mr. Yeutter on December 15. I find it interesting if that is what is going on here.

Since the Secretary of State for External Affairs has said what he has said, I would like to ask the Minister for International Trade what he has on his agenda with the United States in relation to lumber. Will there be just a lot of heavy breathing down there?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, obviously the Hon. Member has more problems than I have because I told him quite distinctly yesterday in my note that no meeting had in fact as yet been arranged and, as a matter of fact, Mr. Yeutter was not even returning from Europe until December 15.

Some Hon. Members: Hear, hear!

[*Translation*]

FUTURE OF FOOTWEAR INDUSTRY

Mr. Gilles Bernier (Beauce): Mr. Speaker, my question is directed to the Minister of International Trade. An article from Canadian Press published in Quebec newspapers last week has spread uncertainty among footwear workers. Mr. Minister—

Ms. Copps: That's true!

Mr. Bernier: Perhaps the Hon. Member for Hamilton East could listen too.

Mr. Minister, does the Government believe it is necessary to protect the footwear industry in Beauce, in Quebec and in Canada? If so, what sort of future is there for the workers in the footwear industry in this country?

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, we certainly do intend, and this Government has every intention, to see that the footwear industry is maintained as a viable industry. I would like to remind all Members of the House that, indeed, the tribunal, after its most far-reaching inquiry, found that with the exception of girls' and women's shoes it was able to compete world-wide with anyone else's shoe industry. I would also remind all Members of this House that they are still protected by a 23 per cent tariff.

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[*Translation*]

WOMEN

GRANTS FROM SECRETARY OF STATE—GOVERNMENT POSITION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the Secretary of State. There are rumours that the Conservative Government is preparing to cut grants from the Secretary of State to women's groups. Mr. Speaker, I wonder if the Minister could inform the House why the Conservative Government has decided to cut back and reduce grants earmarked for women's groups?

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, the Hon. Member for Outremont started by saying: There are rumours. I do not understand why she went on to say that we are going to proceed with cutbacks. I think we can both agree these are rumours and that we are not talking about cuts in funding for women's programs at this time.

• (1500)

ELIGIBILITY CRITERIA FOR GRANTS

Mrs. Lucie Pépin (Outremont): Could the Minister give the House the assurance that there will be no changes in the objectives and conditions of these programs, so that women's groups can still qualify for funding by the Secretary of State?

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, I think it is only normal to reassess the criteria for programs like these that have been in existence for some time, and that will certainly be done, but it does not mean that women will not be entitled to available funding.

Some Hon. Members: Oh, oh!

[*English*]

Mr. Speaker: Perhaps Hon. Members could carry this on somewhere else.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of one, presented by Hon. Members on Wednesday, December 4, 1985, meet the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for Winnipeg North Centre (Mr. Keeper) does not meet the requirements of the Standing Orders as to form.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): If I can get the attention of the distinguished Government House Leader, I would like to ask him the customary question, which will enable him to describe the business of the House for the ensuing week.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been consultations between the Parties with respect to second reading consideration and disposition of second reading stage of Bill C-83, an Act to amend the Tax Rebate Discounting Act. As a result of those discussions, I would like to take this opportunity to announce a change in the line-up of business for this afternoon.

The first item which will be up for consideration will, therefore, be Bill C-83. Should we happen to complete Bill C-83, I will call Bill C-74, Bill C-79 and Bill C-70, which concern the Representation Act, the provision of compensation for depositors of the Canadian Commercial Bank and an Act to amend the Family Allowance Act respectively. We will carry on in that sequence tomorrow.

Monday I would like to call Bill C-84 to have the final day with respect to the second reading stage of that Bill so that we can conclude it, hopefully, before the end of the day but, in any event, by the end of the day.

Tuesday, being the final day of the current Supply period, will be the final allotted day in the current period of Supply.

Assuming that we are able to make progress today and tomorrow, I hope that on Wednesday and Thursday of next week we will be able to complete consideration of the remaining stages of, first, Bill C-70 and, second, Bill C-79.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the Government House Leader will know that I wrote to him yesterday requesting that he give consideration to referring the pending sale of de Havilland to Boeing Corporation to a committee of the House for study prior to the sale being consumated. I wonder if the Government House Leader would undertake to raise that question with his cabinet colleagues and perhaps report back to the House on whether or not it can be arranged and an appropriate time found for the committee to commence its deliberations.

Mr. Gray (Windsor West): Mr. Speaker, the Leader of the Opposition and the Hon. Member for York Centre (Mr. Kaplan) have also asked that this matter be studied by Parliament, preferably by a parliamentary committee. I would urge the Government House Leader to give favourable consideration to this request as soon as possible.

Mr. Hnatyshyn: Mr. Speaker, the message has been received and understood. I am just not in a position to respond yet. I want to carry out appropriate consultations with my colleagues to make sure, before I respond, I have an appropriate answer from my distinguished colleagues.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

STRIKING COMMITTEE—FOURTEENTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour to table the fourteenth report of the Striking Committee.

[*Translation*]

TORONTO HARBOUR COMMISSIONERS' ACT, 1985—PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, as Chairman of the legislative committee on Bill C-76, an Act respecting the operation of the Toronto Island Airport by the Toronto Harbour Commissioners, I have the honour to present the report, with amendments, in both official languages.

[*Editor's Note: For texts of above reports, see today's Votes and Proceedings.*]

* * *

[*English*]

PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is my pleasure and duty to present a petition on behalf of a number of residents from Penticton, British Columbia, who are of the opinion that the deindexation of universal family allowance and the massive cut-backs in the public commitment

of child benefits are really an unfair attack on women and families with children, especially single parent mothers. Therefore, they are asking the Government to reinstate full indexation of the universal family allowance and to rescind the unfair tax increases introduced in the last Budget.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I also have the honour to present a petition which states that the family allowance deindexation will not be offset by changes to the child tax credit and that even the poorest families will be worse off by 1990. I believe that in view of the fact that we now have more income from the minimum tax, I would join with these petitioners in asking the House of Commons to reinstate full indexation of universal family allowance immediately.

Mr. Neil Young (Beaches): I also have the honour and privilege to present a petition signed by a number of residents in my own constituency, and another petition from petitioners in various areas of Toronto. These petitioners state that they endorse the Ontario Coalition for Family Allowance and its representation to preserve and improve family allowance benefits and to withdraw the deindexation of family allowance as proposed in Bill C-70. This petition was circulated under the auspices of the Registered Nurses Association of Ontario.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I have a petition signed by some residents of Saskatoon who point out that the accelerating cut-backs in child benefits which will reach $600 million annually by 1990, on top of sales tax changes and increaes, excise tax increases and stiff income tax increases, are unfair and place an extraordinary burden on middle and low income households. They, therefore, call upon the House of Commons to reinstate full indexation of universal family allowance and to rescind the unfair tax increases.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, it is my duty and responsibility to present a petition dealing with the deindexation of the family allowance. This petition comes from the Canadian Union of Public Employees. These petitions are signed by the Office and Professional International Union of Office and Professional Employees and call upon the Government to withdraw the deindexing and return to the full indexation of family allowance.

UNEMPLOYMENT INSURANCE—PENSION INCOME DEDUCTIONS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, it is my duty and responsibility to present four petitions dealing with unemployment insurance. Three petitions come from the Unemployed Action Centre in Prince Albert, Saskatchewan and the other comes from the Labour Council in Ottawa.

The signators to all of these petitions call upon the Government to reverse its position with respect to pension income being used as earned income for unemployment insurance purposes, which change is scheduled to come into effect on January 1, 1985.

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Cyril Keeper (Winnipeg North Centre): It is my duty to present a petition with a number of signatures from residents of Winnipeg with regard to the family allowance deindexation. This petition is in the traditional form, a form which I hope we will have an opportunity to re-examine at some point.

CALL FOR INQUIRY INTO USE OF NANOOSE BAY TEST RANGE

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I have the honour to present a number of petitions from residents of communities of Parksville, Qualicum Beach, Errington, Lasquet Island, Lantzville and Nanoose Bay in the immediate vicinity of Nanoose. They are concerned about the test range at Nanoose Bay, British Columbia. They are concerned that the naval policy of the United States neither denies nor confirms the presence of nuclear weapons on board U.S. vessels using the test range. They call for a full public inquiry with power to investigate the above concerns before the present agreement is renegotiated next April.

• (1510)

POSSIBLE CLOSURE OF CN MONCTON SHOPS

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I rise to present petitions in support of the "Save our Shop" campaign in Moncton. The petition is signed by residents of Memramcook, College Bridge, Dieppe, and Moncton. The petitioners respectfully request and pray that the Government of Canada will bring an end to the constant rumours which strike fear into the minds and hearts of the employees and citizens of our communities by taking appropriate action to ensure that there will be no further downsizing or closure of the CN main shops in Moncton.

CALL FOR INQUIRY INTO USE OF NANOOSE BAY TEST RANGE

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to have a very large petition from the residents of Skidegate, Masset, Port Clements, Prince Rupert, Kitimat, Queen Charlotte City and several other communities. The people who have signed the petition wish that a public inquiry be held regarding the Nanoose test range. In particular, they are concerned that radiation monitoring should be made public, that Section 1 of the agreement between Canada and the United States should be looked at again, and that the naval policy of the United States of neither denying or confirming the presence of nuclear weapons on board their vessels while in Canadian waters, particularly internal waters, is totally unacceptable.

FULL INDEXATION OF FAMILY ALLOWANCE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have a petition signed by a number of residents of the greatest riding in the country, that is, the riding of Hamilton East. All of these fine and intelligent people are calling on the Government to back off on its decision to cut back on family allowances as

well as the child tax credit. They feel that the Government has misled the people and they call on the Minister of National Health and Welfare (Mr. Epp) and the Prime Minister (Mr. Mulroney) to live up to their words that universality is a sacred trust. They add their voices to those of thousands of other people across the country.

CONCERN FOR FUTURE OF CN MONCTON SHOPS

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, I have the honour and privilege to present to the House a petition signed by approximately 647 citizens whom I represent in the federal constituency of Moncton. In this petition they express their concern for the future of the CN shops in Moncton and the 1,100 people employed there.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I have a petition from Essex County and Windsor which expresses the protest of our communities against the deindexation of the universal family allowance, against the cut-backs in the child benefits and against the unfair increases in taxes on ordinary Canadians. The undersigned, therefore, call upon the House to reinstate full indexation of universal family allowances and to rescind the unfair tax increases.

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I have the honour and privilege to present a petition signed by residents of Summer Beaver, Ontario, a small community which is reached by neither road, rail, scheduled air service or television. Yet, even in this community the people realize that the Government's plans for family allowances constitute an attack on their living standards. They call upon the Government to rescind the deindexation of family allowances.

* * *

MARINE ATLANTIC INC. ACQUISITION AUTHORIZATION ACT

MEASURE TO ENACT

Hon. Don Mazankowski (Minister of Transport) moved for leave to introduce Bill C-88, an Act to authorize the acquisition of Marine Atlantic Incorporated and to provide for other matters in relation thereto.

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

Order Paper Questions

LOBBY REGISTRATION ACT

MEASURE TO ENACT

Mr. John R. Rodriguez (Nickel Belt) moved for leave to introduce Bill C-256, an Act to register lobbyists.

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Rodriguez: Mr. Speaker, the Bill which I have introduced would establish a lobbyists register. In addition, it would impose an obligation upon MPs to declare all benefits from lobbyists or foreign Governments in excess of $20.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

CHILD CARE

MEMBERSHIP OF SPECIAL COMMITTEE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been consultations between the Parties and I think you would find a disposition to accept and have passed without debate, by unanimous consent, the Order as follows:

That, further to the Order made on Tuesday, November 26, 1985, the membership of the Special Committee of the House of Commons on Child Care be composed of the following Members of Parliament: Messrs. Clinch and Duguay, Mrs. Duplessis, Mrs. Martin, Ms. Mitchell, Mr. Nicholson, and Mrs. Pépin.

Mr. Speaker: Does the President of the Privy Council (Mr. Hnatyshyn) have the unanimous consent necessary to introduce such a motion?

Some Hon. Members: Agreed.

Mr. Speaker: Shall the motion carry?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am pleased to advise the House that Question No. 484 will be answered today.

Tax Rebate Discounting Act

[*Text*]

WELLAND CANAL

Question No. 484—**Mr. Angus:**

1. With regard to the collapse of the wall of Lock 7 of the Welland Canal, has any blockage of the Penstock been discovered and, if so, what was the nature of the blockage and where was the blockage in relation to the wall which collapsed?

2. Was the reinforcing steel in the wall exposed and, if so, in what matter and for what reason?

Hon. Don Mazankowski (Minister of Transport): The St. Lawrence Seaway Authority advises as follows:

The St. Lawrence Seaway Authority has been advised by its solicitors not to discuss these matters publicly as they may be reviewed by the courts in suits with which the authority has been threatened.

[*English*]

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

Mr. Speaker: The question enumerated by the Hon. Parliamentary Secretary has been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

TAX REBATE DISCOUNTING ACT

MEASURE TO AMEND

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post) moved: That Bill C-84, to amend the Tax Rebate Discounting Act, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, as Minister of Consumer and Corporate Affairs I am very pleased to be able to take the floor today and introduce Bill C-83, an Act to amend the Tax Rebate Discounting Act.

For the benefit of those who might not be too familiar with the tax rebate discounting practice, I would say that it enables a taxpayer who expects a tax refund to go to a discounter who will prepare his return and pay him cash on the basis of the expected refund.

[*English*]

I am proud, Mr. Speaker, to be able to tell Members of the House that the measures we are proposing will remove the abuses that have grown up in this field. At the same time, consumers who want and need the services will be able to make a free and informed choice. Some have suggested outlawing the service entirely, Mr. Speaker. The Government has rejected this option. Even though that would have been very popular in some quarters, we firmly believe that Canadians should have the right to make such decisions and choices for themselves. At the same time, Mr. Speaker, they also have the right to be protected, and the measures I am proposing will ensure that low-income Canadians are not victimized by unscrupulous practices.

At this point I would like to summarize the main features of our comprehensive package of reforms. First, Bill C-83 will lower the maximum rate discounters can charge. Second, the Bill will provide for tougher enforcement and better administration. Third, we propose periodic payments of the child tax credit. Fourth, we will encourage and assist financial institutions to provide alternatives for discounting. Finally, we will ensure that Canadian consumers are fully informed about discounting and alternative options.

• (1520)

These are the elements of our program and I am convinced that they are both practical and equitable. They will, as I intend to make clear, eliminate the disadvantages of tax discounting while retaining its advantages. In short, they are shaped by the Government's approach to the establishment and maintenance of an efficient, equitable market-place.

I want to stress that this package of measures was brought forward with the advice and active co-operation of my colleagues, the Minister of Finance (Mr. Wilson), the Minister of National Revenue (Mr. MacKay) and the Minister of National Health and Welfare (Mr. Epp). I want to thank them in the House for their interest and support in this matter.

It is worth noting that although tax discounting has always been legal in Canada, the practice was not federally regulated until 1978 when the present Tax Rebate Discounting Act was passed. In 1979, the turn-around time for tax returns was 17 weeks. This has now been reduced by at least 50 per cent. Also, in 1979 only 7,000 people used the services of tax discounters. By this year the number of Canadians who have sold their tax refunds has grown to half a million. With so many Canadian consumers using the services of tax discounters, the Government wanted to ensure that their interests were being looked after in the best possible manner. As Minister of Consumer and Corporate Affairs, I decided to review tax discounting and update our present legislation in order to deal with current realities and initiate a wide range of measures in order to address the practice of tax discounting in its entirety.

As I mentioned, the Government is proposing five initiatives. The first two are legislative and are addressed by the legislation now before the House.

First, a new rate structure on the maximum allowable rate charged by discounters will be put in place by Bill C-83. The rate charged on any portion of a refund over $300 will be limited to 5 per cent. The rate for the first $300 of a refund will be 15 per cent, which recognizes the fee charged for filling out the client's tax return.

Second, proposed revisions in Bill C-83 will improve the Government's capacity to administer, detect and prosecute violations of the Tax Rebate Discounting Act. For example, the time limit on prosecutions under the Act will be extended from the present six months to two years.

Third, measures will be introduced at a later date to provide for the periodic payment of the child tax credit. These measures will ensure that recipients receive a majority of their child tax credit payment before income tax returns are due and will thus virtually eliminate the need to discount the child tax credit.

Fourth, through simple administrative measures we will be making it easier for financial institutions such as credit unions and caisses populaires to offer alternatives to tax discounting. For example, such institutions could offer loans at normal consumer rates on the strength of expected tax refunds.

Finally, we will initiate and stress information programs so that consumers who choose to use discounters will know what is involved and what their options are.

[*Translation*]

As you know, Mr. Speaker, consultation has always been the hallmark of this Government, and the measures proposed to revise the tax rebate discounting practice are indeed the results of many wide-ranging consultations. Before making any decision, we have had consultations with provincial Governments, discounters, social service agencies, consumers' associations, businessmen, Members of Parliament, and the Canadian public at large. A working paper was published last June and a special conference was convened in August of this year. The question was also examined at the Federal-Provincial-Territorial Conference of Ministers of Consumer and Corporate Affairs held last September 10. Those consultations made it possible to reach a general consensus, namely that it was necessary to reform tax rebate discounting. For practically all parties involved, the *statu quo* was quite simply unacceptable.

[*English*]

Undoubtedly, some will contend that the practice of tax discounting should have been abolished entirely. I am aware of the arguments for such a prohibition and I reject them. It is our considered view that Canadians must have the option of discounting money owed to them by way of any tax refund. To deny this kind of market choice to Canadians would have been unfair. Canadians should be free to choose discounting services if they want. The challenge was to reform tax discounting, eliminate the flaws in the way it is practised and leave a legitimate service in place. At the same time, we wanted to ensure that there was adequate protection for the consumer.

Likewise, it was argued that discounting of the child tax credit should have been prohibited. Again, our goal here is to prevent the diversion of child tax credit payments away from low income recipients. This will be done effectively and fairly through a periodic payment of the child tax credit rather than through a ban on discounting those credits.

From an administrative standpoint, such a ban would be impossible to define and enforce effectively. Because of the different types of tax credits under the present system, it was not clear what portion of the refund is a child tax credit. As well, such a ban would keep discounting legal except for those who appear to need it the most. That is precisely the kind of situation that leads to loan-sharking and rule bending.

Constant monitoring of complex laws and formulas would have been necessary. Even then, unscrupulous discounters who were faced with a demand for needy child tax credit recipients would have found ways to defeat the intent of the prohibition.

Furthermore, outlawing the discounting of the child tax credit would have made discounting available to all Canadians except low-income mothers. Imagine a child tax credit recipient going to a discounter and finding out, after her tax return had been prepared, that she could not discount the child tax credit. Instead of the large cheque which she expected, she would receive a bill of perhaps $30 for her tax return preparation. In my view, such discrimination cannot be justified.

Our solution is to pay the child tax credit periodically, thereby eliminating the need to discount the child tax credit.

Our approach has been to attack the cause of the problem rather than just its symptoms.

[*Translation*]

Thanks to the measures proposed in Bill C-83, Mr. Speaker, consumers will pay a lot less for the services of a tax rebate discounter. Under the new rates, the maximum a taxpayer will have to pay on a $1,000 reimbursement would be $80. These costs would include the preparation of the income tax return by the discounter. Under the previous rates, the consumers' cost was $150. This means savings of nearly 50 per cent. To set up this new rate, we have duly taken into account the limits imposed by the Criminal Code as well as the difference between a loan and a discount.

[*English*]

First, in contrast to normal lending practices, discounters prepare their client's tax returns. The fee for that service would normally vary from client to client but is always included in the discount rate. Second, when cash is advanced by a discounter there is no agreement on when the discounter will receive his or her money back. Therefore, a comparison to normal lending rates is difficult.

• (1530)

However, I would like to illustrate what will happen to such rates under Bill C-83. Assuming a turn-around time of eight weeks and a tax preparation value of $35 to $40, the discount rate proposed in Bill C-83 provides the equivalent annual rate of about 25 per cent to 30 per cent for a refund of $800. This rate is well below that in the current Act, and is also far below the criminal rate of 60 per cent. The discount rate proposed in Bill C-83 demonstrates a clear intention to rationalize discounting with the criminal law while appropriately accounting for the differences between lending and discounting.

Discounting is one alternative which consumers have to obtain needed cash. Other initiatives have been undertaken to make it easier for consumers to find alternative sources of immediate cash. I have mentioned that it will be easier for Canadians to get loans on the strength of their anticipated tax refunds. During our consultations, representatives of credit unions and caisses populaires told us that they would be willing to offer loans on tax refunds at normal consumer rates if there is enough demand within the community and enough co-operation and assistance from community organizations. These institutions themselves suggested a few administrative measures which could be put in place quite easily. For example, tax refund cheques could be sent directly to credit unions in repayment of loans, but not other correspondence which Revenue Canada might want to send to taxpayers. The Government will be taking such steps to help financial institutions to provide alternatives to tax discounting.

Some of the other items in the over-all reform package concern the provision of information. Freedom of choice works best when consumers can make informed decisions. We will provide facts about the true cost of discounting, alternatives to the practice, the availability of tax preparation assistance and the speed at which tax returns are normally processed. All these things should help consumers decide the options which are in their own best interest.

People should be aware that the turn-around time for receiving tax returns has decreased. I think there are many Canadians who, if made aware of this fact, would choose to wait what is now a relatively short period of time and claim their entire refund rather than go to tax discounters.

[*Translation*]

Mr. Speaker, many community groups are now helping people prepare their income tax returns and I believe that is true all across Canada.

They could easily share their experience with credit unions and *caisses populaires* and thus contribute to the good operation of the new loan programs.

Again, Mr. Speaker, we believe that Canadians should be able to make free and enlightened choices. Which means that they must have available all necessary information, and we have a responsibility in this regard.

We will therefore launch a dynamic information campaign, so that all Canadian families will receive information on tax discounting together with their January family allowance cheque. We shall also be contacting interested groups, so they may properly advise their members.

Also Revenue Canada will offer Canadian taxpayers all the information needed through its extensive system of regional offices. Finally, we will make extensive use of the media to reach the public at large.

[*English*]

Related to the issue of making sure that consumers are well informed, the revisions which we are proposing to the Act will also contain specific provisions to ensure that people who use the services of discounters will be given all the information and documentation related to their transactions. In the past, people who used discounters often dropped off the relevant information, got their cash, and that was it. Some discounters even refused to give copies of the completed returns back to taxpayers. The new Act will require discounters to provide clients with copies of their tax returns and related information slips upon request. Furthermore, under Bill C-83, tax discounters will have a legal obligation to retain copies of all documents related to a discounting transaction. Thus, these will be available for examination by officials, if necessary.

It will also become an offence for a discounter to provide false information to a client or to an official. A common complaint which led to these measures was to the effect that the time limit on prosecutions under the present Tax Rebate Discounting Act was far too short. Indeed, in the past it was not unusual for suspicions to be raised about an unscrupulous discounter, only to have the time limit expire before the suspicions could be fully investigated. This will change, since Bill C-83 extends the time limit of prosecutions under the Act from six months to two years. In addition, the new Act permits income tax officials to disclose information necessary for enforcement to administrators of the Act.

In summation, the Government is presenting a complete package of initiatives to reform the practice of tax rebate discounting. Through Bill C-83 discounting will still be available but at a lower cost, and enforcement of tax rebate discounting will be beefed up. Canadians will therefore be able to make freer, more informed choices. The price of discounting will fall, which will help lower income Canadians who are the main clientele of discounters.

Free enterprise and consumer interest both depend on the provision of choice. The steps which the Government is proposing will ensure that better choices are available in the Canadian market-place, in that Canadians will have the information they need to take advantage of those choices.

The practice of tax rebate discounting will continue because it can still provide a service for which there exists a market demand among Canadians. At the same time, this total package of measures will correct serious shortcomings, the impact from which has been felt by those least able to bear it. It will protect both legitimate business interests and the consumer's right to fairness and choice. I am confident that it will receive swift passage by the House.

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, it gives me pleasure to replace my colleague, the Hon. Member for Saint-Michel-Ahuntsic (Mrs. Killens), the Official Opposition critic for Consumer and Corporate Affairs. I rise today to speak about this bill because, as you will know, Mr. Speaker, our colleague is now convalescing. I am certain that the Hon. Member for Saint-Michel-Ahuntsic would have liked to have been here to take part in this debate and we all regret her

absence from this House. I believe that all the Hon. Members here today will join me in wishing her a very quick recovery and a return to this House early in the new year.

I would like to apply myself, as my colleague would certainly have done herself, to making the most constructive possible criticism of the proposals and amendments regarding income tax discounting.

The speech made by the Minister today is well balanced, and I think that if he is a victim of circumstances, it is because he wants to please everybody at once, which is certainly very difficult to do in politics.

However, Mr. Speaker, you will understand that I am happy to take part in this debate since it concerns a Department which I have had the privilege and the honour to head in the past.

There is no need to remind this House that the Department of Consumer and Corporate Affairs was created by the previous Liberal Government, and today's debate confirms in my opinion the necessity and the appropriateness of having such a Department.

When the Minister announced his proposals regarding income tax discounting, many comments were made by various organizations. I believe that one of the most important of these comments, and I would like to repeat it in this House, is that the Minister apparently did not have the courage to go as far as he could have gone, and I would like to explain what I mean by that. Each year, Canadians must report their income, and several taxpayers are in a position to claim an income tax refund because they paid in too much. And if they paid in too much, it is because in many cases their income is so small the Government cannot ask them to contribute any more without jeopardizing their own survival.

We in the Liberal Party would like people who have paid too much income tax to get back this overpayment in full. Nobody in my view should be penalized or exposed to any income loss because of a slow-moving Government machine, in this case the Income Tax Refund Department of Revenue Canada which unfortunately may take not just weeks, but months to deliver. At the present time, such is the situation as we must admit, and the working paper published by the Department of Consumer and Corporate Affairs in June 1985 provides evidence of that. Mr. Speaker, the decisions announced by the Minister on November 21 do not address the problem from that angle. Instead, it accepts what I would call an improved *status quo* allowing or giving an opportunity to the most in need to go on using a service that is charging rates that are, if not criminal, at least too high for low-income people.

You will understand, Mr. Speaker, that the Liberal Party feels the time is ripe for a specific policy that would allow those who are entitled to an income tax refund to receive the full amount, or at least as large a part as possible without having to wait far too long. And if that were impossible, there has to be at least a guarantee that the most in need are offered one of the most competitive rates, rather than what could be called loan shark rates.

What I think is needed is an overall vision, an overall understanding of the problem and its solutions. It is my hope that this House, and especially the Government will wish to relinquish that piecemeal approach put forward by the Minister, and take alternatives that may require more courage indeed but that will prove more fair and just for all the taxpayers involved.

Mr. Speaker, I do not wish to dwell too long on the history of that problem faced by this House. But as far as the assignment of income tax refunds is concerned, the situation now is different from the one we had in 1978, when the Act went into force.

• (1540)

In the early seventies, the practice of tax rebate discounting was not regulated or even recognized by law or by a professional association. So it was not unusual for people seeking instant tax refunds to be charged 40, 50, 60, or even 65 per cent of the rebate expected. Calculated over the long term, these rates were entirely out of proportion to the amounts being discounted. Tax rebate discounting was criticized because of its usurious rates and what I would qualify as fly-by-night operations. It was therefore not surprising that a number of organizations defending the interests of low-income groups made representations to the provincial authorities, who then, for various reasons, made their own representations to the Federal Government, asking it to take steps to deal with the abuse occurring in these operations.

That was the situation we had in 1978. The phenomenon was not very widespread but demanded immediate attention. The Tax Rebate Discounting Act was a way to regulate these activities by putting a 15 per cent limit on the rates that could be charged for early income tax refunds. In fact, the cost of filing the income tax return was included in the 15 per cent, and everyone expected this practice to cease and disappear altogether, since the profit margin had obviously become too narrow for anyone to get a reasonable return. That was unfortunately not the case. On the contrary, the legislation gave an aura of legitimacy to the practice of tax rebate discounting and more and more people were using this service. When the child tax credit came on the scene, it made the business expand even more and became a kind of bonanza for all those establishments involved in the discounting trade. Mr. Speaker, at the time, the Tax Rebate Discounting Act was adopted unanimously. In fact, it took only 25 minutes for the House to adopt all three stages of the Bill.

This time, I don't think a decision should be made without careful consideration. We want legislation that considers all aspects of the problem and the potential consequences in relation to the various options available. I think this can be

achieved by sending the Bill to a legislative committee, far removed from partisan considerations. I believe the Minister is acting in good faith, and I think the Minister has a problem that he wants to solve in a fair and equitable manner. And I hope the proposals we will make within the framework of a legislative committee will be given due consideration and, if possible, accepted by the Minister. We hope that witnesses will appear before the committee when it examines this legislation in detail.

In 1981, need I remind the House, the legislation was amended so that the 15 per cent charged to cover the transaction not be considered as criminal. Calculated on a yearly basis, this rate could reach over 60 per cent, which is now considered an illegal rate in Canada. At the time, all this appeared quite acceptable because there were still relatively few customers. I must say that because of the economic crisis which we lived through in the early 1980s, the increased number of unemployed, the high rate of inflation and the reduction in the purchasing power of most Canadians, many people decided to avail themselves of tax rebate discounting services to make quick transactions or to meet, in a number of cases, their most basic needs. It should be recognized, therefore, that the cession of the right to an income tax reimbursement has now become an instrument which makes it possible for a number of taxpayers in need of cash to find some at this time of the year, and I think that this time of the year is a good sales season because of the cut prices offered consumers by both manufacturers and retailers. We must therefore recognize that these services have become greatly popular. But this should not prevent us from considering the economic predicament of the people who avail themselves of these services. In fact, two-thirds of the customers of the tax rebate discount industry earn $8,000 or less a year.

In 1985, we have experienced the fourth consecutive year in which the number of Canadians living below the poverty line has increased. There are now approximately 4.35 million Canadians living below the poverty line. Included in this important group are women who are heads of single parent families.

I am very sensitive to the fact that poverty has become a woman phenomenon in Canada. And if the Hon. Member for Saint-Michel-Ahuntsic (Mrs. Killens) was here to deal with this Bill, I am sure that she would pay special attention to this phenomenon and explain it far better than I. And I feel that we, as Parliamentarians, and especially the Minister, on behalf of the Government, should deal with these 33.5 per cent of poor families headed by women, and that we should not overlook this context when we deal with the income tax rebate discounting problem.

Of course, Mr. Speaker, I am referring to poverty, because it is the most disadvantaged who generally use these services. As a matter of fact, the percentage of male clients who declared an annual income of less than $8,000 was 61.6 in 1983. More disquieting still, the percentage of female clients who declared an annual income of less than $8,000 was 82 in 1983.

In fact, the average income of all clients is $5,573, whereas the average income of all female clients is $1,625. It tells us a lot, Mr. Speaker! It is obvious that the underprivileged are the main users of the services of that growing industry. More specifically, female heads of single-parent families constitute the majority of those users.

Can we still say that the measures introduced by the Minister improve the ot of discounters's clients? One thing we can say for sure is that these measures will attract even more clients. It is my opinion, but not mine alone, for discounters themselves think so. Most Members will agree that it is impossible to save money with incomes like that. Most people with such low incomes live in dire misery. Can we really talk about protecting the consumer's choice, as the Minister tells us in such cases? We in the Liberal Party do not believe there is really a choice to be made. That is why the rates the discounters ask for their services must be, in our opinion, as low as possible when they are figured out on an annual basis.

What makes the matter even worse, in my judgment, is the growth of the industry.

In 1979 there were 7,000 discounting transactions because, as compared with today's figures, in 1985, there have now been 515,000 transactions.

I suggest that such a phenomenal growth can only endure, given the Minister's propositions. All the more so since he said he intends to advertise and tell the public about this service. Well, I hope Canadian taxpayers will not have to foot the advertising bill.

I hope the Minister will make agreements with the industry—doing very well as it is, thank you—so that it will pay for the advertising campaign. In my estimation, those firms should pay for the information we must give the public in that field.

It is important to realize that if we cannot or do not want to abolish this service, we have to make sure that the rates stay as low as possible.

I see no reason to believe the Minister received any overwhelming support from the Provinces, or for that reason from the various interest groups on those proposals.

The various interest groups' response to the working paper was not as spontaneous and unanimous as stated by the Minister. Quite the opposite, many spokesmen for the low-income class felt that the solution was wrong, because they would have preferred a total ban on discounting, in conjunction with a faster income tax refund procedure.

Provinces also were not unanimous, because Quebec as we know does not allow that kind of operation. Any amount owed citizens by the Government is deemed unassignable in Quebec. And at this moment, two other Provinces have some doubts,

because they are considering measures more stringent than those announced by the Minister, and I understand they are even considering outright banning of such practices.

[*English*]

We should remember that in the United States, such a practice does not exist. I would like to cite the following American legislation:

> Any person who is an income tax preparer who endorses or otherwise negotiates (directly or through an agent any check made in respect of the taxes imposed by subtitle A which is issued to a taxpayer other than the income tax return preparer) shall pay a penalty of $500 with respect to each such check.

[*Translation*]

I think that the United States, which we could call the cradle of free enterprise, are giving us a very good example in that respect. Indeed, the Americans would not allow that kind of operation, recognizing that overpayments to the state belong exclusively to the overpaying citizens. They do not accept that such funds be diverted, and there is a fine for violators that discourages any discounting operation. In my view, such an example should motivate the Minister in this debate.

Finally, I would like to outline the proposals we could put forward, in the Official Opposition, and it is indeed my wish to be somewhat more specific as to our position on that issue of the assignment of rights to income tax refunds.

Concerning the announcement made by the Minister that the child income tax credit would be paid in a number of instalments, this is not enough in my view. The idea certainly is interesting, except that the income tax child credit is still discountable. Low-income groups and Provinces would hope for a ban on any discounting transaction of that credit. It is also the opinion of the Liberal Party, Mr. Speaker, and the prohibition must also apply to the child tax credit, otherwise, we have reason to believe that there may be further abuses in the future.

Moreover, in my opinion, the rates are still too high for most customers of this service. If you want to borrow $1,000 or even $2,000, you will discover that not many Canadian banking institutions are willing to lend you the money. The efforts made by the Minister show that he is aware of these difficulties. However, we are going to find out that interest rates on these loans are relatively high since they apply over a one year period.

This is why, after the bill has been referred to a committee, we intend to move an amendment to provide for a maximum set rate.

• (1600)

The Minister has used all his accounting expertise to try and keep the amounts as low as possible, but I think that when he is dealing with amounts of over $300, if there is no set maximum rate, some people may lose too large a part of the money which is theirs and which should come back to them, if not in its entirety, at least as completely as possible.

The problem of discounting, and I shall close with this in a short while, hides another problem, that of providing access to financial institutions for small wage-earners. I do not necessarily want provisions in this regard to be included in this legislation, but I simply want to point this out and to make sure that the Minister will accept to consider this issue in the near future.

Our Party will want to look closely at the cost of the proposed measures to the Canadian taxpayer, as compared to the cost of strict cancellation. I believe this would be most interesting and useful for the Members of the legislative committee.

I think the Minister will want, also, to continue having a yearly study of the tax rebate discounting industry in order to get an idea of the impact of the proposed measures and to find out the social and economic characteristics of consumers. This could be done with a view to taking action should the problem get larger and more serious, instead of getting better.

If the child tax credit is excluded entirely from any discounting transaction, I believe that we should continue paying it in one or at the most two payments, rather than in a series of installments, because studies have shown that the money is used to buy more expensive goods like furniture or appliances, to pay dentist's bills or to get essential clothing for the smaller children in the family.

To sum up, I think I should repeat to the House that it is very important to us that we exclude the child tax credit from any tax rebate discounting. I hope the Minister will be willing to try and convince his cabinet collegues of the necessity of it. If he fails to do so, the Bill he is defending today will not have the results he is seeking. I think that when the original Act was passed unanimously at the end of the 1970's, we were all convinced that it would resolve the problem of the neediest in our society. We soon realized that such was not the case.

I dare hope that the Bill introduced by the Minister will not result in a proliferation of tax rebate discounting activities in Canada. I hope that this Bill will make it possible, as suggested by the Minister, for Canadian taxpayers to get their refunds more quickly and also provide a better protection for all those who unfortunately cannot wait for their income tax reimbursement, want to get their cash as soon as possible and who, therefore, rely on companies which provide them with a service at a cost, which, in my opinion, is much too high. It is with this in mind that I conclude my remarks. I wish to assure the Minister of the constructive co-operation of the Official Opposition, provided he accepts a number of amendments which we feel are absolutely essential.

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to begin my comments in respect to this Bill by protesting the timing of its presentation. We now know how poorly Parliament acted in 1978 when it passed the legislation which this Bill proposes to replace. In 1978 the Bill was passed in just 20

minutes by the House. The entire policy-making process in the Civil Service and the working out of the details took just one month. We are now repeating the same process because the Minister of Consumer and Corporate Affairs (Mr. Côté) has delayed so long bringing this Bill forward.

I asked the Minister questions about this a year ago and brought to his attention the dimensions of the problem. I told him of the thousands of people who are adversely affected by the law. I was told then that the Minister was keeping a close watch on the procedures and that he would be doing something fairly quickly. We were then told there would be a discussion paper in June. Of course, the discussion paper did not appear at that time.

We were finally promised that we would see a Bill in September. We did not receive the Bill until the end of November and we are debating it today for the first time. We are debating it with a gun to our heads because we are told it must receive second reading today. We are told that if the Bill does not reach committee and if it is not dealt with there and brought back before Parliament adjourns for Christmas, in January when the tax returns go out people who have used discounters in the past, and who will probably want to use them again, they will be able to go to the discounters who will be able to charge them the fees at the old rates which were so reprehensible. Thus, we have to agree to get this Bill through today, although we are not satisfied with it.

We do not think the Bill deals with the problem as it should, and neither do different organizations in the country. I refer to the consumers' associations, the church organizations, national anti-poverty organizations—the Minister is shaking his finger. We have talked to these organizations and we know what they have said. What they have said is that they want this Bill through, not because they think it meets all the problems but because the provisions of this Bill are better than the old one. It is not because they are satisfied with it.

I ask the Minister why we had to wait until the end of November to deal with the problem? After all, the problem was brought to the attention of the former Government. If I have the time, I may have something to say about the Hon. Member for Papineau (Mr. Ouellet) and what he said on this subject when he was the Minister of Consumer and Corporate Affairs.

Some Hon. Members: do it now.

Mr. McDermid: Don't wait for spring, do it now.

Mr. Orlikow: I am being encouraged to do that now. My colleague, the Hon. Member for Burnaby (Mr. Robinson), wrote to the then Minister of Consumer and Corporate Affairs, the Hon. Member for Papineau. If Hon. Members will give me a moment I will find the document to which I refer.

Mr. McDermid: We will give you all the time you need.

• (1610)

Mr. Orlikow: It was written February 8, 1983 and concerned the Tax Rebate Discounting Act. The then Minister replied on March 7, 1983. I would like to read one paragraph from his letter. He said, and I quote:

> While the 15 per cent rate may not satisfy all interested parties, it allows legitimate lenders to carry on business, and accordingly allows Canadian consumers to decide whether or not to use a service which is now controlled by legislation.

That is what the Minister said then.

Mr. Ouellet: That sounds like a good answer.

Mr. Orlikow: And that is exactly the kind of answer which we are getting from the present Minister who says he wants the free enterprise system to work, that he wants people to have a choice. But telling people that they have a choice in this kind of situation reminds me of a saying by that famous French author, Anatole France. He said: "The laws of France permit every French person, rich and poor, to exercise the option to sleep under a bridge, if they want". This Bill gives people an option but the Minister knows very well that the only people who are likely to exercise that option to go a tax discounter are not the wealthy people, not the middle income earners, nor even the working people who have full-time permanent jobs. The people who go to the tax discounter—and the numbers have been doubling and tripling every year so that we are now talking about close to a half a million people—are the poor people, the people who are living on welfare, the single mothers who have children. They have living on the edge of poverty. They are living in a crisis situation. When it comes towards the fourth week of the month they have run through their welfare cheques. They are the people who go to the tax discounters and they are the people who are going to continue to go to the tax discounters and will continue to be ripped off by these tax discounters.

We are talking about a very large amount of money. It is pretty obvious that these hundreds of thousands of Canadians who go to tax discounters have been paying, as we have all said, extremely high interest rates for loans. Because that is what they are; they are loans from the tax discounter and those companies are getting rich.

Two of the richest companies H & R Block, and Ben-Tax, which is a subsidiary of Beneficial Finance, together handled more than 80 per cent of discounting transactions in 1983. These two companies have increased their volume of business over the past four years and their profits have soared dramatically. H & R Block recently reported its profits for the year ending April 30, 1985. These reports make interesting reading and I hope the Minister will pay some attention to them. Its revenues were over $59 million, up from $37 million the year before. Revenues from tax discounting were $25.2 million, up from $18.2 million. Profits were $5.9 million, up from $4.9 million. So there was a 38.5 per cent increase in revenue from tax discounting operations in one year.

That is what we are dealing with. We are dealing with the problems and difficulties of close to half a million of the poorest Canadians who are being ripped off by corporations. I cannot blame the corporations. They are operating under the provisions of the laws which we enacted in 1978 and they will operate next year under the provisions of the laws we are going to pass this month. However, they are making tremendous profits from the backs of the very poor.

We ought not to kid ourselves that these are anything but loans, and I say forced loans given to the very poor by these tax discounters. The Department has always known this. When the previous Bill was being debated in 1978, a representative of the Department of Consumer and Corporate Affairs said: "This type of transaction is a disquise loan. It may have a term of two months or an indeterminate term, but it is nonetheless a loan transaction". What we are proposing today is to make some changes in the amount of payment which will cause the interest rate to drop somewhat.

Revenue Canada has, by its efficiency, shortened the period that people have to wait to, in many cases, four weeks or a little less. If we take into account the fact that it no longer takes eight or more weeks to deliver these cheques, the real interest rate is very high.

Under the old provisions a formula was included for the calculation of the interest rate in Schedule 1. It is this simple interest rate which has led to a good deal of confusion because it was always presumed that tax returns would take four months to be processed. In the debate which took place in committee in 1978, a Government witness said that the assumption in the Act is that there is a term of four months. That is the outside limit of what it would take for a return to come back. So on every form which was printed, in accordance with Schedule 1 of the Act, a box had to be filled in for the customer showing the discount at an annual rate, and giving the standard annual interest rate for the calculation. So the tax discounter was able to reprint it in his form, and we have a sample from Ben-Tax showing the real interest rate to be 62.8 per cent. That is a lot of money to pay for a loan to a clerk making the minimum wage.

This 62.8 per cent, as large as it is, not an accurate rate of interest for those transactions, because in the vast majority of cases it did not take nearly that long to deliver the cheque. Today Revenue Canada processes returns not within four months but within an average of four weeks. We have been informed that Revenue Canada processed the first 31 batches of 1984 returns in an average of just 4.3 weeks. This is particularly relevant to our discussion because the T-1 specials under which most child tax credits are claimed, have been processed in 3.7 weeks and the T-1 general form has been processed in an average of 4.7 weeks.

So we can see that the old interest rates in the Act, as it was, were dangerously misleading, and though the 62.8 per cent interest which those companies charged exceeded the minimum interest rate under the Criminal Code, it required a special provision in the Act to exempt this rate of interest in tax discounting transactions.

• (1620)

What are the true rates of interest we are talking about? We went to the research branch of the Library of Parliament and asked them to prepare some calculations for us. We appreciate the help they gave us. They said that under the old interest provisions, which this Bill will change, the annual interest rate was 62.8 per cent for a four-month term, 91.6 per cent for a three-month term, 165 per cent for a two-month term, and 600 per cent if it were processed in one month. Mr. Speaker, discounting at 15 per cent really means loans at interest rates of between 62 and 600 per cent. Under his new proposal the Minister is still permitting the 15 per cent charge on the first $300. Under the so-called reform which the Minister is bringing forward the new rates are blended rates because, as I have indicated, the amount charged is 15 per cent on the first $300 and 5 per cent on the balance.

Again we asked the Library of Parliament to analyse the new rates for some typical amounts. They said that for a $100 rebate processed in four weeks the interest rate would actually be 727 per cent and so on. These rates are grotesque rip-offs of the people who can least afford it but have no other choice if they need the money immediately. It is a revelation to some of us that so many poor people need money immediately, especially to some Members who have not paid attention to the problems of their constituents.

The Government does not seem to worry about that. Two-thirds of the people who used discounters in 1984 had incomes of less than $8,000. They are the working poor and the people on welfare. Waiting for money is a hardship for most of them and the supposed choice of using or not using the discounter is really no choice at all for many of them because they live so close to the poverty line.

When the Conservatives were in Opposition they were critical of the system we had. The present Minister of Finance (Mr. Wilson) was very indignant about the role being played by tax discounters. He was quoted in *The Citizen* on February 23, 1983, as saying that it is a shame and a tragedy that taxpayers have to give up $150 of their $1,000 tax refunds. Is he not ashamed of the fact that today, under the proposal made by the present Minister of Consumer and Corporate Affairs, the same taxpayer with a $300 refund will lose the same 15 percent which he lost three years ago? Is it not a shame that the improvement of Revenue Canada in processing tax forms really means that tax discounters will be lending at even higher rates than previously because they will get their repayment that much faster?

A committee of this House expressed itself very clearly on tax discounting. In its report on child and elderly benefits dated April 2, 1985 the Standing Committee on Health, Welfare and Social Affairs said:

> The federal Government, in consultation with the provincial Governments, should take steps to outlaw tax rebate discounters.

That is a committee on which the substantial majority of members were and are Conservatives. They got the same information that was available to the Minister and they recog-

nized the tremendous injustice in the system and called for the outlawing of the tax rebate system.

The Government has made much of being the champion of taxpayers in the country with its taxpayers' bill of rights. When I look at what the Minister is proposing in this Bill I have to assume that when the Conservative Government was talking about the taxpayers' bill of rights it was talking about a bill of rights for taxpayers in the middle and upper income brackets. We do not find any mention of taxpayers who use income tax discounters in this document, but surely these taxpayers should be protected too. Presumably this Act is supposed to protect their rights, but does it do that? Let us test that assumption.

A person using a tax discounter is entitled to a professional evaluation of his income tax in return for paying his fee for service. Of course, this does not happen. Any person in Canada can operate as an income tax discounter and have no standards to meet beyond the ability to lend money. A person using a tax discounter should not have to pay interest rates higher than the Canadian law allows. This does not happen either since the Act with which we are dealing today specifically excludes the Criminal Code provisions forbidding interest rates higher than 60 per cent.

A person should have an alternative to using a tax discounter. This, of course, is what the Conservatives promised with its slogan of "free choice". However, Mr. Speaker, the Minister has not delivered that. There are no provisions in this Bill or any other that would make an income tax return collateral for a loan at commercial rates. The Minister has talked prior to today and again today of getting credit unions and caisse populaires interested in these kinds of loans, but we have yet to see any firm commitments and programs which will make an alternative to tax discounters possible on a large scale. Surely the Minister and his Department had the time to meet with the credit unions, the caisse populaires and the banks to work out, if possible, a system whereby people who needed to get their money quickly could do so and at a legitimate rate.

We can also ask whether people who use tax discounters get the same kind of consideration which the declaration of taxpayers' rights says they are entitled to from Revenue Canada. Are they entitled to full information, impartiality, courtesy, consideration, and the presumption of honesty, all of which the declaration states? We know they have not had that up until now. Although the Minister said in his speech today that he was going to try to provide some of these factors, they certainly do not exist at the present time.

That is not the reality of tax discounting which is really far closer to the atmosphere of a pawn shop than an office at Revenue Canada. The truth is that tax discounters have a minimal law to satisfy in terms of service. As I have indicated, by using the figures of H & R Block, they do extremely well by doing as little as possible. This legislation does not ask much of them.

We believe that this Bill does not deal with the problem. We say that knowing that we have the support of many organizations which have expressed their views. We know that the consumers' association is not satisfied with this Bill. We know that the National Anti-Poverty Organization is not satisfied with the Bill. We know, Mr. Speaker, that the provincial Ministers of Consumer Affairs cannot be satisfied with this Bill because they were unanimous in their belief that at least the discounting of child tax credits should be prohibited. The Minister did not listen to them.

This Bill does not meet the needs of the Canadian people who have been hurt so much by the process of tax discounting. It was bad in 1978 and became a tremendous tragedy with the implementation of the child tax credit. It was that provision which led to the tremendous increase in the number of people who go to tax discounters. The ones who are hurt the most are those people who must use tax discounters because the only income tax refund they get is from the child tax credit. They still will not be dealt with fairly as a result of this legislation.

• (1630)

This debate concerns what really happens to the child tax credit as an effective social payment and how it is delivered to Canadian mothers, particularly low-income mothers. The child tax credit in its present form of a refundable tax credit on federal income tax has been in place since 1979. It is not accident that the increasing value of the child tax credit has coincided with the growth of income tax discounting.

The refundable credit was valued at $218 in 1979 and will be worth $384 in 1985. It will be enriched further until 1988 to offset losses of family allowances indexing and will then be capped at $524 in 1988.

Clearly that credit is an important social program and has been equally important to income tax discounters since it has fueled the growth of tax discounting. For example, 43 per cent of all those who used a tax discounter in 1983 claimed a child tax credit and 83.5 per cent of women who used discounters claimed the child tax credit.

There is a clear link to low incomes for child tax credit claimants who used discounters. In 1983, 21 per cent of women claiming the credit had family incomes below $2,000. Imagine a family with an income of less than $2,000 having part of their tax credit discounted. Not only is it a disgrace that we permit that tax credit to be discounted, it is a disgrace that they have such a low income. As well, 24 per cent of women claiming the credit had family incomes below $2,000 and no spousal income. Women who have income like this have no attraction to discounters beyond the child tax credit and other credits.

Obviously, we are talking about the very poor, people who desperately need money. They will likely be ready to file a return in January before Revenue Canada is prepared to handle the return unless this Bill, with all its deficiencies, is passed within the next couple of weeks.

There is no freedom of choice for these people. No bank will give them credit for a loan. There is no way that they can use their income tax return as security except by going to the tax discounter. The only choice these people have is between one discount and another, and all their rates are extortionate.

We now have some idea of who is getting hurt by tax discounters when we see that in 1983, 45,000 women with no spousal income and personal incomes below $2,000 used tax discounters. We also know from the same records from the Ministry of Consumer and Corporation Affairs that of the $41 million earned by tax discounters, between $15 million and $20 million came from child tax credits. That is almost half. It is quite clear that this program is haemorrhaging in its waste of public money.

This Bill does nothing to rectify the situation. Despite the Minister's statements about freedom of choice, it does not give a woman with little income beyond child tax credit a low-interest alternative. There is no way that she can use her tax return as loan security. There is no ban on tax discounters taking child tax credits although this was a proposal agreed to by Ministers of Consumer Affairs in Manitoba last September. There is even a delay on the new payment scheme for child tax credits which will not go into effect until 1987. These tax discounters do not only rip off the child tax credit, because many provincial Governments have provincial income tax credits designed to help those who are less well off. In British Columbia there is the renter's tax credit. In Alberta there is a renter's tax credit. In Ontario, there is a property tax credit, a retail sales tax credit and a pensioner's tax credit which was later replaced by a grant. In Manitoba there is a property tax credit and a cost of living tax credit.

According to the Canadian Tax Foundation's book, *Canadian Tax Policy*, it has been demonstrated that these tax credits inject fairness into the tax system in these provinces by providing: "The greatest relief for lower income tax payers and the least relief for high income tax payers". The Canadian Tax Foundation study makes no mention of what happens when tax credits from the provinces are discounted and 15 per cent of these benefits are still taken away on the first $300 from those who qualify.

It is not surprising that the Minister of Consumer Affairs in Manitoba, Mr. Rowland Penner, was quoted in the *Winnipeg Free Press* in February of this year as saying:

> These are supposed to be benefits to help the really poor. If they are losing as much as 15 per cent of this support program then we are failing recipients to that extent.

This legislation is failing the poor. We now have the means to rectify this failure but it is not accomplished by this Bill. The Government's defence of the integrity of tax credits is to allow a charge of 15 per cent on the first $300 and 5 per cent on the rest of the refund. It is still failing the poor.

By this lack of consideration for provincial jurisdiction in income tax matters, the federal Government is telling the provinces that they must abandon tax credits if they wish to see the integrity of their programs protected. It also means that the approaches toward a negative income tax system for helping the poor is hopelessly vulnerable to tax discounters.

This is how the authors of *Canadian Tax Policy* summed up the impact of Canada's tax system on the working poor:

> There is virtually no federal program designed to assist the working poor. They do receive preferential treatment under the personal income tax system and may be tax exempt owing to various deductions and exemptions. But they do not receive income transfers. Some provinces (for example, Ontario) provide a modest amount of tax credits to low-income persons, ostensibly to offset provincial sales and property taxes.

Rather than those people benefiting as the provinces have proposed, they are ripped off because the Government will permit tax discount operations to continue.

It is quite obvious that what little the tax system is prepared to transfer to the working poor will still be subject to the activities of the discounter. Is that how the Conservatives wish to treat the vast numbers of people who keep small and marginal businesses operating in Canada? Those poor people who will be ripped off will have less money to purchase goods from small businesses.

Bill C-83 comes no closer to helping the working poor. In fact, tax discounting will make the situation far worse for the working poor.

Canadians cannot afford this legislation. The poor cannot afford to be short changed as they will be under the provisions of this Bill. We say that it is wrong to permit discounters, including some of the largest companies in the field, to make the kind of profits they have made. This Bill fails to address this very poor situation.

We believe that tax discounting should be outlawed as it has been in the United States and the Province of Quebec. If the Minister is not prepared to outlaw tax discounting completely, he should certainly have followed the advice of the provincial Ministers of Consumer Affairs who said that the discounting of the child tax credit should be prohibited. This Bill does not fulfil its proposed purpose and we intend to vote against it.

• (1640)

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is the following one. Mr. Côté (Langelier), seconded by Mr. Hnatyshyn, moves that Bill C-83, an Act to amend the Tax Rebate Discounting Act, be read the second time and referred to a legislative committee. Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Call in the Members.

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

(*Division No. 142*)

YEAS

Members

Andre	Ferland	McKinnon
Beatty	Fontaine	McLean
Belsher	Forrestall	McMillan
Bertrand	Fretz	Merrithew
Bissonnette	Gass	Mitges
Blackburn (Jonquière)	Gervais	Mulroney
Blais-Grenier	Grisé	Murta
Bouchard	Guilbault (Drummond)	Nickerson
Bourgault	Gurbin	Nielsen
Brightwell	Hawkes	Nowlan
Champagne (Saint-Hyacinthe-Bagot)	Hicks	Oberle
Champagne (Champlain)	Hnatyshyn	Plamondon
Charest	Hudon	Porter
Clark (Yellowhead)	Jardine	Ravis
Clifford	Jelinek	Redway
Clinch	Johnson (Bonavista-Trinity-Conception)	St. Germain
Cochrane	Kelleher	St-Julien
Collins	Kilgour	Schellenberg (Nanaimo-Alberni)
Comeau	Ladouceur	Schellenberger (Wetaskiwin)
Cook	La Salle	Scott (Hamilton-Wentworth)
Cooper	Layton	Scowen
Corbett	Lesick	Siddon
Côté (Lac-Saint-Jean)	Lewis	Sparrow
Côté (Langelier)	MacDonald (Kingston and the Islands)	Suluk
Crofton	MacKay	Tardif (Charlesbourg)
Crouse	Malone	Taylor
Darling	Mantha	Thacker
Domm	Martin	Toupin
Dorin	Mazankowski	Towers
Edwards	McCain	Tupper
Ellis	McCrossan	Turner (Ottawa-Carleton)
Elzinga	McCuish	Valcourt
Epp (Provencher)	McDermid	Vankoughnet
Fennell	McGrath	Vézina
	McInnes	Vincent
	McKenzie	Wise—106.

NAYS

Members

Althouse	Guilbault (Saint-Jacques)	Nicholson (Trinity)
Angus	Henderson	Nunziata
Benjamin	Hopkins	Orlikow
Berger	Jewett	Ouellet
Broadbent	Keeper	Parry
Deans	Langdon	Penner
Finestone	Lapierre	Pépin
Foster	MacLellan	Prud'homme
Fulton	Malépart	Riis
Garneau	Manly	Robichaud
Gauthier	McCurdy	Skelly
Gray (Windsor West)	Mitchell	Tobin
	Murphy	Young—38.

Mr. Cardiff: Mr. Speaker, because of traffic on the Hill I was unable to be here to vote. There were at least three Members who were detained. The Hon. Member for Ottawa Centre (Mr. Cassidy) was one of them. He was on the same bus as I was. I did not vote and I do not know whether he did or not.

Mr. Gray (Windsor West): You missed the bus.

Mr. Cardiff: We are all on the same bus.

Mr. Deans: He ran.

Mr. Speaker: Was the Hon. Member for Ottawa Centre present when I began the reading of the question?

Mr. Cassidy: I am not sure if it was when you began, Mr. Speaker. I could not make out all the words. I wish to say that Members of the NDP are faster on the draw than the Conservatives. However, I will certainly live by your ruling, Mr. Speaker.

Mr. Speaker: May I be very clear. The Hon. Member for Ottawa Centre may not know this but once I begin the reading of the question it is not normally permitted to enter the House and vote. Therefore, I take it the Hon. Member for Ottawa Centre is telling me that I had already begun the question when he arrived.

Some Hon. Members: Yes.

Mr. Cassidy: Mr. Speaker, I cannot vouch for certain that you were at the beginning. Therefore, if you wish me to take away my vote I will do so.

Mr. Speaker: I appreciate that. Under the circumstances, we will have to take the vote of the Hon. Member for Ottawa Centre off.

Therefore, I declare the motion carried.

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Saint-Jacques (Mr. Guilbault)—Transport—Request that European travel vouchers be tabled by Minister. (*b*) Demand that travel documents be produced; the Hon. Member for Algoma (Mr. Foster)—Agriculture—Farm Debt—Government position. (*b*) Farm groups' demand; and the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall)—Federal-Provincial Fiscal Arrangements—Federal payments to Atlantic Provinces. (*b*) Level of federal payments in 1986.

It being five o'clock, the House will now proceed to consideration of Private Members' Business as listed on Today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

CANADA PENSION PLAN ACT

MEASURE TO AMEND

Miss Aideen Nicholson (Trinity) moved:

That, in the opinion of this House, the Government should consider the advisability of introducing legislation to amend the Canada Pension Plan Act to

1. provide more flexibility so that all contributions can be taken into consideration at the discretion of the Minister; and

2. extend the time in which an individual can apply for a disability pension to 12 months or such longer period as approved by the Minister.

She said: Mr. Speaker, Canada's provincial Treasurers will be meeting with the Minister of Finance (Mr. Wilson) in Edmonton soon and an important item on the agenda will be amendments to the Canada Pension Plan. The Canada Pension Plan was introduced in the mid 1960s and improvements or amendments to it have always been slow and difficult to realize. This is so, in part, because of the requirement that all amendments be not only approved by Parliament but also by two-thirds of the provinces with two-thirds of the population of Canada.

Another difficulty in bringing about improvements to the Canada Pension Plan has been the financial reason. Over the years provinces have borrowed very extensively from the Canada Pension Plan. I believe the cumulative amount which Ontario has borrowed over the years is now at about $14.5 billion. Under those circumstances, the provinces tend to resist any further costs.

The Canada Pension Plan provides workers and their families with a basic level of earnings related protection agains the contingencies of retirement, disability and death. The Parliamentary Task Force on Pension Reform which reported at the end of 1983 raised the question of whether disability benefits belong in a pension plan, but did not make a recommendation on whether disability provisions should continue to be found within the Canada Pension Plan or should be in a separate program. However, the committee did recommend an increase in the amounts and it that respect I quote from the report:

—current benefit levels do not reflect relevant living standards. As MPs we believe that a significant and early increase in disability benefits is essential.

The question of disability benefits was also discussed by a special committee which considered matters relating to the disabled and the handicapped during 1983. That committee had some very far-reaching recommendations which I hope we will see in law fairly soon. One of them was that a comprehensive disability insurance program be established and integrated with the Canada Pension Plan and Quebec Pension Plan. Another was a proposal to change the definition of disability so that it would exclude fewer people. Another was to allow earnings on a sliding scale while a person is in receipt of benefits. These are all very progressive recommendations but what we are left with now is very much more restrictive.

Disability benefits under the Canada Pension Plan consist of a flat rate portion and an earnings related portion of 75 per cent of the imputed retirement pension. Disability benefits are payable in the case of severe and prolonged disability as a result of which the person is incapable regularly of pursuing any substantially gainful occupation. Clearly, that is a very restrictive definition.

• (1720)

First, the words "incapable of pursuing substantially gainful occupation" imply, really, giving up hope. The injured person is unwilling to face the fact that he or she may be unable to pursue any gainful occupation. Relatives are willing to encourage that kind of expectation. Doctors are reluctant to take away hope from people. So what tends to happen after the disability is that the patient tries every conceivable chance of rehabilitation and further treatment. He tries to go back to work and then a year has passed and he or she is no longer eligible for benefits because the application must be made within 12 months of becoming disabled. That is in the statute and there is no ministerial discretion. That is the first matter which I would like to see changed. I would like to see greater flexibility in the time for applying for disability benefits.

The second matter concerns the requirement that the contributions to the Canada Pension Plan must have been made in a fixed timeframe. The timeframe varies but essentially, for most people, they must have contributed within five of the last 10 years. Women, particularly, often fail to qualify, if we take on the year they have been ill and then, perhaps, four years when they may have been home with young children. Time and again they have failed to qualify even though they may very well have had 10 years of contributions. The contributions should be looked at in another timeframe.

Having dealt with a number of people who have lost their eligibility to Canada Pension disability benefits, either because of the 12 month limit or because of the timeframe in which they should have contributed, I am proposing that the Government include in its next meetings with the provinces for discussion proposals to bring some flexibility into these two matters in particular.

These are two very specific issues, and while my motion only concerns those two issues, I am not, of course, suggesting that that is the end of the debate on the needs of the disabled. I would in fact like to see a much more comprehensive plan in place, as was advocated by the all-Party committee on the disabled. However, I think the proposals I am putting forward are simple and practical and it might be possible to get agreement on those with the provincial Ministers concerned.

Mr. Neil Young (Beaches): Mr. Speaker, I rise to support the motion put forward by the Hon. Member for Trinity (Miss Nicholson) which would essentially, if it were to be adopted by both the federal and provincial Governments provide more flexibility so that all contributions could be taken into consideration at the discretion of the Minister and, second, extend the time at which an individual could apply for a disability pension to 12 months or such longer period as might be approved by the Minister.

As the Hon. Member for Trinity has already pointed out, the Canada Pension Plan has a very stringent definition of disability. It can only be applied to persons who can never again be re-employed. We also know from a whole variety of reports which are available to Governments, both provincial and federal, that among those individuals who have been unfortunate enough to leave the workforce because of a disability and have applied to the Canada Pension Plan for a benefit under that plan there is widespread poverty. Those persons are poor for a number of reasons. First, because they applied for a disability pension under the CPP they are not permitted to accept any form of work while they are in receipt of the benefit and, second, of course—and this has been argued very strongly in the *Obstacles* report, to which the Hon. Member for Trinity referred—is that simply because you become disabled does not mean that your expenses come down, by any means. In fact, more often than not when one is disabled one incurs additional expenses which an able-bodie person would not normally have.

I was a member of that special committee, along with other Members from all sides of the House, and in our report we said that within the insurance companies, disability is called "the living death" because the family of the disabled person is deprived of a regular income as if the person were dead but is left with equal or greater expenses because the person is still living. That may be a harsh way to put it but I think it is the reality of many people once they become disabled on the job.

There is also no doubt that trying to reform Canada's pension plan is an extremely slow process. I recall that when I came here in 1980 there was the National Pensions Conference. I was fortunate enough to be a delegate from the House to that conference. To say there was no consensus arrived at at that conference would not be to exaggerate. But something which did come through from the conference was the need to reform Canada's pension system. Since then we have had the second national conference on pensions, and we still have not arrived at any form of consensus.

In fact, I just quickly ran through some notes I had on pension reform and found that the then Minister of National Health and Welfare, Monique Bégin, announced proposals on December 7, 1981 while she was at the United Nations. She set out a whole series of proposals to improve the disability benefits under the Canada Pension Plan.

The following day there were news reports emanating from the Treasurer of Ontario at that time, Mr. Frank Miller, who very bluntly and strongly said that he did not think that disability benefits should properly fall under the Canada Pension Plan but should come from somewhere else. He did not define where the "somewhere else" would be. I just say that to illustrate the difficulty there is in getting provincial-federal agreement on improvements to the Canada Pension Plan, and that is required as we all know under that plan.

In spite of the special committee on the disabled, and announcements from Ministers of National Health and Welfare over the years, including the present Minister, not too much has been accomplished. I believe that is why I and other Hon. Members welcome the proposal made by the Hon. Member for Trinity which will again give us the opportunity to speak about some of the problems associated with that issue in the House and, hopefully, bring some pressure to bear on the Parties who are responsible for the negotiation to go at it in a much more serious way.

• (1730)

We all have constituents who have had great difficulty with the Canada Pension Plan. When they have attempted to apply for a disability pension they found out fairly quickly that the interpretation of the section of the Canada Pension Plan means that they have to be practically comitose in order to receive a benefit. If they are fortunate enough to receive a benefit, the benefit itself is totally inadequate to allow a person to live with any degree of dignity or financial independence.

The proposals in the *Obstacles* report received broad support from provincial Governments, the federal Government and all kinds of Canadians. Yet, those proposals have not yet been adopted.

In February of 1983 the advisory committee on the Canada Pension Plan, which reports to the Minister of National Health and Welfare (Mr. Epp), presented the Minister with further proposals on how to improve disability benefits under the Canada Pension Plan. In that report it was pointed out that there was widespread poverty among persons in receipt of that benefit.

They made two suggestions to improve that. I will use the figures that they used in 1982, although they are out of date now. They said that disability benefits under the Canada Pension Plan could be improved by increasing the flat rate component from its present level of $70.68 per month to a much higher level such as the equivalent of the Old Age Security pension of $227.73 per month which prevailed from January to March of 1982.

The second recommendation was that raising the earnings-related component from 75 per cent of the contributor's imputed retirement pension to 100 per cent—that would be from $230.74 a month to $376 per month—would make the benefits to these individuals equal to a benefit that they could receive at age 65. It would, in effect, double the pension income for disabled individuals.

This is something that is sorely needed. This has been recognized by many groups and individuals who have been requested by the Government to conduct examinations into the Canada Pension Plan and, indeed, the entire pension system. I think the House would be doing a service to Canada's present

disabled, as well as future disabled Canadians, if we were to agree today to refer the motion of the Hon. Member for Trinity to the Standing Committee on Health, Welfare and Social Affairs. In that way we could once again ensure that the problems faced by that group of Canadians are receiving the kind of public attention they fully deserve.

I do not think I need say too much more. I think the Member who introduced the motion put the case very well. I only wanted to indicate my support for that measure.

[*Translation*]

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I can only applaud the motion by the Hon. Member for Trinity (Ms. Nicholson) regarding the advisability of expanding eligibility for disability benefits under the Canada Pension Plan. However, I think this measure alone would not solve all the problems connected with disability coverage, and I would prefer to seek a solution based on a comprehensive review of our disability benefit system.

Before examining the system and its shortcomings, I would like to give a brief overview of the situation facing many disabled individuals. First of all, it is extremely difficult to establish an accurate profile of the disabled in Canada. It is difficult because we have no single definition of what disability is. Even programs for the disabled are based on widely varying definitions of disability. Furthermore, our statistics on the disabled population in Canada are very limited. However, the few data we do have point to a situation that is extremely disturbing. It is estimated that about 12.5 per cent of Canadians are disabled to some extent. Eighteen per cent of disabled individuals between the ages of 15 and 64 have a serious disability. It is also true that both the percentage and the seriousness of the disability increase with age. For instance, it is estimated that only 5 per cent of the disabled are under 15, while about 30 per cent are over 65.

Economically speaking, the disabled are certainly one of the least advantaged groups of our society. There are a number of factors that account at least partially for this situation. We see that the unemployment rate among disabled individuals who are able to work tends to be higher than among the general population. It is also true that individuals who are unable to work usually have a very low income. According to a 1981 survey of recipients of disability benefits under the Canada Pension Plan, their average income from all sources was equal to or below the low-income threshold established by Statistics Canada.

The precarious financial situation in which the disabled find themselves is not due to a lack of Government programs for this particular group. The disability benefits system in Canada includes a range of programs that provide workers with income protection in case of disability. However, the most effective programs have been designed to meet specific objectives such as protecting workers in case of accidents on the job or meeting our obligations to disabled veterans.

I would now like to give a brief description of the main programs that constitute our existing disability benefits system. These programs can be classified in two major categories: general disability programs and category programs.

The general disability programs are those under which benefits are payable regardless of the cause of disability. It is the case, for instance, of the Canada Pension Plan and the Quebec Pension Plan. Those are mandatory social insurance programs under which wage earners and the self-employed have guaranteed coverage in case of disability. Eligibility for disability benefits however is strictly limited because of the limited scope of the definition of that word as used in those plans.

There are also voluntary private insurance programs for prolonged disability. These programs cover about 43 per cent of the work force. Generally speaking, they provide a substitute income roughly equivalent to 60 to 75 per cent of the income earned before disability. It should be noted however that such programs provide for an integration formula under which benefits are reduced when the recipient gets other disability benefits.

Social assistance is the last program in the category of general programs. Social assistance benefits are paid to the needy, no matter what the cause may be. These programs are administered by the provinces, but the federal Government shares the costs.

As to the second group of programs offering income protection in case of disability, it also includes so-called category programs. These programs pay benefits to people in particular circumstances. An example would be the system of provincial workers' compensation programs. They compensate workers who suffer from disability due to a work accident. Category programs also include disability pensions paid to veterans, car accident insurance plans, and compensation for victims of criminal acts.

This description of the Canadian system of disability benefits would indicate that ours is a relatively complete and efficient system. I am sorry that I have to say that such is not the case, unfortunately. Our system has major short-comings which can be grouped around three major problems. The first of these problems stems from the difficult task of determining what a disability is. The universal income related programs such as the Canada Pension Plan, the Quebec Pension Plan or the long term disability insurance plan essentially provide benefits in case of a very serious disability, but do not provide any benefit to people suffering from a partial disability.

Specific programs providing compensation for work-related or automobile accidents provide benefits in case of total or partial disability. However, these benefits are paid only if the disability is the result of a specific cause, like a wound suffered or an illness incurred on the job, or in an automobile accident.

In fact, it is not always possible to identify the single cause of disability. For instance, certain types of cancer can be the result of smoking and or working conditions. When in doubt as to the cause, unfortunately, the application for benefits may be turned down. Naturally, this all or nothing approach is a source of much criticism.

The second problem concerns the target population. People who are not earners can hardly expect protection except for provincial social assistance, legal aid, or private insurance programs. The problem concerning self-employed workers is different. As I said, nearly all wage earners are covered by the Canada Pension Plan or the Quebec Pension Plan. They can also receive benefits as compensation for a work-related accident or under a private insurance plan. The fact that these people are seeking similar objectives inevitably result in an over-lapping protection. Such a situation generally arises when an invalid person is eligible for benefits under more than one program. Some of the results of this over-lapping of measures are an increase in administrative costs for the system and a more complicated procedure for the applicant.

The third and last major short-coming of our system, but not the least, concerns the limit of benefits paid. It should be emphasized first that the level of these benefits vary widely from one program to another. The programs which cover the greatest number of people are unfortunately those which also pay the lowest benefits. In fact, the social assistance program which has the widest coverage provides only a minimum income to the needy. Social assistance benefits are subject to a means test and do not take into account the salaries previously paid to the worker.

As for the Canada and Quebec Pension Plans, they provide a level of income based on previous earnings. The maximum amount of the disability benefit in these cases represents approximately 20 per cent of the average industrial wage. In addition, the great majority of recipients have benefits much lower than the maximum amount of benefits payable. About 14 per cent of disability benefit recipients must depend on provincial welfare programs to meet their needs. This clearly indicates that the level of disability benefits under the CPP is quite inadequate.

On top of this problem, there is the difference in the disability benefit rates of the two plans. I am certain that this question will be debated during the federal-provincial discussions on pension reform. Moreover, neither plan offers complementary programs to meet special needs.

Workmen's compensation programs also replace, but more substantially, the previous earning income of the disabled. However, the maximum level of benefits is limited by the ceiling of insurable earnings which varies with the provinces.

However, these programs offer the most comprehensive range of services to meet the special needs of the disabled.

Private insurance programs for extended disability also provide a very high rate of replacement of previous earnings. However, there is little protection against inflation in the long term. On the other hand, these programs pay benefits related to special needs under certain circumstances.

I trust that improvements can be made to the existing system. Indeed, this is why the federal and provincial governments are actively working on a comprehensive review of disability benefits. Under its terms of reference, the task force must identify the weaknesses of the present system and define possible options to provide a complete disability insurance system. The task force is expected to report to the federal and provincial social services ministers by the end of this year.

• (1740)

[*English*]

Mr. Girve Fretz (Parliamentary Secretary to Minister of State (Mines)): Mr. Speaker, I am pleased to have the opportunity to respond to the motion today presented by the Hon. Member for Trinity (Miss Nicholson). The Government recognizes that Canada's disabled population needs improved assistance. We are already taking steps to facilitate this goal.

In this regard I would like to draw the attention of Hon. Members to changes to the disability tax deduction which were announced by the Minister of Finance (Mr. Wilson) in his Budget address of May 23, 1985.

Effective for the 1986 and subsequent taxation years, this special income tax deduction will be available to any individual who is certified by the Minister of National Health and Welfare (Mr. Epp) as being a person who, during the year, was suffering from a severe and prolonged mental or physical impairment. This is a major improvement in that currently only the blind and those who are confined to a bed or wheelchair are eligible for the special disability deduction.

As the Minister of Finance pointed out, if the effect of the disability is to markedly restrict the person in activities of daily living, and if the disability has lasted or can be expected to last for a continuous period of at least 12 months, the person will be eligible for the tax deduction. About 185,000 people are expected to benefit under this broader definition, a substantial increase over the 65,000 current claimants.

There is no doubt that one of the major problems facing the disabled today is inadequate income support. The above change is evidence of both our recognition of this serious problem and our commitment to find a solution. Nevertheless, the Government knows that despite the fact that a myriad of programs exist to assist disabled persons, this group remains among the poorest people in Canada.

I think it is obvious that the motion before us today is an attempt to alleviate this situation. The Hon. Member has identified the Canada Pension Plan disability provisions as being in need of improvement. Her criticism is not with the level of benefit or the definition of disability which are the two areas most commonly looked at with regard to CPP disability benefits. Instead, I think the Member has asked the Govern-

ment to modify the eligibility criterion that requires a disabled CPP contributor to meet the minimum contributory requirements and to extend the date at which disability can be deemed to have occurred. These are two changes which, even though they may seem of minor significance at first glance, could improve the financial situation of at least some disabled persons.

Before commenting in detail on the two proposals contained in this motion, I believe it would be useful to first review the current legislative requirements for the receipt of a CPP disability pension. As well, I want to outline for Hon. Members why legislators at the time the plan was introduced in the mid-1960s chose the criteria they did.

In order to qualify for a disability benefit, the CPP currently requires a contributor to have contributed for a minimum of five calendar years and the lesser of: 5 of the last 10 years and, in total, at least one-third of the number of years in the individual's contributory period; or 5 of the last 10 years and, in total, at last 10 years.

The underlying rationale for these minimum contributory requirements was twofold. First, it was felt that because of the substantial flat-rate benefit which makes up a portion of the CPP disability pension, it was only reasonable to require that contributors demonstrate a substantial attachment to the paid labour force.

• (1750)

Second, given that the CPP is designed to provide contributors and their families with a measure of protection against the loss of earnings income, it was felt that a test of recent attachment to the labour force was not unreasonable. However, since the introduction of the CPP in 1966 the minimum contributory requirements have been criticized and proposals have been made for changes.

I am sure that it will not surprise Hon. Members to hear that the Hon. Stanley Knowles, who is well known to all of us for his concern and efforts on behalf of disadvantaged Canadians, made one such proposal as far back as 1977. During a 1977 meeting of the Standing Committee on Health, Welfare and Social Affairs, Mr. Knowles suggested possibly reducing the minimum contributory requirement for receipt of a CPP disability pension to one year. At that time the then Minister of National Health and Welfare agreed to refer the subject to the Canada Pension Plan advisory committee.

In a June 1980 report to the Minister, the advisory committee rejected in principle the proposal by which a single year's contribution to the CPP would entitle a contributor to coverage at any future date, regardless of the contributor's future labour force participation. The committee felt that some test of recent labour force attachment was still required. Instead, what the committee recommended was that the current rules be maintained and supplemented by an additional rule which would allow a contributor to qualify for disability coverage if he or she had made one valid contribution, either in the year of disability or in the immediately preceding year. This proposal was formally submitted to the provinces for consideration.

In this regard, I should point out that a major change to the CPP requires the approval of both the federal Government and two-thirds of the provinces having two-thirds of the Canadian population.

However, a decision on this and other CPP disability benefit improvements was deferred until such time as a federal-provincial study could be completed on the feasibility of introducing a comprehensive disability protection scheme.

As Hon. Members may remember, such a scheme was recommended by the Special Committee on the Disabled and the Handicapped in its 1981 report, *Obstacles*. I believe that report has been alluded to in the Chamber today. I am pleased to note that the study is expected to be submitted to federal and provincial Ministers of social services by the end of this year. This study, along with proposals to improve CPP disability benefits, will be included in upcoming federal-provincial consultations on comprehensive pension reforms.

In addition, it may interest Hon. Members to know that the minimum contributory requirements for receipt of a disability pension under the Quebec Pension Plan were amended effective January 1, 1984, for persons between the ages of 60 and 64. Persons in that age group, who are no longer able to do the job they had prior to disability, are entitled to receive a QPP disability pension if they have contributed to the plan for a minimum of seven years. However, while the recent labour force attachment test has been abolished under the Quebec Pension Plan, it must be kept in mind that it is only for a small group of QPP contributors, the near elderly.

Let us now turn to the Hon. Member's suggestion that there be an extension in the time limit allowed for the determination of when an individual can be deemed to be disabled. Currently, a CPP contributor cannot be deemed to be disabled earlier than 12 months before the month of application for a disability pension.

At the time the CPP was introduced, legislators recognized that in many cases disabled persons would not apply for CPP disability benefits as soon as they became disabled. There could be many reasons for such a delay, not the least of which is the fact that it takes time to recognize and accept that one meets the severe and prolonged definition of disability under CPP. Thus, it was felt only reasonable to allow some measure of retroactive determination. However, while some retroactivity was desirable, it was recognized that it would be very difficult in many cases to determine exactly when a contributor became disabled for CPP purposes. A maximum of 12 months prior to the month of application was deemed to be a reasonable length of time to allow for a retroactive determination of disability. As Hon. Members can appreciate, it would be difficult to administer a provision which had no fixed date.

The Hon. Member's motion suggests that the time period be left up to the Minister's discretion, but I am sure that we can all recognize the potential inconsistency of protection that such an approach could create. Nevertheless, it may be that a longer period of time should be allowed, such as 24 or perhaps even 36 months, and that this issue could be included in the federal-provincial consultations on CPP changes.

There may be another reason disabled workers are not applying for CPP benefits as soon as they might. I think we should ask ourselves whether Canadians are delaying application for CPP disability benefits through ignorance. Is it that they are unaware of the protection afforded by the CPP? If so, this is the problem that must be dealt with. Canadian workers and their employers pay for the CPP. They pay so that when they meet one of the contingencies for which a CPP benefit is available they can receive the needed earnings replacement the CPP provides. New and innovative efforts are being made by the Department of National Health and Welfare to acquaint CPP contributors of their rights under the plan. Those who are entitled to CPP benefits should apply for and receive these benefits at the first opportunity, and every effort is being made to ensure that individuals know this.

The Hon. Member is to be complimented today for her concern for Canada's disabled. I assure her and all Canadians that the Government shares this concern. Every effort will be made to bring about much-needed improvements for disabled persons in the very near future.

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I welcome the opportunity to speak today on the broader issues associated with the motion to amend the Canada Pension Plan put forward by the Hon. Member for Trinity (Miss Nicholson).

In response to the concerns raised in *Obstacles*, the report of the Special Committee on the Disabled and the Handicapped, federal and provincial Ministers of social services agreed in February, 1982 that prior to proposing any legislative initiatives, they would establish a joint federal-provincial task force on income protection.

[*Translation*]

Mr. Speaker, the purpose of the study was to identify means to provide adequate benefits to all disabled and handicapped Canadians, both in and out of the work force.

• (1800)

[*English*]

The first phase of this study was completed as mandated with the task force submitting its report to Ministers in September 1983. I understand that the Ministers have agreed to continue the work of the task force. It is expected that the second phase of this study will be completed in time to meet the December 1985 completion date.

In closing, I want to emphasize that this Government is prepared to make specific changes. I compliment my colleagues from Trinity on her excellent motion.

[*Translation*]

The Acting Speaker (Mr. Charest): The hour set aside for Private Members' Business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

TRANSPORT A) REQUEST THAT EUROPEAN TRAVEL VOUCHERS BE TABLED BY MINISTER B) DEMAND THAT TRAVEL DOCUMENTS BE PRODUCED

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to spend the few minutes allotted to me to deal with the trips made last summer by the Hon. Minister for Environment, the Hon. Member for Rosemont (Mrs. Blais-Grenier).

Several documents were obtained recently under the Freedom of Information Act, which clearly show that although the main purposes of the trip made by the Hon. Minister, despite the fact that such purposes and such meetings had been cancelled to the Minister's knowledge, she nevertheless decided to travel "through the Europes". As it seems in this matter, the more documents that get out, the clearer it becomes that originally there was a reasonable purpose, an official purpose for the Minister to go to Europe. We can appreciate that the Minister added to that official activity other ones of a personal and touristic nature, which she probably intended to carry on at her own expense. It appears however, that when the main reason for the trip was cancelled, the Minister was in quite a dilemma, namely: should she then forgo the interesting, entertaining, touristic part of the trip? And this is where, unable to resist the temptation, she decided to proceed nonetheless with her European tour.

I have here a few documents that are interesting to quote. For instance, I have in hand a telex from our embassy in Stockholm to External Affairs here in Ottawa, dated March 27, which was before the April trip, and I am simply quoting from the telex:

[*English*]

There is a 98 per cent chance that the Stockholm ministerial meeting will be postponed. Please advise if we are correct in presuming that if the ministerial meeting is postponed, Minister Blais-Grenier's visit to Sweden will also be postponed.

[*Translation*]

The embassy was them assuming that were the official part cancelled, the Minister would forgo her trip. But we know that the opposite happened. Indeed, the Minister went in spite of that.

I have here another telex to External Affairs from the Canadian embassy in Moscow: it may sound a bit strange but I should like to quote a few words from it. It is stated that certain Soviet officials whose names I will not mention since they are not needed for the purposes of the discussion, "cannot therefore greet Mrs. Blais-Grenier in Leningrad, although the

Soviet party appreciates the touristic character of the visit to Leningrad". Those are documents written by federal officials.

I have another one here sent to Helsinki from External Affairs, in which one instruction is given:

[*English*]

—would like to emphasize the private nature of the trip.

• (1805)

[*Translation*]

And at that point, the Minister having requested that the host country look after hotel reservations:

[*English*]

We are advised that Moscow will not process item like this. Please contact Intourist in Helsinki for arrangements.

[*Translation*]

So even host countries did not want to get involved.

I could go on with that kind of quotes. But I feel that what we now need to know is, what did the Minister pay for herself, because we have several invoices which we examined and it does not appear that during the entire trip, except for one part that is quite identifiable where the Minister visited Corsica at her own expense, it seems. And there, I believe it because no invoices were tabled or obtained under the Freedom of Information Act to indicate that the Canadian taxpayers paid for anything with respect to that trip. So that part of the journey, where she went to Corsica, is not involved.

But, on the other hand, for all the other parts of the two trips we know of, the one in April and the one in June, we have hotel vouchers showing continuity. We have limousine vouchers, and there is no evidence whatsoever as to how the Minister herself would have paid part of the costs. So we are wondering what part the Minister should pay back to the Canadian taxpayers.

Finally, I would simply stress that coming from a Minister in a Government that is preaching austerity, restraint, it is bad example to go sightseeing at the taxpayers' expense. In my view, on the one hand the Minister should reflect on what she did, and on the other the head of the Government should put out stringent guidelines to make sure such things do not happen again.

[*English*]

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, it is interesting to listen to the piety of the Member of a previous Government that on average spent at least 40 per cent more on travel than this Government.

In specific answer to the question of the Hon. Member for Saint-Jacques (Mr. Guilbault) and in further response to the question that was asked some time ago, since the question was first asked several significant pieces of information have been proffered publicly as far as possible. I have in my hand documentation which provides details of the Minister's personal expenses. As the Hon. Member will know, it is not possible to table these in the House because they are in fact personal expenses.

There has also been a further public indication of the second official invitation from Sweden, which accounts for the Minister's visit there. In addition to that, we have had further indication of the significance of the visit the Minister made to France for a cultural occasion which was well recognized and appreciated by people from France and Quebec. I think that those pieces of information, on scrutiny of the Canadian public, if they are exposed, will provide the information for which the Hon. Member has asked.

AGRICULTURE—FARM DEBT—GOVERNMENT POSITION. (B) FARM GROUPS' DEMAND

Mr. Maurice Foster (Algoma): Mr. Speaker, on November 25, I put a question to the Minister of Agriculture (Mr. Wise) as follows:

Mr. Speaker, my question is directed to the Minister of Agriculture. A week ago Saturday, 800 farmers demonstrated in front of the Minister's constituency office in St. Thomas to protest the lack of action on the farm debt crisis. Can the Minister say when the Government is going to take action as demanded by the seven responsible farm groups, on a comprehensive farm debt moratorium and farm credit arrangements legislation?

I did not get much of a response from the Minister that day, and I will refer to that later.

Essentially, many of the people who were at that demonstration were tobacco farmers from that area as well as beef farmers from the Bruce Peninsula and the Bruce-Grey riding. They were all protesting the lack of action on the part of the Government on farm credit legislation and on the extension of the moratorium on Farm Credit Corporation loans to other loans. Of course, we received no answer from the Minister.

The demonstrators who are in front of the Parliament Buildings today are mainly tobacco growers. It is little wonder that they are demonstrating. They have seen a litany of broken promises. For instance, back in June, 1984, they met with the then Hon. Member for Haldimand-Norfolk (Mr. Bradley) and the then Minister of Agriculture. At that time the Minister gave a commitment that there would be national marketing and legislation for tobacco.

• (1810)

The Prime Minister (Mr. Mulroney) wrote a letter to a Mr. Garry Balthes in November 1984 which reads:

Dear Garry:

Thank you for your letter of August 14.

I was pleased to have an opportunity to meet with you and your co-workers from the concerned farmers group during the campaign, and can assure you that our government will be acting quickly to establish a National Tobacco Marketing Agency, as well as other measures designed to assist tobacco producers.

A rally took place on November 9 at which about 800 farmers protested and demanded action. One of the farmers with whom I communicated is in his seventies. He said that it was the angriest and most ugly farm demonstration he had seen since the 1930s.

Last weekend, on November 30, there was another rally in Delhi. I asked the Hon. Member for Haldimand-Norfolk why he did not attend that rally. I did this because farmers were contacting me to complain about the fact he was not attending. Of course, he brought in the explanation that he had to go to a Santa Claus parade in an adjoining community.

Next Tuesday, December 10, there will be an even larger rally here in Ottawa to protest the lack of action with respect to the establishment of a farm marketing agency and all of the other things which farm groups are waiting on. They are waiting because of a litany of broken promises and broken commitments by the Government.

When we raise the subject in the House the Minister just gives a smart alec answer such as he did on November 25. On that day he said he did not take any action because the House was not sitting that week. That type of answer may receive great guffaws and a great response from back-benchers on the government side, but it certainly does not give the Minister credibility. Nor does it put him in a favourable light with farmers who are facing the most devastating financial crunch since the 1930s.

What we see from the Government and the Minister is a litany of broken promises and broken commitments. We have not seen any action with respect to establishing any of the agencies about which the Government has talked. The farmers are getting bloody mad. They will continue to rally. They will continue to demand that the Government take action. They were promised this years ago. Then the Conservatives came to power and the action is simply not forthcoming. It is just stall, stall, stall. When action does come about it is in the form of a dribble and really amounts to no action at all.

I am acting on behalf of these people tonight demanding that the Government move ahead with these demands and keep the commitments it made, not only in the election campaign but several times since. There has been no action forthcoming up to this point in time.

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the Hon. Member for Algoma (Mr. Foster) has to forgive Government Members if at times we do not take him seriously. It is difficult to appreciate someone who was in Government for so long and who accomplished so little; he tries to tell the Government, or impress upon us, the serious nature of the problems in the field of agriculture.

It is not difficult at all for the Minister of Agriculture (Mr. Wise), or for most Members on this side of the House, to appreciate the serious problems in agriculture which have arisen over four or five years of constant neglect by the previous Government. I do not say that in defence because, in fact, I think we have a record which is now evolving. Because of the time I will only list two or three items in this respect.

In the recent past we made a payment of $40 million on the federal level under the ASA, because Bill C-25 was passed. We can now make quarterly payments to red meat producers.

• (1815)

We do have an enabling legislation for the tobacco marketing board—

Mr. Foster: How does that help our cow-calf operators?

Mr. Gurbin: In conjunction with the provincial governments those programs in fact are there.

Mr. Foster: There is nothing for the cow-calf operators, and you know it.

Mr. Gurbin: There is also $150 million for drought relief for the western farmers. I am going to stop there, Mr. Speaker. There are many more things which could be mentioned but I know that they upset the Hon. Member for Algoma. But he talked about them for two or three years and did not do a bloody thing about them. What I would like to say very quickly, because the time is running short, is that the amendment which will be necessary to the bankruptcy legislation is being considered by the Minister of Consumer and Corporate Affairs. The question of urgency is there and is impressed upon the Government. We have been in government for 15 months now and during that period of time—

Mr. Foster: There is no act yet. It's been promised since last July.

Mr. Gurbin: —in discussions with different groups the importance of the bankruptcy legislation has been understood, as well as changes to the Farm Credit Corporation. A private sector group has been established which has given its recommendations to the Minister. In close consultation with the Minister of Agriculture the Minister of Consumer and Corporate Affairs (Mr. Côté) understands we need that legislation in order to deal with that very significant segment of the agricultural population which will not, in fact, be accommodated—I agree with the Hon. Member for Algoma on this point—by the

traditional measures because in fact they have been allowed to sink so low under the previous Liberal regime.

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

The House adjourned at 6.18 p.m.

HOUSE OF COMMONS

Friday, December 6, 1985

The House met at 11 a.m.

STATEMENTS PURSUANT TO S.O. 22

[*Translation*]

THE ECONOMY

SITUATION IN MONTREAL EAST—PROPOSED ACTION PLAN

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, after two months of uninterrupted and repeated requests from Members of the Opposition and the Montreal East survival committee, the Government has just announced the creation of a six-Minister Cabinet committee to provide assistance to the Montreal region, mainly to Montreal East which is now experiencing a situation likely to result in the loss of 5,000 jobs.

For openers, Mr. Speaker, as a Member of the House and one of the people responsible for the survival committee, I would like to serve immediate notice on those Ministers that the workers will simply not stand still while this third committee runs around in circles. I would also advise the committee and its chairman, the President of the Treasury Board, that one more study is not going to help Montreal East. First, the Government must give Montreal East a Zone-IV designation to make all industries and workers eligible for the best grant programs. Second, the Government must cancel the Gulf sale to Ultramar and let Gaz métropolitain buy the refinery and protect jobs. Third, the Government must immediately award contracts to Montreal East's Canadian Vickers under the TRUMP or Multi-Ship programs. Fourth, the Government must immediately convene CN, VIA Rail and CP representatives so that they may award contracts to Bombardier, Canadian Steel Wheel and La Forge. Mr. Speaker, on Monday—

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

* * *

[*English*]

LABOUR RELATIONS

CANADIAN IMPERIAL BANK OF COMMERCE—TREATMENT OF EMPLOYEES

Mr. Rod Murphy (Churchill): Mr. Speaker, this morning's *Globe and Mail* reports that the Canadian Imperial Bank of Commerce intends "to split its shares and increase its dividends as signs of a turnabout become more apparent". This bank can afford to raise the dividends on shares but refuses to deal with its employees in a fair and equitable manner. The Commerce is well known for maintaining a ghetto of low-paid employees, the majority of whom are women, and of practising tactics of intimidation toward pro-union workers and favouritism toward others.

On a number of occasions the CIBC has been found guilty of unfair labour practices. I have written the Minister of Labour (Mr. McKnight) asking him to improve labour relations within banks through stronger legislation. This week the Minister responded to me by indicating his unwillingness to take such a step. I again urge the Government to set up an inquiry into the labour practices of all banks and to improve the Canada Labour Code by introducing meaningful first-contract legislation so that the banks will be forced to negotiate fairly with their employees.

* * *

LABOUR CONDITIONS

EMPLOYMENT—CREATION OF JOBS NATIONALLY

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, Canada is becoming a land of opportunity again. Since this Government was elected, 416,000 jobs have been added to the labour force, 83,000 of which were added in November alone. The unemployment rate has fallen from 11.6 per cent in September, 1984, to 10.2 per cent now. Youth unemployment has declined more than two full percentage points. The total of unemployed people has fallen by 148,000 persons. The job-creation rate since the last general election has been four times better than the job-creation rate in the entire 55 months of the previous regime.

Not only is this a trend across the country but, according to the Canada Employment Centre, in Canada's seventh largest city, of Scarborough, this national trend is evident locally. Since September, 1984, the number of Scarborough employers seeking help has increased by one-third over that of the previous 14 months.

This should not be written off as a world-wide trend with no Canadian component. According to current statistics, Canada is reducing unemployment faster than any other western industrial country except The Netherlands. This dramatically improved employment picture shows that we are fulfilling the commitment we made to the Canadian people—that we would renew the economy and that we would do it by making this a

country for doing business, for making investments, and for expanding opportunity.

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

* * *

INTERNATIONAL YOUTH YEAR

RECORD OF ACCOMPLISHMENTS

Mr. Bob Hicks (Scarborough East): Mr. Speaker, as 1985 draws to a close I would like to take this opportunity to congratulate the youth of Canada for the outstanding contribution they have made during this International Youth Year. In addition, I would like to commend the Government of Canada and the Minister of State for Youth (Mrs. Champagne) for the positive programs put forward to assist the youth of Canada with their varied and imaginative projects.

Prior to my election to the House of Commons, Mr. Speaker, I was actively involved as an educator for 31 years. During that time I had the privilege of working with thousands of young people in both academic and social surroundings. They are genuinely committed to Canada's future. More youth in Canada today are in school and are staying longer. Clearly today's Canadian youth represent the best educated and best trained generation our country has ever produced.

• (1110)

One day, many of the leaders of today's youth will be the leaders of our various levels of Government and industries, making the difficult yet necessary decisions which will affect the economic prosperity and social activity of our great country. It is our duty as parliamentarians to ensure that not only our young people but youth throughout the world inherit a future which is filled with hope and a global security secured in peace and compassion.

It is in this spirit that I urge the Government to make representations at the United Nations to have 1986-1996 declared "International Decade for Youth". It would be a fitting tribute to our youth—

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

* * *

CUSTOMS AND EXCISE

PERMITTED IMPORTATION OF AMERICAN MAGAZINE

Mr. John Nunziata (York South-Weston): Mr. Speaker, the *Hustler* magazine issue is a classic example of the hypocrisy of the Government. It claims it is concerned about the importation of pornography into Canada. It says it cares about the issue and calls it an issue of paramount urgency. Yet the Government has done absolutely nothing with respect to this disgusting and revolting magazine, in particular the December issue of the magazine.

Last Friday the Minister of State for Finance (Mrs. McDougall) promised the House that a report would be forthcoming by Monday. Some five days later we still do not have that report. It would lead one to conclude that the Government simply does not care about this most important issue.

The Minister of Justice (Mr. Crosbie) suggests we should simply ignore the matter and it might go away. However, that is not the proper course of action as far as we are concerned. Definite action must be taken immediately. The magazine entered Canada because of the gross negligence of the Government. We now find that the Government is planning to cut back 1,152 jobs in the Department of Customs and Excise. While we need more Customs inspectors the Government is planning on cutting back.

The Conservative Government should hang its head in shame for not taking immediate steps to ensure that this magazine is taken off the shelves. Mr. Speaker—

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

* * *

[*Translation*]

EMPLOYMENT

BIG NUMBER OF JOBS CREATED SINCE ELECTION OF GOVERNMENT

Mr. Marcel R. Tremblay (Quebec East): Mr. Speaker, the latest employment figures show that the Government is making every effort to meet its commitment to create jobs. Last November, 83,000 new jobs, most of them full time, were created thanks to Government policies.

Since September 1984, when Canadians voted for a new direction from a Conservative Government, we have helped 416,000 Canadians to find jobs, 416,000 Canadians who were previously unemployed and who would certainly not have found work if a Liberal Government had been in power.

Mr. Speaker, even the Opposition with its complaints and criticisms will admit that this is an unprecedented figure. The Government is living up to its slogan of jobs, jobs, jobs. Unemployment insurance benefits have gone down by 5 per cent since last August.

And it is not only in relation with job creation that this Government is putting Canada back on the map. I would like to point out that the federal deficit for the third quarter amounted to a seasonally adjusted figure of $25 billion, which is 19.4 per cent lower than during the previous quarter.

This Government is restoring the Canadian public's confidence in the economy, Mr. Speaker. We are doing our job!

[*English*]

DAY CARE

NEED FOR INCREASED FACILITIES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, today I wish all my colleagues a very happy St. Nicholas Day. The tradition of that fine old soul who cared so much for all children reflects the best of human nature. It is no wonder that the Prime Minister (Mr. Mulroney) and his wife chose to name their newest son Nicholas.

Nicholas is a very fortunate little baby who gets to go to work with his mother. Mila is a very unusual working mother who, unlike most women, has the opportunity to bring her son into the workplace. We presume Nick's father is sharing the parenting during his frequent absences from the House. Mila feels she and Nicholas are advocates for child care which will magically take place on its own. Will every plant have an assembly line of cribs alongside the word processors?

The need for accessible, affordable day care is urgent. Women are working hard and carrying double burdens. Some 60 per cent of working women are married and one-half of their families would be poor if they were not in the workforce. Two income are necessary today just to survive.

Children must not be victims of poverty. We must provide quality child care now. If Mila Mulroney wishes to play an advocate role she should insist the federal Government move quickly to ensure universal, publicly-funded day care for all of Canada's children.

* * *

[*Translation*]

CROWN CORPORATIONS

RATIONALIZATION POLICY

Mr. Richard Grisé (Chambly): Mr. Speaker, following upon commitments made during the last election campaign, this Progressive Conservative Government has taken concrete steps to rationalize and enhance the role of Crown corporations in the Canadian community of 1985.

This party has always favoured the existence and operations of those corporations provided they agreed with our national interests. In the course of that review, we have reached the conclusion that some of those corporations were no longer serving the purposes intended or that their objectives had been reached and their participation in national life was therefore no longer required or desirable.

This is why we proceeded with the winding up of four inoperative Crown corporations; with the winding up of corporations that no longer answered the purposes of public policy; and also with the sale of Northern Transportations Company Limited, Canadian Arsenals and de Havilland as well as Canadian Government interests in the Canada Development Corporation.

Mr. Speaker, in addition to bringing nearly half a billion dollars into the Federal treasury, those sales, sale proposals and winding ups will reduce by some $700 million this year the Canadian Government's financial needs. They will also help us reduce the deficit by another $350 million during the 1985-86 fiscal year.

Moreover, those moves show that we have no intention of maintaining an unnecessary presence in industries that do not require direct public sector involvement.

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

• (1115)

ORAL QUESTION PERIOD

[*English*]

AGRICULTURE

SALE OF BUFFALO MEAT FROM HERD EXPOSED TO TUBERCULOSIS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Minister of Agriculture. It concerns the health of Canadians and the damage inflicted upon the agricultural industry by the neglect of the Minister of Agriculture. Can the Minister confirm that two Conservative Members of Parliament from Ontario, namely, the Hon. Member for Peterborough and the Hon. Member for Simcoe North, met with the Minister and made representations to him concerning the infected buffalo meat? Can he further confirm that those Members of Parliament were concerned as early as October 15 that TB infected meat was going to be permitted for sale, potentially jeopardizing the indusjtry and damaging the health of Canadians?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I certainly welcome the opportunity to respond. I apologize for not being in the House yesterday. However, I was in the marathon meetings with representatives of the Ontario Flue Cured Tobacco Growers Marketing Board, as well as the companies, attempting to arrive at a settlement for the 1985 crop. Indeed, I am pleased to report progress.

I do appreciate the response of my colleague, the Minister of National Health and Welfare, in taking notice of the questions, and I want to acknowledge as well the representations made to me on the dates to which the Hon. Member refers by my colleagues, the Hon. Member for Simcoe North and the Hon. Member for Peterborough. In addition to that, if my memory serves me correctly, I believe representation was also made to me by the Hon. Member for Timiskaming.

Within seconds of notification of this information, I contacted my senior officials. I requested them to apply the letter of the Act with respect to this particular situation. I can assure the Hon. Member that we have one of the finest meat and food

inspection services in this country. It is widely recognized throughout the entire industry and it is respected throughout the world.

RELEASE OF MEAT FOR SALE

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, in view of the fact that the Minister knew of the potential health hazard, and in view of the fact that the health test being done was not even completed as late as yesterday, my question is very simple. Why did the Minister allow the meat to be sold when he did not have full knowledge of what the health implications were? Could he also tell us if this is another case of the Government giving the benefit of the doubt to the corporate sector against the health of Canadians? Is this another case of the tuna affair repeated?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, that is utter nonsense, as well as most of the observations made by the Hon. Member. He should know—but I can tell by some of his comments he doesn't know—that the Meat Inspection Act, which has been in effect for 75 years, and which was amended on May 8 of this year with the support of all Parties, does not extend ministerial authority to me to overrule my inspectors.

[*Translation*]

MEAT QUALITY STANDARDS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have a supplementary question.

Concerning again the tainted buffalo meat, the Minister was aware that this meat was not to be sold abroad. Exporting that meat would have been prohibited. Importing it would also have been prohibited. If it is not good enough for foreigners, why is it good enough for Canadians? Is the Minister using the same logic that his former colleague the Minister of Fisheries and Oceans used in making his decision?

● (1120)

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, if the Hon. Member was aware of the provisions in the Act and of the spirit of the international convention, he would not pose that question because for a good number of years that practice and procedure have been used. If a carcass goes through the inspection and requires additional inspection; i.e., a lesion is found in the carcass, then, of course, it is condemned. If a lesion is found within an organ the proper procedure is always followed, as it was in this case, and it is sent to a laboratory for testing.

The Hon. Member indicates that the tests have been completed. They have not. They were sent to a laboratory in Nepean where a series of tests is carried out. I am advised that the results of the final tests will not be known for four, five, or six weeks.

Mr. Tobin: That's ridiculous.

Mr. Wise: All of the tests that have been completed have come back negative. It is interesting to note, Mr. Speaker, that during the debate on that issue the Hon. Member for Glengarry-Prescott-Russell is reported at page 4536 of *Hansard* as saying that:

> Liberal Members do in fact acknowledge that the meat inspection system in this country is indeed excellent.

Where does he stand? Is he for it or against it?

Mr. Boudria: It was, before you came along.

PROVISIONS OF MEAT INSPECTION ACT AND REGULATIONS

Mr. George Baker (Gander-Twillingate): Mr. Speaker, the Government obviously does not learn from its mistakes. It is not satisfied with unloading tainted tuna on to the Canadian public. It is now questionable buffalo meat—surf and turf.

Is the Minister aware of Section 474 of the Meat Inspection Act and regulations which state that, if any lesions are found, total condemnation of the herd is required?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am very much aware of the Act and of the regulation.

Mr. Guilbault (Saint-Jacques): Why not act?

Mr. Wise: I say again that I have full and complete confidence in the meat inspection system in this country. Ministerial authority is not given to over-rule my inspectors. I simply ask them to apply the full letter of the law and, if they find anything questionable, to err on the side of health and public safety. This course of action has been followed for 75 years. It has served the industry, the Canadian public, and the international marketplace well. There is a great deal of respect for this system across the country and in the international marketplace, although it may not be shared by Members opposite.

CONDUCT OF TESTS

Mr. George Baker (Gander-Twillingate): Mr. Speaker, lesions indicating the possible presence of tuberculosis were found in six of these animals. Yet the meat was released before the final tests were completed. If the Minister is satisfied to say that there was no tuberculosis present in these animals, why are the tests still on-going?

Hon. John Wise (Minister of Agriculture): It is very simple, Mr. Speaker. The tests have nothing to do with the condemnation of the meat, but have everything to do with wiping out tuberculosis in the bovine herd across the country. That is the reason for the test of the organs. I think we should recognize and compliment the meat inspectors across the country because they contributed in a major way to the very rapid and significant decrease of bovine TB in humans.

DISCOVERY OF LESIONS

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is also for the Minister of Agriculture. When lesions are found in a carcass or on the vital organs of a carcass, is it not standard practice for the inspectors to set that carcass aside until the laboratory work on those lesions has been completed? Why was that not done in this case?

Hon. John Wise (Minister of Agriculture): To be perfectly honest with you, Mr. Speaker, I cannot give the Hon. Member a definite answer to this.

Mr. Tobin: That's ridiculous.

Mr. Wise: As I have indicated, I was informed of this situation at the beginning. I have sought advice subsequent to that as late as yesterday and this morning. I am informed that the normal, traditional procedures were used in this case as they are used day in and day out. Thousands of livestock carcasses move through our slaughter plants on a daily or weekly basis.

MINISTERIAL RESPONSIBILITY

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my supplementary question is directed to the Prime Minister. In another New Brunswick case the Prime Minister said that it seemed "pretty damn obvious" to him that a certain parcel of product should not have been released before the laboratory tests were completed. This is also the case in this instance. Does the Prime Minister honestly believe that he can retain a Cabinet Minister who will allow Canadians to eat meat that may have been diseased, who released it for the use of Canadian consumers before the laboratory tests on a herd that was found to be tubercular were completed so that we knew whether or not these particular carcasses were affected?

• (1125)

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I always welcome the opportunity to answer questions, but I welcome this one with a little more enthusiasm.

Mr. Althouse: I wasn't asked of you.

Mr. Wise: Let me indicate that our record is the finest in the world.

Mr. Althouse: Not to me it isn't.

Mr. Wise: I said that we have had 75 years of this, and the normal accepted procedures in this case have been followed as they were in the last 75 years.

Hon. Members should be aware that there has not been one single documented case since the introduction of the Meat Inspection Act, the application of that Act and the application of those regulations by our federal meat inspection officers in the last 75 years—

Mr. McCurdy: You could be the first.

Mr. Wise: —of bovine tuberculosis transmitted to humans from meat that has been inspected by our inspectors.

I think that is a tremendous record ando ne that should be acknowledged.

Some Hon. Members: Hear, hear!

DISPOSITION OF CARCASSES

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, would the Minister explain specifically why those five or six carcasses in which lesions were found in their vital organs were not set aside?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I told the Hon. Member that I could not give him a direct, honest answer, and I want to give him an honest answer. For all I know, at the moment, maybe what the Hon. Member is asking about was done. Give me an opportunity to find out. Give me 15 minutes after Question Period and I will give you the answer.

SALE OF MEAT TO CONSUMERS

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, what an incredible admission of incompetence, for the Minister to stand in the House and say: "I don't know why but I am perfectly sure everything is fine with that meat".

An Hon. Member: Ask a question.

Mr. Tobin: The Minister's Pontius Pilate routine won't wash. The buck stops with him.

Why, in the face of representations from Members of Parliament, representations from the buffalo herders industry—

An Hon. Member: It is Question Period, not debate.

Mr. Tobin: Why did the Minister allow that meat to go to market without having the results of those tests on six animals, tests, incidentally, which indicate from the animal that died in New Brunswick that TB was present in that herd? Why was that meat product allowed to go on the plates of Canadian consumers?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, if I had a choice between following the recommendations and the advice of my inspectors or that of the Hon. Member, it would be a very easy decision. I would choose and would rather err on the side of competence, and I would err on the side of a proven record.

INSPECTION PROCESS

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, what we have just heard from the Minister is that when two Members of Parliament representing buffalo herders in their districts tell a cabinet Minister in the Government that

their people say there is a problem, you don't listen. What you are saying—

Mr. Speaker: Order. I believe the Hon. Member had a long question the first time. Could he now ask his question, please?

Mr. Tobin: Is the Minister of Agriculture telling the House that he is satisfied that the inspection process that allowed this buffalo meat to go to market, in the absence of complete tests, is the same process and involves the same standards that are applied to all red meat inspection in this country? Is that what he is telling the House?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, briefly, that is exactly what I am telling the House, and I say it with a great deal of satisfaction and confidence. If there is any question in the Hon. Member's mind, there isn't in mine. Just look at the record. There is no question that the record is fantastic.

The Canadian people have been well served by it, I think the Government has been well served by it, and I am sure that I, as Minister of Agriculture, will be well served by it too.

* * *

• (1130)

HERBICIDES

IMPORTATION OF ALACHLOR

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, first it was Tunagate, and yesterday it was TB dinners. Now we have to add to the regulatory mess this Government has produced the importation of the pesticide alachlor after a previous Government ban.

Just who is running the ship at Agriculture Canada when, in spite of a ban, unspecified amounts of a cancer-causing pesticide already contaminating our drinking water are allowed into the country?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am in control of Agriculture Canada. I make no apologies for that whatsoever.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): Is anyone is control of the NDP?

Mr. Wise: After years of public neglect and inaction, Mr. Speaker, we took action and appointed the Pesticide Management Advisory Board for the first time in our history. In addition to that, I appointed the Alachlor Review Board, another major step in the interests of public health and safety.

As far as the information that I have this morning, that to which the Hon. Member refers is inaccurate.

BAN ON USE OF HERBICIDE

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, let us see how accurate is the information which the Minister has available to him.

Will the Minister determine the whereabouts and the amount of alachlor presently in the country? Will he immediately place a complete embargo on its use and on the entry of any further supplies of it until the outcome of the Review Committee's activities is known?

Hon. John Wise (Minister of Agriculture): Again, Mr. Speaker, the Hon. Member is outdated. We have already done that. We took action, I believe, on February 25 this year.

* * *

[*Translation*]

HEALTH

INQUIRY WHY BUFFALO MEAT NOT USED FOR DOG FOOD

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, as reported in the media this morning, Department of National Health and Welfare veterinarians are said to have declared that the meat should have been destroyed or used for other purposes: for making dog food.

Could the Minister tell the House how he had the nerve to allow this meat to reach the tables of Canada, after Government experts had said it should have been destroyed or used to make pet foods?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am aware of some observations that have been made across the country from various sources. I watched a comment or two made by a veterinarian, I believe, in western Canada and I immediately drew that information to the attention of my senior officials. I was told that these observations are made from time to time by various people in the industry and various people in the profession.

I am advised that the individual whom I saw has admitted that he is not an expert in the area of meat inspection.

[*Translation*]

REQUEST FOR EXPLANATION OF POSITIONS OF TWO MINISTERS

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I find it strange that the Minister of Fisheries and Oceans had disregarded his own officials' recommendations for returning the tuna to the shelves, while the Minister of Agriculture dares not overrule his officials' recommendations in order to protect public health.

How is it that we have this difference between the two Departments?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, far be it from me to explain the difference. The only fact is we have an excellent record. We have the finest system in the world. I do not have ministerial discretion under the Act. I think that should provide the answer.

It is interesting, Mr. Speaker, that there is so much criticism contrary to what was said when we amended the Act on May 8. I have quoted the Hon. Member for Glengarry-Prescott-Russell. I quote now the Hon. Member for Humboldt-Lake Centre:

> Members of Parliament, farmers, meat packers, processors and consumers are convinced that we have the makings of a very good meat inspection system.

And listen to this, Mr. Speaker:

> If it is not the best in the world, it is certainly among the best in the world.

Some Hon. Members: Hear, hear!

Mr. Wise: I have another quote. I can go on, Mr. Speaker.

Mr. Speaker: Order, please.

* * *

AGRICULTURE

DISPOSITION OF BUFFALO CARCASSES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I also have a question for the Minister of Agriculture. I find it very interesting and deeply disturbing. We now know the Minister knew about the situation in general on October 14. He has just stood in the House, and I want to verify this, to say that he did not know up until today, and still does not know, and is now telling the House of Commons and the people of Canada, that in spite of carcasses being found to be infected, what happened to those carcasses afterwards. Is that right?

Hon. John Wise (Minister of Agriculture): Partly right, Mr. Speaker, but partly wrong.

Some Hon. Members: Oh, oh!

Mr. Deans: It is pretty serious stuff.

Mr. Wise: What I have not clarified is whether the six carcasses having organs containing lesions were detained for a period of time. That is what I am saying. I have offered to supply the Hon. Member for Humboldt-Lake Centre with that information.

Hon. Members mistakenly take for granted that simply because an animal entering a plant has a positive test it is infected with TB, but that is not the case. It may or may not be the case. As to the other inaccurate conclusions which Hon. Members are drawing that a trained qualified veterinarian can tell visually whether a lesion is active or is a TB lesion, that is not known until those organs are forwarded to a lab for tests. This is being done now.

There are a series of tests, four or five to be exact, some of which take a long period of time. I understand there is one test for which the results are not yet in. Three or four tests on lesions from those animals have up to this point in time been negative.

Mr. Speaker: With great respect, this is becoming too long. The Hon. Member for Oshawa has a supplementary question?

MINISTERIAL RESPONSIBILITY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister on this important matter.

We now know the carcasses found to be contaminated were in fact sent to western Canada, sold in western Canada, and have now been eaten. We have an acknowledgement from the Minister that in the middle of October he was aware of the general circumstance. He has admitted now in the House that nothing was done to ensure the carcasses were destroyed, that he did not even pursue the matter to find out whether the meat was on the shelves, or what happened to it.

Does the Prime Minister accept this as responsible behaviour from a Minister? If he does not, will the Prime Minister take steps to change this Minister as he did with a previous Minister in the Tunagate affair?

Mr. Skelly: It is pretty damned obvious that the meat should not have gone on the table.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, Parliament passed an Act of Parliament in 1907 which set out terms and conditions of the Act and set out its regulations. The law has worked perfectly over the ensuing 75 years. Earlier this year we took the initiative and amended the Act to legalize some of the practices and procedures which had been used over time by our meat inspectors, to give them legal authority to ensure greater public health and safety. I have difficulty with this, Mr. Speaker, but the Member must have respect for this Parliament and he must have respect for legislation passed by this Parliament, particularly if that legislation has worked so well over the years.

The Hon. Member must also accept the fact that that Act does not give me ministerial authority. I checked within seconds, less than a minute, but the only authority I have, which I utilized within seconds of being advised by three colleagues, was to call my senior officials. I was going to make them aware of the situation but they already knew about it. They already had these animals in detention and had known about the problem for a long time.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Scarborough East.

Mr. Broadbent: Mr. Speaker, I have a final supplementary.

Mr. Speaker: Sorry.

• (1140)

LABOUR CONDITIONS

EMPLOYMENT CREATION—UNEMPLOYMENT STATISTICS

Mr. Bob Hicks (Scarborough East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. I prevail upon her to help me with my mathematics this morning. In view of the 83,000 jobs which were created in the month of November, a figure of which I am sure the Minister can be justly proud, why was there not more than a .1 per cent decrease in unemployment?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the answer to that is because 83,000 more Canadians had the confidence to enter the labour market as new participants this month.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Miss MacDonald: The reason they did so—

Mr. Rodriguez: That is what the Liberals used to say.

Miss MacDonald: —is because they can see that the economy is growing, that the Gross National Product is up substantially this quarter, that housing starts are up, that retail sales are up, that inflation is down and that interest rates are down. All of that is having a very dramatic impact on the growth of jobs—some 416,000 since we took office, and 83,000 this month alone.

Some Hon. Members: More, more!

Miss MacDonald: Those figures include women, young people and adult men, the whole spectrum—

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

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AGRICULTURE

SALE OF BUFFALO MEAT FROM HERD EXPOSED TO TUBERCULOSIS

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Prime Minister. The subject matter, as was evident in previous questions, is the tainted bufallo meat. The Prime Minister knows that the Minister had knowledge of tainted meat which may or may not have been exposed to tuberculosis, therefore causing grave dangers to the health of Canadians. He knows that the Minister refused to intervene, to stop it from going on the market. I suggest to the Prime Minister that this amounts to gross negligence, and I ask him to intervene and have this Minister removed from the Department of Agriculture.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, this meat is not tainted; this meat is not tainted.

Mr. Deans: How do you know?

Mr. Wise: The only thing that is tainted about this is—

Some Hon. Members: How do you know that?

Mr. Speaker: Order, please.

Mr. Rodriguez: If I had a buffalo sandwich right now, would you eat it?

Mr. Speaker: Order, please. If Hon. Members keep shouting, it will indicate that they do not want to ask questions. The Hon. Minister.

Mr. Wise: I thought I had answered that, Mr. Speaker. I have indicated that this meat is not tainted. The only thing which is tainted is the comments of the Hon. Member opposite.

Some Hon. Members: Hear, hear!

REQUEST FOR TABLING OF MEMORANDUM

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my supplementary question is directed to the same Minister—

Mr. Speaker: Order, please. Could the microphones be fixed, please?

Mr. Dingwall: Thank you, Mr. Speaker. If the meat is not tainted, could he explain to the House why tests are presently going on? While he is on his feet, will he undertake to table in the House the memorandum or the letter which he received from his officials, saying that they believed that the meat was safe to put on the market? Would he do the honourable thing and table that?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, my initial reaction would be that I would not have any hesitation in tabling the information which I received from my officials. I want to put a condition on it; I want to have the opportunity to check whether or not it is appropriate, whether or not it is proper. There would not be any hesitation on my part with respect to the actual handling of this case by my inspectors.

MINISTER'S KNOWLEDGE OF MATTER

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is directed to the Prime Minister. The first thing he should know is that the Minister of Agriculture knew in advance, before the product was sold and distributed to Canadians, that the carcasses and the entrails showed lesions. Does the Prime Minister not think that the Minister should have at least recommended that these carcasses be put aside? Further, does the Prime Minister not think that it is pretty

damn obvious that this stuff should not have gone on Canadian tables?

An Hon. Member: Order, Mr. Speaker.

Mr. Speaker: I cannot hear him because the microphone is not working.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, there is a bit of a technical sound problem, but I just want to respond to the Hon. Member by saying that I think he made some observation that I did not admit the effect, and I think that was part of the thrust of the questions of the Hon. Leader of the NDP. Nothing could be further from the truth. I took the first opportunity I had today, in response to the opening question, to acknowledge that fact. I complimented my three colleagues on the interest which they took in this subject. Within minutes—actually, it was within seconds—I made a call to my senior officials and asked them to use the letter of the law to thenth degree to ensure that public health and safety were assured. Upon checking it from time to time, I am fully confident that indeed this was done.

REQUEST THAT PRIME MINISTER UNDERTAKE INVESTIGATION

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my supplementary question is directed to the Prime Minister. Will he undertake an investigation, since the herd originated in New Brunswick, to ensure that there was no influence exerted by officials of the Government of New Brunswick on a decision not to recommend that the herd be held and quarantined?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the NDP had better make up its mind. A couple of months ago it was criticizing the Minister of Fisheries for overruling his health inspection officials, and now it is criticizing the Minister of Agriculture for following, to the letter, the advice and judgment of his departmental officials.

Some Hon. Members: Hear, hear!

Mr. Mulroney: You are a bunch of hypocrites. You are a bunch of hypocrites, trying to play both sides of the street. Make up your minds, because you are going to lose on both sides.

* * *

CANADIAN WHEAT BOARD

LONG-TERM GRAIN SALES AGREEMENT CONCLUDED WITH SOVIET UNION

Mr. Bob Porter (Medicine Hat): Mr. Speaker, my question is directed to the Minister of State for the Canadian Wheat Board. The Minister is aware that the international grain market is extremely competitive and that the possible lack of market is of great concern to Canadian farmers. In view of those facts, would the Minister comment upon the recently announced Canadian-Soviet Union agreement which was concluded yesterday?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member is precisely correct. There are some concerns over the lack of markets because of the international situation and the large stocks of grain which exist around the world. In spite of that, and because of our record of performance in the past and the good relationship which the Canadian Wheat Board has with the Soviet Union, and the export pace in particular, yesterday we were able to conclude a long-term grain sales agreement which will see us being able to sell grain to the Soviet Union at the same clip or the same rate as we have in the past five years.

The House should know that the Soviet Union is our major customer. Last year it bought a third of our grain. This stands very well in terms of supply. We are concerned about the price which is very low, but we should be able to sell our grain as we grow it. That, in turn, will help us in terms of jobs. What we do in agriculture filters throughout the whole economy. It is very good news not only for farmers but for the economy in general.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

CORPORATIONS

SALE OF GULF REFINERY IN MONTREAL—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Yesterday, my hon. friend from Papineau, acting on behalf of seven Liberal Members from the Montreal area, laid on the Table a request that your department investigate the Gulf-Ultramar deal. Is the Minister ready to inform the House today whether he has recommended the investigation of this transaction and if so, when is it to start?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I realize the Minister discussed this matter, but I would like to reply, partly because it also involves Montreal East and job creation.

Today, the Government of Canada was able to announce that 83,000 new jobs have been created in Canada, which means 416,000 new jobs since this Government was sworn in. It is important to emphasize, and I think the Hon. Member will agree, that 130 of those new jobs were created in Quebec, and that the previous Liberal Government created an average of 673 jobs per month in that province. We have created 9,002 per month, so that our average for Canada and Quebec is fourteen times what was achieved by the Liberal Party.

Mr. Malépart: Mr. Speaker, I would like to say that this kind of fooling around is just what is making the Prime Minister's popularity go down in the polls.

• (1150)

REQUEST FOR INQUIRY INTO SALE OF GULF REFINERY IN MONTREAL

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): My supplementary is directed to the Minister of Consumer and Corporate Affairs, if the Prime Minister will give him a chance to reply. Is the Minister going to order an investigation into the purchase or transaction involving Gulf and Ultramar, considering that 450 jobs are at stake, yes or no?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I believe I already answered that question yesterday. I also said that we did not wait for the Opposition Members to put pressure on us to order an investigation. Yesterday we asked our Director of Combines Investigations to conduct a study of this transaction. His conclusions will be available shortly, and we shall then decide accordingly.

* * *

[*English*]

AGRICULTURE

SALE OF BUFFALO MEAT FROM HERD EXPOSED TO TUBERCULOSIS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for the Minister of Agriculture. The Minister has indicated that when he looked into the matter that was brought to his attention, he found that he did not have authority to stop the sale. Did he then go to the Prime Minister to seek such authority?

Hon. John Wise (Minister of Agriculture): No, Mr. Speaker, the thought never crossed my mind. Since the Hon. Member has brought that matter to my attention, I would think that it would be a very foolish thing to do.

CONDITION OF MEAT

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my supplementary question is directed to the Prime Minister. Given that the Minister has indicated that he did not have the authority to stop the sale, does the Prime Minister feel that meat that could not be exported in the condition it was in, and could not be imported in the condition that it was in, was fit for Canadians to eat?

Mr. Skelly: Pretty damned obvious it shouldn't have been on the table.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I have answered that question. There is a long-standing tradition that, if a carcass is abnormal, it is required that it receives further, supplementary, or secondary inspection.

Mr. Gauthier: After it's eaten?

Mr. Wise: It requires supplementary or secondary inspection by well qualified inspectors. This practice has been in place and has served the industry extremely well over the years.

Mr. Deans: Do you think meat that can't be exported or imported can be eaten?

Mr. Wise: If that carcass requires supplementary or secondary inspection, we have an international agreement or understanding that that carcass is made available on the domestic market but it is not made available to the export market. That is in regard to a long-standing law in this country and a long-standing agreement in the international market-place.

Mr. Deans: Well, change the law.

Mr. Wise: What's wrong with it? It has worked well.

Mr. Clark (Yellowhead): Have some respect for the law.

Mr. Deans: I have respect for the law. Why should Canadians eat rotten meat?

Mr. Speaker: Order, please.

* * *

LABOUR CONDITIONS

EMPLOYMENT POLICIES OF GOVERNMENT

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, my question is directed to the Prime Minister and incidentally has nothing to do with meat inspection. Do the latest employment statistics show that, in general, the policies being pursued by the Government of Canada are on the right track?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thought that you had stopped these hostile questions. In point of fact what it does indicate is that we sought election on a policy of job creation and we have created more jobs in 14 months than the previous Liberal Government did in 55 months.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I think it is important to point out that our job-creation rate—

Some Hon. Members: Oh, oh!

Mr. Mulroney: I know the Bad News Bears don't like it. I know the Liberal Party does not like to hear good news, but our job-creation rate is 400 per cent better than that of the Liberals.

[*Translation*]

FINANCE

REQUEST THAT MINISTER DISCLOSE NAME OF CORPORATION THAT ALLEGEDLY WITHDREW $10 MILLION FROM CANADIAN COMMERCIAL BANK—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Minister of State for Finance. Yesterday we witnessed a pitiful performance on TV when two Ministers of this Government appearing before the Estey Commission were unable to answer any of the specific questions put to them, as if ignorance were the golden rule of the Government to shirk its responsibilities. Since yesterday the Minister must have found time to look up the name of the company which managed to withdraw the $10 million, so I would ask her to tell the House the name of this financial institution or whatever which withdrew $10 million from the Canadian Commercial Bank after the liquidation process had been started, and what the Government plans to do to recover that money?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, as usual the Hon. Member gets his information from the wrong source. This was a misrepresentation of what actually happened. It was an institution that had a note mature after September 1, and there was no withdrawal.

[*Translation*]

INQUIRY CONCERNING MEASURES GOVERNMENT INTENDS TO TAKE TO ENSURE RECOVERY

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, the questions put before the Estey Commission yesterday were very specific, yet the Minister is telling us this morning that the question of the judge was unfounded and that there was no $10 million withdrawal. Did I understand the meaning of her answer and, if indeed the $10 million withdrawal was nothing more than a maturing note, what steps does the Government intend to take to recover the money?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I have explained to the Hon. Member that there was no misrepresentation by the judge or at the inquiry and that the information that was made public misunderstood the nature of the evidence and the difference between a note maturing and a note being withdrawn. It is perfectly straightforward, as I am sure even the Hon. Member must understand.

AGRICULTURE

SALE OF BUFFALO MEAT FROM HERD EXPOSED TO TUBERCULOSIS—APPLICATION OF ANIMAL DISEASE AND PROTECTION ACT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister of Agriculture. Earlier he told the House that he did not have authority to quarantine the carcasses of the herd in question. That is true if the Minister was acting under the Meat Inspection Act. However, will he acknowledge to the House that there is other legislation, namely, the Animal Disease and Protection Act, within his Department that does give him the authority not only to quarantine a herd but also to quarantine the carcasses? Since he had that authority, why did he not use it?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I checked into that. Again, the information I have is that there is some question about whether or not—

Mr. Skelly: Some question? Why didn't you exercise some judgment?

Mr. Wise: —whether or not the ministerial discretion is extended under the Animal Disease and Protection Act. However, at that point, which I believe was October 11, a decision was made by the meat inspectors of the branch to place the herd under detention and subsequent quarantine, and to do that they used the authority of the Meat Inspection Act.

EXERCISE OF MINISTERIAL RESPONSIBILITY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, this is extremely serious so I would like to direct my supplementary question to the Prime Minister. It is now clear that the Minister has finally admitted that he had authority to act under another Act—

Mr. Hnatyshyn: He said the opposite.

Mr. Broadbent: He said that there was discretionary authority. Since there is, under an Act that was passed by Parliament, the authority for the Minister to use judgment to quarantine carcasses, does the Prime Minister accept having the Minister neglect his responsibility in such a serious matter? Will the Prime Minister answer that question?

Mr. Hnatyshyn: Just because you say something doesn't mean it's true.

Mr. Skelly: We know when you say something what it is.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I have some real difficulty following the reasoning or lack of reasoning in the Hon. Member's question. I have indicated previously that there is indeed some real question as to whether or not there is ministerial authority under the Animal Disease and Protection Act. However, there is no question at all about ministerial authority existing under the Meat Inspection Act as it does not exist. Under that Act the decision was

made which authorized the federal inspectors to move forward, in detention and in quarantine, to apply the thrust of that Act and the regulations which are in place all across the country, and which have been in place for a long time in all our packing plants. There was no exception in this case whatsoever, other than the fact that, without exception, the full thrust of the letter of the law is always applied by all inspectors at all times in all plants across the country. Look at the record; it is 100 per cent. What else do Hon. Members want?

• (1200)

Some Hon. Members: Hear, hear!

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of four presented by Hon. Members on Thursday, December 5, 1985, meet the requirements of the Standing Orders as to form.

The petitions presented by the Hon. Member for Beaches (Mr. Young) and the Hon. Member for Kenora-Rainy River (Mr. Parry) do not meet the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for Esquimalt-Saanich (Mr. Crofton) by filing with the Clerk of the House also does not meet the requirements of the Standing Orders as to form.

I apologize to the House. There have been microphone difficulties during Question Period, which has been part of my difficulty in hearing what is going on.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, it is my pleasure and privilege to present a petition on behalf of a number of my constituents who call upon the Government to change its philosophy and allow for continued indexation of family allowances.

CALL FOR INQUIRY INTO USE OF NANOOSE BAY TEST RANGE

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, it is my responsibility to present a petition from petitioners in Newfoundland concerning the Maritime Experimental Test Range at Nanoose Bay, British Columbia, who are worried about the naval policy of the United States which neither denies on confirms the presence of nuclear weapons on board U.S. vessels using the test range. They call for a full public inquiry before the present agreement is renegotiated.

CONCERN ABOUT FUTURE OF CN MONCTON SHOPS

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, I have the honour and privilege once again to present petitions on behalf of constituents of the federal ridings of Moncton and Westmorland-Kent who express their concern with regard to the future of the CN shops.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Mr. Rod Murphy (Churchill): Mr. Speaker, it is also my honour to present a petition in the House of Commons today. I believe this is the tenth time I have risen in the House to present a petition with respect to the Government's plan to cut back and deindex family allowances. The people who have signed the petition on behalf of Canadians everywhere call upon the Government to protect the full indexation of the universal family allowance and to rescind some of the unfair tax increases which make this drastic cut necessary.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I also have the honour to present a petition. I think it is particularly appropriate on St. Nicholas Day that we be concerned about children and families. The petitioners who have signed this petition, mostly from my riding of Vancouver East, call upon the Government and the House of Commons to reconsider Bill C-70 and reinstate full indexation of the universal family allowance and to rescind unfair tax increases.

Mr. Dan Heap (Spadina): Mr. Speaker, it is my honour to present a petition from a number of residents in Spadina complaining against the Government's intention to reduce the family allowance which will work a great hardship on low-income families, especially at a time when this is seen to be completely unnecessary because of the Government's generous hand-outs to the oil companies and the banks. Therefore, the undersigned petitioners humbly pray and call upon the House of Commons to reinstate full indexation of the universal family allowance and to rescind the unfair tax increases.

* * *

TRANSPORT

AUTHORIZATION FOR STANDING COMMITTEE TO SUBMIT REPORT

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been consultations between the Parties and I think you will find a disposition to receive by unanimous consent and pass without debate the following motion:

That, notwithstanding the order of reference adopted by the House on Monday, October 7, 1985, the Standing Committee on Transport be empowered to submit its final report on the document entitled "Freedom to Move" no later than Thursday, December 19, 1985.

Mr. Speaker: Does the President of the Privy Council (Mr. Hnatyshyn) have the unanimous consent of the House to introduce his motion?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, question No. 475 will be answered today.

[*Text*]

STAR-KIST CANADA INC.

Question No. 475—**Mr. Skelly:**

Did the Government order an RCMP criminal investigation into allegations, by former employees of the Star-Kist Tuna packing plant, St. Andrews, New Brunwick, that management were involved in activities which were statutory offences contrary to the provisions of the Fisheries Inspection Act?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): No.

[*Translation*]

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

Mr. Speaker: The question indicated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

REPRESENTATION ACT, 1985

MEASURE TO AMEND

Hon. Ray Hnatyshyn (President of the Privy Council) moved that Bill C-74, an Act to amend the Constitution Act, 1867 and the Electoral Boundaries Readjustment Act and to provide for certain matters in relation to the 1981 decennial census, be read the third time and passed.

He said: Mr. Speaker, it is certainly with a great deal of satisfaction that I address the House on the third reading stage of Bill C-74. I truly believe that parliamentary scrutiny has assisted the Government in ensuring that this particular Bill provides for fair and equitable representation of the people of Canada long into the future.

As I pointed out at the second reading stage of the Bill, one of the objects of this Bill is to ensure that the increases in the size of the House are not sudden and explosive but, rather, that they proceed at a measured pace while at the same time ensuring fair representation for all parts of the country.

[*Translation*]

Mr. Speaker, the Standing Committee on Privileges and Elections has had an opportunity to make an in-depth study of all questions related to this Bill.

In June 1985 I had the honour to table, on behalf of the Government, the White Paper on Redistribution which the committee had considered before the parliamentary recess.

After weighing the committee recommendations, the Government made a number of amendments to the Bill. The Government took advantage of the committee proceedings on this Bill to re-examine certain basic questions and fine-tune some of its provisions.

[*English*]

I think the process undertaken with respect to this Bill is a worth-while example to keep in mind as the House proceeds with parliamentary reform. Parliamentarians were involved at the beginning of the development of the policy, as well as during consideration of its implications in public hearings of the committee. I am well satisfied that the committee was able to give ample and serious consideration to the implications of the Bill, both before it was introduced in the House and after it was referred to it by the House.

I would like to take this opportunity to thank the members of the committee for their long and diligent efforts in ensuring that all parts of this country will, for the foreseeable future, have fair and equitable representation. I would particularly like to thank the Hon. Members for Etobicoke-Lakeshore (Mr. Boyer), Algoma (Mr. Foster) and Churchill (Mr. Murphy), whose contributions were invaluable to the study of the Bill.

When the House was considering the report stage of the Bill it was my pleasure to be able to move two motions which I believe improve the Bill. One provides for faster growth of the size of the House of Commons after the first redistribution, but it has a negligible net result after the third redistribution for which we have population projections. In other words, we are fast tracking the increases.

[*Translation*]

As a result of this amendment to the basic formula, the seat distribution in the House will reflect more closely the national population ratio in each province.

Considering the many compromises which have been reached with respect to the principle of representation by

population, this measure is the only one under which the representation of each province is fair and equitable.

● (1210)

[*English*]

I want to assure all of my colleagues that the Government would not have agreed to such an amendment if it had in any way made the proportional representations of the provinces any worse, based on the current population projections. I can say with some confidence that the position of the provinces is improved after the redistribution, which will follow immediately upon the passage of this Act. And in subsequent redistributions, the proportion of representation of provinces is, in almost every case, enhanced over and above their current representation in the House.

Of course, the only estimate of the number of seats each province will be assigned, which is based on actual population figures, is that which is based on the 1981 census, and these estimates will only become a reality after the Electoral Boundaries Readjustment Commissions have done their work.

I am sure you will agree, Mr. Speaker, that the other amendment to the Bill made at report stage, which concerned the duties of the electoral boundaries commissions, gives much stronger and clearer instructions in the implementation of their mandates. I was pleased to be able to move this amendment on behalf of the committee. The commissions will now be required to consider community of identity and community of interest as well as determining what a manageable geographical size would be for large, northern, rural and sparsely populated constituencies prior to making their decisions as to the distribution of seats within a province.

I believe this amendment, which the House has adopted, strikes the appropriate balance between the independence of the commissions, which is essential if we are to maintain a method of impartiality in the delineation of constituency boundaries, and the desire of all Hon. Members to ensure that the unique characteristics of communities within their constituencies are taken into consideration in deciding where constituency boundaries will be drawn in the future.

I would like to take this opportunity to thank Hon. Members who participated in the report stage for their valuable contributions.

It is essential that Hon. Members understand the part which this legislation plays in the over-all package of reform of the House of Commons. As I said at the second reading stage of this Bill, the difference between this piece of legislation and the formula which is currently in place is that we provide for a significantly smaller number of Hon. Members.

At the same time, it is our hope that the role of Hon. Members who will be coming to Parliament in the future will become more meaningful as a result of the other reforms, some of which are already in place and others which I anticipate the House will adopt in the not too distant future. It is in this context that I urge Hon. Members on all sides of the House to give speedy passage to third reading of Bill C-74.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, before I start I would like to announce that upon concluding my comments, I intend to move an amendment, and I am saying this so the President of the Privy Council (Mr. Hnatyshyn) will not be taken by surprise.

Typically, the debate on this subject, which is always an important one, also tends to be somewhat embarrassing when we are talking about redistribution, since often, provinces that should normally get more members get less, other provinces in the same position do not get the number to which they are entitled, and there are also provinces that should get fewer Members but get more because of certain provisions in the Constitution. We all know that under the Canadian Constitution, no province can have fewer Members than Senators. Thus, and I think this is a sign of healthy federalism, the Province of Prince Edward Island cannot have fewer than four Members because the Constitution clearly says it must have four Senators.

It is also true that these provisions in the Constitution Act may eventually protect the position of New Brunswick which has ten Senators and which from now on should never have fewer than ten Members. The same applies to Nova Scotia which now has eleven Members and ten Senators, and thus can never have fewer than ten Members, and Newfoundland, which has seven Members and can never have fewer than six because there are six Senators from Newfoundland.

Furthermore, there are large areas, like the Yukon, that would normally have only one Member or no Members at all, and which are given one because that is the absolute minimum. And we all know the Hon. Member for Yukon. As I said recently, the Northwest Territories are represented by one of the Members I see here in the House, sitting on the Government side. Normally, because of their numbers, the Northwest Territories should have only one Member, but for all kinds of reasons which I heartily approve, we have at least two Members from the Northwest Territories, even if they do not have the population to warrant that number.

So there is constitutional protection for some provinces, a certain understanding for the particular situation in the Yukon and the Northwest Territories, and we must therefore conclude that what we have here is not the sacred principle of representation by population, since we already have quite a number of exceptions which I just mentioned. I repeat, the Northwest Territories and the Yukon, for different reasons, and under the Constitution, Prince Edward Island, New Brunswick in fact all the Maritime Provinces have safeguards, irrespective of their population.

If we had adopted the Bill tabled by the previous Government, we would have 310 Members after the next election. There was a lot of debate on this matter, because of the very quick progression from 310 to 343 or more in 1991 and 369 in the year 2001. And although the debate was quite heated

among Members of the various parties, it was not a partisan debate. There are a number of questions: Are we not progressing too quickly? Do we want a huge House where the Maritimes and francophone groups will be swallowed up completely? I will get back to the issue of Quebec francophones later on.

So we would have a House that would be far too big. But the previous Government had followed the legislation and was forced to have a number of Members under an older legislation which had been adopted when we had reached 282 seats in the House and which stipulated an increase to 310 and so on.

I was here at the time when there were 264 seats and there was a new distribution. I had tried to make a point at the time and failed . . . and we saw the House go from 264 seats to 282 and Quebec obtained one out of the 18 new seats. I felt at the time that the number of seats in the House should have been frozen forever at 264 and that through comprehensive constitutional amendments, we should have continued to protect the Northwest Territories, the Yukon, the Maritimes, while adding a new factor, that is recognizing the fact that Quebec is, for historical reasons, the national homeland of Quebecers and Francophones; however, I failed to convince the House at that time. Now, we should have been presented with a Bill which, if we did nothing, would increase the number of seats to 310 by the next election. The map is already drawn. All parties, the Liberals, the Progressive Conservatives and the socialists have discussed this issue and agreed that it was out of the question for the number of seats to increase immediately from 310 to 343, 369, etc.

So, at one point, and I would not want to put the blame on anybody, it was agreed that the sacred principle of proportional representation could be discarded for economic reasons and in order to protect the Maritimes, the Yukon, the Northwest Territories, and that we should adopt a new formula.

The Hon. President of Privy Council (Mr. Hnatyshyn) put forward a first proposal. He said: We will not increase the number of seats to 310, 342, 343, or 363. We are going to find a new formula and here is what I suggest. He then moved to refer the matter to the Standing Committee on Privilege and Election. We are not going to think in terms of 28 new seats, but only seven. At the time, we were considering six new seats: two for Ontario, two for Alberta, two for British Columbia which had experienced for a couple of years an enormous population increase. Until 1991, we will add a couple of new seats, but we will make a point of slowing down the increase in the number of seats, while still protecting the Northwest Territories and the Yukon and, for constitutional reasons, the Maritimes.

But, at the very last minute, this solution which had appeared reasonable to me and my colleagues from the different provinces was changed at the Committee on Privilege and Election, and the number of seats which was supposed to be six or seven, none for Quebec, but because we are reasonable people, we understand that 28 . . . We would have had 4 more if we had applied the old formula, but we must nevertheless understand that Western Canadians—

• (1220)

[*English*]

We have to understand that western Canadian citizens would have felt absolutely outraged not to be given some more seats. We in Quebec, being reasonable, understood that Quebec would have no seats and that we would move slowly and all the new seats would be given to western Canada and Ontario. A formula was found. There were to be two new seats for Ontario, two or three for Alberta, and two for British Columbia. We, being reasonable, said that if the Government did not want 310 seats, that was fine because, as I was saying earlier, 310 would lead to 343 and 369. Now, toward the very end of the debate the President of the Privy Council (Mr. Hnatyshyn), an hon. gentleman, good leader, and good friend, made a new proposal at the last minute. He said that it would not be six or seven now but 13, and the 13 would be divided—

[*Translation*]

Four seats for Ontario, five for Alberta, four for British Columbia, none for either the Northwest Territories or the Yukon, none for the provinces that are protected by the Constitution, the British North America Act, I mean Prince Edward Island and the other provinces which now have a sufficiently high level of population not to need protection under the Constitution. But zero for Quebec. Zero out of six or seven. I understand that the proportion will be the same, and I know that my colleagues are saying: Yes, the proportion is the same, so what difference does it make? However, I believe that we would be justified in thinking that there is more protection in a small assembly, where a single voice has more opportunities to be heard, than in a very large assembly with the same proportion of Members, where it is much more difficult to defend your point of view. If we reach nearly 310 seats instead of the 289 proposed initially and if the province of Quebec receives no additional seats . . . I ask the Government at least to consider this point since we had agreed, and clearly agreed—I emphasize that this was unanimously agreed in the beginning—to have 310, 343 and 369 seats with four additional seats for Quebec each time. Quebec would have had 75, 79, 83 and 87 Members depending on whether the total number was 310, 343, 369 or 340.

We had decided to freeze the number of seats for the following regions: Prince Edward Island, because of the Constitution, New Brunswick, Nova Scotia, Newfoundland, Northwest Territories, represented partly by our Inuit colleague, Yukon, Saskatchewan and Manitoba. The number of seats for all these regions was to be frozen, and with each increase in the total number of seats, the additional seats were to be proportionally distributed among Ontario, British Columbia and Alberta.

We had agreed to this formula as it was a reasonable figure. However, the Hon. President of the Privy Council is now

changing the formula and saying: It will no longer be six and seven Members, but thirteen new Members, and 298 in 2001. I think that we are getting increasingly closer to the 28 formula since this will apply immediately, probably for a single election. We are now in 1985 and we are still talking about the census of 1981 and we shall be in 1986 in three weeks' time. This redistribution will take two years, which brings us to 1987-88, and will be based on the 1981 census. There will already have been considerable population changes when the Chief Electoral Officer announces to the House of Commons that he has a new electoral map which will be completely outdated already, as, admittedly, it has always been in the past. I have witnessed three redistributions and I am well aware that the 1971 redistribution applied to the elections in 1979. I have therefore no lesson to give to anybody. However this seems quite strange, and in any case, the process takes too long.

My point is that there were amendments proposed which were rejected and which seemed to support what I am trying to prove today. I spoke in English in support of the residents of Northern Ontario because I believe that this is the essence of Canada: You do not have everything you want, I do not have everything I want, but if we are reasonable and work together, we can have something worthwhile.

[*English*]

That is Canada for me. You are not totally happy and you do not have everything. I do not have everything and I am not totally happy. Let us talk about it and, reasonable as we are, see whether we cannot agree to come to a conclusion that will be totally acceptable to everyone.

I have to be careful because my dear colleagues across the way are listening attentively. It is thrilling, but it is also disturbing to my line of thought. You may have noticed that I have been talking for quite a while without using a note. The pure British parliamentary system demands that you speak only from copious notes. I must get back on the track or I will get lost. They are even telling me how to dress and comb my hair, but I was not elected to be an actor, I was elected to do a job.

Some Hon. Members: Hear, hear!

• (1230)

Mr. Prud'homme: I am quoting a colleague of mine who said that before.

I will get back on the track because, as the first speaker, I have unlimited time. That is under Standing Order 36 (1) in the rules of the House.

Having said that, I willingly give my support. I stated this earlier in French, and since some people do not follow the translation all the time, and I do not want the people of Quebec to think that I use double talk, I repeat that I have given my support for an amendment to protect northern Ontario because I believe that that is what Canada is all about. We are concerned about protection for certain reasons; protection because the Province of Prince Edward Island is too small, protection for the Inuit in the North, and while it takes much heart for me to say this, protection for the Hon. Member for Yukon (Mr. Nielsen). He will have his seat forever, even though his riding has a small population. That is what Canada is all about. Having given my full support to and understanding for the people of northern Ontario, perhaps they can attempt to understand and support my efforts. That is what life is all about, not necessarily making a trade, but supporting each other.

Unfortunately, the amendment was defeated. However, the President of the Privy Council introduced an amendment that I personally did not dislike, whereby the commissioner who will draw the boundaries will have to remember that it is the wish of the House of Commons and of parliamentarians, duly elected, that not only the facts, figures and lines be taken into consideration but that history and culture also be considered. As I stated earlier, I am somewhat concerned about what this means. Does it mean that there will be a rich district in Toronto and a poor one; a totally Greek district, an American district and a Lebanese district? I represent all these groups in Montreal. Surely that is not the correct meaning, unless I misunderstood the President of the Privy Council. I hope I did not misunderstand him and that that was not his intention.

[*Translation*]

In Quebec for instance, it has often happened that it made sense geographically to say that a certain town would belong to a certain constituency, although culturally, traditionally, all the influences would link that town with another area.

This is why I would like the commissioners to understand the wishes of the House, and because the poor fellows will have to read our debates in order to understand the intention of Parliament, well, I hope they will understand the intentions of the Hon. President of the Privy Council when he puts forward his motion which has been accepted or apparently is most acceptable.

I therefore regret that the motion, in order to protect Northern Ontario . . . but since it has been debated, we hope the commissioners will understand also that if they do not do so, this will have to come back before the House for debate, ultimately, before making official what they will want us to make official.

What I would like to do with the amendment I will be introducing at the end of my remarks, in a spirit of broad understanding—

[*English*]

I will say it in English. I want people, especially those who may not receive as many seats as they had expected, to understand that the amendment I will put forward is presented in good spirit.

In my career I have spoken to more than 200 groups in western Canada and I can say that I have great affinity for western Canada. The full caucus of the Official Opposition visited British Columbia very recently. We had a very success-

ful visit with our Leader in Vancouver Quadra for a long weekend. The press was magnificent, the reception was magnificent, and I think no one will say I am out of order when I use this occasion to encourage all Canadians to visit Expo '86. Our caucus intends to return to British Columbia to see that great achievement of British Columbians.

British Columbia is so far away that sometimes Ottawa means nothing to many British Columbians. When they talk about the people in eastern Canada I know that they are referring to Ontario, not Quebec. When they refer to these "dominating" eastern Canadians I know they refer to Toronto and do not have French Canadians in mind. Sometimes they believe that we want to shove French down their throats, but now they understand that this is not the case. As long as one is bilingual inside one does not need to speak both languages. I say to western Canadians that as long as the meaning of bilingualism is understood we do not expect people to speak both languages. Many people do not accept that principle of bilingualism, including some Members of the House. I will not mention their names but there are some who are reluctant to accept that principle.

I say to British Columbia that they should have all the seats that would be made available and none of them should go to Quebec, as long as everyone else remains the same. Every time seats are added they should go to British Columbia, Alberta and Ontario. I think it is only fair that British Columbia and Alberta receive a good percentage of any new seats that are added because they have the population.

However, there should be other criteria than population. If we consider population as the only criterion, everyone will want to return to representation by population. If this principle were applied, it would mean there would be only one seat for Prince Edward Island. No one would care what people in Prince Edward Island thought because it had only one seat. That is why there are four seats for Prince Edward Island. No one would care about the Maritime provinces because they would have only 25 seats according to their population. That is why I believe we should protect these areas.

That is why also I believe we should make an effort to protect northern Ontario. I say this in English because I hope and have faith that English Canada will understand that we who believe we are part of the growth of this country also feel we should not be lost. British Columbians feel lost because of geographical reasons. People from the Yukon and Northwest Territories feel lost because they are distant and only have three seats. The people of the Maritimes feel lost because of their small representation. The people of northern Ontario, with their immense geography, feel lost because they only have 11 seats. It is my understanding that northern Ontarians do not feel they are taken into consideration when decisions are made in southern Ontario. I believe that all Canadians must be reasonable and understand that there should be give and take when it comes to representation. I am prepared to repeat that in French.

[*Translation*]

It is my view that each and every time there is a redistribution, we should give all the new seats to those Provinces which need it most for geographical reasons, even if it is only partly for that, namely British Columbia, Alberta and Ontario—although I am not contradictory—provided that this is not a huge number of new seats.

So this is why we believe that the first proposal put forward by the Hon. President of the Privy Council made tremendous sense. This is why we accepted it, this is why we discussed it in committee. I know of Government Members who were on that committee and who accepted it, because that was reasonable in the Canadian sense of the term that we really appreciate. Canadian common sense.

[*English*]

It is funny, the kind of notes one receives sometimes. A dear colleague of mine says to talk until December 20. I do not need to be encouraged. I may try, but I do not think I will succeed. The House has been kind in listening so far, so listen some more.

I believe that the first proposal of the President of the Privy Council was reasonable. It was to add six seats first, then seven seats. No one disagreed. There was nothing for Quebec. The Hon. Member over there should get up and protect northern Ontario. My ears hear him. I will not mention his name because I do not want to split our friendship, but he is an Hon. Member of the majority. I recognize voices now. Within three years, I will recognize faces because I like to know who is who. The Member should not provoke me because I speak in my own style.

• (1240)

Some Hon. Members: Oh, oh!

Mr. Prud'homme: I am getting in good shape to remind the Member of his obligation as a northern Ontarian. He should stand up and protect northern Ontario. I am not from Ontario. I am from Montreal. I stood up in this House to protect the rights and the privileges of northern Ontario. I do not want it to be badly treated by the new law. Hon. Members should not push their luck too far.

Mr. Gauthier: The Member for—

Mr. Prud'homme: No, I do not mention names. That is not my style. It might be yours. If you like to, you can stand up.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Charest): Order, please. Members of the same Party should not be interrupting one another.

Some Hon. Members: Oh, oh!

Mr. Prud'homme: I hope the President of the Privy Council will understand that my amendment is made in good spirit. It

will not take a long time. All he has to do is to say yes. We do not even need to vote on it. But let us return, reconsider, come back right away and pass the law. I am making a proposal and I do not think any of my colleagues will disagree with me—hopefully—

Some Hon. Members: Oh, oh!

Mr. Prud'homme: The first proposal of the President of the Privy Council was highly acceptable and highly reasonable. I do not know what has happened. Nobody knows what has happened. There were few opposition members present when it was put forward. I have to admit publicly that one of our Members was temporarily absent travelling across western Canada with an agricultural committee. You cannot ask us to do more than to go and be on the spot to find out what is going on. The Member, who was also looking for this amendment to the Representation Act, was in western Canada. It was accepted, fine. But it is not in the spirit of the agreement made at the beginning.

[*Translation*]

The view that prevailed in this House and led the President of the Privy Council to say we would not go to 310, 343, 369 seats, was to reduce, without being unfair to the large, growing Provinces, to reduce the number of Members in this House, to exercise restraint, to say that we will freeze all Provinces, including Quebec, the Maritime Provinces and the North West Territories, Yukon, Manitoba and Saskatchewan, and every time there are additions, and new seats are added, they will be given to those Provinces which actually have a larger population. After all, Mr. Speaker, it must be recognized that Ontario has more than 8,500,000 inhabitants, and Quebec 6,300,000 or 6,400,000. I think that from now on, with the new Government which has just been elected and which I welcome, Quebec will no longer lose its population. In my view, this will put an end to instability in Quebec and that loss of population experienced for reasons you all understand—

[*English*]

For reasons everybody understands, Quebec has had a decreasing population over the last 10 years. I do not want to debate that point although I would love to. I believe now that Quebec will not go on suffering from a decreasing population. Many people who left for political, economic or linguistic reasons will come back as long as they understand it is a new Quebec. I say that in English. It is a new Quebec, sure of itself. People are welcome to come back.

Let me repeat, I do not understand what has happened. A fine agreement was suddenly changed at the very end.

A good friend of mine from Alberta and another good friend from British Columbia have just come into the House. I am very happy that Alberta and British Columbia are getting the seats to which they are entitled, or a part thereof. I say part of the seats to which they are entitled because we are to receive nothing in Quebec. If we increased the number of seats to 310, Quebec would receive four. At the moment, the new proposal of the President of the Privy Council says that instead of an increase of 28 seats, there will be only 13. That is almost half. Out of the 13, nine are going to British Columbia and Alberta, none, however, to Quebec. It is not unfair, but it is surprising that at the last minute a good agreement which was giving two and three seats to Alberta and British Columbia is now giving five and four.

I would hope—

[*Translation*]

—Mr. Speaker, that the President of the Privy Council will look into this matter during the weekend. Of course, if we could continue the debate until 4 o'clock . . . in any case, I hope Members from the other provinces will understand that we are rather surprised, we who come from Quebec. Yes, we are surprised. I am not naming names, I said that I would just make a general reference. What do you think? I know my Quebec colleagues will have to go back to their ridings and explain this new legislation that first gave us four Members out of 28 and now gives us 0 out of 13. I realize that mathematically, this can be explained differently, but 28 = 4; 13 = 0. There is something there I have trouble understanding, and my Government colleagues may wish to help me in this respect.

Furthermore, and I almost forgot to mention this, Mr. Speaker, the change is for twenty years. We know now that in the next twenty years, there will be two seats more next time and 298 seats in the year 2001, but what we do not know is whether there might not be an increase in Quebec's population, as I explained—

[*English*]

As I was explaining earlier, there is a new era. Thousands and thousands and thousands, tens of thousands, left Quebec for Ontario. Most likely now some want to come back.

The Minister from British Columbia just came into the House. I would like him to know that I have said very nice things about his province and about Expo 86. I invite every Canadian to go to see that. Our caucus went to British Columbia. We were well received. We will return, not for politicking but to see a achievement in British Columbia.

I look at my hon. colleague. I prefer to call people by name and to say Madam Margaret Mitchell, but the Hon. Member for Vancouver East (Ms. Mitchell) knows we went to Vancouver. The people are nice and it is a nice city. The exhibition will be great and I want Canadians to see it.

As Chairman of the Standing Committee on Management and Members' Services I say that we have allowed Members to use the householders to announce Expo 86. This is an exception. I want the Minister from British Columbia to listen and to know that we are sensitive to the wishes of Members. We have allowed Members to use their householders to announce Expo 86. We believe it is a Canadian show, a Canadian institution and a Canadian achievement and that people should know about it.

Mr. Côté (Lac-Saint-Jean): The show is over now.

Mr. Prud'homme: No, if my colleague calls that a show, I may become partisan now. He knows me well enough to know that. I have tried to keep the debate non-partisan so we can reflect together.

[*Translation*]

We must reflect together, because my hon. friend, and I could name names, is going to have to field a number of questions in his riding: Why, when we used to be entitled to four out of 28, do we now get zero out of thirteen? I won't name your riding today. It is Friday and let's be nice. But I can certainly make sure some of your constituents are going to ask: What is going on? I wish someone would explain this legislation because it is the most obscure legal jargon. You will never be able to figure out the number of seats, just by reading Bill C-74. You have to multiply, substract, figure out the percentage, and the average voter, the average Canadian like me who reads this Bill is going to say: But what does it mean? He will have to get out his calculator, work with percentages, divide, multiply and substract. It is drafted in pure legalese. But what is not immediately apparent is the fact that there will be thirteen new Members—not one of them from Quebec.

Well, I am a little concerned, for as good Canadians and in a spirit of understanding we had agreed to six, then to seven, and now we are going from seven to thirteen seats and, on top of that, it will be for twenty years, not only ten.

So naturally I am asking myself: Well now, what happened?

An Hon. Member: Oh, oh!

Mr. Prud'homme: My colleague is using a colourful language and I think I would endorse what he has just said. Indeed, I will move away from the camera field . . . here he is and he supports my claims, as do my other colleagues.

I therefore think we ought to be very prudent, very understanding. The people of western Canada are now quite pleased. I am looking at them, they got what they were asking for, or most of it. It is true because 310 seats were proposed in the Bill, including 27 in British Columbia, and they will end up with 26.

• (1250)

The Bill provided for 310 seats. I did not read the documents, I might be wrong, but I do not think so because my intuition tells me that British Columbia was to have 33 seats, and it will now have 32. I can understand why they are satisfied and pleased. They must have made representations to the right people and they won their point.

That is what politics is all about. It is a refined and polite game but also a game of power play where you tell somebody: Come sit over here, I have something to say to you. Well, if they were able to talk loudly enough to get practically everything they wanted . . . The Province of Ontario was to have 105 seats. Their voice did not carry that far, because the will only have 99. Quebec, yes, thank you for reminding me, none—

I can easily see that Westerners agree with the Bill. As far as I am concerned, I became involved in this debate at the very last minute because it is not my responsibility as critic for CIDA, or as Chairman of a legislative committee where Your Honour was kind enough to appoint me, to study the legislation on equity. Anyway!

Speaking of equity, Mr. Speaker, I wonder if I should not have started with that, since I am Chairman of the legislative committee on the legislation on equity in employment, employment for women, visible minorities, the disabled, the handicapped and native people. Well, as Chairman of the committee, thanks to Mr. Speaker who was kind enough to appoint me because after all I am in Opposition, I owe it to refer to equity. I should have proceeded in an orderly fashion, but I was asked at 11.45 a.m. to speak on the matter. So I went about compiling my notes, but I should have dealt first with equity.

Therefore, do you feel it is fair—

[*English*]

I will say it in English because I have learned a lot from English Canada. Fairness or fair play is very British, very English. I only ask: Is it fair that Quebec, which was supposed to get 4 out of 310 seats, will now get zero out of 13?

I am not quarrelling with my very esteemed colleague from Alberta. I am not upset they got almost what they wanted. However, in turn, I want them to understand that I have double the reason to be careful. First, I believe in fairness. Second, I am what is called in English a French Canadian. I do not want anyone to become excited. I am not responsible for the English translation. In English it is French Canadian, but in French, I am a *Canadien français*. I did not do the translation. It should be: a Canadian of French language. I have visited western Canada during the last 22 years where people say: "Here comes the Frenchie" and all that.

Mr. Gauthier: Frogs.

Mr. Prud'homme: No, they are nice out there, because we could call them "plum puddings" and all that. However, I will say that I think it is not fair.

[*Translation*]

It is not fair. And I am questioning the fairness of this Bill, and I wonder whether a few extra days of reflection . . . I am not sure whether the Bill should not be sent back to the Standing Committee which went over it, so that Clause 2 only could be looked at, and returned with a report. I think we would then be responding to the wishes of the Government and the people who want a new redistribution legislation. Otherwise, we will go on speaking of equity, and at some point, we will be speaking again and saying it is not fair. There is something I do not understand. Well, I will tell you. We agreed that it was fair to have six or seven seats redistributed

to people who really, honestly . . . I am speaking French, I am speaking to my Quebec people to whom I belong, I am a Quebecer. So I say: There are Members here who represent a much larger population. Nevertheless, if we want Canada to be a viable country, there should not be parts of the country with the feeling of being completely absent from the House of Commons.

So, from the standpoint of equity, I must say that I am very much surprised that we should find ourselves at the last moment, with a small change which has raised doubts in my mind and because of which I am now speaking in this House to ask whether it would not be fair to dwell on it a little longer.

[*English*]

Would it not be fair equitable to ask the committee to look into one clause again and to reassess the true intention, which was to diminish as much as possible the greater number and, second, to consider that western Canada indeed had a good cause? To be part of Canada, one has to show an understanding of feelings which exist so far away. Consideration has to be given to western Canada, consideration has to be given to northern Ontario and so on. However, *je répète* as a French Canadian.

[*Translation*]

We have the same fears as people in northern Ontario, except that theirs are based on geographical reasons, and ours on nationalistic grounds. We tell ourselves: In the end, there will be only a few of us in this Parliament. The presence in this place of French-speaking Members whose ancestors founded this country, along with our English-speaking friends naturally, is an aspect of the Canadian experience which it is very important to understand.

French-speaking Members have to feel comfortable in this House. They must not feel, even though this might not be the fault of their English-speaking colleagues, that they are an endangered species in this country.

We want to make people in Prince Edward Island happy by telling them: Even though you are entitled to only one Member, we are going to give you four because you are protected by the Constitution, which states that a province cannot have fewer Members of Parliament than senators.

As for me, I am going to suggest something—

[*English*]

To show my good spirit, I will say it in English. I would like to propose an amendment, seconded by either the Hon. Member for Trinity (Miss Nicholson) or the Hon. Member for Laval-des-Rapides (Mr. Garneau) or the Hon. Member for Ottawa-Vanier (Mr. Gauthier) or the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin) or the Hon. Member for Laurier (Mr. Berger). You can choose whomever you want, Mr. Speaker. In any event, I move:

That the motion be amended by deleting all the words after the word "That" and by substituting the following therefor:—

[*Translation*]

My colleagues will see that this is quite reasonable.

[*English*]

It continues:

—Bill C-74 be not now read a third time, but that it be referred back to the Standing Committee on Privileges and Elections for reconsideration of Clause 2 thereof.

[*Translation*]

The Acting Speaker (Mr. Charest): The amendment is as follows:

Mr. Marcel Prud'homme (Saint-Denis), seconded by Miss Aideen Nicholson (Trinity), moved the following amendment:

That the motion be amended by deleting all the words after the word "That" and by substituting the following therefor:

Bill C-74, an Act to amend the Constitution Act, 1867 and the Electoral Boundaries Readjustment Act and to provide for certain matters in relation to the 1981 decennial census, be not now read a third time, but that it be referred back to the Standing Committee on Privileges and Elections for reconsideration of Clause 2 thereof.

Is that correct? The debate will continue on the amendment.

It being one o'clock, I do now leave the Chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[*English*]

The Acting Speaker (Mr. Charest): When I left the Chair at one o'clock, the Hon. Member for Saint-Denis (Mr. Prud'homme) had just introduced an amendment. The debate is on the amendment.

Mr. Rod Murphy (Churchill): Mr. Speaker, I am glad to have a chance to speak on the third reading debate on Bill C-74, an Act which will affect redistribution for the next number of elections. Before I speak about the Act itself, I would like to spend a fair bit of time on the amendment before us. In introducing the amendment, the Liberal Member who spoke on behalf of his caucus said that the Government had changed the rules at the last moment and that for some reason the Liberal Party was unaware of the amendments and felt now at third reading that it was necessary to introduce a motion to send this matter back to the committee.

Let me explain some of the history of this particular piece of legislation. This legislation was introduced by the President of the Privy Council (Mr. Hnatyshyn) for pre-study last May and the committee had a chance to study it in June. It was brought back to the House this fall, at which time we had one-day's debate and sent the matter to committee for further study. It was the request of the NDP and Liberal caucuses

that a number of witnesses should appear before us to talk particularly about fairness within this legislation.

Quite a few speakers from all parts of Canada and from most provinces including the Province of Quebec, came before us to discuss the proposal. The one thing that the vast majority of witnesses who came before us said was that the legislation was unfair to the provinces that have growing populations. Not only had a cap been put on the size to which the House can grow but those provinces with growing populations like Ontario, Alberta and British Columbia would, once the national quota had been decided, only be given one-half of the increase to which they would have been entitled. In other words, if the Province of Ontario were to receive 10 more seats because of its growth in population, it would only be given five more seats. If the Province of Alberta were to be entitled to two seats, it would receive only one. If the Province of British Columbia found itself in a situation in which it should receive four seats, it would receive only two. Almost every witness who came before the committee made that very point, and for very good reason. We were guaranteeing Prince Edward Island four seats. We were guaranteeing Quebec a certain number of seats and that that number would never decrease. We were guaranteeing Manitoba and Saskatchewan that they would keep the number of seats which they presently have regardless of what happens to the population of their provinces. Proportionately, if the Province of Quebec decreased in size in terms of Canada's population, when compared with the rest of the country, it would maintain its 75 seats, which is what it has at the present time. However, the large provinces, the ones which are growing, would be doubly penalized. First of all, they have no guarantees that they should increase at the rate by which they should increase according to strict representation by population, this was being denied because we were guaranteeing Quebec and almost all the other provinces that they would never lose seats. That was one penalty which was imposed by the legislation in its original form.

• (1410)

The second penalty is one I mentioned earlier. That is to say if British Columbia, as a result of this Government's devised formula, was entitled to four more seats, as a result of a clause in the original legislation, it would only be given two more. In other words, not only would those provinces not receive the six or eight seats which they should receive if we were going strictly by representation by population, but after the new formula came in, which guaranteed the non-growing provinces a certain number of seats they would lose, they would receive half of the seats to which they would be entitled.

We brought witnesses before the committee who made the same point. They said that something had to be done in order to protect the small provinces. They said that we had to accept the senatorial floor and that it seemed reasonable to accept the new grandfathering clause. This clause brought in other provinces in order that their present representation in the House of Commons would be protected, and the minimum number of seats which they had would always remain at that number. This would be the case regardless of what happened to the population of that province.

Through my encouragement and that of the Liberal Party in committee the Government brought forward an amendment which at the present time the Liberal caucus is opposing. I ask Members of that caucus not to pretend to be ignorant. Members of the Liberal Party should not pretend. For the most part they had members in the committee who were making the argument which is now being argued against by them at this time. At the report stage of the Bill which is before us, the Hon. Member for Algoma (Mr. Foster), who was the lead spokesman for the Liberal caucus as far as this legislation is concerned, said:

> Many witnesses who appeared before the Standing Committee indicated that Rule 3 was unacceptable and would face many court challenges.
>
> That rule would put a cap on the number of seats for provinces like Ontario, Alberta and British Columbia and would only entitle them to half the additional Members to which they would be entitled pursuant to straight representation by population.

He went on to say:

> I commend the Minister's decision to remove Rule 3 in Clause 2 of the Bill—

The remarks which I have just read are found at page 8801 of *Hansard* for November 26, 1985. Just two weeks ago the spokesman for the Liberal Party got up in the House at the very beginning of the debate at report stage and commended the Government for this amendment, an amendment of which I certainly spoke in favour. I had a similar amendment on the books.

Let us go somewhat further. Let us take a look at the amendment put forward by that Liberal Member at that time. He proposed an amendment which was essentially the same as the amendment against which the Liberals are now speaking.

Mr. Tobin: Shame.

Mr. Murphy: I think the Liberal Party owes the House an apology.

Mr. Tobin: We are sorry.

Mr. Prud'homme: Make your speech, I will answer you.

Mr. Murphy: I listened to the great eloquence of the Hon. Member for Saint-Denis (Mr. Prud'homme) who spoke before lunch. He talked about fairness to Quebec. I understand that sentiment because I also come from a province which has some concerns about the amount of representation it will have in the House of Commons in the future. I also undertand the historic situation, just as I understand the historic arguments which have taken place in the country with regard to the relative strength of the population of Quebec as compared to that of the rest of the country. So I have an understanding of the Member's concern.

It is a legitimate concern. It is a legitimate argument which he makes. Unfortunately, he is making it at the wrong time. We had a committee which met not only last June to look at the Bill but which heard witnesses in October. A clause-by-clause study of the Bill was conducted in November, and the

President of the Privy Council, a gentleman whom I do not often defend in the House, on the first day of that study indicated he was willing to move with respect to this basic unfairness in which Alberta, B.C. and Ontario would be penalized since they would receive only half the number of seats to which they would be entitled under the quotient formula which was being devised. This was announced by the President of the Privy Council on the first day on which the committee commenced its clause-by-clause study. That was not the last day of the committee hearings. I was the only member of the Opposition who showed up for each and every hearing. One Member of the Liberal Party showed up for a mere five minutes.

At the committee hearings we went on further to discuss other concerns which members of the Conservative Party and Members such as myself from the New Democratic Party had with the legislation. It was not a surprise. It was not a last-minute announcement. For that matter, I have in front of me a photocopy of an article from the Ottawa *Citizen* concerning this meeting. I am sure Liberal Members in the House, at least those who have their glasses on, can see that it is not a small article. It is entitled: "Three Provinces to Get More MPs under New Plan".

Mr. Tobin: Scandalous.

Mr. Murphy: It is a Canadian Press story. It was published in the newspaper and members of the Liberal caucus should have been aware of it. If they cannot attend committee hearings, they should at least be able to read the newspapers.

Let them not pretend that there was not an opportunity to make this motion at some other time. Let them not pretend that they did not know that the Government had made this move almost three weeks ago. Let them not pretend that their own critic when he rose in the House on November 26, 1985 did not propose a similar amendment, one which they are now arguing against. Let them not pretend, for whatever political reasons they have that that same Member, the Hon. Member for Algoma, did not actually commend the Minister for his amendment.

The amendment which is before us at third reading stage of this Bill, a time when we are normally closing down debate, may be legitimate in terms of some of the emotional concerns of the people of Quebec. I tend to think there is some legitimacy in that argument. However, I am concerned that by shirking their duty for the last three weeks, members of the Liberal caucus really have no right to insult the House by moving the amendment which was brought forward at this time.

I would like to comment on some other matters. I believe I have made my point in terms of where the Liberal caucus failed to perform the duty for which they are elected and paid and for which they now do not show a great deal of concern. This legislation is not perfect. We did have the advantage of pre-study. All three Parties made representations. Witnesses came. We have the opportunity to study the legislation in October and November when it came back in legislative form. I must congratulate the Minister on accepting two amendments which I suggested and putting them forward; first, the amendment which would take away the penalty from provinces with growing populations and, second, the amendment which states that the commissions which are set up to determine the boundaries in each of the 10 provinces and the Territories, "shall" consider certain things such as community of identity and of interest, history and culture, as well as the manageable geographical size. The previous legislation, and this legislation as it was originally presented to us, only stated that the commissions "may" consider those very important aspects. We heard from Members of both the Conservative and Liberal Parties, as well as myself indicate that in some cases those commissions which determine boundaries did not take into consideration any of those factors.

• (1420)

After hearing from witnesses and having discussed our concerns, the Minister rose in this House and accepted the amendment that the commissions "shall" consider these items and not "may". Hopefully that directive to the commissions will be taken very seriously. It is very important to the people of northern Ontario that they have ridings which are of a reasonable geographical size, that there is some understanding of the French and English mix in those areas and of the tribal council formations so that, for instances, all the Cree are not split into two or three different ridings even though they may be of the same tribal formation. In Manitoba, the French, German and Ukrainian minorities should have some feeling that they are not going to be split up among 7 or 8 different ridings. Those things are now to be considered, which is something the previous legislation did not insist upon.

Those are very important concerns and I am glad that after the committee process the Government was willing to accept some of the reasonable amendments made by opposition Members and by witnesses who came before us.

I still have some concerns about the legislation, and I have expressed those concerns in the past. I believe the legislation is very fair in terms of what it does, based on the 1981 census. In other words, Alberta, British Columbia and Ontario, as well as the other provinces, will be treated quite fairly under these rules, based on the 1981 census.

I do have some concerns in terms of what will happen in the long run as far as it affects the provinces with growing populations. We have an artificial quotient in this operation which does not allow for the fact that populations may grow very quickly in some provinces, and we should, perhaps, be increasing the size of the House much faster than the Government now anticipates. That is one concern.

My other concern, although it is not directly related to the legislation, certainly relates to what the Government said in introducing this legislation. The President of the Privy Council and other Members of the Government who spoke on behalf of this legislation, talked about making the House of Commons work better. They said we do not need a House with a 100 new Members over the next 20 years. That is quite a reasonable

thought. Obviously, the larger this House gets, the more difficult becomes the role of an individual Member of Parliament. That is understandable.

The second point made was that it was necessary that we spend the money not to increase the number of Members of Parliament but to make sure the Members of Parliament who are here at the present time, or who will be here as a result of this legislation, have more money to do the work they should be doing. We want Parliament to do a better job as we adapt the rules of the House of Commons. The Government to date has encouraged changes to make the role of the back-bencher on all sides of the House a more effective one, not only in looking at Government expenditures, but in looking at legislation itself. Those are very fine words, but in the area of actually providing extra resources for Members of Parliament, the Government has yet to act. I know that the Board of Internal Economy is looking at the staff salaries of Members of Parliament and considering their travelling privileges. It is looking at how the new legislative committees will work in terms of the resources those committees will have. But the Government has been in power for over a year now, and little has happened. As one Member of Parliament I can tell you, Mr. Speaker, that I am on twice as many committees as I was previously but I have the same resources to work with. One of the rationales of this legislation is to restrict the growth of this House of Commons to 13 Members, after the next commissions have finished their work. If we believe we are doing that to make Parliament work better, then there should be pressure put on the Government to "cough up", to provide the resources which are necessary so that we can do what the Auditor General said we should do, and do it more thoroughly. We need the resources to look at the expenditures of Government and to make sure that tax expenditures are reviewed by Parliament. We must be able to take a technical piece of legislation, understand what it means, and make the appropriate amendments before that legislation passes. If that is what we in this House are to do—and I think that certainly makes a great deal of sense—then we must have the tools to do that job.

We are not talking about plush offices or cheaper meals in the Parliamentary Restaurant. We are talking about adequate staff, adequate space for them, and salaries which will enable us to hire experts in certain fields. We will then be able to do the work that everyone says we should be doing, including the Auditor General, the Committee on Reform of the House of Commons, and, I am sure, the vast majority of citizens of this country.

I want to say that in general I do accept this legislation, as far as it affects the census of 1981 and the next redistribution. I have expressed on a number of occasions some of my concerns with regard to how the legislation will affect the future of Canada. I think there are still a few flaws which could be dealt with later. I would urge that we move quickly on this legislation. I would like to express some very deep regret that the Liberal caucus is now aware of problems it sees with the legislation which, I suspect because of its own lack of work, it did not see at the appropriate time.

Mr. Hawkes: Mr. Speaker, I just wanted to make a brief comment. I sat here today agreeing with everything I was hearing from the Hon. Member for Churchill (Mr. Murphy). That is the second time this week I have agreed with a speech of an Opposition Member.

Mr. Murphy: I may have to retract.

Mr. Hawkes: I hope that my own colleagues do not get too nervous about that.

In the last Parliament I was one of those Hon. Members who were involved in both committee and in the Chamber with respect to the previous arrangements which had been put in place in 1968. For the 1981 census they had created what we viewed, at that time, to be an enormous problem of lack of fairness in the system. It is a real pleasure to see the Bill as it now is at third reading stage. The lack of fairness as a result of the 1968 changes in the law have been recognized by the House Leader, the witnesses, the committee and members of all three Parties. As the Member for Churchill says, it may well be that what we are doing here today may have some unintended consequences related to fairness or the lack of fairness for the census in 1991 or in 2001. I have faith that Parliaments of the future will take steps similar to this one to put a fair system in place. I urge Members to let this Bill pass quickly so that the commissioners can get on with the job and can restore the basic sense of fairness.

• (1430)

In closing, I would like to ask the Member a short question. It is his view that the testimony was quite consistent and clear that the present arrangement protects the rights of smaller population centres like the Northwest Territories and Prince Edward Island. Is it a fair over-all conclusion that the Member believes that for centres of greater size from Quebec right through to Saskatchewan this is a fair proposition for at least the next decade?

Mr. Murphy: Yes, Mr. Speaker, that is certainly what I meant to say in my speech and I think that message got across. As I said in my conclusion, my concern is not with what will happen as a result of the 1981 census, but with what might happen 10 or 20 years in the future. I have expressed that concern on a number of occasions. However, I do believe that the legislation before us, in its amended form, is certainly a lot better for the protection of provinces with reduced populations and gives some protection to the provinces with growing populations. Because of that I have not engaged in any particular fillibuster to keep this debate going. I recognize from the history of what has happened that the Member for Calgary West (Mr. Hawkes) is quite correct. The House has dealt with legislation with regard to redistribution every 10 years over the last while. I suspect that, if we do find some unique features in the census of 1991, we will have new legislation in the House to deal with it at the appropriate time.

Mr. Prud'homme: Mr. Speaker, I am very prompt to answer the Hon. Member for Churchill (Mr. Murphy) and to make comments. He is in total and full contradiction. The other night his own colleague, the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) the Hon. Member for Papineau (Mr. Ouellet), the President of the Privy Council and others participated in a debate on reform of the House of Commons. Now that fine gentleman is blaming the Member for Saint-Denis who is using third reading debate to try to make a good law much better. Why do we have third reading? Why do we have the Senate, the Chamber of sober second thought? We have them in order to make laws better and better. The Hon. Member has understood nothing of the process. I am deeply shocked. Now the Member will understand why his Party will never make inroads in Quebec. He dares to come here and say that the people of Manitoba have great feeling for the minorities, the French, the Ukrainians and the Germans.

[*Translation*]

I am going to repeat this for Quebecers because these are not the feelings of your Frenchspeaking colleagues on the other side. They do not say: You, the minorities, French, Ukrainian and German. There are two groups in this country, my honourable colleague, which are called the two founding peoples, and they believe that they are entitled to some protection, one more than the other because we live in North America, and a small handful of them believe that this should be taken into account in the House of Commons. We take this under consideration, and generously so, in the case of the Northwest Territories, and we do the same for the Yukon, because we understand.

[*English*]

We have deep feelings for Prince Edward Island. We believe in that kind of protection. I see him dare to get up and ask the Hon. Member for Calgary West (Mr. Hawkes) if he thinks this is fair for Quebec. The Member for Calgary West is very well served, thank you, and he is asking the Member for Churchill whether he thinks Quebec is well served. I think you should allow us to say if we are well served or not. Of course, Mr. Speaker, some of them are very happy. I will be a little bit more partisan in the weeks to come.

In the actual Chamber Alberta is receiving 21 seats. I think it is unfair to give it less than what it wanted, but under the first and second formulas proposed by the President of the Privy Council it was to receive 23. Under the proposal of the past Government it was to receive 27 seats, and now it will receive 26. That is almost 100 per cent. At the moment British Columbia has 28 seats. The Member said I did not do my duty. He quoted all kinds of incorrect figures. He did not do his duty. I did mine.

I am not speaking for all Liberals. This is the right of every Member. Members are fighting like hell for new rules in the House. They want reform of the House and more individual rights for Members, and yet the Hon. Member attacks me saying that I did not read newspapers and that I was not present at committees. As the Right Hon. John Diefenbaker said, the real Chamber is the House of Commons, not the committees. I learned from John Diefenbaker that third and final reading in the House of Commons is the final court. The Member had better learn about the practice of the House of Commons.

At the moment the Province of British Columbia has 28 Members. Under a formula of the President of the Privy Council it was to receive 31, and under the proposal of the past Liberal Government it was to receive 33 seats. Now, with the new and final proposal it will receive 32 seats. That is almost 100 per cent. The Member said that British Columbia will receive only half of what it was supposed to receive. If he reads his own "blues" he will see what he said. At the moment Ontario is to receive 95 seats. Under the first proposal, which we would have accepted with pleasure, because of fairness—and the gentleman is not going to teach me any lessons on fairness, I can assure you of that. I have been in the House of Commons practising Canadianism every day of my life. Under the first proposal, the Province of Ontario was supposed to receive 97 seats, and under the proposal of the past Government, it was to have received 105 seats. Now it will receive 95, plus 4, making a total of 99, which is less than what it is entitled to.

I would like the Member for Churchill and others to understand that we were in full agreement to give more respect to western Canada. Lest he allow them to believe otherwise, I will repeat clearly and strictly in English to British Columbians and Albertans that I want a fair deal for them. That is why I said that any new seats to be added to the House of Commons should be given to British Columbia and Alberta and that there should be nothing for Quebec. I hope this will be clearly understood.

However, this is a package deal for 20 years. We do not know what will happen in the Province of Quebec after the census of 1991. I think we should let the law take its course as usual and every 10 years there should be a new distribution. There is now a new Government in Quebec. Many people left the Province of Quebec for reasons that I do not want to debate now. We are of the feeling that now we will have a stable, federalist Government in the Province of Quebec. That will help to add to our population. People will return and the economy will improve.

The Member wants a package deal. I think he should defend the rights of the Province of Manitoba. That is fine, I agree. Under the Liberal regime, which the Member decries so much, Manitoba was to receive 15 seats instead of 14.

Mr. Murphy: Fourteen.

Mr. Prud'homme: It was 15. You do not even do your homework.

Mr. Murphy: You're wrong.

Mr. Prud'homme: Manitoba was to go from 14 seats to 15 and now it will be stuck with 14. I will not take any lessons from the Member from Churchill, I assure you.

Mr. Murphy: Do your homework.

• (1440)

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I listened very carefully to my hon. friend from Saint-Denis (Mr. Prud'homme) this morning and to his comments this afternoon on what was said by the New Democratic Party Member for Churchill (Mr. Murphy), and I would like to raise some of the points that are relevant to this debate on third reading, and especially the amendment moved by my hon. friend from Saint-Denis, and I intend to do so in more or less the same spirit my hon. friend did this morning, before another speaker injected a dose of partisanship in the debate.

Mr. Speaker, the legislative process includes tabling a Bill for first reading, a debate on the principle of the Bill at the second reading stage, then in committee, and finally, we have consideration of the third reading stage in the House. Whether or not there was debate or discussion in committee, if there is a reason for debate at the third reading stage, it does not matter what went on before. If we perceive certain injustices and want to correct them, we have to do so at this stage, because if we keep silent now, it will be too late, and neither public opinion nor the attention of our colleagues will have been drawn to this important matter.

I would like to elaborate on the basic arguments and point out that the Bill to proceed with a revision of the electoral boundaries readjustment process was examined by the previous Parliament, that is, Parliament as it was constituted before September 4, 1984. At that time, the Bill proposed that the total number of Members in the House would be 310, meaning that Ontario would have 105 Members instead of 95, Quebec 79 instead of 75, Nova Scotia one more which would make twelve, New Brunswick would still have ten, Manitoba would have one more, bringing the total number of Members from fourteen to fifteen, British Columbia would go up from 28 to 33, Prince Edward Island would still have four, Saskatchewan fourteen, Alberta would go from 21 to 27, and Newfoundland from seven to eight, while the Northwest Territories and Yukon would have two seats and one seat, respectively. It goes to show that the Liberal Party in this House does not really have to listen to NDP Members lecturing on fairness, particularly the Hon. Member for Churchill. Under the proposal then made by the Liberals it was indeed acknowledged that, owing to the increase in population in the western provinces, they were entitled to have additional seats, proportionally more than Quebec, for instance, so the number of seats in Alberta would go from 21 to 27, whereas Quebec would gain only four and go from 75 to 79.

The new Government was elected and, after reflection I would imagine, it was anxious to leave its own imprint so it decided that 310 seats was too much. They did not want to have so many Members sitting in the House. It was a moot point. Apparently, they wanted to keep the number of Members at a more reasonable level and freeze it for a while. I take it for granted that they drew their inspiration from lofty sentiments devoid of pettiness, and simply wanted to proceed with the reform in a new context, even though the Tories had earlier given their support to the Bill providing for 310 seats. In that same line of thought we might ask the Hon. Member for Churchill this question: Since the Bill had been widely accepted, why bring in a new one? As it happened, first they proposed six more seats, going from 282 to 288, then later on 289. Considering that the increase in the number of seats was rather minimal, our Members on the committee reported to our caucus and, in a spirit of fairness, we agreed that certain provinces would not have more, that Quebec would have no more than 75 because only six or seven seats were to be added to the representation in the House of Commons. There were other priorities as a result of population changes, particularly in Alberta and British Columbia.

We may have missed a few committee hearings. That's possible, Mr. Speaker, in view of the large number of committees sitting; we may have missed part of the debate, but who would blame us today at the third reading stage of the Bill to draw our colleagues' attention to an issue, nonetheless major, since there will be a membership increase from 285 or 286 to 295? So we are beginning to get significantly closer to the figure initially proposed, and according to this new redistribution where 13 instead of just 6 new seats are added, the Province of Quebec would get none, and furthermore the number of seats allocated to each province would be frozen up till the year 2001.

I feel, Mr. Speaker, that we the Liberals in the previous Parliament had shown concern for equity by proposing an increase in the number of seats for Ontario from 95 to 105, for Alberta from 21 to 27, and, as you will recall, a very large Quebec caucus in the previous Parliament had agreed to these proposals. But now we are reaching 295. Some will argue in terms of proportion or percentage, but there is much more than percentage involved here: it is a matter of whether 75 out of 295 is as good as 77 out of 313.

In my opinion, this is not the way to look at the problem, especially since the legislation will freeze the whole redistribution of seats for a very long period, that is up to the 2001 census, and inview of the time frame, it might take us to an election held in 2005 or 2006; as a Quebec Member sitting in this House in two, three, four or five years down the road, I would not want my fellow Quebecers to ask me: "What did you do? You did not do your job, you did not point that out to Parliament, you let that happen and now we are penalized", because what we want to bring out here is the matter of equity.

Speaking of fairness, there is another point in this Bill which bothers me, and it is the fact that from now on, if it were

adopted as is, the report could be dealt with only in Committee, and we know that it is much more difficult to bring something to the attention of the public at large by a debate in Committee than by a debate here, in the House, which is supreme in our legislative process. Because, in a Committee which is always made up of a majority of members representing the Government, there may be abuses, and the only way to bring the reality of a debate to the attention of public opinion is to hold it right here. A different political party may some day be in a minority position in the House and wish to bring its views to the attention of the public and perhaps emphasize some inequities . . . You know that, in the House, Hon. Members do not always sit on the same side. Sometimes, following election accidents, they move from one side of the House to the other, and I think it is essentially a matter of justice because, in a democratic system, there is nothing more basic than the way citizens are represented.

We agree that there must be a connection between the evolution of the population and the change in the number of seats; we agree that the smallest provinces must be guaranteed a definite number of seats. If, following the evolution of population throughout this country, the number of seats in a province such as Prince Edward Island came down to one seat, the elected representative for that province would have a hard time representing it. Therefore there is more than representation by population to be considered in this debate. There is a matter of fairness, of justice and the need to maintain open options for major groups. I think that Quebec as such, which understands and recognizes that other provinces must have more seats, would not want to be deceived. It would not want its number of seats to be frozen for the next 20 years or more and have to live with it.

What I am saying, Mr. Speaker, is that if we had maintained the original proposal allowing for six or seven new seats, we would not be debating this issue now, at least not because of us. But I feel that because the number of seats was increased from six to thirteen, from seven to thirteen, and that the number of Quebec seats was frozen until 2001, this is an important matter which does not reflect the fairness and balance that should characterize such a bill.

• (1450)

I said, Mr. Speaker, and I will say it again because the interpretation given a while ago by the Hon. Member for Churchill (Mr. Murphy) is an indication of the way our remarks could be used, but I emphasize again that we agree that British Columbia, Alberta and Ontario should have more seats. When we look at the present situation, we realize that the number of Alberta seats would increase from 21 to 26, which is pretty close to the 27 seats which the Liberals had proposed. When we Liberals were proposing that the number of seats be increased to 310, Alberta would have gone from 21 to 27 seats. In this Conservative legislation which proposes that the number of seats be increased to 295, Alberta goes from 21 to 26 seats. We fully agree with this change. However, we do disagree about the fact that, when it was proposed that the number of seats be increased to 310, Quebec would have had 79 seats, while now that there are to be 295 seats, Quebec will have a zero increase for the upcoming 20 years.

Mr. Speaker, I wanted to make these comments not to start a war between regions but to show how important it is for legislation to be, and to appear to be, fair and equitable. If not only this equity, but also this appearance of equity is lacking, it is very hard for a piece of legislation passed by the majority to be accepted by the public.

I want to repeat that we are definitely opposed to Bill C-74 as it now stands and that we strongly support the amendment moved by the Hon. Member for Saint-Denis (Mr. Prud'homme) that this Bill not be read for the third time now, but that it be referred back to committee so that the question raised by this Hon. Member and myself may be reexamined to ensure that the equity factor is respected and that everyone in this House, on both sides . . . Indeed, this issue extends beyond party lines because, whether we are Conservatives, Liberals or whatever, we all represent the interests of our respective Provinces. This is a fundamental issue which goes beyond party politics. I wish and hope that the majority and my colleagues from Quebec, to whatever party they belong, will be willing to give us a second chance to amend Clause 2 of the Bill, so that, if and when Bill C-74 is approved, it will have the support not only of the majority, but of all Members of this House.

The Acting Speaker (Mr. Cadieux): Questions or comments. The Hon. Member for Saint-Denis (Mr. Prud'homme).

Mr. Prud'homme: Mr. Speaker, since you are also Chairman of the Quebec Conservative caucus and a distinguished Member of this House, I am happy to see you in the Chair this afternoon because your presence will lighten the atmosphere in the Chamber and abate the restiveness I felt a while ago.

Whenever a Member of the New Democratic Party makes this sort of speech, I cannot help but rise to remind him and his colleagues that as long as they hold such views, they will never make any inroads in Quebec, and the Conservatives may be assured that the fight in Quebec the next time will be between them and us. If there is this same attitude about the francophone minority in the Hon. Member's Province, I can imagine what must be the feelings in Quebec.

But how placid, how serene it is to hear the Hon. Member for Laval-des-Rapides (Mr. Garneau) say yes, with a blunt, almost unkind frankness to some of us who may have let something slip by at some point. He tells us composedly: Listen, that is the parliamentary process. We have a third reading. When I brought forth the Bill, clearly I considered it as something perfect, otherwise I would not have put it before the House.

Then the Hon. President of the Privy Council (Mr. Hnatyshyn)—

[*English*]

The President of the Privy Council who is always calm, saw that there may be an agreement not to go to 310 seats, as my colleague said, and very rightly so. Very calmly he went around and we said: "Oh, maybe six. We will not fight". Then he said six. As the Hon. Member for Laval-des-Rapides (Mr. Garneau) said, six does not seem to be fair for British Columbia and Alberta. I repeat again and again, we were very fair. I look at the Member for Alberta. Alberta would have had 27 Members under the old formula. British Columbia would have had 33 Members. That was fair. But the President of the Privy Council said that we will have a resolution for six or seven. The idea behind that, which seems to have escaped the Hon. Member for Churchill (Mr. Murphy), as my colleague, the Hon. Member for Laval-des-Rapides pointed out, was to have a manageable House of Commons. Therefore, the idea came of seven Members given to three provinces, that is, priority to western Canada.

After deliberation and listening to witnesses—as the Member of Churchill rightfully said, those of us who were not in committee listened—the President of the Privy Council came up with another idea of 13. At that time it is possible that a Liberal was absent. It is quite possible. I said so myself. The Hon. Member for Algoma (Mr. Foster), together with the Member from Laval-des-Rapides, were travelling for two weeks in western Canada as the special caucus of the Liberal Party of Canada on agriculture. They were there to learn from westerners what was going on. From that they were to report to the Leader of the Party and to the House of Commons. I admit that the Member was not here. Thirteen was the number agreed to in committee. Now we are at third reading. As the Hon. Member for Laval-des-Rapides said, and I wish to echo him, we are here to make comments on his speech.

[*Translation*]

The Hon. Member for Laval-des-Rapides suggested: We thought that over, and suddenly we realized it was no longer the idea of having a smaller Chamber which had prompted us to agree, but a question of adding on and on and on. At that point we started asking questions. But that is the reason for having a debate. John Diefenbaker himself always said so. I learned that from him.

[*English*]

As I was saying in French, John Diefenbaker taught me a lot. The Member comes from his province. He should be proud that I will quote the Right Hon. John Diefenbaker.

Mr. Hnatyshyn: Hear, hear!

Mr. Prud'homme: He said: "This is the place to debate". My colleague from Laval-des-Rapides was telling me that with this new reform, the House almost does not count any more. It is committees after subcommittees, after legislative committees, after permanent committees, after House of Commons and Senate committees and after travelling committees. Nothing is going on in the House. We have a golden opportunity to show that the House of Commons still counts, that the House of Commons is the last place and it counts. It is food for thought for the weekend.

Here is another Member coming into the Chamber. I congratulate him because he is the new Minister from British Columbia. I am sure he would have agreed with me had he heard me this morning because I was reasonable and humble.

• (1500)

I am ready to admit to the Hon. Member for Churchill (Mr. Murphy) and his colleague from British Columbia that we may have been temporarily not at the right place. I admit that. Canadians like people who can show some humility. I know it is very difficult for an NDP Member to admit that he may have been absent. An NDP Member is never wrong!

Ms. Mitchell: That is right.

Mr. Prud'homme: That is why they will never win any in Quebec—

[*Translation*]

—they are perfect. What should I tell you? But on this side, we thought that the further we go with the debate, the more we realize this could be improved. Mr. Speaker, this is what we are trying to do. This is why we are making comments. This is the reason why my colleague, the Hon. Member for Laval-des-Rapides (Mr. Garneau), took part in the debate, and I share his view. I think he is a sensible man and we should listen to his comments and act in a non-partisan way as I tried to do this morning, to be completely non-partisan, like the Hon. Member for Churchill (Mr. Murphy). Because of him, the debate will go on much longer.

[*English*]

I suggest that if the President of the Privy Council wants this Bill, he had better talk to the Hon. Member for Churchill. We can talk and talk and talk on this Bill. The longer we talk, the more Hon. Members on both sides will say: "Maybe we are going too fast". I repeat again that that is why it takes three readings. Otherwise, we would have one reading or two readings of a Bill. The reason for three readings, plus the Senate and the Royal Assent is to ensure that we are not making a mistake. We are being asked for a blank cheque for 20 years. Perhaps we thought it was all right yesterday, but we have been reflecting upon it. I see the Right Hon. Member for Yellowhead (Mr. Clark) smiling. He was an understanding person when it came to the aspirations of Quebec. I am sure he may have some sentiments in his heart today which suggest that I may not be that wrong. He is a fine gentleman who understood the aspirations of Quebec.

[*Translation*]

And not only aspirations but concerns. I know there are concerns in Quebec, and when there is reference to representation, suddenly people wake up, and say: "Wait a minute". Great politicians did understand that. The Hon. Robert Stan-

field also could well understand that, about Quebec's aspirations and concerns, and I can say that you are being told about Quebec's concerns without any lies or reservations, since I am echoing them in all fairness to our friends and colleagues and to the people of British Columbia and Alberta.

[*English*]

Mr. Murphy: Mr. Speaker, certainly it was not my intention to speak again on the Bill.

Mr. Prud'homme: Oh, you will.

Mr. Murphy: However, the Hon. Member who just spoke made a comment at the end of my speech which I was unable to rebut.

Mr. Prud'homme: I am the Hon. Member for Saint-Denis.

Mr. Murphy: The Hon. Member for Saint-Denis (Mr. Prud'homme) also made comments toward the end of this speech to which I should like to refer. In both cases, he made personal references which suggested that if that was the way I felt about minorities in my province, we would never get elected in Quebec. I take those comments as a personal affront. He was in the House, as were many other Hon. Members, when we unanimously passed motions on the French language services issue in Manitoba.

Mr. Prud'homme: I was just commenting upon what you said.

Mr. Murphy: The Prime Minister at that time, Pierre Trudeau, the present Prime Minister (Mr. Mulroney) speaking on behalf of the Conservatives and I spoke about the fact that we had to recognize the rights of the French minority in the Province of Manitoba and that we should be giving encouragement to that province to pass that constitutional amendment.

Mr. Prud'homme: Congratulations.

Mr. Murphy: I tell the Hon. Member who just spoke that that took one hell of a lot of more political courage than many Members show in the House from time to time. I do not want to hear from him, in his belated defence of the Province of Quebec—

Mr. Prud'homme: You will.

Mr. Murphy: —a suggestion that I have not had the courage to fight for the minority French population in my province.

Mr. Prud'homme: I did not say that.

Mr. Murphy: He inferred that.

Mr. Prud'homme: Mr. Speaker, I rise on a point of order or a question of privilege.

[*Translation*]

The Acting Speaker (Mr. Charest): The Hon. Member for Saint-Denis (Mr. Prud'homme) on a point of order, I believe.

Mr. Prud'homme: Yes. I would like to state more clearly that never in my life have I accused the Hon. Member. I only made a comment on what he said, as he will see from the blues.

[*English*]

I never said anything like that. I respect the Hon. Member for his courage.

[*Translation*]

The Acting Speaker (Mr. Charest): Order. Order, please! I believe the Hon. Member for Saint-Denis knows very well this is debate, so I will ask the Hon. Member for Churchill (Mr. Murphy)—

[*English*]

I ask the Hon. Member for Churchill (Mr. Murphy) to conclude his comments.

Mr. Murphy: Mr. Speaker, I do not have much more to say. However, I want to indicate to those representatives of the Liberal caucus who are now speaking out that this is not a matter which was dealt with in committee when their Members were not in attendance. The amendment to which they are now objecting was not passed then. That did not happen in committee. There was an announcement made in committee that an amendment would be brought before the House, but the amendment itself was passed in the House without opposition.

Mr. David Berger (Laurier): Mr. Speaker, I had the pleasure of speaking once before on the Bill, at which time I spoke about the inequality or injustice it would create for representation in western Canada. The more one reflects upon the Bill, the more one sees that it is really bad, not just for one part of the country, but for the country as a whole.

The first reason the Bill is bad is that it goes against the very principle of representation by population. We all know what that means. We all know that the current legislation would provide for a large increase in the number of Members in the House of Commons, would provide for equitable representation throughout the country and would, with increases in the population, keep the numbers of people in constituencies at fairly manageable levels. We would not end up with wide disparities, where some constituencies have a population of 60,000 or 70,000 people and others would have a population of 120,000 or more. It is quite clear that a Member of Parliament with some 50,000 to 70,000 constituents can get around to see them fairly often, certainly more often than a Member of Parliament who represents twice that many constituents. The basic principle of representation by population is designed to ensure that each citizen has a Member of Parliament with whom he can get in touch, someone who can stand up for him in the House of Commons and represent his interest.

Ms. Mitchell: And she.

Mr. Berger: Pardon me?

Mr. Murphy: He or she.

Mr. Berger: He or she. When the numbers of Members of Parliament do not keep pace with the increase in the population, the result is unfair and unjust to many constituents across the country. That is the basic principle which the Bill violates.

In addition, as I mentioned the last time I spoke on the Bill, the legislation which is presently in force would see the numbers of Members of Parliament increase from 282 to 310 and there would be increases in the representation of many provinces. The example that I gave last time which I would like to repeat today is that Alberta would have had 20 seats in the next election if we went with the increase to 310 Members of the House. If this Bill which the Tories have presented is passed, rather than increasing its representation to 27 Members, Alberta's representation will only go to 25 Members.

• (1510)

I have been to Alberta on several occasions in the past year. I went to the fine Cities of Edmonton and Calgary and I spoke to a number of people who told me that with the legislation that had been passed by the Liberals, they would have had more seats in Calgary and Edmonton than they receive under the Bill before us today. The same applies to British Columbia. British Columbia would have had 33 seats if the Liberal legislation remained, but if we let the Tory Bill go through, British Columbia will only have 31 seats so it will have two seats less.

How can we figure this out? This is the Party that told us it wanted to give an increased voice to western Canadians. Now it is depriving western Canadians of representation in the House of Commons. Does that make sense to anyone? We can think of all of the arguments that were made over the past number of years about western alienation and about the fact that the prairie provinces and British Columbia did not have an adequate voice in the councils of this nation and more particularly in the federal Government. What was the reason for that? Naturally, westerners felt that the previous Liberal Government—

Mr. Clark (Yellowhead): It didn't care.

Mr. Berger: The Liberal Party did not have much representation from western Canada. The Right Hon. Member for Yellowhead (Mr. Clark) says that we did not care. I beg to differ. I think that in our own way, we tried to do justice to the whole of the country and to all regions. Perhaps we were not understood but that is another matter.

As I was saying, the political reality was that the Liberal Government did not have much representation from western Canada. As I recall, we held two seats in Manitoba, the only seats we held west of the Ontario border. There was a feeling, right or wrong, that when it came to making the decisions of the federal Government, the only provinces that counted were Quebec and Ontario.

What happened as a result of the election of September 1984? The Conservative Party had great representation from out West and expected to form the Government. All the western MPs figured that they would now have a chance to form a Government which truly represented the interests of western Canada. However, they made a slight miscalculation. They did not realize that Quebec would go along with them. Quebec likes to be on the side of power. Quebec journalists constantly say that Quebec—

[*Translation*]

Quebec voters are very sophisticated. When the Liberals are in power in Quebec City, we vote for the Tories in Ottawa. If the Conservative Party rules Quebec, we want the Liberals in Ottawa. When a Conservative wave seemed to be sweeping the country, Quebecers wanted to be on the Government side. So what did they do? In their wisdom, Quebec voters elected 56—

Mr. Grisé: Fifty-eight.

Mr. Berger: Fifty-eight Tory Members. I thank the Hon. Member from Chambly. Quebec elected 58 Members because it wanted to be on the right side.

[*English*]

So members of the Tory Party woke up on September 5 and saw that they would form a Government which represented not only Ontario and western Canada but Quebec as well. I must say that this is healthy for our country. If it had to be that way, it was best that it turned out that way for a few years anyway. However, the western MPs, editorialists and western Canadians wondered what would happen now that there is another Government which is largely made up of representatives from Quebec and Ontario. The people from western Canada again, in the new Conservative Government, are in the minority.

I have not had the privilege yet in my parliamentary career of being a member of a Cabinet but I have spoken to some of my former colleagues from Nova Scotia who told me—

[*Translation*]

—I remember talking to Mr. Lessard recently, the ex-Minister of Regional Economic Expansion who came from . . . I stand to be corrected but I think the riding of Marcel Lessard was Lac-Saint-Jean. Marcel told us that when decisions were being made in Cabinet and a Minister from Nova Scotia or a Minister from eastern Quebec made personal representations, he was up against six or seven of his colleagues from Montreal or Toronto, so you can easily guess what came out of such meetings.

[*English*]

It has ended up that regional interests do not have an adequate voice in the federal Cabinet or in Parliament

If the Government would allow the Liberal legislation to go ahead, more seats for Alberta and British Columbia would be provided. What will we end up with? The Tories are now proposing a Bill which would provide for only 25 seats for Alberta as opposed to 27 and 31 seats for British Columbia as proposed to 33. Because this Bill violates the principle of representation by population, it is a bad Bill. As well, it is a

bad Bill because it deprives the region and in particular western Canada from increased representation in the House.

We have also seen that it is a bad Bill for the people from my home Province of Quebec.

[*Translation*]

As the Hon. Member for Saint-Denis (Mr. Prud'homme) pointed out this morning, as a result of the existing Liberal legislation there would be 28 additional seats in the House of Commons, 28 seats which would be added to the 282 we now have so that the number of seats in the House of Commons would increase from 282 to 310. Quebec would have four more seats, which represents 14 per cent of the 28-seat increase. Out of the 13 seats which would be added to the House of Commons under the Bill proposed by the Progressive Conservative Party, Mr. Speaker, not one would go to Quebec.

So where is the fairness in that? Under the Liberal Bill Quebec would get 14 per cent of the new seats, but under the Bill of the Progressive Conservative Party Quebec does not even stand to gain a single seat.

Mr. Speaker, that is what we get from a Government whose commitment during the last election campaign was to defend the interests of Quebec!

● (1520)

[*English*]

There is a third reason for this Bill being an unjust Bill. It is unfair to another region of the country in addition to being unfair to western Canada. It is unfair to Quebec.

There are a number of other reasons which I could mention with respect to the Bill being unfair. One of them is something which flies in the face of all of the undertakings and commitments made by the Conservative Party in the last election campaign. Members of that Party proposed to enhance the role of Parliament. They proposed to give Parliament greater weight in the decision-making process. In the recent past the Special Committee on Reform of the House of Commons has been greatly hailed. I have my doubts about how many of its proposals will actually reform this institution. In any event, we will be dealing with that legislation over the course of the next few weeks.

The Conservative Government was elected on a promise to enhance the role of parliamentarians by giving more importance to this institution. We must remember that under existing legislation the report of the Electoral Boundaries Readjustment Commission, once it goes through the process of studying the boundaries in the country, has to table its report in the House of Commons where all MPs have the right to stand up and speak on behalf of their constituents and bring up objections which they may have to the proposed boundaries. I have lived through one of these commissions. I do not know whether many of the newly-elected MPs have had the same experience. I lived through one several years ago. I would like to tell Hon. Members a bit about how these commissions work.

A Bill is passed in the House of Commons and an electoral boundaries commission is set up. Commissioners are appointed in each province. Before they hold hearings they consider the results of the last census. They take the Act of Parliament which requires them to increase representation in the House to accord with the increase in population as contained in the last census. They consider the existing boundaries of existing constituencies and go about their work. They sit in some office building some place and spend several months drafting the boundaries of the constituency according to Parliament's wishes and according to the changes in the population as represented by the last census. The results of their work are then published. The day on which one receives a new map of one's constituency is quite a day for a Member of Parliament. Sometimes half of one's constituency has been taken away, and other times it is even more than half. There have been cases where whole constituencies have been wiped out as a result of movements and changes in populations, not only in provinces but in cities. As an example, in my City of Montreal, the east end of that city has lost 100,000 people over the course of the last 10 years. These people have moved to the West Island, to the South Shore and to Laval. There have been tremendous shifts of population within the Island of Montreal.

The commissioners perform their work based upon these shifts in population. They then table the new riding boundaries at which time the public finds out in some cases that a constituency is no longer there or that it has been moved a couple of miles away.

I conclude by saying that when the work of the commission is done it is only fair that parliamentarians have an opportunity to speak on behalf of their constituents and bring to the attention of the House their concerns with respect to the proposed changes. Under existing legislation an opportunity is provided for full debate on the changes proposed by electoral boundaries commissioners. Under the Bill which is before us the governing Party which upholds democracy and the parliamentary process removes the possibility of debate from the House of Commons. The Government now says that the report of the Electoral Boundaries Readjustment Commissioners will be referred to a parliamentary committee and that this committee will have 30 days in which to study the report. After 30 days that is it, everything goes through. It does not matter if one has an objection. It does not matter if one is concerned about the work of the committee. It does not matter if as an MP you are concerned about the fact that your constituency has just disappeared. As an MP you have only 30 days to express your objections and then the law stands, as do the changes.

I would ask you, Mr. Speaker, if you regard this as a good example of the principle of democracy.

The Acting Speaker (Mr. Charest): Are there questions or comments? The Hon. Member for Nunatsiaq (Mr. Suluk).

Mr. Suluk: I have only one question. It relates to what the Hon. Member for Laurier (Mr. Berger) said with respect to this bill not being a good Bill. He has said that it is a bad Bill

because it does not conform to the principle of representation by population.

My question relates to the fact that I represent only 20,000 people. I believe that the riding of Western Arctic does not have many more people than my riding. I suppose it does not matter that my riding covers three time zones and extends from James Bay to the North Pole and from the southern part of Baffin Island to the Beaufort Sea. I suppose if we are to follow the principle of representation by population to the letter we should eliminate the federal ridings of Western Arctic and Nunatsiaq and tack them on to the Yukon. Then, we would have fair representation.

Since the Hon. Member says that Bill C-74 is a bad Bill, because it does not conform to the concept of representation by population, I would like to ask him whether or not he feels that Yukon and the Northwest Territories have too much representation. Could we not say, therefore, that since the southern parts of Canada are the most heavily-populated areas of the country that all sparsely-populated areas of the country, which would include northern Quebec, northern Labrador, parts of Newfoundland and perhaps some parts of northern B.C., do not deserve any real representation by any Party? In light of what the Hon. Member has said, could the Hon. Member please enlighten me in this respect? If he does not think that the present representation by population is the right way, what does he think would be a more fair way?

Mr. Berger: Mr. Speaker, I thank the Hon. Member for Nunatsiaq (Mr. Suluk) for his question. I agree wholeheartedly with what I believe he was getting at in his comment. Representation by population is a cardinal principle in any democratic system of Government. In my comments I was obviously referring to the heavily-populated areas of the country in which some urban areas and some urban constituencies have from 150,000 to 170,000 people living within one constituency. I was saying that when it comes to constituencies of that nature, the principle of representation by population has to be respected. It is the foremost principle which has to be respected when it comes to urban constituencies. I see that this Bill is a deviation from that principle.

● (1530)

When it comes to the remote areas of the country, there are other principles which one must take into consideration in a country like Canada. I certainly do not think that the Yukon and the Northwest Territories—to answer the Hon. Member's question directly—have too much representation. On the contrary, I would probably say that they do not have enough. The Hon. Member would probably say that and I would agree with him. Coming from a remote area such as the Hon. Member comes from, he probably feels very lonely in this House and probably would not object to having another one or two Members of Parliament to represent his part of the country. In a country like Canada, we have to make accommodations of that nature. I would ask the Hon. Member whether Bill C-74 helps him in that respect. Does it provide for increased representation in the Yukon and the Northwest Territories?

Mr. Suluk: We're doing okay.

Mr. Berger: The Hon. Member says he is doing okay. If that is the way he wants it, that is fine, but I would say that it probably would make sense to deviate from these principles in order to provide for extra representation in the remote areas and to give the Yukon and the Northwest Territories a greater voice in the House of Commons.

Mr. Murphy: Mr. Speaker, I listened with interest to the Hon. Member for Laurier (Mr. Berger) and a lot of what he said had been gone over earlier in the second reading debate and in committee. I do not think there is any disagreement that rep by pop is the basic principle. However, because of the history of the development of this country, there have been certain shifts away from that. We have made allowances for Prince Edward Island, for the Arctic and for the Northwest Territories as the previous speaker indicated. We have made allowances for the Yukon and we have made allowances with the Senatorial floor. Therefore, we recognize that rep by pop is the base and there have been certain historical and constitutional requirements which have made it necessary for us to deviate from rep by pop.

To my way of thinking, the Hon. Member's argument against the Bill at this stage comes down to one argument, which is that it is unfair to the population of Quebec. Has the Hon. Member had a chance to compare the figures in terms of what has happened to the representation of the province of Quebec under the amalgam method passed by the previous Liberal Government, and the legislation as it is before us at the present time with all the amendments? Has the Hon. Member considered what percentage of House seats Quebec would have had under the previous Liberal legislation as compared to this legislation in 1981, 1991 and 2001? If the Hon. Member and his Party had been in committee and had picked up the charts which were available, they would have found out that by using the same population numbers, under the Liberal legislaiton which was passed in 1974, Quebec would have had 25.5 per cent of the seats. It would have had almost the same percentage under this present legislation. In 1991, under the Liberal legislation, it would have had 24.1 per cent of the seats. Yet under this new legislation, it will maintain 25.3 per cent of the seats in the House of Commons. Further to that, if the population figures are correct as far as the year 2001 is concerned, under the Liberal legislation, the percentage of seats held by the province of Quebec would have decreased to 23.5 per cent. Yet under this legislation, Quebec will be ensured 25.2 per cent of the total seats in the House of Commons.

What I am saying is that under this legislation—and this is the point I was making—populations with a smaller percentage of the total, which includes Manitoba and Quebec, will have a higher percentage of the total number of seats in the House of Commons. Therefore, I wonder why, at this particular date, the Hon. Member and others are all of a sudden concerned that Quebec is being treated unfairly. If anything,

under this legislation, it has a larger percentage of the total number of seats in this House of Commons.

Mr. Berger: Mr. Speaker, the Hon. Member refers to this very late date. As far as I am aware, this Bill is still before the House and we still have the right to speak on it. I did not think there was any rule or law of the House that one has to get up at a certain time or at a certain stage of a Bill in order to speak on it.

As far as my basic concerns about this Bill, the last time I spoke on it, and I spoke at that time very briefly, I spoke about the problem which I saw with respect to Alberta and British Columbia. I mentioned that again today. I would simply ask the Hon. Member to accept in good faith the fact that when on several occasions I was in western Canada in the past year, people expressed concern to me saying that in Calgary they would have had more seats than they are going to get with this Bill which has been proposed by the Conservative Government.

When I rose today to speak, I was expressing these concerns. I also see problems, yes, in relation to Quebec. I look at—

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

[*Translation*]

Debate. The Hon. Member for Lac-Saint-Jean (Mr. Côté).

Mr. Clément M. Côté (Lac-Saint-Jean): Mr. Speaker, I did not intend to speak in this debate and would have preferred a chance to comment on various statements, especially the one by the Hon. Member for Laurier (Mr. Berger). However, since that time was allotted to the other side, I will speak in the debate.

I understand why the Hon. Member for Saint-Denis (Mr. Prud'homme) wanted to prolong this period, until December 20 if possible, as the Hon. Member for Laval-des-Rapides (Mr. Garneau) exclaimed at the beginning of the debate before lunch.

Hon. colleagues, I have a suggestion. You should have asked your research staff to do some work for the Hon. Member for Laurier, because to the rest of the House, it looked like he was going to use his 20 minutes to try and put us to sleep.

Mr. Speaker, when the Liberals and the New Democrats say their speeches or comments are devoid of partisanship, don't believe it, because it will be a very frosty Friday when that happens.

I heard them talking about Quebec, defending motherhood issues. Defending is a cinch the way they do it.

● (1540)

Historically, our Liberal colleagues were able to stay in power thanks to the Quebec vote—which they had the misfortune to lose, to their great chagrin—and partly with votes from Ontario.

So that is why we hear this "as Quebecers" over and over again. Mr. Speaker, as a Canadian, a Canadian representing a Quebec riding, and working within a Government elected by all Canadians, I also realize that the new proposal works out to zero. As for of equity, the Hon. Member for Saint-Denis (Mr. Prud'homme) was talking about equity. As he said earlier, when we were working together in committee, we accepted and recognized, in terms of equity and also in terms of the economics of the question, that this Bill . . . that there would be six, seven or eight Members. We all agreed. And we spoke as Canadians. And as Canadians, including the Members from the Province of Quebec, we agreed to pass . . . at that point there was no question of partisanship. I agree there was no partisanship at all. But I heard them just now, reminding us that with the Liberal Party's Bill . . . and so forth and so on, the same old song. They cannot hide their partisanship.

The Hon. Member for Laurier (Mr. Berger) said earlier that Manitoba had only two seats. Mr. Speaker, I am sure only the Liberal Party could put up with the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) in Manitoba. On this side of the House, we can do without.

Mr. Speaker, I would not want to abuse the time of the House, but I must say I am quite disappointed that the President of the Privy Council (Mr. Hnatyshyn) was not able to accept our recommendations to increase the number of seats in the House by six or seven, because I want the Hon. Member for Saint-Denis to know that we had done so for the sake of fairness and not partisan purposes.

Mr. Prud'homme: That is what we want!

Mr. Côté (Lac-Saint-Jean): If we could return to this debate—I challenge members of the Liberal Party and the New Democratic Party to show evidence of their fairness.

The Acting Speaker (Mr. Charest): Questions or comments. The Hon. Member for Saint-Denis (Mr. Prud'homme) has the floor.

Mr. Prud'homme: Mr. Speaker, I gladly accept this challenge. I am sure that I could convince also my party colleagues. We should like to return to the main proposal. If I may, and if our Standing Orders allow it, I would like to return to the Bill and examine again and amend clause 2 to allow for an increase of six or seven seats. That is exactly . . . I am sorry. I listened carefully to what the Hon. Member had to say, because this is one of his first speeches. I must admit that I do not know where he is going with his representation. I have not understood anything of what he was saying, because if he claimed that we are against six or seven, it is exactly the contrary. That is what we would like the Committee to return as a proposal to the House, because the six or seven new seats on which we had all agreed without partisan consideration, have been changed. Now, it is 13. It is to these 13 new seats that we object.

[*English*]

My colleague, the Member for Churchill (Mr. Murphy) was right when he said that if the formula of 310, 343 and 369 had been applied, Quebec should have refused. That is why I am so much in favour of putting it aside. The more we debate, the better you will understand why I am so energetically in favour of another revision. The 310 led to 343 which led to 369 while the number of Members from Quebec was being reduced all the time. I was not in favour in the 1970s of in favour of enlarging the House of Commons from 264 seats to 282. I would not have minded if Quebec had lost one or two seats out of 264.

[*Translation*]

I would not mind if Quebec was to lose. At the time, I had lost the debate. But when the number of seats in the House increased from 264 to 282, there had been a debate. I remember quite well that it was Mr. Ovide Laflamme, my Quebec colleague who has become a judge—I must trust my memory, because this happened 15 years ago—who, together with Mr. MacEachen, now a Senator, had found this 282 formula which would bring the number of seats to 310 and 343. At the time, I could see that Quebec was losing ground each time. But it is on the 25 per cent that I should like to bring the attention of my colleagues, but I will not, because he would like me to lose my temper. But for the Hon. Member for Lac-Saint-Jean (Mr. Côté), 25 per cent of 400 seats and 25 per cent of 262 seats, it is not the same thing. Do you understand? It is still 25 per cent and it seems fair, but I say that in a parliamentary sense, the bigger the House gets, even though our percentage remains at 24, 23, 25 or 25.1, psychologically, the reduction is not in the interest of our nation, one of the two founding peoples. The other founding people know very well how to defend themselves, and I am not here to defend both people equally, but the way I see it, there is a reduction and we had an opportunity of making an intelligent move which was at the same time equitable for Westerners and did not put us, from Quebec, in such a minority position that we would have been lost in the great number of members of the House. That is why I jumped in at the first opportunity. I had several private conversations with the Hon. President of the Privy Council (Mr. Hnatyshyn). I am a gentleman. He could rise and say it is not true. I saw him several times and said: Listen, I will do what I can to help you about the six and seven issue. I am not against it because there is the matter of maintaining a balance between equity and our identity as Quebecers. We feel we are different, and we are, and we think the more redistributions there are, the weaker our group gets. So let us not weaken its spirits by having a large House and making us only 25 per cent of a great number. We should keep the total number as close as possible to 289. If my colleague, who is a gentleman, could rise and take perhaps only a minute to say that I am acting in good faith and that I tried . . . I am not pleased when I hear him say I am being partisan. That is enough to make me partisan and then he would see the difference. I am only trying to see—late in the day perhaps, but that is precisely why we have a third reading stage—how we could reset our sights. I would appreciate an answer on that. Basically, I agree with him. I do not see why he is saying that we disagree, this is exactly what I want, that we come back to the 6 or 7 spirit and that the number of seats increase very gradually. I do not want any decrease. Even if, comparatively speaking, we are a little less numerous than we were, I do not want a reduction in the number of Quebec Members, of French-speaking Members in this House. It seems to me that Quebecers should understand that. Should I be more explicit? If such is the case we will have to start another debate, and you know what that means.

The Acting Speaker (Mr. Charest): Questions or comments. The Hon. Member for Saint-Jacques (Mr. Guilbault).

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I would like to ask a question to the Hon. Member for Lac-Saint-Jean (Mr. Côté).

He said, a little earlier, that it was with some sadness that he learned that the President of the Privy Council was not following the original project which would have increased the number of seats by 7. I would like him to explain to us—in substance, because I, too, would like to get away from any partisanship—what he meant and why he felt some disappointment.

Mr. Côté (Lac-Saint-Jean): The fact is that the 6 or 7 proposal was accepted in the beginning because we wanted, as the Hon. Member for Saint-Denis (Mr. Prud'homme) said earlier—

Mr. Prud'homme: That is what I still want!

Mr. Côté (Lac-Saint-Jean): —to keep the House to a reasonable size, and also a bit for economic reasons, as the Hon. Member for Laval-des-Rapides (Mr. Garneau) pointed out. It is in this context that I worked with the Committee in the beginning and that is how we all wanted this to be done. This is why I said earlier that I was sorry this proposal was not accepted and the increase is now going to be of 13 seats because it does not meet the criteria of equity, and to a lesser degree, of economy.

The Acting Speaker (Mr. Charest): Questions or comments. Debate. The Hon. Member for Saint-Jacques (Mr. Guilbault).

• (1550)

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I wish to resume the debate at the very point where the Hon. Member for Lac-Saint-Jean (Mr. Côté) left it when he replied to my question. In fact, this Bill has travelled a strange road. Originally, the purpose was to prevent the number of seats in the House of Commons from increasing too quickly because the hybrid formula now being considered provided an increase from the present number of 282 to 310. The original bill

proposed an increase to 289. In fact, I agree with the Hon. Member of Lac-Saint-Jean that an increase of seven seats is acceptable. This would reflect what happened in the Committee and it is therefore more acceptable for those of us who sat on the Committee.

However, what worries me the most about the new proposal which would increase the number of seats from 282 to 295, which means an increase of thirteen rather than seven, is where these six additional seats will go. British Columbia will have two, and so will Alberta and Ontario. I do not want to be a bad sport and to seem envious of these provinces which are to receive additional seats. Let them have their seats! What worries me is that, while six seats are being added, not a single one will be for my province. This is not what had been suggested originally by the Committee. We could have fought about this in committee but that is not how it happened. It is therefore not surprising that the Quebec Members should rise, and I am happy to see that there are also Members on the Government side who share our concerns. I am going to try and speak as calmly as possible without making any partisan comments.

As it is often pointed out, Quebec is not like other provinces. That Province is the centre of French culture in Canada, and as such, whenever there have been redistributions, debates centering on the redistribution of seats, that point always has came up. And it must do so once again.

I say without being chauvinistic, it is clear that Quebec has a special role in Canada. It is the anchor point of the French-speaking community. Furthermore it is the critical mass of the French-speaking community in Canada. I say it is the anchor point because minorities outside Quebec expect the latter to remain strong, because if Quebec does not survive as an entity, that is the end of the French-speaking community in Canada.

Of course this is disquieting. An increase of only seven seats, from 282 to 289 already was not too generous for Quebec. But if six other seats are to be added to that without a single one going to Quebec, someone has to speak up. I represent a Quebec constituency, and I could not face my constituents without at least having risen in this House. I am not sure this will change the views of the President of the Privy Council (Mr. Hnatyshyn). Ever since September 4th, last year, I have been getting used to constantly losing votes in this House. This is something that will happen again. As I said, I would not like Quebecers to say: When that was going on, our elected representatives were asleep. We are not asleep, our eyes are wide open, and we are trying to bring this home to the Government.

I am happy to see that we have the support of certain Quebec Members who, although from the Government side, as the Hon. Member for Lac-Saint-Jean, have the courage to rise and point to what is going on. I am not yet sure what kind of result this will have, but it shows that Quebec Members from all sides of the House are alerted to what is going on and are looking for improvements.

You see, when we started discussing the issue in this House, Mr. Speaker, on second reading and then in committee, everyone agreed that we should alter a course which we from the Liberal Party had brought in through the amalgam method proposed here by Minister MacEachen and which, as we now realized that things have changed, would have brought upon quite a rapid increase in the number of Members in this House. But above all the Government is concerned with the matter of costs, and we must also realize that financially things are not what they used to be. Money is getting scarce.

However, if we start playing around with the amalgam formula and changing it, we automatically get another set of problems, because there was a very good reason why, according to the formula, the number of Members would increase very rapidly, as well as related expenditures. This was because the formula was intended to closely observe the basic principle of representation by population. And I must say that as soon as we get away from this method, which has its shortcomings, we automatically start tinkering with the principle of representation by population.

For instance, when the Government decides to include in the Bill before the House a measure ensuring that no province will lose a seat, even if according to census figures the population of that province has increased at a slower rate than in other provinces or even decreased.

Make no mistake: it is a kind of political protection the Government is giving itself, because if a province were in danger of losing a seat, and this happened about ten years ago in the House, I was there, and I am referring to the Province of Saskatchewan, well, there would have been an uproar. It was the Hon. John Diefenbaker, that famous Member from Saskatchewan, who objected.

However, one cannot expect to win on all counts when in Government. Where decisions are made, the political price has to be paid occasionally. Therefore, when the Government wants to obtain political protection, that is, assuring some provinces that they will not lose any seats even when their population is decreasing, this automatically comes up against the first basic principle as stated by the President of the Privy Council, that is, the principle of representation by population.

Once they refuse to accept that a Province may lose seats, for political reasons, and I understand that, they are in effect tampering with a basic principle. This is one of the things in that Bill I do not like.

Moreover, there already were other things in the Act about which there is very little we can do. We could always do something, but it would be difficult. There is the question of the Senate minimum. Prince Edward Island, for instance, should have one constituency based on its population. It has four, since it has four seats in the Senate. And the Constitution provides there can be no fewer Members of Parliament than Senators.

There again, this is a reality about which we are already departing from the basic principle of representation by population. So I submit that right from the start there were realities of that kind that were hard to cope with, without the Government stepping in to protect Provinces likely to lose seats. And when I say this, I am not thinking of any Province in particular. Quite possibly, the population in my own Province might some day, five or ten years down the road, increase at a slower rate than other provinces for all kinds of reasons. Quebec would then be the one to lose a seat. But, that's life. If we accept the principle of representation by population, we have to accept the consequences.

However, I do rise to protect my province when the formula is suddenly amended after the proceedings in Committee, to add six additional seats, none of which will come to my province and when, because we are a minority in this House, we certainly do not have the power to have this changed.

I therefore ask as sincerely as possible to the President of the Privy Council to reconsider his proposal to add six seats more than originally planned. If he would be so kind, so generous and so wise as to come back to his original proposal, under which the number of seats would increase from 282 to 289, he would avoid an extended debate in this House. He would have a better chance of gaining the support of the opposition parties. This is indeed why—

The Acting Speaker (Mr. Charest): Yes, you may conclude very quickly if you wish, but you have only a few seconds to do so.

Mr. Guilbault (Saint-Jacques): In that case, Mr. Speaker, I have just made an appeal to the President of the Privy Council asking him not to add these six seats as I believe that it would penalize my province. I think that my message was clear and I shall let you do your job.

The Acting Speaker (Mr. Charest): It being four o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1600)

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

NATIONAL DEFENCE

PROVIDING DEFENCE OF THE ARCTIC ARCHIPELAGO

Mr. Dave Nickerson (Western Arctic) moved:

That, in the opinion of this House, the Government should consider the advisability of providing adequate defence of the Arctic Archipelago.

National Defence

He said: Mr. Speaker, the intention this afternoon is to focus debate in this Chamber on the special question dealing with the defence of the far northern reaches of Canada. It is not a motion that is likely to be voted on by the very fact it is so broadly worded.

Not that long ago, Sir, I had the good fortune to tour parts of the Arctic with General David Battye in connection with the construction of the north warning system. I must say we were very well received wherever we went. People were pleased with the attitude of the new Government especially in those areas dealing with the maximization of local employment opportunities and local entrepreneurial opportunities with the new north warning system. We know that it is going to be done in a much different manner than with the old DEW line. During conversations with people at that time, we met with some who lived in areas north of the DEW line. To them, the DEW line was quite a way south. They said to us: "Are we not deserving of some form of defence in the area that we live? Is it right that in a case of attack the first element of any strategy is to abandon us to the enemy with the first line of defence being along the DEW line, located at roughly 70 degrees north?" I think they have a very good point. They deserve to be protected just the same as those living in metropolitan areas to the south.

It is not my intention this afternoon to be too critical of the Government because I know the Government has made vast improvements to our northern defences in just a short time over and above those of the previous Government which allowed defences to become rusty. There is no doubt about that at all.

Northerners were very pleased with the announcement made by the Secretary of State for External Affairs (Mr. Clark) not that long ago in the context of Canadian sovereignty. The announcements made at that time will go to alleviate some of the deficiencies to which I have referred to quite an extent. For example, increased surveillance flights; more military exercises to be held in the North and of course, the construction of a Class 8 ice-breaker now underway. That ought to have been done a long time ago but was neglected by previous Governments.

I am not unmindful of the expenses that defence establishment cost. There is an obvious need for Canada to share those expenses with the United States of America. A good example of this is with the north warning system that comes as a result of the memorandum of understanding signed in Quebec City between the leaders of Canada and the United States last March.

We also must take into account special Canadian requirements over and above those of our friends to the south. My suspicion with respect to the north warning system is that if it were not necessarily a joint venture and that if cost were not such an important consideration, the north warning system would not follow the 1950s DEW line along the seventieth parallel, but rather it would go along the extremities of Canadian territory. The line would stretch from Inuvik in the west northeastward up to Alert at the top of Ellesmere Island,

then possibly it would come down along the east coast of Ellesmere Island and Baffin Island, or it might even go around Greenland and come down the east coast of Greenland. There is valid criticism that can be made with respect to the north warning system, that we are superimposing 1980s technology on a 1950s geographical location. If we were able to do things in a way to maximize the Canadian interest, would it not be better, Mr. Speaker, to detect and engage enemy aircraft or enemy cruise missiles before they reach Canadian territory rather than to penetrate, in certain cases, many hundreds of miles into Canadian air space, over Canadian territory until being picked up by the DEW line? We could then launch successfully, I would hope, interceptor aircraft from locations even farther south than the DEW line and destroy the incoming threat. One of the difficulties is we would presumably be shooting down nuclear equipped missiles or bombers equipped with nuclear bombs over Canadian territory. Admittedly, it is not a densely populated area but the people who live there are of particular importance to me and my colleague because they are the people who vote for us. We feel if at all possible they should not be subjected to that type of threat.

The present detection system, the land-based radars that are necessarily used in the North are expensive, and we know that. Maybe we can improve our detection methods for the Arctic Archipelago by trying to improve the over the horizon backscatter system that works in more southerly attitudes so that it can work in high latitudes. Presently it is affected by ionespheric disturbances. If we could get over that problem, we would have a cheaper system for surveillance for detection in the very high Arctic. It is admitted the present north warning system is only an interim measure and that eventually the detection system will be satellite based, which will give us good coverage over the whole of Canada.

If we look at the existing military presence in the Arctic Archipelago we find there is very little there indeed. The only permanent military establishment is the communications research station at Alert. It can be noted, as an aside, that Alert is some 300 miles closer to Moscow than it is to Ottawa. There is not much else. There was another communications research base in Inuvik, not in the archipelago but close to it. That was closed or is in the process of closure right now.

Maybe we ought to think about the idea of having airports in the Arctic Archipelago from which F-18 aircraft could operate if the need arose. At the present time I can think of only one, the airport at Resolute Bay. There is one airstrip and no real alternate. Maybe some of the existing strips in the archipelago could be upgraded so that they could be used as forward operating locations.

There has been a continuing debate over whether or not you need a full-scale military base in the Arctic islands. I have never been able to determine whether or not that is necessary, but it is something about which military people have been talking for quite a number of years.

• (1610)

I should like to quote from an article which appeared in *The Citizen* of Ottawa in March, 1983. It was entitled "Canada needs military base in Arctic: ex-defence chief" and read:

> Canada still needs the armed forces base in the far north that he promoted unsuccessfully in the early 1970s, General Jacques Dextraze, former chief of the defence staff, said Thursday.
>
> Dextraze told the Senate subcommittee on national defence that "there is a great necessity to have a continuing presence up there."
>
> The retired armed forces chief admitted that much of Canada's defence effort has to dovetail with planning by the United States for the defence of North America "but there are things that are purely national, things we must do as Canadians".
>
> Dextraze said he selected Devon Island, on the Northwest Passage in the High Arctic, for the site of the proposed base—

The whole debate over what we need for the defence of the Arctic Archipelago has gone on for some time. It is not a new issue. I understand that Doctor Harriet Critchley has been an advocate of better defence of this area.

I have some quotations going back to October, 1981 from *Le Droit* to which I should like to refer.

[*Translation*]

> The Great North, a dent in Canada's armour.
>
> —Brigadier-General Clay Beattie, DND Director General of Planning, said that if we were to neglect the north in might become the Maginot Line of the Atlantic Alliance.

And he goes on to say:

> Colonel James Cameron, a retired officer who served in northern Canada, does not mince words. "I think it is absolutely shameful that we do not have more control over that region", said the former officer in a Toronto interview. Colonel Cameron is now on the board of the Canadian Institute of Strategic Studies—

[*English*]

They are examples of where in years past this matter has been under debate by people who have given it a lot of thought.

The Arctic Islands are becoming increasingly important as a repository of strategic resources. There are vast oil and gas reserves which are in the process of being delineated in the Sverdrup Basin. There are billions of barrels of oil and trillions of cubic feet of natural gas. There were large hydrocarbon deposits in the Beaufort Sea, to the south of the area about which we are talking today. There were also mineral deposits in that area. In my opinion these assets are well worth protecting. There are also important shipping lanes in the area. The Northwest Passage is becoming a throughway, through the middle of the Arctic Archipelago.

It seems to me that military thinking in Canada has always been focused on Europe. We do not really give too much attention to the polar areas. Earlier this year, I had the opportunity to accompany the Secretary of State for External Affairs on a trip to the Soviet Union. Of course, they are very concerned with Europe over there, but at the same time they are giving a great deal of attention to polar matters. A lot of research is going on, some of which is presumably to increase the total of human knowledge, but not without military signifi-

cance at the same time. There is a lot of research into meteorology and there have been hydrographic surveys in the polar region. When we talk to senior Russian officials on the subject of possible conflict between the two superpowers, they immediately think in terms of action over polar areas. It is a state of mind which is very apparent over there, whereas in Canada it is something we tend to neglect and think in terms of traditional roles in Europe.

In case there was ever a conflict in polar areas, we have to try to think about what that might entail. Obviously, the first is the use of aircraft, missiles, in particular cruise missiles and bomber aircraft. We can neglect intercontinental missiles because they go away over the top. There are also some other things which might happen. There is the possibility of the occupation of the archipelago. At the present time it is not defended. It would be fairly easy to do that. What might happen is that if there was an altercation in Europe, a diversionary tactic such as the occupation of one or two communities in the archipelago could take place. The result of that would likely be that Canada would withdraw its troops from Europe in the face of public opinion and utilize them for the defence of the Canadian North. We have to take into consideration the possibility of using an attack on the Arctic as a diversionary measure. I would not like to see Arctic communities in that area being held hostage under those types of circumstances.

There is the idea of the archipelago surrounding seas being used as a submarine operating area. I refer to a May, 1983 article in *The Citizen* entitled "New attack subs planned to hunt Soviets in Arctic". The story is datelined Washington, and reads:

> The U.S. Navy is designing a new attack submarine to hunt missile-carrying Soviet subs that operate extensively under the Arctic ice pack and use it as a sanctuary, the top navy commander said Wednesday.
>
> Admiral James Watkins, chief of naval operations, said nuclear-powered 688-class *Los Angeles* attack submarines have put increased emphasis on patrolling under the ice to deny the Soviets a safe haven from which they could threaten America with nuclear attack.
>
> Watkins described the ice pack as "a beautiful place to hide" for Soviet submarines equipped with intercontinental range nuclear-tipped missiles that could be used as a second or third-strike reserve force in the event of a nuclear war with the United States.

We have to think of the archipelago in all these terms. Unfortunately, the situation exists now with respect to naval warfare. At any rate, if there ever was a naval confrontation in the Canadian Arctic between the two superpowers, about all we could do as Canadians would be to sit on an ice floe and keep score.

I hope I have brought into context or focused attention this afternoon on the defence requirements of a very important part of Canada, a part of Canada which is becoming more important from day to day, a part of Canada of great strategic importance. In my opinion, today the Arctic Archipelago is an area which we should not and cannot neglect any longer from the point of view of defence of our nation.

Some Hon. Members: Hear, hear!

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I compliment the Hon. Member for Western Arctic (Mr. Nickerson) on bringing this motion before the House this afternoon. It gives us an opportunity to discuss the Canadian Arctic Archipelago. It is a very important subject in the eyes of Canadians as well as in the international community.

The Hon. Member would have been interested in being in Washington this week with the Standing Committee on External Affairs and National Defence. The Northwest Passage and other items were brought into focus in what really amounted to an all-Party, united debate in the State Department in Washington. It is too bad that that meeting was not able to go on the record.

• (1620)

Having commended the Hon. Member for bringing the subject before the House, there are two things that my Party would want to put on the record regarding our concerns that this motion not be used in an unlimited fashion to justify something else down the road. Just because we agreed with this blanket motion that was brought before the House by the Hon. Member for Western Arctic, we do not want to find ourselves in a situation of agreeing to other things.

Number one, of course, is the reaffirmation that we do not want to see this motion used to allow participation in the Strategic Defence Initiative involvement in the North. I think perhaps the Hon. Member who brought forth this motion may very well be in agreement with that as well. In conjunction with that, we would not want this motion used to allow Government-to-Government research in SDI. I believe that issue was very well put to rest in the middle of 1985.

Our second major concern over the motion would be that we would not want this motion used in any way to involve Canada in any form of anti-ballistic defence. The Hon. Member touched upon that issue and mentioned in particular the problem that would exist in the case of intercontinental ballistic missiles.

In all honesty, I think the Hon. Member would agreed that the present Government has not done wondrous things for the northern part of Canada. He gives the Government full credit for having brought in the north warning system. The Hon. Member for Western Arctic knows very well, as does every well informed Canadian, that 90 per cent of the north warning system was already planned when the new Government took office. The new Government added such things as the forward-operating locations and it dressed it up a bit but basically, the entire north warning system was the product of the former Government. Let this Government not take credit for everything.

Conservative Members went around during the last election campaign saying that they would commit to a 6 per cent real increase in defence spending and they sent that propaganda into every mailbox of every member of the Armed Forces. Where do they stand on that issue today? The real growth in defence spending has been 2.92 per cent.

Mr. Kilgour: Where were the Liberals?

Mr. Hopkins: When the Liberals were defeated on September 4, 1984, the real growth in national defence spending was 4.1 per cent.

Mr. Kilgour: And the year before?

Mr. Hopkins: Let us go back to 1979 when the NATO Ministers agreed to 3 per cent real growth in spending on national defence. That was a NATO agreement. Canada and the United States are the only two countries out of the 15 countries that were members at the time that lived up to that 3 per cent real growth in defence spending. The only thing that is going to save this Government from putting a blemish on that record is inflation dropping enough to push real spending up over the 3 per cent level.

Members of the Government Party talked much about that commitment during the last election campaign. Since the election, both in the House and out, they have been using all kinds of rhetoric to build up the perception that they are doing wondrous things for the defence of the country. They should be ashamed of themselves for building up in the minds of the people the thought that they are doing great things.

I was quite interested in a comment I heard from some members of the Armed Forces in Europe. About a month or two following the election, a new shipment of goods arrived in Europe. One corporal who was on hand said that it did not take the new Government long to start operating because all this new stuff was coming in already. Of course, that new stuff had been ordered by the previous Liberal Government a year or two ago. Everyone in the House knows how long it takes to receive equipment. With all the red tape involved in purchasing defence equipment, it is a good thing that we are not in a war.

Let us go a little further than that. New trucks of all sizes have been delivered to military bases across Canada and Europe. Those 2,761 two-and-a-half-ton trucks alone were ordered by the previous Government and the last of them have come on stream in the last year and a half. As well, there are the new tanks that were purchased by the Liberal Government. The Liberal Government purchased 18 long-range patrol aircraft, the best equipped and best working aircraft for our surveillance system over the North Atlantic that could possibly exist. Representatives of other NATO countries have looked at these new aircraft, gone up in them and they really like that package.

We want to remain aloof from star wars and ballistic missile defence systems so that we as a Canadian nation can retain our individuality in matters dealing with external affairs. As soon as we lose the sense of independence we have in forming our own foreign policy, then we will no longer have any influence on the other Parliaments of the world.

Let us return to the time when the tanker, the *Manhattan*, went through the North escorted by a Canadian ship. In the summer of 1985, the *Polar Sea* went through the North. The Secretary of State for External Affairs (Mr. Clark) and the American Secretary of State met in Washington three months before that voyage took place. What good did their discussions do? The Amercians went ahead and sent the *Polar Sea* through Canada anyway. They would not listen to the Secretary of State for External Affairs. As a result of the *Manhattan* voyage, the Americans knew that they could not dictate to then Prime Minister Trudeau on foreign affairs. If there is one thing that the Americans know for sure today, it is that Ronald Reagan has the present Prime Minister of Canada (Mr. Mulroney) in his hip pocket.

Mr. Kilgour: Horse feathers!

Mr. Towers: Rubbish!

Mr. Hopkins: I know that that bothers Hon. Members opposite but it is time that they recognized the facts of life.

The reason we should be seen as independent in our foreign policy is that Canada must continue to work toward an arms control agreement. The moment we are seen to be a dishonest broker in the middle of those nations in the world today, we will no longer have that influence to work with them in a constructive way. I think that Canada is the nation which should be out there leading the middle powers and, indeed, working closely with the Third World countries, to put the heat on the two major powers in the world to come to an agreement and to come to grips with their SDI programs. I want to be honest and realistic about this. Let us not always talk about the American SDI system when we talk about SDI. Let us also recognize the fact that even though one does not hear about it because it is bad propaganda, the Russians have their own SDI system on which they are doing research. We cannot go around as naive individuals in external affairs today. We need aggressive people on board. We need to have our own national independent policy on external affairs. We must have credibility in the eyes of the people with whom we are working. That credibility means that we be seen as our own person and as our own nation. I think that is extremely important today.

• (1630)

I wish to place on the record an excerpt from an article which appeared in *Maclean's* because I think it is important. This is an article which appeared in the November 2, 1985 issue of *Maclean's* with respect to a leaked document to Cabinet. The article states in part:

—*Maclean's* has learned that the federal cabinet has been presented with a package of sweeping proposals that would greatly expand Canada's military presence in the Far North—both as a demonstration of sovereignty aimed at impressing the United States and because of concern over Soviet submarine activity in the Canadian Arctic.

The proposals, outlined in a secret external affairs memorandum to cabinet, suggested a $4-billion program over the next decade to improve Canada's capacity to detect and attack foreign ships that infiltrate the nation's arctic waters. Among the proposals: between $2 billion and $3 billion for the construction of four nuclear-powered submarines that could operate for unlimited periods under the ice.

The memorandum also recommended a range of initiatives to upgrade Canada's surveillance of the Far North. These included the launching of a $350-million satellite designed to provide year-round radio images of the Northwest Passage, as well as the installation of underwater listening devices to monitor key bodies of water in the arctic archipelago and provide "trip wire" warnings of submarines passing through Canadian waters.

That is a good program as outlined. The only trouble with it is that someone leaked it from Cabinet and it has turned out to be somewhat of an embarrassment because the program was written up on the understanding that the money would come from existing funds. If $4 billion is to be taken from existing funds by this Government from whom will it be cut? Where else can this money be taken from? Will bases be closed up in Canada in order to pay for this program? Any program which is put forward without having the dollars to back it up is not really a serious proposal at all.

Having put my Party's conditions on the record and having said that we in the Liberal Party are interested in continuing to upgrade defences, we support the North Warning System, of course, wholeheartedly. We do so because, as I stated in my opening remarks, some 90 per cent of it is our product anyway. We are very much in favour of continuing purchases in conventional defence since we have made many of those in the last number of years.

I think that in the field of external affairs we will have to make sure in the years ahead that we are our own person and that we do speak for Canada and that we do have our own individual external affairs policies. We must ensure that we press for arms control and that we work with other countries in the world. We cannot work as an individual but as a unit with other countries in the world in order to impress upon the two major powers that the only sane way to go, the only way for a sane society to go, is to sit down and come to arms agreements over the next few years. I hope that our Canadian Government will take this seriously. I hope that it will come forward with more dollars with respect to the purchase of conventional defence items in the country and that it will place emphasis on our reserve units in Canada, something with which I am in wholehearted support.

Mr. Dan Heap (Spadina): Mr. Speaker, I thank the Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins) for assisting me to catch a plane because I have to leave a few minutes early. I promise to refrain from any hostilities today toward my Liberal colleagues. In fact, I intend this speech to be non-hostile all around. I wish to thank and commend the Hon. Member for Western Arctic (Mr. Nickerson) for having brought this matter before the House for at least a short preliminary debate. His motion is very clear and to the point. I believe it has generated a very useful debate. The motion is simply:

That, in the opinion of this House, the government should consider the advisability of providing adequate defence of the Arctic Archipelago.

The Hon. Member for Western Arctic has presented one version of the deterrent view and presented it quite well. Our Liberal colleague has presented another version of the same deterrent view. I wish to present the views of some people in Canada who are much concerned with that, because of where they live, who have still a different view.

I had the good fortune in September to go with the Standing Commitee on External Affairs and National Defence to Yellowknife to hear eight briefs of local residents there, beginning with the leader of the legislature and continuing through seven other briefs. I stayed in Yellowknife the second day rather than going up to Cambridge Bay and I forewent my per diem, as the rules require, because I wished to pursue also the question of housing in the Arctic. I was able to join with the Hon. Member for Western Arctic in a discussion of that a few weeks ago.

What I wish to present now is the gist of three of the briefs that the committee received that day: one from the Dene Nation and the Métis Association jointly; one from the Inuit; and one from the Committee for a Nuclear Free Western Arctic of the NDP.

I think the most important of these is not, in fact, the brief from some Members of the New Democratic Party but, in fact, the brief of the Dene Nation and the Métis Association. I think Members may recognize that the recommendations they have put forward are not primarily involved in the dispute that we have here in what they call the "South". I understand that even Edmonton is way down south to the people in Yellowknife. So, of course, we are, I guess, close to the South Pole. But they do represent a people who have been here for many thousands of years, a people who have had a good deal of experience with war and with peace and with negotiation. Although they are a small group within Canada, the Dene, the Métis and the Inuit are, in fact, a majority of the population of the Northwest Territories, including the archipelago, about which the motion speaks.

I think the comments that they have made deserve to be heard by the Members of this House and by the Canadian public. Since the brief runs to several pages, I wish to give only the recommendations. Their first recommendation may seem rather trite at first. It is that the Canadian defence policy be reviewed in consultation with the Canadian public in an open forum. I say it may seem trite because the committee in which I am not able to participate most of the time is working very hard on doing just that consultation, or consultation covering a very important part of that. The reason the recommendation is not trite is because the open forum is not nearly so present as I believe the Dene and Métis people wish. That is one reason I wish to speak to it today.

● (1640)

The next three recommendations, I believe, give the heart of their point of view. The second recommendation states:

That those who wish Canada to pursue a policy of deterrence and co-operation through NORAD and NATO be invited to convince Canadians that that direction, or some variation of it, continues to be the correct one to take.

Hon. Members who have spoken have spoken on that assumption and with that view. The third recommendation states:

That those who support non-alignment and or neutrality be invited to convince Canadians that that direction or some variation of it, is the better one to pursue.

The fourth recommendation states:

That the defence policy be reviewed and re-established before the next NORAD Agreement is signed.

I believe that is a remarkadly useful statement in that it says clearly, in a few words, that we should debate the basic

principles of our defence policy. I feel we should pay some attention to the Dene nation and the Métis Association. They gave consideration to the more specific aspects of the matter as well. They recommended that a soci-economic agreement on the north warning system be developed between Canada and the Government of the Northwest Territories. They agreed with the Government spokesman, with the Mayor of Inuvik, and with the Chamber of Commerce of Yellowknife, that people of the Northwest Territories should have a greater voice in what is done there. They go on to recommend:

The agreement should provide for a special advantage for northern workers and northern contractors to obtain jobs and business opportunities both during the construction stage and after completion. Training for the permanent jobs should begin immediately.

The sixth recommendation is:

That all aspects of the eight-year program of modernization of the DEW line be subjected to an environmental assessment and review process and provide information and assurances in the same way that is expected of industry.

Many others spoke to us that day about the same matter. They said that it is their land, they live there, and whatever defence policies are being carried out should take account of the people who live there. It is not a no-man's land.

They address the larger scene and recommend:

That Canada and all Canadians refuse to become involved in the U.S. Strategic Defense Initiative (Star Wars).

Not only the Canadian Government, as was the declaration made by the Prime Minister (Mr. Mulroney), but all Canadians should refuse to become involved.

The eighth recommendation is as follows:

That the Prime Minister undertake a "peace mission" to attempt to convince both the U.S. and the U.S.S.R. to stop their research and activity aimed at the militarization of outer space.

The ninth recommendation is as follows:

That if a new NORAD agreement is negotiated that a clause be included which states that Canadian participation does not include a commitment to take part in any Strategic Defense Initiatives and further does not include any commitment towards basing anti-ballistic missiles in the north or in Canada at any time in the future.

That is, again, a very plain declaration in which many Canadians are interested. I hope Canadians will understand that one of the representative bodies of Canada's first people has taken a very clear stand on that matter. They conclude by recommending:

That if a new NORAD agreement is negotiated that a termination clause of 12 months or less be included as it is in the 1981 agreement.

They state the "1981" agreement, but I believe it was 1980.

I believe the Dene nation and the Métis Association should be heard. I want to comment also on the brief of the Inuit. They did not speak so specifically as the Dene nation and the Métis Association but they did make some general points which ought to be heard. They say that for the Canadian Inuit, the fundamental concern is real participation in the development and implementation of Canadian policy in the Arctic with respect to national defence. They say that in terms of national defence, the Inuit form the front line of Arctic sovereignty and security. They do not want to find themselves in no-man's land. They do want a stronger role in determining the fate of the Arctic.

The Inuit people through their organization have commented, and will continue to comment, and I hope we will listen to them. If an Inuit representative in Parliament wishes to speak on their behalf, I will listen to him with great interest, as I am sure will other Hon. Members of the House. In the few minutes I have left, I want to quote also from a brief which was prepared by the Nuclear Free Western Arctic Committee of the New Democratic Party. It is concerned with indications from Canadian, and particularly American publications, that the role of NORAD may be changed in the circumstances of SDI. It raised a question—

Mr. Kilgour: Mr. Speaker, I rise on a point of order. I would like to say quite simply that the Hon. Member for Nunatsiaq (Mr. Suluk) wishes to speak. What the Hon. Member for Spadina (Mr. Heap) is saying, I would submit, has nothing whatsoever to do with the motion before the House. My point of order is in respect to the relevance rule, in other words, Mr. Speaker.

The Acting Speaker (Mr. Charest): I understand.

Mr. Heap: Mr. Speaker, I appreciate the Hon. Member's concern for relevance and I have chosen this material because it is relevant to the basic thrust of the motion with which we are dealing which concerns the type of military defence in the far north, specifically in the archipelago. That basic defence at present is proposed to be characterized primarily by NORAD, or by the north warning system, with what at present is an unclear and developing relationship to SDI. This concerns the archipelago as well as the whole of the Arctic. Therefore, the possibility that NORAD, the north warning system, and the archipelago will be involved not in protecting Canada against a first strike by the Soviet Union, but in responding to a second strike by the Soviet Union after a first strike by the United States, is very relevant to the people of the archipelago, as well as to the rest of the people of Canada. The point being made by this committee of residents in the Western Arctic is that the rule of NORAD in continental air defence must be re-examined in light of evidence which suggests that NORAD could play an integral part in provoking, not preventing, a nuclear war. This is of acute concern to people who are living in Mackenzie River Valley. I believe it is of equal concern to others who live in the Northwest Territories, including the archipelago. The committee went on to say:

In order to understand the role of NORAD in the 1980 and beyond it is necessary to consider American developments in nuclear weapons systems under the Reagan Administration. These include the MX land based missile, the Trident D-5 missile and the B-1B bomber. The NAVSTAR Global Positioning System, a satellite based navigation system soon to be in place, will ensure that these latest innovations arrive on target.

These technological developments, specifically the MX and Trident D-5 missiles, are particularly destabilizing in that their sophistication and accuracy give the Americans the confidence to strike at Soviet land based missiles and command posts with probable success.

What is under consideration there is a first strike. They go on to suggest that in that case the role of NORAD is not to

protect North America against a first strike whether it is based on the land perimeter of the Arctic or on the perimeter of the archipelago, but that the role of NORAD would then be only to defend Canada against a second strike by a Soviet missile or bomber force that would have been decimated, but not totally destroyed, by an American first strike. Therefore, Mr. Speaker, they recommend that the review of Canadian participation in NORAD should ascertain the degree to which present arrangements contribute to the support of an American counterforce first strike and to strategic defence. Canada should end its involvement in any activity that furthers these aims.

• (1650)

Those briefs were presented to our committee and were available for public review. I would urge Members of the House and members of the public to consider the opinion of those people who are representative of quite a number of the people who live in our Arctic areas, including the archipelago.

Mr. Thomas Suluk (Nunatsiaq): Mr. Speaker, with the short amount of time remaining I will only attempt to make a few comments, and not necessarily to use up the remaining time. I do wish to make a few brief comments in relation to the position of the Inuit because that has been mentioned quite a few times. After all, the subject matter of the motion of the Member for Western Arctic (Mr. Nickerson) is concentrated in my riding.

There are two basic representations which are normally made. First, from the special interest point of view, presentations to any governmental agency are normally prepared by consultants. What the consultants say, and what the people actually wish to say, are usually two different things altogether. Unfortunately, in Canadian political circles we normally hear what the consultants and politicians have to say. I participated in a seven-community tour from Inuvik to Pelly Bay this fall and I visited some of the high Arctic communities this summer when the issue of the *Polar Sea* first came up.

What I will be saying may never have been said before by a politician. When I was in Pond Inlet and Arctic Bay this summer an old Inuit told me that during World War II when they were issued with old .303 rifles and some rounds of ammunition they were instructed that if they saw any suspicious looking people, presumably Germans or other enemies, they were to shoot them. They took those instructions very seriously.

Professional Canadians or writers may not think much of that. In fact, I read a comment in *News of the North* by some people who made a bit of fun about the old-time "rangers" as they are called and how they were referred to as the first line of defence and what the heck could they do with cruise missiles anyway.

The point which I wish to make, Mr. Speaker, is that the Inuit in the central Arctic and high Arctic have said that they appreciate very much what the Canadian Government is doing for them because they know that they cannot defend themselves with Russia being to the north of them. They appreciate Canadians spending millions of dollars to defend their area as well as Canadians in the south. Many of the older Inuit people are very nationalistic as far as the military is concerned. It is unfortunate that all we ever hear about are those on the negative side.

If I correctly understand comments of other politicians and Canadians in general, I believe they are saying that they want only to give the Armed Forces the ability to say: "The Russians are coming, the Russians are coming", and not the ability to do anything about it. We call ourselves a nation and yet we do not even want to be able to defend ourselves. We only want to be able to tell our neighbours to the south that the Russians are coming or that their cruise missiles have been fired.

Is that all that we want to do as Canadians? I wish that those who have more of a say on this issue would understand this side of the argument. Every time there is any form of Canadian military activity there are demonstrations in the streets and on the parliament grounds. We must decide whether we wish to be able to defend our own country.

As I mentioned before, I do want to give some of my colleagues an opportunity to speak so I will conclude my remarks.

Mr. Patrick Crofton (Esquimalt-Saanich): Mr. Speaker, it is with great pleasure that I offer a few comments in this debate. I am sorry that the hour is so near to five o'clock. I would like to congratulate my colleague, the Member for Western Arctic (Mr. Nickerson), for bringing this very important matter before us. I also appreciated the remarks of the Member for Nunatsiaq (Mr. Suluk).

I am sorry that the Liberal critic did not stay around after his few remarks as I had a few comments that I wanted to direct his way. He was busy taking credit for the north warning line. I am sure you need not be reminded, Mr. Speaker, that the country had 23 years of comment and very little action. In the Liberal Party's concern for defence there is a lot of talk and no action. We took office and we took action. The Liberal Member also spoke with pride about the fact that no one could tell his former Leader, Mr. Trudeau, anything. I agree. Had he stayed long enough, in 1984 the people would have told him something that he could not have ignored. However, he left his Party to reap its rewards.

The matter of defence in the Arctic is extremely important. Having spent 18 years in our Navy I can comment with some knowledge. It was always a matter of great concern to me and to my naval colleagues that our capacity to function in the Arctic was negligible. Our Air Force had a limited capacity, but the capacity of our Navy was nil. The Liberals, who pride themselves in restoring the service to a measure of capacity—

The Acting Speaker (Mr. Charest): I am sorry to interrupt the Hon. Member.

[*Translation*]

I regret to interrupt the Hon. Member, but the hour allotted for the consideration of Private Members' Business has now expired.

It being five o'clock, this House stands adjourned until Monday at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 5 p.m.

HOUSE OF COMMONS

Monday, December 9, 1985

The House met at 11 a.m.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House resumed consideration of the motion of Mrs. McDougall (for the Minister of Finance) that Bill C-84, an Act to amend the Income Tax Act and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act, be read the second time and referred to a legislative committee, and the amendment of Mr. Guilbault (Saint-Jacques) (p. 9037).

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

Some Hon. Members: Question.

Mr. Speaker: The question is on the amendment. Mr. Guilbault (Saint-Jacques), seconded by Mr. Gauthier moved:

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

"Bill C-84, An Act to amend the Income Tax Act and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act, be not now read a second time but that it be read a second time this day six months hence".

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it. I therefore declare the motion lost.

Motion (Mr. Guilbault (Saint-Jacques)) negatived.

Mr. Speaker: The question is now on the main motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Call in the Members.

• (1220)

And the division bells having rung:

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order.

Mr. Speaker: I think the Hon. President of the Privy Council (Mr. Hnatyshyn) rises on a point of order referring to the Special Order, which will be dealt with and adopted by the House later. It will come up when we finish with this matter. The Order which is before the House at the moment for decision reads: "and referred to a legislative committee". We will cope with the procedural issue after the vote has been taken.

The House divided on the motion (Mrs. McDougall) (for the Minister of Finance) which was agreed to on the following division:

(*Division No. 143*)

YEAS

Members

Andre
Belsher
Bertrand
Binns
Bissonnette
Blais
Blenkarn
Blouin
Bourgault
Bradley
Brightwell
Browes
Champagne
(Saint-Hyacinthe-Bagot)
Chartrand
Collins
Cook
Cossitt
Côté
(Lac-Saint-Jean)
Côté
(Langelier)
Crofton
Crosbie
(St. John's West)
Darling
Daubney
de Cotret
Desjardins
Dick
Domm
Duplessis
Edwards
Ellis
Elzinga
Fennell
Forrestall
Fraleigh
Gass
Gormley
Gottselig
Graham
Gray
(Bonaventure-Îles-de-la-Madeleine)
Greenaway
Guilbault
(Drummond)
Halliday
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Jardine
Joncas
Kelleher
Kindy
Landry
Lanthier
La Salle
Lewis

Income Tax Act

Members

MacDonald (Kingston and the Islands)	McKinnon	Scowen
MacKay	McKnight	Shields
Mailly	Minaker	Siddon
Mantha	Nicholson (Niagara Falls)	Sparrow
Masse	Nielsen	Speyer
Mayer	Oberle	Stewart
Mazankowski	Oostrom	Taylor
McCain	Pennock	Towers
McCuish	Pietz	Tupper
McDermid	Reid	Vézina
McInnes	Ricard	Wenman
	St-Julien	Winegard—90.

NAYS

Members

Allmand	Gauthier	Mitchell
Althouse	Gray (Windsor West)	Murphy
Angus	Guilbault (Saint-Jacques)	Nicholson (Trinity)
Axworthy	Henderson	Nystrom
Baker	Hopkins	Orlikow
Berger	Hovdebo	Penner
Blackburn (Brant)	Jewett	Pépin
Chrétien	Kaplan	Prud'homme
Deans	Langdon	Robichaud
de Jong	Manly	Robinson
Epp (Thunder Bay-Nipigon)	Marchi	Rompkey
Finestone	McCurdy	Rossi
Foster	McDonald (Broadview-Greenwood)	Tobin—40.
Gagliano		

Mr. Speaker: I declare the motion carried.

Mr. Allmand: Mr. Speaker, I rise on a question of privilege. It had been my intention to arrive here at eleven o'clock in order to speak on Bill C-84. However, for one reason or another the bells were not working on the seventh floor of the Confederation Building, at least in the part of the building in which my office is located. They were fixed last week and they are not working again.

It is bad enough to have time allocation with respect to this Bill in order to limit debate but in a situation like this, many of us—

Some Hon. Members: Oh, oh!

Mr. Allmand: It is a serious matter, Mr. Speaker.

Many of us who wanted to speak on this Bill were prevented from doing so because the bells were not working.

Some Hon. Members: Oh, oh!

Mr. Allmand: I would ask Your Honour to see that something is done about this. We are losing important points with respect to legislation such as this because it is being rushed through quickly, but if the bells are not working, then we are put at a still greater disadvantage.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Hon. Member makes the point that the bells on the seventh floor of the Confederation Building are not working. Of course, I would be happy to look into that matter. They should be working.

I remind the Hon. Member that the bells are a reminder that the House is sitting and that the sitting of the House commences at eleven o'clock regardless of whether or not the bells ring.

I see the necessity of having all the bells working as best they can. We will be happy to check into the matter.

Motion agreed to, Bill read the second time and, by Special Order, referred to the Standing Committee on Finance, Trade and Economic Affairs.

* * *

REPRESENTATION ACT, 1985

MEASURE TO AMEND

The House resumed from Friday, December 6, consideration of the motion of Mr. Hnatyshyn that Bill C-74, an Act to amend the Constitution Act, 1867 and the Electoral Boundaries Readjustment Act and to provide for certain matters in relation to the 1981 decennial census, be read the third time and passed; and the amendment of Mr. Prud'homme (p. 9258).

Mr. Maurice Foster (Algoma): Mr. Speaker, I am pleased to have a chance to speak on third reading of Bill C-74 since this Bill is an important one to every Member of the House of Commons regardless of the constituency he or she represents.

This is a Bill which will affect all provinces in one way or another. In some cases it will provide a floor with respect to the number of seats. In other provinces there will be an actual increase in the number of seats. In fact, the Government brought in one amendment, and I also have an amendment on the table relating to removing the cap with respect to the number of seats for Ontario, Alberta and British Columbia. However, the second amendment is of equal importance.

In this Bill the Government adopts a policy of providing a floor for the number of seats which will be provided to provinces such as Quebec, Manitoba and Saskatchewan. Of course, the Senate floor does exist at present for other provinces in Atlantic Canada, namely, New Brunswick, Prince Edward Island and Nova Scotia.

• (1230)

This Bill tries to restrict the growth of the House of Commons and does this by using a much higher quotient of 87,000 persons per riding whereas, under the existing amalgam program, at least in Ontario, we would have a quotient of some 80,000 or 81,000 persons per constituency. The net effect of that change for northern Ontario, I am sure, will be to reduce the representation by at least one seat in this redistribution, and as we go forward into other redistributions, it will have the same impact. That is why I proposed an amendment which would provide a floor of 11 seats under the representation which we receive for northern Ontario. It is a vast geographical area, comprising 88 per cent of the land mass of the Province of Ontario. Surely, a minimum of 11 seats out of the Ontario allocation which, under this Bill, with the amendments which have been introduced, will be increased to 99,

would be something that is not harmful to the more rapidly-growing areas of the province, yet would provide us with the kind of representation we have had for the past 10 or 12 years.

I was really disappointed when all Hon. Members of the Conservative Party, including the Hon. Member for Timmins-Chapleau (Mr. Gervais) and the Hon. Member for Sault Ste. Marie (Mr. Kelleher), voted against the amendments, one of which was presented by myself, the other presented by the Hon. Member for Nickel Belt (Mr. Rodriguez). We will now likely see in the next redistribution a loss of at least one seat and perhaps more. The problem with that is that we have five large cities in northern Ontario. They are very easy to serve in terms of geographical area, but it is a problem with the other six cities which represent the vast far flung regions of that area of Canada. If we try to expand those constituencies in the rural areas, we end up with an unmanageable size of constituency.

There are other problems with the Bill as well. With the existing amalgam formula we have legislation which is all but complete. Certainly, it is 90 per cent complete. All that remains is to have another debate in the House of Commons to hear objections of various Hon. Members to that redistribution. The commission would obviously want to do some fine tuning of the recommendations which will be made by various Hon. Members of the House and then we will be able to proclaim the Bill. The existing amalgam formula sets out a larger House with more Hon. Members from across the country. Certainly, this will provide additional Hon. Members for the new committee system we have, committees which at present are not well manned.

If the amendment to Bill C-74, put forward by the Hon. Member for Saint-Denis (Mr. Prud'homme), is defeated and the Bill is not sent back for further investigation and review, it would result in at least $6 million being spent for the establishment of new commissions for representation in each province across the country. The impact of that, for instance in Ontario, would be to reduce the number of Hon. Members under the existing redistribution from 105 Members to 99 Members.

Quebec will be reduced from 79 seats to 75 seats. Nova Scotia will be reduced from 12 seats to 11 seats. Manitoba will be reduced from 15 seats to 14 seats. The floor would apply in the case of Saskatchewan. Newfoundland would be reduced from eight seats to seven seats. Of course, the impact of that will be to cause a great deal of confusion because most constituencies across the country have already been through the redistribution process and they will have to go through it again if this Bill carries. We will spend another $5 million or $6 million to carry out a new redistribution.

I suppose the most difficult problem is that the impact of Bill C-74 would be not only to reduce the amount of representation in the country, but that the redistribution will come into effect sometime in the summer of 1988. No one knows when the next general election will be. However, there is a good chance it will be sometime in the spring or fall of 1988. So we face the prospect of seeing the redistribution take place during the summer of 1988, and if an alection is fought in the spring of 1988, it will be on the basis of the existing boundaries, which means 282 Members of Parliament. If it is fought in the fall of 1988, it will be fought on the basis of 295 Members of Parliament. If it is fought during the summer, each political Party in the House will have to go through the exercise of establishing new constituency associations. The Government will have to go through the exercise of appointing new returning officers for any election which is carried out in the fall of 1988. We will see mass confusion during the summer of 1988 if an election is not carried out on the existing boundaries.

So we have to ask ourselves why, with the redistribution almost complete under an existing law which was agreed to by all Hon. Members, we are seeing this redistribution being brought in now. Is it the case of a desire of the Tories to gerrymander the riding boundaries? Is it an attempt to have new electoral redistribution commissions appointed by the Government? We really do not know the answers to those questions. We have many questions to ask of the Government with regard to the legislation which is now before the House.

• (1240)

Members on the Government side will have to ask the questions relating to the large northern ridings because they have often spoken in principle about having adequate representation from those constituencies. Yet, when the Bill was before the House with amendments last week, Members on the Government side voted against those amendments. In the next election campaign it will be very interesting to see how the Government justifies that action by its own Members.

Those are a number of the factors which must be taken into account when considering the amendment of the Hon. Member for Saint-Denis which reads:

> That the motion be amended by deleting all the words after the words "That" and substituting the following therefor:
>
> "Bill C-74, An Act to amend the Constitution Act, 1867 and the Electoral Boundaries Readjustment Act and to provide for certain matters in relation to the 1981 decennial census, be not now read a third time but that it be referred back to the Standing Committee on Privilege and Elections for the purpose of reconsidering Clause 2".

The Member is, of course, referring to the formula section of that Bill. The Bill also provides that debate by Members would take place in committee rather than in the House. It can be argued that the committee has a more casual atmosphere in which it is easier to argue the amendments. On the other hand, the individual Member does not have the advantage of being able to put his case to the entire House, but only to a committee of the House of Commons.

Those are some of my thoughts at third reading stage of the redistribution Bill. I am very disappointed that government Members were not willing to consider a floor for the number of ridings to be provided in northern Ontario. If we lose one seat in this redistribution and perhaps another one in the redistribution after the 1991 census, I know that municipal associations, political Parties, and many people in the North will be very disappointed and concerned that the Government

voted against the amendments which would have provided for a floor in the number of seats.

The population of northern Ontario is approximately 780,000 people. The average population per riding in New Brunswick is 69,000. New Brunswick is being guaranteed 10 seats. The principle of a floor has been adopted by the Government for a number of provinces. It seems to me that that same argument could be applied to northern Ontario which takes in most of the geography of the province. Yet the Government saw fit to turn down that argument in the vote last week.

I know that other Members want to speak on this Bill, Mr. Speaker, to argue that the Bill should be returned to committee for further debate and consideration. I hope the Government will give all possible consideration to that. I thank you, Mr. Speaker, for the opportunity to make a few additional comments on Bill C-74.

Mr. Murphy: Mr. Speaker, I have a few questions for the Member for Algoma (Mr. Foster). He has taken the lead in the Liberal caucus in studying this legislation and has, of course, been involved in the Committee on Privileges and Elections for many years. He, therefore, knows that we did a prestudy of this legislation in committee last June, that we heard witnesses in October, and that we started a clause-by-clause study of the legislation in November.

Did he not, at report stage, agree with the Government amendment which would take the cap off and allow Ontario, Alberta, and British Columbia to receive the full number of seats they were entitled to under the Government's formula? Would the Member not agree that he proposed an amendment very similar to that himself when the legislation came back to the House for report stage and that members of all three Parties agreed to that change at that time? We allowed it to pass without a recorded division.

Because of that, Mr. Speaker, I am wondering why, at third reading stage, the Member for Saint-Denis (Mr. Prud'homme) and others started to talk about the possibility of providing more seats for the Province of Quebec. I am wondering why that presentation was not made at report stage, during committee, or at some other time by the Liberal spokesman.

Mr. Foster: Mr. Speaker, I was not here to listen to the Hon. Member for Saint-Denis (Mr. Prud'homme), but I know that he makes very good arguments in any debate.

I am sure that when he spoke on Friday afternoon he made some very, very good arguments. I am sure he was arguing that the formula which the Government has proposed to the House is simply not as fair to the Province of Quebec as was the existing amalgam formula.

When you look at the figures you can see that under the new formula Quebec will lose four more Members than it would have under the amalgam formula. It is obvious that the Hon. Member would come to the conclusion that that is not very fair to Quebec. After all, Quebec has a special position in Confederation because of the linguistic aspects. In previous redistribution formulas Quebec has often had a base of 74 or 75 seats.

I do not find the arguments of the Hon. Member for Saint-Denis to be wrong in any way. I am sure he put them very well and argued them very effectively. If he says that the new formula adopted by the Government contains inadequacies, then I am sure the Hon. Member for Churchill (Mr. Murphy) would agree. He supported my amendment for a floor in the representation of northern Ontario. I believe that all of the arguments from this Party have been completely consistent, very well reasoned, and very well argued.

• (1250)

Mr. Allmand: Mr. Speaker, as a Member from Quebec I want to tell the Hon. Member for Churchill (Mr. Murphy) that these proposals with respect to redistribution have had many changes. First there were the proposals which were made last year, then the Government issued a paper and subsequently a Bill. Changes to that Bill were made in committee.

Unfortunately, because there are so few Opposition Members who must be in so many committees and try to be in so many places, it is very difficult for us to keep up with every change in every Bill. That is my situation and, as a Quebecer, I am disturbed that there is no increase in seats for the Province of Quebec.

The Government says that the proposals in its Bill, compared to the proposals of the former Government, will result in important savings. Since the Hon. Member for Algoma (Mr. Foster) has been actively involved in this legislation, will he tell us whether there are any cost benefit studies with respect to this version of the Bill which will indicate where those savings will be? Second, does he believe that this question of redistribution should be decided on a cost benefit basis alone? Are there not political reasons which go beyond cost savings in questions such as this?

Mr. Foster: Mr. Speaker, I am pleased to respond to the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) because he makes some very pertinent arguments.

In its brief presented to the Electoral Boundaries Readjustment Commission, the CLC criticizes the 57 per cent growth of the Prime Minister's Office within the past year as well as the addition of electronic mailing equipment to the Prime Minister's Office at a cost of approximately $8.9 million. Arguments certainly were put before the Standing Committee on Privileges and Elections about those costs. Clearly there are additional costs associated with additional representation. Surely, however, the Parliament of Canada is an important institution and an increase in costs on a percentage basis would not be as great as the increase in costs that the Prime Minister's Office experienced in one year.

Furthermore, it seems to me that we should not consider these costs solely on a cost benefit basis but we should also take into account the over-all adequacy of representation in the Parliament of Canada. I believe that the committee did not

question in great detail the Government's figures with respect to cost benefit.

[*Translation*]

Mr. Prud'homme: Mr. Speaker, I must say that I was thinking about the whole issue again on the weekend. In fact, my hon. friend from Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) gave a very clear picture of what parliamentarians are thinking. This morning, I would like to ask my hon. friend from Churchill (Mr. Murphy) again to consider what third reading means as defined in the new Standing Orders. It means that Members are supposed to have more input in the business of the House. As I said earlier, in the House our court of last resort is the third reading stage. My hon. friend will have to agree on that point. After reviewing what was done in the past, as did the Hon. Member for Notre-Dame-de-Grâce-Lachine East, I reached the conclusion that we should give this matter further thought, and that is why I moved my amendment, requesting that Clause 2 be referred back to committee for reconsideration, which would also give us time to reconsider the issue of Northern Ontario.

If the Hon. Member thinks this legislation works well in Manitoba, that's fine, but I say to him that the people of Northern Ontario do not believe they have been well served by this legislation. In fact, you moved amendments that were voted down. I think this is a way to go over the entire debate on Clause 2.

At this point, I would ask my colleagues from Quebec, and I see there are some in the House, the Hon. Member for Louis-Hébert (Mrs. Duplessis), the Hon. Member for Montmorency-Orléans (Mrs. Blouin), and I would like to draw their attention to this issue, and I wish they would take a minute to consider what exactly will happen. It is true that we have had some kind of agreement among the parties, that instead of going from 282 Members . . . we would not go up to 310.

If we had gone up to 310, Quebec would have had four more Members. We said we did not want the House to increase from 310 to 343 to 369 by the year 2001. That was too much, it was too expensive and it didn't make any sense. The individual Member's voice would be lost in the general clamour. So we were going to try and find a formula that while dealing fairly with the demands being made by the West and Ontario because of their larger population, would also help us reduce the number of Members. That was the origin of the initial proposal to have six Members more, then in the course of the debate we got as far as seven Members, and then on second reading, after hearing all witnesses, the President of the Privy Council (Mr. Hnatyshyn) came in with another proposal, when he said it would not be six or seven but thirteen. So the people said: Why not! Fair enough, 13 will do. But now we are thinking it over, after all that is the purpose of the third reading, I am asking myself why we are here on third reading, Mr. Speaker. To think it over, that is why.

Upon reflection, we came to the conclusion that, if Quebec were to have four more seats under the previous Liberal formula, four more seats out of 28, it is now rather strange that we should not even get one out of 13. We had all agreed to an averaging formula under which Ontario would have two more Members, Alberta three more, and British Columbia two more. We thought it was fair and reasonable because of the increased population.

But we have to remind ourselves that, according to the Liberal formula boosting representation to 310 Members, British Columbia would have had five more seats. Now it will get four more. According to the previous Liberal formula, Alberta was to have six more seats, now it will gain five new ridings. I can understand that those people—your colleagues, my friends from Quebec—would not disagree today since they get practically as many new seats under the new formula as they did under the other one. But Ontario should feel short-changed since it was supposed to get ten new Members under the old formula and now it ends up with only four. And again I remind you that the old formula gave four new seats to Quebec, while the new formula of the President of the Privy Council works out to zero.

So it is a matter of equity. That is why I think the committee should reconsider this provision, and we will see what they decide whenever we do get back to third reading.

[*English*]

Mr. Deputy Speaker: Does the Hon. Member for Algoma (Mr. Foster) wish to reply?

Mr. Foster: Mr. Speaker, I think the Hon. Member for Saint-Denis (Mr. Prud'homme) has made some very cogent arguments that the formula has some inadequacies.

It would have been easy to stay with the 310 seats as proposed in the existing amalgam program. That redistribution could have proceeded and been completed within the next year. It would have given the constituency associations across the country enough time to reorganize so that they would be aware of what the boundaries would be if a general election were to be called in the summer of 1988. However, in this case, the existing boundaries will be in place until June or July of 1988, when a redistribution will come into effect. The boundaries will change and there will be that many fewer seats throughout the country. I think the Hon. Member for Saint-Denis has made a good argument for maintaining the existing amalgam formula.

Mr. Deputy Speaker: The Chair intends to recognize the Hon. Member for Thunder Bay-Atikokan (Mr. Angus) on debate after the recess.

It being one o'clock, I do now leave the Chair until two o'clock this day.

At 1 p.m. the House took recess.

S.O. 22

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 22

[*English*]

SMALL BUSINESS

NATIVE ECONOMIC DEVELOPMENT PROGRAM

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I draw to the attention of the House the poor performance of the Government in administering the Native Economic Development Program. This Program was an initiative of the previous Government. The Program was established to support and promote the economic development of native people. Applicants are becoming increasingly frustrated with the inability of the Minister responsible, the Minister of State for Small Business (Mr. Bissonnette), to deliver. Months go by without any decisions.

One such casualty of this snail's pace decision making is the Yukon Indian Development Corporation. Its application has been in the system for 14 months. It was approved by the program's native advisory board over a year ago. Still, it awaits the Minister's decision.

In addition, Sir, there are over 50 proposals that have been submitted under the community based element of the program. Only two have been approved. Now we learn that this entire element in the program is being frozen.

I call upon the Minister and the Government to make up their minds. Do they want this program to continue? It could be the vehicle for moving forward native-operated businesses in the country, if the political will is there.

* * *

EXTERNAL AFFAIRS

EAST TIMOR—CONDITIONS FOLLOWING INVASION BY INDONESIA

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I must confess to a deep sense of shame that I have sat in this House of Commons for over five years and never once have I raised the subject of East Timor. Neither has any other Member of my Party, of the Liberal Party or the Conservative Party.

Ten years ago, with no advance preparation, Portugal withdrew from East Timor, a colony it had occupied for over 400 years. Indonesia moved into this vacuum and invaded. Since that time one-third of East Timor's 650,000 people have either been killed or starved to death.

East Timor has the highest infant mortality rate in the world. Of every 1,000 babies born, 211 die before their first birthday.

In 1978, Glen Shortliffe, Canada's Ambassador to Indonesia was given a conducted tour of East Timor. He was shocked by the desperate need for food, clothing, and basic medical care. His report to the Canadian Government has never been released.

In spite of this genocidal oppression, the East Timorese have continued guerrilla warfare against the Indonesian occupation. Canadian officials have regarded the Indonesian takeover as a *fait accompli*. They do not think this slaughter on an isolated island is important enough to disrupt our growing trade relations with Indonesia where Canada is now the third largest investor and where last year we hosted—

Mr. Speaker: I must interrupt the Hon. Member to advise him that his time has expired.

* * *

PUBLIC OPINION POLLS

REPLIES TO QUESTIONNAIRE DISTRIBUTED IN CALGARY EAST

Mr. Alex Kindy (Calgary East): Mr. Speaker, recently I distributed some 57,500 copies of a questionnaire throughout my constituency of Calgary East dealing with matters of concern to most Canadians. Approximately 5,400, or some 9.5 per cent, were completed and returned. Since this is a very gratifying and representative return, I now wish to share the results with all our Members.

The questions, with the results, are as follows: Do you think free trade should exist between Canada and the United States? Answer: 73 per cent, yes; 13 per cent, no. Are you in favour of Canada participating in the Strategic Defence Initiative, SDI that would shield North America from any external missile threat? Answer: 73 per cent, yes; 17 per cent, no. Should the federal Government sell part of its shares in Petro-Canada to the Public? Answer: 73 per cent, yes; 17 per cent, no. Should shares in Petro-Canada be given free of charge to Canadians? Answer: 29 per cent, yes; 61 per cent, no. Are you in favour of Charles Ng and Joseph Kindler being extradited back to the United States? Answer: 93 per cent, yes; 4 per cent, no. Are you in favour of capital punishment being fully restored in Canada? Answer: 83 per cent, yes; 10 per cent, no. Are you in favour of abortion on demand? Answer: 47 per cent, yes; 41 per cent, no.

I hope the Government takes note of these figures and acts accordingly.

* * *

• (1405)

THE FRANCHISE

SUPPORT FOR DENIAL TO FEDERAL PENITENTIARY INMATES

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, a recent federal court case involving the rights of prisoners to vote in the Quebec election has reopened the issue of granting

prisoners the right to vote. I believe, for the sake of law-abiding citizens everywhere, that we should not allow convicted prisoners in federal penitentiaries the right to vote in federal elections.

Our society is built on the rule of law and adherence to a set of fundamental principles of justice and order. Therefore I find it incomprehensible that an individual, who has violated the rights of others and has clearly disregarded the responsibilities of citizenship, should be given a right so fundamental to the duties of good citizenship.

Surely we put people in jail to punish them. Surely that punishment involves denial of the very rights and privileges these people choose to abuse by committing a crime. I believe it offends every Canadians's sense of justice and morality to consider even allowing a convicted murderer like Clifford Olsen the right to vote.

We must take a stand now to uphold the values and principles of law-abiding Canadians and say no to the granting of voting privileges to convicted criminals.

* * *

AGRICULTURE

CALL FOR ESTABLISHMENT OF NATIONAL TOBACCO MARKETING AGENCY

Mr. Maurice Foster (Algoma): Mr. Speaker, Canada's tobacco farmers have waited long enough for the Government to make a decision to proceed with the establishment of a national marketing agency which will help producers get a fair price from the multinational corporations which deal in tobacco.

The Minister of Agriculture (Mr. Wise) says that he does not want to lose his job by setting up an agency. In response, I would remind him that in the 1984 election campaign the Prime Minister (Mr. Mulroney) promised to establish a board. More recently he advised a tobacco farmer from Port Burwell that the Government would act quickly to establish a national tobacco marketing agency.

The Government must start making decisions and must start soon, or the continuing uncertainty will not only affect our tobacco farmers but all other farmers and businessmen who are waiting to make important business decisions.

The bottom line is that the Government promised to establish an agency for tobacco farmers. Where is the action? In June, 1984, the Conservative Party, when in opposition, prevented the Liberal Government from passing legislation which would have allowed this issue to be resolved long ago. The Tories caused the delay then and they are causing the delay now. Without immediate action we could see 600 tobacco farmers going out of business in the very near future.

S.O. 22

RESEARCH AND DEVELOPMENT

SPACE TESTING OF PENCILS

Mr. Jim Fulton (Skeena): Mr. Speaker, I wish to bring to the attention of all Canadians the contract held by Greenwich Canadian Testing of Western Ontario, from Government of Canada file reference No. 27ST; March 1985, and the research and development publication entitled *Canadian Probes in Space: New Instruments Developed for Space Research*. This contract for $6,600 is for the following:

> Research relating to the development of methods of testing and analysis of pencils.

No doubt the method of testing pencils is something the Prime Minister (Mr. Mulroney) has long cherished learning more about. Our national pencils should no doubt be of the highest quality, easy to sharpen, capable of going up and down on paper, as well as leaving clear lines when going in circles. The eraser, of course, should be well attached to ensure that no time is lost in correcting Government errors. For a Government so set on red ink and red circling, one would hope that some of the 66,000 pencils to be tested will be red.

To be serious for a moment, for a Government which is prepared to slash pensions and family allowance, for a Government set on selling out our country to the lowest bidder, as in the case of de Havilland to Boeing, for a Government which will allow tainted tuna and buffalo onto our kitchen tables, let us hope that the Prime Minister is having these Government pencils tested to get the lead out and do something good for Canada.

* * *

AGRICULTURE

MEAT INSPECTION SYSTEM DEFENDED

Mr. A. H. Harry Brightwell (Perth): Mr. Speaker, on Friday, during the questioning on buffalo meat, and again this morning, the Chamber and the people of Canada witnessed an attack on the meat inspection system of Canada. The attack was fuelled by a desire for political gain, but was based upon ignorance of the disease tuberculosis and of the meat inspection system.

The meat inspection service of Canada has handled thousands of similar cases in cattle herds in its history. Meat inspectors, many of them veterinarians, have applied their judgment to decide when meat from animals exposed to any disease is fit to eat. When tests are ordered, they are conducted primarily for disease control reasons, not for meat inspection purposes. Through this scheme, the meat inspection system has played a large role in nearly eradicating tuberculosis in cattle and, as a result, in much of the human population.

• (1410)

I agree with Dr. Brian Wurtz, President of the Canadian Veterinary Medical Association, who has publicly aired his support of the meat inspection service. Why should a different

system be proposed in this case? Our system is successful. It is renowned around the world. It is a crime against every Canadian to smear a good service and to spread false rumours about such a fine system, for purely political reasons.

* * *

MINES AND MINING

GOVERNMENT MEASURES TO ASSIST INDUSTRY

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, the Canadian mining industry produces some $45-billion worth of mineral products each year. This represents about 11 per cent of Canada's Gross National Product, and the sale of these products accounts for some 30 per cent of Canada's exports. Despite this, the mineral industry has experienced more difficult problems in the last four years than at any time in the last 50 years.

The Government has been doing much to help the industry through this difficult period. Federal-provincial mineral agreements have been signed with nine provinces, including recent agreements with Quebec, Ontario, and British Columbia. The capital gains tax exemption and the fuel tax rebate have been very beneficial. Most beneficial, however, have been the mining flow-through share arrangements for exploration expenses which have stimulated exploration all across Canada, and in particular in the Province of Quebec.

In the past year the federal Government provided over $1.3 million to Canadian universities for crucial research in the earth sciences. Work by the Geological Survey of Canada has identified the biggest offshore coal field in eastern Canada, and stimulated a major gold exploration program in northern Saskatchewan. Unique solutions were found to assist production at Faro in the Yukon, and the construction of a new lead smelter at Trail, British Columbia. These and other measures have considerably improved conditions for the Canadian mineral industry during one of the most difficult periods in its history.

* * *

UNEMPLOYMENT INSURANCE ACT

EFFECT OF CHANGES ON SECURING BENEFITS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I want to protest changes in the Unemployment Insurance Act which will come into effect on January 1, 1986. These changes will cheat Canadian workers of benefits for which they have paid and were expecting. On that date, early retirement pensions will be counted toward reducing the granting of unemployment insurance benefits even when the individuals involved are ready and willing to work.

I would like to protest these measures not just because of the unjust principle on which they are based but also because this action was taken unilaterally by a Government which said it was going to consult. The Minister of Employment and Immigration (Miss MacDonald) has stated repeatedly that consultation took place before these measures were introduced. These changes were certainly not endorsed by the participants in the Government's economic summit which took place last March. In fact the only clear agreement which came out of that summit was a petition signed by two-thirds of the participants calling on the Government to revoke these changes. No studies were conducted to determine the impact of these changes on older workers and on the different regions of the country.

The Government has turned a deaf ear to the many protests which were made against these policies. On January 1, older workers will be dealt a serious blow unless the Government listens to reason. I am asking the Government to withdraw this foolish policy before it is too late.

* * *

THE ECONOMY

IMPROVEMENT IN SASKATCHEWAN ECONOMY

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, despite often publicized difficulties facing Saskatchewan agriculture, I would like to draw to the attention of the House the general state of the economy in my home Province of Saskatchewan. The economy in the province has been improving since the election of this Government. Employment continues to climb. A total of 17,000 new jobs were created since the election of the Government. Bankruptcies were down 10 per cent in the first 10 months of this year. Business investment intentions are up 9.6 per cent over last year's levels. Housing starts in October alone were up a whopping 237 per cent.

In the energy sector, in the first 10 months well completions totalled 3,085 compared to 2,420 over the same period last year. This represents an increase of almost 28 per cent since the election of the Government.

There is also the energy Accord and what it has done for western Canada. Oil trade has been freed up to provide strong encouragement for investment. The Western Accord recognizes Saskatchewan's desire for a policy relying less on Government handouts and intervention and more on the opportunities of a free market-place. It is measures like these that have led to a growing, vibrant, improving Saskatchewan economy.

* * *

• (1415)

HOUSE OF COMMONS

PRESENCE IN GALLERY OF ZIVORAD KOVACEVIC, MEMBER OF THE FEDERAL EXECUTIVE COUNCIL AND PRESIDENT OF GOVERNMENT COMMITTEE FOR INTERNATIONAL RELATIONS OF THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA

Mr. Speaker: May I bring to the attention of Members of the House the presence in our gallery today of Mr. Zivorad

Kovacevic, Member of the Federal Executive Council and President of the Government Committee for International Relations of the Socialist Federal Republic of Yugoslavia.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF HON. JERRY DINN, MINISTER OF MINES AND ENERGY AND MINISTER RESPONSIBLE FOR HOUSING, GOVERNMENT OF NEWFOUNDLAND AND LABRADOR

Mr. Speaker: May I also draw to the attention of Members of the House the presence in our gallery of the Hon. Jerry Dinn, Minister of Mines and Energy and Minister responsible for Housing of the Government of Newfoundland and Labrador.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

CROWN CORPORATIONS

DE HAVILLAND CORPORATION—PROJECTED LOSS

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the President of the Treasury Board, who is just taking his seat.

Some 4,500 Canadians work in my constituency at the de Havilland plant. They want to know the truth, as do the rest of us, about the proposed sale of this company to Boeing of Seattle. Instead of being given the facts and documents to examine, all we have been given so far have been press releases and statements, such as the statement made in the House last week in which the President of the Treasury Board said that de Havilland was projected to lose $200 million in 1986. Is it not a fact that the Burns Fry prospectus commissioned by the Government and circulated to possible purchasers of de Havilland projected a loss of $14 million—not $200 million—for 1986, and profitability for the following years?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, it is clear from our projections that de Havilland would have been in a loss position for 1986, depending on the source of the estimate, of between $50 million and $75 million, and it would have required an additional $125 million of cash injection. One has to add those $200 million to the $800 million of taxpayers' money which has already gone into de Havilland.

Some Hon. Members: Hear, hear!

INFORMATION SUPPLIED TO BIDDERS

Hon. Bob Kaplan (York Centre): Mr. Speaker, there is a big difference between a development investment and a loss. Why did the Minister say in the House that the loss would be $200 million, which he now admits is wrong? I ask him again this very simple question. Did not the Burns Fry prospectus project a loss for the company of $14 million in 1986 and profitability thereafter? Will the Minister not admit that it was $14 million that was projected to bidders?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, when $200 million has to be taken out of the Consolidated Revenue Fund, that fund which is the money of the taxpayers of Canada, and put it into de Havilland, that is $200 million which cannot go for other purposes of policy which this Government is pursuing.

REQUEST FOR FURTHER DISCLOSURE

Hon. Bob Kaplan (York Centre): Mr. Speaker, I think we have a neat admission that the House was misled—

Some Hon. Members: Order.

Mr. Kaplan: —last week over the statement that the loss would be $200 million.

In view of that, and in view of all the other questions which are being asked about this deal, why will the Government not agree to give us the facts before it is too late? As an official of Boeing said over the weekend, the deal is still open, it is not signed and they can still walk away from it. Why does the Government refuse to allow the Canadian people to look at this deal and also look at the other options which are available?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, we have looked at the options. We are satisfied that this is a great deal for Canada and we have announced it.

Some Hon. Members: Hear, hear!

Mr. de Cotret: I would like my hon. colleague across the floor to remember the statements made by his own colleagues. I talk about his Leader, for example, who said in May of 1984:

> Canadair and de Havilland . . . are prime examples of what can go wrong when the Government gets into commercial businesses and fails to exercise proper supervision and control.

His colleague, the Hon. Member for Saint-Henri-Westmount, said very clearly:

> I say let's not displace private capital and if we can sell Canadair and if we can sell de Havilland, let's do it as quickly as possible.

Some Hon. Members: Hear, hear!

TERMS OF SALE

Mr. George Baker (Gander-Twillingate): Mr. Speaker, the actual sale price of de Havilland was $90 million. The Government pretends it was $155 million. The remaining $65 million is to be forgiven, according to the Government, if Boeing invests in new contracts to the Canadian aerospace industry, five times that amount over the next 15 years. My question to

the Minister is this. Why was the ratio of five-to-one set so low? Why did the Government of Canada say to Boeing: "Look. All you need to do is spend $325 million over the next 15 years on new contracts to the Canadian aerospace industry and we will forgive $65 million"?

• (1420)

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, in essence, $325 million to create new jobs, new jobs in the industry and new jobs from coast to coast in this country.

GOVERNMENT POSITION

Mr. George Baker (Gander-Twillingate): Mr. Speaker, Boeing claims that its major corporate divisions invested, or spent in the last six years, an average of $133 million per year on new contracts to the Canadian aerospace industry. That is a 30 to one ratio. That is $2 billion over 15 years.

Why did the Government of Canada say to Boeing: "Boeing—"

Some Hon. Members: Oh, oh!

Some Hon. Members: Boing!

Mr. Baker: "—you can actually decrease the amount of your investment in Canada by—"

Mr. Speaker: Order, please. The question?

Mr. Baker: Why did the Government of Canada say to Boeing: "Boeing—"

Some Hon. Members: Oh, oh!

Some Hon. Members: Boing!

Mr. Baker: "—you can decrease the amount of your spending in Canada by 85 per cent over the next 15 years and we'll still forgive that $65 million"? That is ultra-light bargaining with a 747 company.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the Hon. Member seems to believe that there is only one clause in this agreement. There are a number of other clauses.

Mr. Manly: Santa Claus.

Mr. de Cotret: We have given them to you. Let's talk about the world product mandate. Let's talk about retaining technology in this country. Let's talk about creating new jobs and let's talk about the new investment which Boeing is going to make.

Mr. Robichaud: What about Santa Claus?

Mr. de Cotret: Let's talk about the jobs which will grow in Downsview. Let's talk about all the other elements in that deal which make it a great deal for Canada and for Canadians.

CANADAIR—USE OF SITE—FUTURE OF EMPLOYEES' JOBS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. Last week we learned of the Government's intention to get rid of 25 per cent of Canada's aerospace industry in the case of de Havilland. My question today concerns the other major producer of aircraft in Canada, namely, Canadair.

[*Translation*]

Does the Prime Minister know about the definitive version of the development plan adopted recently by the Montreal Urban Community, which provides that Canadair's present facilities will be closed?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have to inform the Hon. Member that I am not aware of any such program or project, and that if one exists, it is not in line with the policies of this Government.

[*English*]

POSITION OF MONTREAL URBAN COMMUNITY CHAIRMAN

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a copy of the plan which includes reference, not once but several times to the removal of Canadair from Montreal. Considering that the Chairman of the Montreal Urban Community is Pierre Desmarais, the same man who was president elect of CDIC and Chairman of the Board of Canadair, is it conceivable to the Prime Minister that the Chairman of the Montreal Urban Community, who is making the recommendation for the shutdown or removal from Montreal of Canadair, could be doing so when, at the same time, as President of Canadair, he would not have been reporting to the Government of Canada?

An Hon. Member: It will take you a while to figure that one out, Brian.

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): It is true that we have managed to persuade Mr. Pierre Des Marais II to become involved at the federal level and take over the responsibility for this major corporation. Mr. Pierre Des Marais II is a man who is very respected in Quebec and in Canada. His duties formerly involved working for the Montreal Urban Community, and Reports on the subect may have been prepared at that time.

However, as far as Canadair and the development of Montreal are concerned, I think the Government's objectives become clear if we look at the announcement made last Friday in Montreal by the President of the Treasury Board, namely, that a departmental committee has been set up to oversee a new dimension of economic recovery in Montreal. That is what we want to do: create jobs in Montreal. We want more jobs, not fewer jobs for Montreal. And that will be the result of this Government's policies.

• (1425)

[*English*]

DEVELOPMENT PLAN INQUIRY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want to inform the Prime Minister that the plan looks extremely serious indeed. The development plan which has already been adopted includes having the land presently occupied by Canadair turned over for the development of a housing project, the complete elimination of runways and, furthermore, refers to two federal Departments having been consulted in the development of such a plan. Has it been brought to the attention of the Prime Minister by the two federal Departments which were consulted in the development of this plan that the idea seems to include the complete shutdown, or removal from Montreal at least, of Canadair and the 5,000 jobs that go with it?

Right Hon. Brian Mulroney (Prime Minister): That is false and my hon. friend knows that it is false.

Mr. Broadbent: What's false? It's a question.

Mr. Mulroney: We have no plans for removing 5,000 jobs from Montreal. The Member has supported a Government which, in the last five years—

Mr. Broadbent: Deal with the question. Never mind you or rhetoric. That wasn't the question, buster.

Mr. Mulroney: —created 600 jobs a month in Quebec, and we have been creating 7,000.

Mr. Broadbent: Deal with the question.

Mr. Mulroney: That's the difference between—

Mr. Speaker: Order! Order!

Some Hon. Members: Hear, hear!

Mr. Mulroney: Why do you traffic in these falsehoods trying to scare people?

Mr. Broadbent: Listen to the question.

Ms. Jewett: You're on thin ice.

Mr. Clark (Yellowhead): He deals in falsehoods.

Mr. Deans: What are you talking about, Clark? You guys try to find out what's going on around here.

Mr. McDermid: Who published it?

An Hon. Member: His hairdresser.

Mr. Deans: I'll tell you one thing, my hairdresser has more sense than the Prime Minister.

Mr. Speaker: Order.

Mr. Mulroney: Ian, don't get angry now. Your hair will curl.

Mr. Deans: You don't know what you talking about.

Mr. de Jong: Does he ever?

Mr. Speaker: Order, please! None of this is helpful. Order, please. The Hon. Member for Winnipeg-Fort Garry.

* * *

AGRICULTURE

MEAT INSPECTION STANDARDS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I wonder if the Prime Minister and the Member for Hamilton Mountain could exchange the addresses of their hairdressers at a later date so that we can get on with Question Period.

Mr. Deans: I don't have mine travel with me at least.

Mr. Axworthy: My question is for the Minister of Agriculture. Last Friday he said in the House that our inspection standards for meat are beyond reproach, that, in fact we have the best in the world. Yet, the Minister would know that officials of the European Economic Community have now submitted a report to our Government indicating that our meat inspection practices are, in fact, substantially below standard. As a result, they are threatening to prohibit the export of Canadian meat products to that community.

What action does the Minister intend to take based on that report? What does he intend to do to ensure that we do not lose that $40 million meat export market to the European Economic Community?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the display of ignorance put forth by opposition Members last Friday was shameful, shameful, shameful, and nothing less.

Some Hon. Members: Hear, hear!

Mr. Wise: That display of incompetence has been condemned by the Ontario Veterinary Association, the Canadian Veterinary Association—

Mr. Gray (Windsor West): Order! Answer the question.

Mr. Wise: —every sector in the food industry, and by the Consumers Association of Canada.

Some Hon. Members: Hear, hear!

Mr. Wise: In this country we have the finest food inspection agency to be found anywhere in the world. Its record has been nothing short of excellent. It has been that way for 75 years, remains that way today, and we are going to ensure that it continues that way in the future.

Some Hon. Members: Hear, hear!

Oral Questions

EUROPEAN ECONOMIC COMMUNITY REPORT

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, the Minister of Agriculture's defence is laudable but it is not applicable to the question I asked. The fact is that there is now a report prepared by the European Economic Community threatening to prohibit our meat exports to that Community because of our standards.

I will repeat the question which I asked the Minister. What does he intend to do about the report? Does he intend to take some action? Does he intend to assist the meat packing industry to upgrade its standards so that we will not lose a $40 million market to the European Economic Community?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the matter to which the Hon. Member refers is not unusual. We visit plants in other parts of the world and representatives from other parts of the world visit ours. No final decision has been made. However, I can tell you that if they eventually decide to delist our plants, we will go back over there and apply their standards to their plants. I do not think they will stand up. We will not turn our back on the Canadian beef industry like that Government did. We are going to support it.

• (1430)

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

CROWN CORPORATIONS

REQUEST FOR EXPLANATION OF ALLEGED DEVELOPMENT PLAN OF MONTREAL URBAN COMMUNITY

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question to the Prime Minister deals again with Canadair. If that corporation is not to disappear from Montreal, could the Prime Minister explain to the House how the development plan which was published last week under the authority of Mr. Pierre Des Marais II, who is also Chairman of the Board of Canadair, some three hundred thousand copies of which were distributed in the Montreal area, clearly indicates that the land occupied by this corporation will be used as residential area for condominiums?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have not seen the document in question. It is possible that one of the proposals that have been put forward . . . was that another location would be considered, Canadair being situated very close to a growing municipality in the North-Western part of Montreal. This being said, however, Mr. Des Marais was not speaking today on behalf of the Federal Government and I can say that the Government's position is that which I announced in reply to a question from your Leader, namely, that we are going to increase the number of jobs in Montreal and not reduce it, as the Liberal Government did.

FUTURE OF CANADAIR

Mr. Mike Cassidy (Ottawa Centre): I have a supplementary question, Mr. Speaker. We wonder whether Mr. Des Marais was speaking on behalf of the Montreal Urban Community while sitting on Canadair's Board of Directors. My question is this: Can the Prime Minister assure the House that the Canadair jobs will remain on their present site and tell us what steps the Government will take to ensure that the Montreal Urban Community will drop its plan to have Canadair transferred or closed?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we do not have the authority to interfere with the affairs of the Montreal Urban Community. This is a creature of the provincial Government. We are not at odds or at war with the Montreal municipal government or the Montreal Urban Community. Quite the contrary, we are all working together to attract industries and jobs to Montreal. I suggest that the best indication or confirmation of this is the relatively unusual creation of a departmental committee, chaired by the President Treasury Board, to attract new industries and to reinforce existing ones, including Canadair.

* * *

[*English*]

AGRICULTURE

PROPOSAL TO ESTABLISH NATIONAL TOBACCO MARKETING AGENCY

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Prime Minister. A year ago he promised to establish a national marketing agency for tobacco. On November 6, 1984, he said in part: "I can assure you that our Government will be acting quickly to establish a national tobacco marketing agency". A thousand farmers who are demonstrating on Parliament Hill today want to know why the Prime Minister has broken his promise. Can he explain?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, if the Hon. Member would examine the record I think he would come to the conclusion that the Prime Minister and the Government do not break their promises but keep them.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Wise: One of the first pieces of legislation that was passed in the House by this Government amended the National Farm Products Marketing Act to allow the tobacco industry to proceed with the formation of whatever kind of national agency they so desired.

One must remember, and the Hon. Member should recognize, that the companies sought and received a court injunction. Therefore, the court injunction ordered the National Farm Products Marketing Council to reopen the hearings. Unlike some of the cabinet Ministers in that Government, the cabinet Ministers in this Government have respect for the courts. I hope the Hon. Member has some respect for the courts because I am confident that the Canadian people do.

COST OF PRODUCTION FORMULA

Mr. Maurice Foster (Algoma): Mr. Speaker, the Minister knows that the court injunction relates to the cost of production formula. The Canadian Egg Marketing Agency was set up in 1972 and did not get its cost of production formula until 1975. Yet the agency went ahead without that.

Why is the Minister not going ahead to establish the agency in any event? He does not have to wait until that issue is resolved, and he knows it.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Hon. Member should know that there is a difference between chickens and tobacco and eggs and tobacco.

Some Hon. Members: Hear, hear!

Mr. Wise: I hope he does but I don't know.

Mr. McDermid: Don't bet on it.

Mr. Wise: I wonder if the Hon. Member realizes that the campaign for the national chicken marketing agency began in 1971. We put it into place when we were in Government in 1979.

There is no question that the Minister can proceed to proclaim an agency. However, what would one have other than an empty piece of paper? Nothing happens until you either have the signature of the producing provinces of Prince Edward Island, New Brunswick, Nova Scotia and Quebec or letters of commitment that they would live under the terms of that agency. That has not happened yet.

* * *

CROWN CORPORATIONS

CANADAIR—USE OF SITE—FUTURE OF EMPLOYEES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker—

An Hon. Member: You are too busy writing the question.

Mr. Deans: I was trying to think of how to ask the question so I might get an answer for a change. I will ask it as straightforwardly as I can.

It concerns the proposal for the use of the land currently being used by Canadair for the building of aircraft. Will the Prime Minister guarantee us now that he is aware of no plan to take Canadair out of Montreal now or in the future?

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think I have answered that question on three occasions. The objective of the Government is to create jobs. The previous Government created 673 new jobs a month in Quebec, whereas we have created 9,286. In other words, we have beaten the Liberal performance by 14 to 1, and it would not make any sense to reverse that trend. We will co-operate with all authorities to increase, not decrease, the number of secure jobs in Quebec. As to the document mentioned by the Hon. Member, I did say to his colleague that I have not had an opportunity to take official cognizance of it. I will be pleased to have a look at it but, unless I am mistaken, it is not a document of the Canadian Government.

[*English*]

REQUEST FOR COMMITTEE REFERRAL

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, given the seriousness and the potential impact of such a proposal to build housing on the land presently used by Canadair, will the Prime Minister undertake to refer two matters to a committee of the House of Commons: first, the whole question of the sale of de Havilland which will have an impact on Canada's aerospace industry; second, the question of the possibility of the alternative land use of the Canadair property? Will he refer those matters to a committee of the House of Commons now in order that all of the necessary questions can be asked and all of the necessary answers obtained to assure us that there are in fact job guarantees for the people in both of those plants?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if somebody comes along and makes a suggestion in regard to—

Mr. Broadbent: Somebody? He is the President of Canadair.

Mr. Mulroney: If somebody makes a suggestion, representing another agency—in this case representing a municipal agency—in regard to something that is owned by the Government of Canada, it is up to the Government and no one else to make a determination in that regard.

I can tell you that we will make our determinations in the national interest and not pursuant to a request from a municipal body, no matter how important that body may be. We own the land—

Mr. Deans: I know that you own the land.

Mr. Mulroney: We will not turn it over to anyone. It is land of the Government of Canada. It belongs to the Queen and it will remain that way.

You are asking me about de Havilland. On December 9 I received a letter from the President of the Aerospace Industries Association of Canada which says that the Board of Directors of the Aerospace Industries Association of Canada,

representing 165 aerospace companies and 45,000 employees: "Congratulates your Government for a decision on de Havilland which we believe will be beneficial to our sector and thus to the Canadian economy".

Some Hon. Members: Hear, hear!

Mr. Mulroney: That is the answer.

* * *

• (1440)

[*Translation*]

TRADE

STATEMENT OF QUEBEC PREMIER DESIGNATE ON FREE TRADE—GOVERNMENT POSITION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to put a question to the Right Hon. Prime Minister.

I think the Prime Minister should realize that when the private sector, *in casu* General Dynamics, left Canadair to Montreal, there were only 700 employees, and the Canadian Government took over the company and raised the number of employees to 7,000. I hope we do not see the same process repeated in the future. I do have a question for the Prime Minister regarding a statement by Premier Bourassa on the weekend, when he declared that negotiations with the United States on free trade . . . Does the Prime Minister agree with the Quebec Premier Designate who said that these negotiations will necessarily lead to a customs union and, eventually, to a monetary union, which means that Canada will lose its freedom of movement and its political institutions?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, again, my hon. friend is raising two points. As for his first one, his reference to Canadair and de Havilland, I would like to draw his attention to one of his own statements made on May 11, 1984, when the Hon. Member said as follows:

[*English*]

In regard to Canadair and de Havilland, the Hon. Member for Saint-Maurice said:

If they keep losing money and money and money, at one time we'll say, 'that's enough'.

[*Translation*]

That is what you said. And now you are changing your mind. That's what Turner said.

[*English*]

When is enough enough?

Some Hon. Members: Now.

Mr. Mulroney: Eight hundred million dollars; $1.8 billion; $2 billion; $5 billion—bingo? When is it enough?

Some Hon. Members: Oh, oh!

Mr. Mulroney: We campaigned in regard to a proposal in regard to Crown corporations which was clear cut, and we have done precisely that. Those decisions were taken in the national interest to secure jobs in Canadian technology, and that is what we are doing.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Mulroney: As far as the second part of my hon. friend's question is concerned . . . I beg your pardon?

[*English*]

Mr. Speaker: I think I have to say to the Right Hon. Prime Minister that it is time for a supplementary question.

Mr. Chrétien: Mr. Speaker, I think the Prime Minister made a speech. We said we were to sell de Havilland and Canadair, not give them away to American companies. We had a plan to put the two together to sell to the Canadian people. That is a hell of a difference in terms of policy.

Mr. Speaker: Order, please. This is becoming less a Question Period and more a speech period. I wonder whether we could have a question, please.

[*Translation*]

FREE TRADE—POSITION OF TWO PREMIERS—GOVERNMENT POSITION

Hon. Jean Chrétien (Saint-Maurice): Does the Prime Minister intend to recognize, before proceeding with negotiations on free trade with the United States . . . does the Prime Minister of Canada intend to meet with the Premier Designate of Quebec, who has now taken the same position as the Premier of Ontario, and before proceeding with negotiations with these two premiers, and with the Americans, does he intend to obtain the consent of these premiers or at least recognize that they have—

[*English*]

Mr. Speaker: Order, please.

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it will be a pleasure to meet the new Premier Designate for Quebec again. I read his statement which is certainly not as unqualified as my hon. friend would have us believe, and we intend to obtain the necessary explanations.

As for the second aspect of his question which deals with de Havilland and Canadair, I would like to draw his attention to the remarks of the Hon. Member for Saint-Henri-Westmount, speaking on behalf of his Government in this matter, who said on May 7 of this year, and I quote:

[*English*]

Instead of continuing to underwrite hundreds of millions of dollars in de Havilland and Canadair losses, I'd sell those companies and I'd put the money into education and training—

That is what the Member for Westmount said.

Mr. Chrétien: Not to give away.

Mr. Speaker: Order, please.

Mr. Mulroney: That is what the Member for Westmount said. That is what the Leader of the Opposition said. Now they have changed their minds.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Regina East.

* * *

NATIONAL REVENUE

AMOUNT OF UNPAID TAXES

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is addressed to the Minister of National Revenue. As the Minister knows, 10,000 individuals and firms owe the Government, on an average, $155,000 in unpaid taxes.

The Minister of Finance in his May Budget projected collecting an extra $400 million. Last year the amount of uncollected taxes, taxes not in dispute, increased by $400 million. Can the Minister explain this?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I would like to tell my hon. friend opposite that the collection of taxes under present circumstances has got to be tempered with a certain amount of justice and fairness. While there is at the present time a considerable amount of money outstanding, the tax base has also increased.

As the Hon. Member undoubtedly knows, because he keeps himself well informed on these matters, there have been injected into the system a number of collectors who are just now being integrated, and we expect to see an improvement in these outstanding taxes in the near future.

EMPLOYERS' FAILURE TO REMIT EMPLOYEE DEDUCTIONS

Mr. Simon de Jong (Regina East): Mr. Speaker, I have a supplementary question for the Minister. In the interests of keeping myself informed—I have given notice of my question to the Minister's office—last year the figures released indicated that some 119 employers failed to remit more than $328 million in deductions from employees to the Government. Can the Minister provide the House with the current figures of the number of employers who have failed to remit employee deductions, and the amount owed?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I can tell my hon. friend that I appreciate receiving notice of his question. Members of the Department are presently collating and collecting these figures. They will be available for the Hon. Member and for the information of other Members in the near future.

CANADIAN BROADCASTING CORPORATION

SELECTION OF NEW HEADQUARTER'S SITE IN METROPOLITAN TORONTO

Mr. Bob Hicks (Scarborough East): Mr. Speaker, my question is directed to the Minister of Communications. It involves the building of a new CBC site somewhere in Metropolitan Toronto.

In view of the fact that the City of Scarborough, the Seventh largest city in Canada, I might add, has kindly offered 11.5 acres of prime downtown land linked by rapid transit to the rest of Metro, and in view of the fact that the utilization of this land would clearly save taxpayers over $100 million, can the citizens of Scarborough anticipate an early positive response from the Minister?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, indeed in early September 1985 I met with a delegation of Members from the Scarborough area who submitted a proposal for the establishment of the CBC Broadcasting Centre in their area instead of Toronto.

As called for by the Act, I forwarded that information and proposal to the President of the CBC. The latter has been considering that proposal and should report in the near future to the Government which will decide accordingly.

* * *

[*English*]

ABORIGINAL RIGHTS

FAILURE OF PROVINCIAL GOVERNMENT TO RECOGNIZE RIGHTS IN BRITISH COLUMBIA

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, is the Prime Minister aware that the failure of the British Columbia Government to recognize aboriginal rights in that province is creating quite an alarming situation verging on a crisis?

Could the Prime Minister tell the House what strong action he proposes now so that British Columbia and Canada can get together and settle these outsanding native claims? That is what a majority of the citizens of B.C. and what a majority of members of this House want.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am sure the Hon. Member is aware that the Minister of Indian Affairs and Northern Development has been in British Columbia this past weekend. He has been having additional meetings today, possibly even at this very moment. These issues are high on his agenda. I think it would be appropriate for us to have a personal up-to-date response when he returns.

RECOGNITION OF CONSTITUTIONAL RIGHTS

Mr. Keith Penner (Cochrane-Superior): That is not good enough, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Penner: No, it is not. It is not good enough because aboriginal rights are part of the Constitution of Canada.

How long, I ask the Prime Minister, do the Haida people and the other Indian people of British Columbia have to wait before their legitimate constitutional rights can be recognized? How long must they wait? They will not come crawling. They will never do that.

Some Hon. Members: Hear, hear!

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member should bear in mind that the Prime Minister at the last constitutional meeting had a meeting with the Premiers and the meeting with the native leaders of Canada. He put very clearly both his personal imprimatur and the Government's commitment on a resolution of those issues.

As well, additional meetings were agreed to for 1987. I can say from the Prime Minister's point of view and from the Government's point of view that it is an ongoing issue.

On the second question of whether it is not enough, the Hon. Member should keep in mind that the Minister of Indian Affairs and Northern Development is right now in British Columbia dealing with those issues. That is what the Hon. Member called for. That is what he is doing, and that is enough.

Some Hon. Members: Hear, hear!

* * *

• (1450)

AGRICULTURE

PROPOSAL TO ESTABLISH NATIONAL TOBACCO MARKETING BOARD

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is directed to the Minister of Agriculture. It follows on the question of the Hon. Member for Algoma, to which the Minister responded that he was constrained in terms of a tobacco marketing board because of a court order. That court order was granted more than a month ago. Will he tell us whether he has instructed his marketing council to reopen the hearings into cost of production formulas so that the process can get under way and farmers in fact can have a marketing agency this winter?

Mr. Clark (Yellowhead): Send Svend.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, there needs to be a little clarification; I think there must have been some misunderstanding of my answer to the Hon. Member for Algoma. I indicated that I had the option to go ahead and proclaim the agency. I cautioned, though, by asking what we would have if we did not have participants in that agency. Therein lies the problem. We have to get the signatures, or at least letters of commitment, and the Hon. Member knows that. Also, I wish he would repeat the second part of his question.

Mr. Althouse: I will do that privately with the Minister.

REQUEST FOR IMPORT CONTROLS

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I have a supplementary question for the Minister. Because the court order was attempting to mete out what was called natural justice, in the interest of natural justice is the Government now prepared to put temporary border controls on the import of tobacco so that when the board comes into effect both sides will be on an equal footing?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, that was not the second part of the Hon. Member's question. He asked whether or not I had instructed the National Farm Products Marketing Council to proceed. Of course, as he should know, it is not the decision of Agriculture Canada or the National Farm Products Marketing Council to decide whether or not to appeal. It is the responsibility of the Department of Justice. He will know that they have decided to appeal the court injunction. I believe the hearing dates commence in the first part of February. However, we have been cautioned not to proceed with the cost of production hearings pending the outcome of the hearing.

Mr. Althouse: By whom?

Mr. Wise: By Justice.

* * *

[*Translation*]

VIA RAIL

REQUEST FOR IMPROVED SERVICES

Mr. William C. Winegard (Guelph): Mr. Speaker, I have a question for the Minister of Transport.

[*English*]

Although many of us had hoped that VIA Rail would look favourably upon commuter traffic in southern Ontario, it is distressingly clear that that is not the case and that VIA does not see business opportunity in the Toronto-Guelph-Kitchener region. Would the Minister give consideration to making representations to his provincial counterpart for improved service in that part of Canada?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, as I am sure the Hon. Member knows, after years of Liberal neglect, the Government has taken a number of initiatives to revitalize rail passenger service in the country. A number of steps have been taken, including the restoration of services which were dismantled by the former Government. New locomotives have been ordered. I hope that we will be in a position soon to announce the placement of an order for new

transcontinental equipment as well. The Hon. Member should also be aware that the drafting of the new passenger rail Act is in its final stages. Many attempts are being made to improve the attractiveness and thereby the ridership of VIA Rail. Finally, the Hon. Member should be aware that the mandate of VIA Rail is to provide inter-city services, not necessarily commuter services.

* * *

OFFICIAL LANGUAGES

FUNDING OF ANGLOPHONE GROUPS IN PROVINCE OF QUEBEC

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Prime Minister. Last week, after the Quebec election, his Secretary of State stated that because the Liberals were elected in that province there could be reductions in federal programs funding official language minorities, contrary to the promises which he made to the Anglophones in that province during the election campaign. Is the statement of the Secretary of State an indication that the Government is about to renege on another promise to the Anglophones in the Province of Quebec, or was the Secretary of State speaking out of turn? If so, would the Prime Minister please correct him?

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, I do not know what the Hon. Member may have read last weekend, but I have made no statement whatsoever which could raise any doubt about the assistance to minorities, and this had nothing to do with the election of a Liberal Government in Quebec. In any case, we are now reviewing all these policies. We and the former Government had signed certain agreements and these are still effective. They include $210 million for official languages programs, of which a good part is allocated to the English-speaking minority in Quebec. In addition, we have just approved specific projects, some of which are also for Quebec. This has nothing to do with the elections. I repeat that I would like to know what newspapers the Hon. Member has read. He should perhaps read them more carefully!

[*English*]

REQUEST FOR COMMITMENT

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I do not know what he said to the press, but the reports of what he said have disturbed many Anglophone groups in the Province of Quebec.

Some Hon. Members: Where?

Mr. Clark (Yellowhead): Did you hear that in *Straight from the Heart*?

Mr. Allmand: I would like him or the Prime Minister to make an absolutely clear commitment that there will be no reductions or no new impediments to the funding of programs for language minorities in that province. That was never done in any other province after an election.

Some Hon. Members: What is your source?

[*Translation*]

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, I myself and the Government are not in the habit of assessing subsidy programs, especially where official languages are concerned, in front of the press. We announce our decisions to the press and comment on them, but that is not when we make the decisions. Certainly not! We have undertaken a review, but this has nothing to do with the election of a new Government in Quebec or with the official languages policies of the Federal Government. What I know is that any reconsideration of our support for the minorities, whether the French-speaking minority outside Quebec, or the English-speaking minority in Quebec, is out of the question.

* * *

[*English*]

AUDITOR GENERAL

ACCESS TO CABINET DOCUMENTS IN PETRO-CANADA ACQUISITION OF PETROFINA CASE

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Right Hon. Prime Minister. It concerns a written decision handed down by Associate Chief Justice James Jerome on Friday, indicating that the Auditor General now has a specific right to examine all cabinet documents related to the 1981 purchase of Petrofina by Petro-Canada. Given that judgment, will the Government now be providing complete and total access to those documents to the Auditor General of Canada?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, in the absence of my colleague, the Minister of Justice, I would advise the Hon. Member, as he is well aware, that the decision has just been received. I am advised that the Legal Branch of the Department of Justice is presently reviewing the decision. The Hon. Minister of Justice will be reporting to the House in due course in respect of that decision.

IMPLEMENTATION OF COURT DECISION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, with respect, my supplementary question is directed to the Prime Minister. In the campaign he promised the complete access of the Auditor General to those documents. In light of the decision by Mr. Justice Jerome on Friday, can the Prime Minister of Canada now say to the House that the Auditor General will have complete and total access to all relevant documents in the purchase of Petrofina by Petro-Canada?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I can only repeat my earlier answer. The Minis-

ter of Justice just received the decision on Friday. It is a complex matter. Surely we are entitled to have time to study the implications of that decision. We will be reporting to the House in due course.

* * *

LABOUR RELATIONS

APPOINTMENT OF MEDIATOR IN CANADIAN IMPERIAL BANK OF COMMERCE DISPUTE

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, my question is directed to the Minister of Labour. The current labour dispute involving Canadian Imperial Bank of Commerce employees at the Visa Centre in Toronto has become bitter, with tension and confrontation mounting on both sides. Has the Government considered any action to mediate in this dispute and to help find a settlement as quickly as possible?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, as the Hon. Member is aware, it is a dispute which has been going on for several months. At the request of both parties on December 4, last Thursday, Labour Canada appointed a senior mediator, Mr. Henry Bartenbach, to mediate in that dispute. The discussions are resuming between the two parties, and I would like to reiterate that this appointment was made following a request from both parties that a mediator be appointed to assist in the negotiations.

* * *

[*Translation*]

CROWN CORPORATIONS

FUTURE OF CANADAIR

Mr. David Berger (Laurier): Mr. Speaker, my question also relates to the Canadair file, and it is directed to the President of the Treasury Board. Canadair is one of Boeing's major sub-contractors in Canada, and now the sale of that company or of de Havilland threatens a number of jobs in Montreal. Here is my question to the Minister: Why does the Minister jeopardize the existence of more than 325 Canadair jobs by failing to exact contract guarantees whereby Boeing will continue to award sub-contracts to Canadair and in Montreal?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the premise of the question is false. The agreement concluded or being concluded between Boeing and de Havilland does not in any way jeopardize jobs at Canadair. Quite the contrary! Canadair will develop new markets as a result of the deal and, as in any other aerospace industry, it will create new jobs.

• (1500)

[*English*]

MINISTER'S POSITION

Mr. David Berger (Laurier): The Minister has said that he has received verbal assurances. This Government is expert in obtaining verbal undertakings. I would simply remind the Minister—

Mr. Speaker: Order.

Mr. Berger: Is the Minister telling us that he has faith that a multinational company will make the jobs of workers in Montreal its number one priority? Is that what he is telling the workers of Montreal to do, to rely on a leap of faith by this Government?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, quite the opposite. It is not a leap of faith, it is a leap toward the future and a very great leap for that industry. I would like to quote very briefly from the letter of the Aerospace Industries Association of Canada, which reads as follows:

> Boeing's commitment to assign the world product mandate for commuter/STOL aircraft to de Havilland is particularly encouraging, for this will mean ongoing and a potential increase in research and development with de Havilland. Very positive effects will also be felt throughout our industry from the additional commitments made by Boeing to increase the level of Canadian content in its products, and to proceed with development on the new 50-seat version of the Dash 8.

Mr. Speaker: I regret to advise the Minister that the time provided from Question Period has expired.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Friday, December 6, 1985, meet the requirements of the Standing Orders as to form. The petition presented by the Hon. Member for Burin-St. George's (Mr. Price) by filing with the Clerk of the House also meets the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Mr. Derek Blackburn (Brant): Mr. Speaker, I have the honour to present to the House petitions from people in various parts of Ontario. The operative clause is that the undersigned, your petitioners, humbly pray and call upon the House of Commons to reinstate full indexation of universal family allowance and to rescind the unfair tax increases.

Mr. Rod Murphy (Churchill): Mr. Speaker, I also have a number of petitions to present signed by residents of the Churchill riding and also of other parts of Manitoba expressing their concern with the federal Government's decision to deindex the family allowance. Among the groups that have presented petitions to me are people from the St. Joseph's Ukrainian Church, the First Baptist Church of Thompson, the St. James Anglican Church of Thompson, the reserve community of Shamattawa and the community of South Indian Lake, the community of Leaf Rapids and the community of Thompson.

[*Translation*]

POSSIBLE CLOSURE OF CN MONCTON SHOPS

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I rise again today to present a number of petitions in support of the CN shop workers in Moncton. Those petitions are from citizens of Haute-Aboujagane, Cap-Pelé, Pointe-du-Chêne, Moncton, and Riverview. Those petitioners are quite disappointed about conditions prevailing at the CN shops in Moncton and ask the Government to assure those people that the jobs will be protected.

[*English*]

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, I too would like to present a series of petitions to the House from constituents residing in the Moncton federal riding as well as the neighbouring riding of Westmorland-Kent expressing their concern with the eroding work base and the future of the shops in Moncton.

CALL FOR INQUIRY INTO USE OF NANOOSE BAY TEST RANGE

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I have a number of petitions to present from residents of British Columbia concerning the Canadian Forces Maritime Experimental and Test Range at Nanoose Bay, British Columbia, asking that the agreement be made public, and asking that the procedures for and results of radiation-monitoring tests of these waters, be made known. The petitioners are concerned that the naval policy of the United States which neither confirms nor denies the presence of nuclear weapons on board U.S. vessels is unacceptable, and the call for a public inquiry before the present agreement is renegotiated.

[*Translation*]

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Gilbert Chartrand (Verdun-Saint-Paul): Mr. Speaker, I have the honour to table today a petition from a group of citizens from Verdun-Saint-Paul who are asking the Government to restore full indexation of family allowances and to withdraw the Bill amending the 1973 Family Allowances Act.

[*English*]

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is my honour and duty to present a number of petitions from Debden, Saskatchewan, Edmonton, North Battleford and Prince Albert, all of which call upon the House of Commons to reinstate full indexation of universal family allowance and to rescind unfair tax increases.

SALE OF DE HAVILLAND CORPORATION

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, it is my privilege to table a petition signed by approximately 90 Canadians who feel that they are shareholders in de Havilland and they call upon the Government of Canada to cancel the proposed sale of de Havilland to Boeing. Incidentally, 90 per cent of these petitioners are involved in the aviation industry in Thunder Bay.

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, it is my duty and an honour to present a petition from citizens of the community of Thunder Bay, some 150 persons, protesting the deindexation of the family allowance, protesting that the deindexation will not be offset by changes to the child tax credits so that even the poorest families will be worse off by 1990, and calling upon the House of Commons to re-establish full indexation of the family allowance.

Mr. Sergio Marchi (York West): Mr. Speaker, I too have the honour to present to the House a petition from residents of York West who are calling on the Government to take another look at its regressive decision on deindexing family allowances to the tune of some $55 million and calling on the Government to maintain the promise it made during the election campaign so vividly and candidly not to touch the family allowance or the senior citizens' pensions. The deindexation moves of the Government are simply shocking and it should be ashamed of itself. Canadians from York West are asking the Government to be sensitive to the needs and aspirations of people from one coast to the other.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I have a petition which I am pleased to present from people in Essex-Windsor stressing their opposition to the cut-backs in child benefits, to the reductions in family allowances and to the increase in tax breaks for people through capital gains tax changes. This particular petition has been organized by the National Action Committee on the Status of Women.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I wish to advise the House

that the following questions will be answered today: Nos. 439 and 442.

[*Text*]

REPAYMENT OF CASH ADVANCES

Question No. 439—**Mr. Althouse:**

1. Since the June 14, 1985 deadline for repayment of cash advances, how many producers have been deemed to be in default?

2. What is the estimate for producer defaults for the 1985 crop year?

3. In (*a*) 1981 (*b*) 1982 (*c*) 1983 (*d*) 1984, how many producers defaulted and what was the deadline for repayment in each year?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): 1. As of June 14, 1985, there were 2,392 producer accounts placed in default. These producers had over 40 per cent of their advance outstanding on May 15, 1985, the date the letter requesting repayment within 20 days was sent.

As of July 12, 1985, there were 1,090 producer accounts in default. These producers had under 40 per cent of their advance outstanding on May 15, 1985. Producers who had selected barley permits were excluded from the first two deadline dates.

As of July 31, 1985, there were 217 producer accounts placed in default. These producers held selected barley permits.

2. It is estimated that interest imposed on accounts placed in default for the 1984-85 crop year will total $2.5 million.

3.

Crop Year	Deadline Date	No. of Producers
1980-81	June 17, 1981	189
	July 8, 1981	337
	July 14, 1981	454
	July 30, 1981	2
Total		982
1981-82	July 5, 1982	3,227
	September 15, 1982	90
	December 31, 1982	169
Total		3,486
1982-83	July 28, 1983	134
	September 15, 1983	463
	November 8, 1983	1,131
	December 31, 1983	204
Total		1,932
1983-84	June 14, 1984	417
	July 31, 1984	4,822
Total		5,239

INTEREST ON REPAYMENT OF CASH ADVANCES

Question No. 442—**Mr. Althouse:**

1. For the crop year (*a*) 1981 (*b*) 1982 (*c*) 1983 (*d*) 1984, what amount of penalty interest was collected from defaulters for repayment of cash advances?

2. For the same years, on the average, what portion of the original loan was left outstanding when the penalty interest was imposed?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): 1. The amount of interest collected from producers whose accounts were placed in default, for the crop year,

(a) 1981-82	$ 1,356,214
(b) 1982-83	836,755
(c) 1983-84	952,569
(d) 1984-85	102,635

2. The portion of the original loans left outstanding when the interest costs were imposed, for the crop year,

(a) 1981-82	30.17 per cent
(b) 1982-83	39.68 per cent
(c) 1983-84	32.98 per cent
(d) 1984-85	45.67 per cent

[*English*]

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

[*Translation*]

Mr. Lewis: I suggest, Mr. Speaker, that the other questions be allowed to stand.

[*English*]

Mr. Boudria: Mr. Speaker, again I rise to ask the Parliamentary Secretary when the Government intends to reply to the very embarrassing Questions Nos. 450, 451, 452 and 453 standing in my name and relating to the travel expenses of the former Minister of the Environment who is now the Minister of travel—I'm sorry, the Minister of State for Transport (Mrs. Blais-Grenier).

Mr. Hnatyshyn: Do you want the Taiwan trip or just the one—

Mr. Boudria: I'll exchange bills with you. Mine cost nothing.

Mr. Lewis: Mr. Speaker, I think it is probably the Hon. Member who is embarrassed because Questions Nos. 450 and 451 were ruled out of order by the Table Officers. I would tell the Hon. Member that Question No. 452 has been allowed to stand and is being worked on at the present time.

• (1510)

Mr. Speaker: Is the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) rising on a different point of order?

Mr. Boudria: Yes, Mr. Speaker. The Parliamentary Secretary should know obviously that those questions were not ruled out of order. They were simply renumbered. I want to ask him again—

Mr. Speaker: Order, please. I specifically asked the Hon. Member if he was rising on a different point of order. I take it he is now attempting to engage in debate with the Parliamentary Secretary about facts as opposed to questions.

Mr. Boudria: I rise on a different point of order, Mr. Speaker. I wish to ask the Parliamentary Secretary when the Government will answer Questions Nos. 486 and 487. These are questions relating to the expenditures of the former Minister of the Environment, the present Minister of State for

Transport (Mrs. Blais-Grenier), concerning her travel expenditures.

Mr. Lewis: Mr. Speaker, certainly Questions Nos. 486 and 487 are the Hon. Member's reworded questions which were originally ruled out of order. We are taking a hard look at his second effort.

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

MOTION TO ADJOURN UNDER S.O. 31

SALE OF DE HAVILLAND CORPORATION

Hon. Bob Kaplan (York Centre): Mr. Speaker, in accordance with Standing Order 31, I ask leave to move that this House do now adjourn for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the proposed sale of de Havilland by the Government to Boeing of Seattle.

Mr. Speaker: The Hon. Member for York Centre (Mr. Kaplan) gave me the required notice of his intention to request an emergency debate under Standing Order 31. The purpose of that order, as I think all Hon. Members know, is to provide a means of discussing a specific and important matter requiring urgent consideration. One of the conditions laid down in the Standing Order is that the matter proposed for discussion must relate to a genuine emergency calling for immediate and urgent consideration. The matter proposed by the Hon. Member as a subject for emergency debate is certainly an important one. However, I do not think that it conforms to the concept of a genuine emergency as envisaged by the Standing Order.

Furthermore, this important matter was debated very recently and was taken to a vote. It was the subject chosen for an allotted day on Tuesday, December 3, and the House, through its vote, has already expressed a view on the matter. The Hon. Member is, in fact, asking for another debate on the same issue in the form of an emergency debate. In the circumstances, I cannot find that the application meets the requirements of the Standing Order.

GOVERNMENT ORDERS

[*English*]

REPRESENTATION ACT, 1985

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Hnatyshyn that Bill C-74, an Act to amend the Constitution Act, 1867 and the Electoral Boundaries Readjustment Act and to provide for certain matters in relation to the 1981 decennial cencus, be read the third time and passed, and the amendment of Mr. Prud'homme (p. 9258).

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, this debate is about representation and how the people of Canada can have their views put forward, how decisions can be made and how the country can be run. Today, in the House, we have seen evidence of how difficult it is to obtain information from the Government and how unwilling it is to provide us with the necessary documentation so that the House can review the sale of de Havilland and matters referring to Canadair. Therefore, Mr. Speaker, I have no alternative but to move, seconded by the Hon. Member for Hamilton Mountain (Mr. Deans):

That this House do now adjourn.

Mr. Deputy Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

The House divided on the motion (Mr. Angus), which was negative on the following division:

(*Division No. 144*)

YEAS

Members

Angus	Gagliano	McCurdy
Benjamin	Gauthier	McDonald (Broadview-Greenwood)
Blackburn (Brant)	Gray (Windsor West)	Mitchell
Blaikie	Guilbault (Saint-Jacques)	Murphy
Boudria	Hopkins	Nicholson (Trinity)
Broadbent	Hovdebo	Nystrom
Cassidy	Jewett	Orlikow
Chrétien	Kaplan	Penner
Deans	Keeper	Robichaud
de Corneille	Lapierre	Robinson
de Jong	MacLellan	Rossi
Epp (Thunder Bay-Nipigon)	Manly	Skelly
Fulton	Marchi	Tobin—39.

Representation Act, 1985

NAYS

Members

Belsher	Fennell	McKnight
Bernier	Forrestall	Minaker
Bertrand	Fraleigh	Mulroney
Bissonnette	Gass	Nicholson
Blais	Gormley	(Niagara Falls)
Blenkarn	Gottselig	Nielsen
Blouin	Graham	Nowlan
Bouchard	Gray	Oberle
Bourgault	(Bonaventure-Îles-de-la-Madeleine)	Oostrom
Bradley	Greenaway	Pennock
Brightwell	Guilbault	Pietz
Browes	(Drummond)	Plourde
Cardiff	Halliday	Porter
Champagne	Hicks	Redway
(Saint-Hyacinthe-Bagot)	Hnatyshyn	Reid
Chartrand	Hockin	Reimer
Clark	Holtmann	Ricard
(Yellowhead)	Horner	St-Julien
Clark	Hudon	Schellenberger
(Brandon-Souris)	James	(Wetaskiwin)
Cochrane	Jardine	Scott
Collins	Joncas	(Victoria-Haliburton)
Cook	Kelleher	Scott
Cossitt	Kindy	(Hamilton-Wentworth)
Côté	Landry	Scowen
(Lac-Saint-Jean)	Lanthier	Shields
Côté	La Salle	Siddon
(Langelier)	Lesick	Sparrow
Crofton	Lewis	Stewart
Crouse	MacKay	Tardif
Darling	Malone	(Charlesbourg)
de Cotret	Mantha	Taylor
Desjardins	Marin	Towers
Dick	Mayer	Tupper
Domm	Mazankowski	Turner
Dorin	McCain	(Ottawa-Carleton)
Duplessis	McCuish	Vankoughnet
Edwards	McDermid	Vézina
Ellis	McGrath	Wilson
Elzinga	McInnes	(Etobicoke Centre)
Epp	McKenzie	Winegard
(Provencher)	McKinnon	Wise—111.

● (1650)

Mr. Deputy Speaker: I declare the motion lost.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, we are resuming debate on Bill C-74 which is a matter that has received much consideration in the House. Unfortunately, the House Leaders of the Parties have been unable to reach an agreement with respect to the completion of this debate.

I wish to inform the House that there have been consultations among representatives of the Parties in the House and it has not been possible to reach an agreement pursuant to Standing Order 82 or Standing Order 83 with regard to the allocation of time at third reading stage of Bill C-74, an Act to amend the Constitution Act, 1867 and the Electoral Boundaries Readjustment Act and to provide for certain matters in relation to the 1981 decennial census.

Therefore, at the next sitting of the House, it is my intention to propose the following motion pursuant to the provisions of Standing Order 84:

[*Translation*]

That, in relation to Bill C-74, An Act to amend the Constitution Act, 1867 and the Electoral Boundaries Readjustment Act and to provide for certain matters in relation to the 1981 decennial census, one sitting day shall be allotted to the consideration of the second reading stage of the said Bill; and

[*English*]

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

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE RAISED

Mr. Speaker: It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for York East (Mr. Redway)—Railways—Carriage of dangerous goods through Toronto; the Hon. Member for Regina East (Mr. de Jong)—Airports—Automobile rental policy. (b) Request for committee hearing; the Hon. Member for Broadview-Grenwood (Ms. McDonald)—Trade—Canada-United States negotiations—Prime Minister's speech in Chicago. (b) Magazine publishing industry.

GOVERNMENT ORDERS

[*English*]

REPRESENTATION ACT, 1985

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Hnatyshyn that Bill C-74, an Act to amend the Constitution Act, 1867 and the Electoral Boundaries Readjustment Act and to provide for certain matters in relation to the 1981 decennial census, be read the third time and passed, and the amendment of Mr. Prud'homme (p. 9258).

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, what we have just heard must be one of the most shameful actions taken by the Government to date.

Some Hon. Members: Oh, oh!

Mr. Penner: Let me say why it is so shameful. Redistribution is a matter of great concern to every Member of Parliament. It is not a matter that is central to any policy or platform outlined by the Government of Canada and time allocation ought only to be imposed with respect to matters that are absolutely essential and central to the policy of the Government. Those matters are very rare because as far as I know, the Government does not have a manifesto or policy to lead the country. It is wandering around in darkness, grasping at straws here and there, trying to pretend that it represents

leadership. This matter is not central to the Government but one which is of concern to every constituency in this country and to every Member of Parliament.

We know that in theory the readjustment of political boundaries is a purely technical exercise. It could be considered even more so in this day of high technology when all of the necessary information can simply be fed into a computer. However, Members know that this approach is unacceptable. Although no one wants to see constituency redistribution dealt with in a partisan fashion, we know that the redistribution of boundaries is a highly political issue and a concern to every Member of Parliament. It is of concern to every constituency in this country and an issue that is fraught with many hazards.

I never believed for a moment that the right of Members of Parliament to express their grievances and raise their concerns would be cut off—quillotined—in this objectionable and unworthy fashion. The Government says that it believes in Parliament. Before the Conservatives became Government, I recall when they often talked about their belief in an open Parliament and that Parliament should have the opportunity to express its views. Yet closure is being imposed and debate is being limited on a matter of great concern to individual MPs. The opportunity for Members of Parliament to express their concerns on behalf of their constituents is stifled.

Let me return to the theme about avoiding partisanship in the redistribution of boundaries while at the same time emphasizing that it is a political issue. I use the word "political" in the best sense of the word, being of concern to all citizens. The House will be aware that in 1964 it was the Hon. J. W. Pickersgill who brought in the Electoral Boundaries Readjustment Act that we are amending today. When the House resumes consideration of this Bill, I want to begin at that point and tell the House where we have moved from that moment and how we have come to this very dark time in the history of the Parliament of Canada.

Mr. Speaker: Order. It being five o'clock, the House will now proceed to consideration of Private Members' Business as listed on Today's Order Paper.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*Translation*]

RAOUL WALLENBERG HONORARY CITIZENSHIP ACT

MEASURE TO ENACT

On the Order: Private Members' Business—Public Bills

Second reading and reference to the Standing Committee on Labour, Employment and Immigration of Bill C-234, An Act to proclaim Raoul Wallengerg to be an honorary citizen of Canada—Mr. Ricard.

Raoul Wallenberg

Mr. Guy Ricard (Laval): Mr. Speaker, on a point of order. I would like to know whether I could have the unanimous consent of the House to withdraw Bill C-234.

[*English*]

Mr. Speaker: The Hon. Member for Laval (Mr. Ricard) seeks the unanimous consent of the House to withdraw the Bill currently standing in his name.

Mr. Prud'homme: Mr. Speaker, I rise on a point of order. I would be more than willing to give my consent if I knew exactly what was going to happen later. I would like to participate in the debate—

[*Translation*]

—for a number of reasons on which I will elaborate at that time, and I hope I will have a chance to take part in the debate.

• (1700)

[*English*]

I will give my consent for the Bill to be withdrawn. I would like to know what more there is in stock this afternoon.

Mr. Speaker: I take it there is unanimous consent that the matter standing in the name of the Hon. Member for Laval (Mr. Ricard) be withdrawn.

Some Hon. Members: Agreed.

Order discharged and Bill C-234 withdrawn.

* * *

RAOUL WALLENBERG HONORARY CITIZENSHIP ACT

MEASURE TO ENACT

On the Order: Private Members' Business—Public Bills

Second reading and reference to Standing Committee on Labour, Employment and Immigration of Bill C-233, an Act to proclaim Raoul Wallenberg to be an honorary citizen of Canada, and requesting his return to freedom—Mr. de Corneille.

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, I ask for the consent of the House to permit me to withdraw Bill C-233.

[*Translation*]

Mr. Prud'homme: Mr. Speaker, on the same point of order. I would like to know exactly what is on the menu this afternoon.

[*English*]

I would like to know exactly what is going on. I have given my consent to withdraw the Bill of the Hon. Member for Laval (Mr. Ricard) and I have given my consent to my colleague, the Hon. Member for Eglinton-Lawrence (Mr. de Corneille) to withdraw his Bill. I would have preferred to have a package deal and to know exactly what is going on.

Mr. Speaker: Is there unanimous consent for the Hon. Member for Eglinton-Lawrence to withdraw his Bill?

Some Hon. Members: Agreed.

Order discharged and Bill C-233 withdrawn.

[*Translation*]

Mr. Ricard: On a point of order, Mr. Speaker. I would like to know whether I could have the unanimous consent of the House to proceed with Motion No. 248.

[*English*]

Mr. Speaker: The Hon. Member for Laval (Mr. Ricard) seeks the unanimous consent of the Chamber to move Motion No. 248 on the Order Paper.

Mr. Prud'homme: Mr. Speaker, with your great patience, I will be helpful this afternoon. Again, I would like to know what the full package is that is being proposed to the House. We have given consent to one Member to withdraw a Bill, and we have given consent to another Member to withdraw a Bill. Now we are giving consent to a Member to introduce a motion. Is there something else, Sir? I give my consent so far.

Some Hon. Members: Oh, oh!

Mr. Lewis: Mr. Speaker, I rise on a point of order. Am I correct in assuming we now have Motion No. 248 on the floor, that the House will proceed to debate the said resolution and that any Member can participate?

Mr. de Corneille: Mr. Speaker, I have a point of order. I would like to seek unanimous consent to be a joint mover of Motion No. 248.

Mr. Speaker: Is there unanimous consent that Motion No. 248 be put to the House at this time?

Some Hon. Members: Agreed.

Mr. Prud'homme: Mr. Speaker, I rise on a point of order. At long last we know what is the package deal. First, is that what will be debated this afternoon? Second, will the rules apply, meaning there will be speeches until six o'clock? Or, perhaps we may consent to terminate before six o'clock. Most likely I will give my consent even to terminate before six o'clock. However, I would like to participate in the debate.

Mr. Speaker: With all respect, the Chair is trying to deal with this matter in the order in which the motions are sought.

Mr. Prud'homme: Unusually.

Mr. Speaker: Order. I take it there is unanimous consent for the introduction of Motion No. 248 standing in the name of the Hon. Member for Laval (Mr. Ricard). I see there is a technical difficulty. I must propose the question.

I take it the Hon. Member for Eglinton-Lawrence is seeking the unanimous consent of the House to be indicated at this point as the joint mover of the motion. Is that correct?

Mr. de Corneille: That is correct, Mr. Speaker.

Mr. Speaker: Does the House give its consent for that procedure?

Some Hon. Members: Agreed.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*Translation*]

CITIZENSHIP

ADVISABILITY OF PROCLAIMING RAOUL WALLENBERG AN HONORARY CITIZEN OF CANADA

Mr. Deputy Speaker: Mr. Guy Ricard (Laval) and Mr. Roland de Corneille (Eglinton-Lawrence) moved, seconded by Mr. Ian Deans (Hamilton Mountain), that:

Whereas during World War II millions of Jews were exterminated in death camps at the hands of the Nazis in then occupied Europe;

And whereas hundreds of thousands of Hungarian Jews were facing extermination in 1944 through deportation to Germany under the orders of Adolf Eichmann;

And whereas Raoul Wallenberg as Secretary of the Swedish Legation went to Hungary in the summer of 1944;

And whereas Raoul Wallenberg, with extraordinary courage and with total disregard for the constant danger to himself, saved the lives of almost one hundred thousand innocent Jewish men, women and children, a considerable number of whom now live in Canada;

And whereas the Soviet Union, in violation of Raoul Wallenberg's Swedish diplomatic immunity and of international law, seized him on January 17, 1945, with no explanation ever given for his detention and subsequent imprisonment;

And whereas Raoul Wallenberg has been a prisoner in the Soviet Union since 1945;

And whereas reports from former prisoners in the Soviet Union, as recently as January, 1981, suggest that Raoul Wallenberg is still alive and remains a prisoner;

And whereas history has revealed that heroic acts of salvation were tragically rare during the massacre of millions of innocent human beings during World War II;

And whereas the significance of this symbol of humanity's concern for its fellows has been reduced by the wall of silence that surrounds the fate of Raoul Wallenberg;

Now therefore the House of Commons resolve that the said Raoul Wallenberg is hereby declared to be an honorary citizen of Canada;

And that a message be sent to the Senate requesting that House to unite with this House in the said Resolution by filling in the blank with the words, "Senate and the".

Mr. Guy Ricard (Laval): Mr. Speaker, I am honoured to rise in the House today to shepherd the motion to proclaim Raoul Wallenberg to be an honorary citizen of our country, the legendary hero who, jeopardizing his own safety, saved the lives of more than 100,000 Jews towards the end of World War II.

I should like to take this opportunity to congratulate and thank my colleague, the Hon. Member for Eglington-Lawrence (Mr. de Corneille) who, like me, worked long hours to introduce this motion. I am particularly grateful to him for agreeing to withdraw his own Bill so as to rally the general support for this new motion. Finally, I want to thank the Hon. Member for Hamilton Mountain (Mr. Deans) who, as spokesman for his Party, supports this motion so that we have unanimous agreement to acknowledge the humanitarian deeds of this heroic man whose exact whereabouts are unknown.

For many of us who did not live through the sufferings of that war and whose knowledge about it came from books or news reports we may have read or seen on this subject, the name of Raoul Wallengberg may wery well be lost in the utter desolation of that tragic conflict. Any yet, to those thousands of Jews who owe their lives to his personal interventions, as to thousands of others, Raoul Wallenberg has always been the epitome of determination, tenacity, courage, stamped with the seal of heroism.

Mr. Speaker, all the merits which Raoul Wallenberg righfully deserves have long since been acknowledged. As early as in 1945, a *Svenska Daqbladet* editorial writer had this to say about Raoul Wallenberg:

• (1710)

[*English*]

An eternal glory surrounds his name and his memory. The refugee organization of the United States has also expressed its admiration for his achievement, which is called one of the world's greatest individual performances.

[*Translation*]

Even more recently, in 1981, Mr. Speaker, he received another honour when the President of the United States, Mr. Ronald Reagan, granted him honorary citizenship, which honour had only been bestowed once before in 200 years of American history, when honorary citizenship was granted to Sir Winston Churchill, during his lifetime.

Mr. Speaker, there is no need to give a detailed list of all the acts of bravery of Mr. Wallenberg. Everyone has seen the televised series or read the book.

Therefore, Mr. Speaker, if the House so wishes, I would like to move the following motion:

That:

Whereas during World War II millions of Jews were exterminated in death camps at the hands of the Nazis in then occupied Europe:

And whereas hundreds of thousands of Hungarian Jews were facing extermination in 1944 through deportation to Germany under the orders of Adolf Eichmann;

And whereas Raoul Wallenberg as Secretary of the Swedish Legation went to Hungary in the summer of 1944;

And whereas Raoul Wallenberg, with extraordinary courage and with total disregard for the constant danger to himself, saved the lives of almost one hundred thousand innocent Jewish men, women and children, a considerable number of whom now live in Canada;

And whereas the Soviet Union, in violation of Raoul Wallenberg's Swedish diplomatic immunity and of international law, seized him on January 17, 1945, with no explanation ever given for his detention and subsequent imprisonment;

Raoul Wallenberg

And whereas Raoul Wallenberg has been a prisoner in the Soviet Union since 1945;

And whereas reports from former prisoners in the Soviet Union, as recently as January, 1981, suggest that Raoul Wallenberg is still alive and remains a prisoner;

And whereas history has revealed that heroic acts of salvation were tragically rare during the massacre of millions of innocent human beings during World War II;

And whereas the significance of this symbol of humanity's concern for its fellow has been reduced by the wall of silence that surrounds the fate of Raoul Wallenberg;

I therefore move, Mr. Speaker:

That the said Raoul Wallenberg be hereby declared to be an honorary citizen of Canada.

[*English*]

This year marks the fortieth anniversary of the end of World War II. It would be fitting at this time to pay tribute to the heroic achievements of Raoul Wallenberg. Modern society has already drawn its lesson from history. Today we should look up to Raoul Wallenberg for our inspiration.

[*Translation*]

By granting honorary citizenship to Raoul Wallenberg, Canada would of course be honouring Mr. Wallenberg himself, but by recognizing his work, Canada would also confirm its commitment to protect human rights and freedoms, to which we all aspire.

[*English*]

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, it is a very great honour for me to co-sponsor this resolution proclaiming Raoul Wallenberg as an honorary Canadian citizen. It is a great significance that it is sponsored by members of the three Canadian political Parties, and that hopefully it is enjoying the consent of the House of Commons today and will enjoy the consent of the honourable the Senate tomorrow on International Human Rights Day, 1985. I am proud, as a member of the Liberal caucus, to be associated with my colleagues, the Hon. Member for Laval (Mr. Ricard) of the Conservative Party and the Hon. Member for Hamilton Mountain (Mr. Deans) of the New Democratic Party, in sponsoring this resolution. In so doing, we not only enshrine Raoul Wallenberg's name into our Canadian history, but his name will enshrine ours. To paraphrase Abraham Lincoln, the world will little note nor long remember what we say here, but it will always remember what Raoul Wallenberg did to salvage the dignity of the human spirit. Still today, much of the world lingers in the darkness of oppression. However, human rights will ultimately prevail and the dawn will surely come. Brightly will it shine upon the tombs of heroes. Thus will shine the dawn.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I am pleased to join with other Hon. Members of the House of Commons on this occasion. There are occasions recorded by historians when individuals, without regard for personal safety, put everything on the line for their fellow man. The opportu-

nity for adequate recognition of actions such as these are few, and the sacrifice that goes with such actions is frequently lost in the books which record it. Today, we in the House of Commons have an opportunity to correct or at least to recognize both of those situations.

Raoul Wallenberg, it goes without saying, showed remarkable courage and bravery on behalf of Jews who lived in Hungary during the Second World War. That this is well recorded and documented, no one denies. Today we can recognize his incredible commitment to humanity.

Raoul Wallenberg could have lived in Sweden in a life of relative comfort throughout the Second World War. He need not have faced what he ultimately faced.

This act we propose today is unique and I contend that it is, however, a fitting act. I urge my fellow Members of Parliament to extend to Raoul Wallenberg the highest honour available to us—our desire to share our citizenship.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, at the beginning of my comments, I asked a few questions when the Hon. Member for Laval (Mr. Ricard) moved that his Bill be withdrawn.

[*English*]

It was to withdraw Bill C-234. I will read what was on the Order Paper because I think it is very important in terms of what I would like to say today:

> Second reading and reference to the Standing Committee on Labour, Employment and Immigration of Bill C-234, an Act to proclaim Raoul Wallenberg to be an honorary citizen of Canada.

I said that if I had a chance to speak, I would give my consent, and I did. The new rules provide that every Member can give consent or not, unless we change the rules.

Then my colleague from Toronto, the Hon. Member for Eglinton-Lawrence (Mr. de Corneille), asked for similar leave from the House in terms of his own Bill. The Order Paper reads:

> Second reading and reference to the Standing Committee on Labour, Employment and Immigration of Bill C-233, an Act to proclaim Raoul Wallenberg to be an honorary citizen of Canada, and requesting his return to freedom.

There again I gave my consent. Because I wanted to speak on the Bill, I had prepared myself to do so. Those Bills were to be referred to the Standing Committee on Labour, Employment and Immigration. However, I gave my consent, because you are damned if you do and you are damned if you don't. Because I believed so strongly in the day which we will celebrate tomorrow, I thought it would be in bad taste for me not to give my consent. We knew what the debate was to be all about.

The Hon. Member for Laval read his own motion, as did the Chair, so I will not read it. It is similar to the motion presented by my colleague from Toronto. Therefore I will not read his motion.

I have no doubt as to the qualifications of Raoul Wallenberg. Tomorrow, many Canadians just like many colleagues of ours from the three political Parties, will begin to know who Raoul Wallenberg is. People ask who Raoul Wallenberg is. They would like to know more about him so I will say more.

• (1720)

The reason I wanted to send the two Bills standing in the name of the Hon. Member for Laval (Mr. Ricard) and the Hon. Member for Eglinton-Lawrence (Mr. de Corneille) to committee is that for many years, I wanted to find a way to honour people who deserve it, either because they had rendered some service to Canada or because they had worked beyond the call of duty in the cause of human rights. I was going to propose today that we send the Bill to the Committee on Multiculturalism, a new committee, to have it look into how one could be made an honorary Canadian citizen and to consider Mr. Raoul Wallenberg as one of the first recipients of the honour.

Since we were not told this by those who proposed the motions, I will do so. Canadians would like to know that this is a very exceptional gesture on the part of Parliament. This will be the first time ever an honorary Canadian citizenship will be given to someone in the world. We were not told that.

I would like it to be on record that all of what is taking place tonight is supposed to have been debated in each of the three caucuses and debated in the Senate. It was debated in caucus as we were told by the Hon. Member who spoke just before I did. He also said that he already has the assurance that the Senate will give its consent. That means there must have been much agreement before today, much of which I am totally unaware. I would like to be on record saying that I was totally unaware of much of that agreement.

In the few moments left to me, I would like to reflect on what will happen tomorrow, December 10, 1985. I recall that tomorrow is to be Human Rights Day. I recall that many people have spoken on this issue before. It is not a new issue and Canadians should be told that. I would like to put on record some of the history behind the Raoul Wallenberg motion so that people do not feel that they have been taken by surprise.

On October 7, 1980, my colleague, the Hon. Member for Eglinton-Lawrence, spoke on behalf of freeing Mr. Wallenberg from the Soviet Union. I would like to render homage to a very fine old colleague of ours, Dr. Stanley Hudecki, the former Hon. Member for Hamilton West, who on November 18, 1980, also raised that issue. I would like to put that on record for those who tomorrow will begin to ask who is Raoul Wallenberg.

On December 10, 1980, the Hon. Member for Waterloo (Mr. McLean) raised a question as to the fate of Mr. Raoul Wallenberg. On December 18, 1980, the same question was raised by David Smith, a colleague of ours who was defeated, the former Hon. Member for Don Valley East, on Order of the House No. 43.

Canadians will want to know who this person is who will be the first person ever to be made an honorary Canadian citizen. I would have preferred to have had a much larger debate on

this issue and a much larger audience because we are about to give what I consider to be one of the best citizenships in the world to this person.

On August 4, 1982, my esteemed colleague, the Hon. Member for Laurier (Mr. Berger), also raised the question of Raoul Wallenberg. Since then, no one has asked to give him Canadian citizenship. Now I come to the words of a very important, fine gentleman, our own Mr. Speaker. I would like to render him homage and read part of what the Hon. Member for Don Valley West (Mr. Bosley) said on May 17, 1984, as recorded on page 3822 of *Hansard*, in the first mention of offering Raoul Wallenberg Canadian citizenship:

> Mr. Speaker, the League for Human Rights of the B'nai Brith, supported by the Canadian Council of Christians and Jews, the Swedish-Canadian Chamber of Commerce, the Chinese-Canadian National Council, and the Fédération Internationale des Droits de l'homme, have asked the Secretary of State (Mr. Joyal) to declare Raoul Wallenberg an honorary citizen of Canada, and I wish to add my voice in support.

He went on to speak quite well and quite extensively on the matter.

Today my colleague went second. I would like to render him homage because on April 15, my colleague went first by introducing Bill C-233, an Act to proclaim Raoul Wallenberg an honorary citizen of Canada and requesting his return to freedom. This motion was immediately followed by that of an esteemed colleague of ours, the Hon. Member for Laval, who on April 18, 1985, suggested the same thing. That was the first time we started talking about honouring a foreigner as an honorary Canadian citizen.

I make no secret of the fact that I would have preferred to send the entire matter immediately to a committee of the House with instructions for the committee to inform us of how in the future we should proceed in honouring honorary Canadian citizens and to recommend as one of the first, if the committee so wished, Mr. Raoul Wallenberg. Some people, in their wisdom, decided to proceed otherwise. That is why there was a slight confusion earlier in the debate when we had to ask consent of the House to withdraw a bill, consent of the House to withdraw another Bill, consent of the House to introduce something that could only be introduced at the end of December and consent of the House for something that would have to be introduced again at the end of December. I went along with that, but I would like to be on record, for the benefit of colleagues of mine who may still have some doubt, that I believe very strongly that one of the greatest sicknesses that must be fought continuously is anti-Semitism in the world. If Raoul Wallenberg was able to do what he did, it is because there were people called Nazis who in their fury wanted to dispose of a certain group of people known as those of the Jewish faith. I believe this must be denounced and for that reason, Raoul Wallenberg could qualify as one of the first honorary Canadian citizens.

Having said that, I would like to repeat that I want to know something of which only the House Leader and my two colleagues could inform me. Is this the way we will proceed in the future? When I am not a Member of the House of Commons, others will need to know how to proceed when they want to honour someone as an honorary citizen of Canada. The way to proceed would be to present Bills or motions and to ask for the generous consent of all Members of the House for the great qualification which some people may have in order to proclaim them honorary citizens.

• (1730)

I repeat that I do not oppose the motion which is before the House. I think it would be impossible for me to oppose it, although in reading it I find it difficult to understand why one would want to honour someone by including certain of the divisions which may have taken place. Some people say Raoul Wallenberg is still alive, which is mentioned in the Bill. I also do not think it is necessary to talk about the Soviet Union in a Bill which proposes to honour someone in Canada. To say what he has done would have been sufficient and positive. The anti-Soviet sentiment in the Bill is not my style. I believe we must keep the door open in respect to talks between the two big powers.

If it is true that Raoul Wallenberg is still alive, that he is in prison and that the Soviets know his whereabouts, then there are many ways in which to honour him other than the way which is proposed. However, I am not the master of this place. Each Member has his own way in which to proceed. This is not my way.

I would like to conclude by saying again that tonight I have been asked by Members: Is it the first time we will have a Canadian citizen—

[*Translation*]

I would like to tell the House that what we are now doing is to honour someone whose actions will be described tomorrow in the newspapers and to honour him not only as an honorary Canadian, but as the first ever honorary citizen of Canada.

[*English*]

There are only two honorary citizens of the United States. The Americans have used this great gesture only twice. The first time was to proclaim Sir Winston Churchill an honorary citizen. Of course, to me, that concept is universal in the western world. The second time it was utilized was to honour Raoul Wallenberg.

I hope my two colleagues who have proposed this Bill are aware of the hearings which took place before a subcommittee on human rights, part of an international organization connected with the committee on foreign affairs of the House of Representatives in the United States. A person who was saved in Hungary by Raoul Wallenberg when he was 15 years of age later became a congressman in the United States Congress. He is a Congressman for the State of California. He was very diligent in his representations with respect to Raoul Wallenberg. President Reagan signed a Bill with respect to proclaiming Raoul Wallenberg an honorary citizen.

I was asked several months ago how we in Canada can honour Mother Theresa in a very concrete way for the great work she does. She is alive. We sometimes prefer to honour those who are dead. However, we do not know whether or not

Raoul Wallenberg is dead or alive. I know members of his family are still alive. I know he helped a great many people who are now Canadians. I know some of them. Some of them are Hungarian of Jewish religion who now live in Canada, some in Montreal.

I think Raoul Wallenberg is properly suggested for such an honour. Perhaps the nest time the occasion arises we could look around the world and choose someone in order to show that Canada is a country which stands not only for human rights but that it is a country which does a great deal for its neighbours, as Mother Theresa is doing. To me that is very important.

On the eve of that great day, December 10, I would like Canadians to reflect on what human rights really means. There are too many people in the world who are too selective with respect to coming to someone's defence. Whose human rights are we ready to defend? There are many people who organize groups for the defence of human rights of this and that. On the eve of that great day I think Canadians should reflect not only with respect to the human rights of a group, because there are many, but on the human rights of individuals. Many people have come forward to say that in the Middle East there are issues with respect to human rights which should be raised in the House of Commons. I wish to echo those sentiments here today. I hope that my colleagues in the House will learn that when we talk about human rights we should not be selective. We should talk of human rights in general. When we consider honouring someone we should do so in particular, as the House has done today in honouring Raoul Wallenberg.

I now know the road to follow, and for the information of those Canadians listening and who will read this debate, in order to honour a second or third person as an honorary Canadians, one must go through the House of Commons. One must find a champion in the House of Commons who will put forward a motion. I intend to propose one with respect to Mother Theresa. Then one must ask the permission of one's colleague to withdraw his Bill and then ask the three Parties for unanimous consent. If the case is a *bona fide* one we can then proclaim the person an honorary citizen. Then, around the world, we can say that in Canada we not only honour our own citizens but people from outside of Canada.

[*Translation*]

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

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Messrs Guy Ricard (Laval) and Roland de Corneille (Eglinton-Lawrence), seconded by Mr. Ian Deans (Hamilton Mountain), moved that:

Whereas during World War II millions of Jews were exterminated in death camps at the hands of the Nazis in then occupied Europe;

And whereas hundreds of thousands of Hungarian Jews were facing extermination in 1944 through deportation to Germany under the orders of Adolf Eichmann;

And whereas Raoul Wallenberg as Secretary of the Swedish Legation went to Hungary in the summer of 1944;

And whereas Raoul Wallenberg, with extraordinary courage and with total disregard for the constant danger to himself, saved the lives of almost one hundred thousand innocent Jewish men, women and children, a considerable number of whom now live in Canada;

And whereas the Soviet Union, in violation of Raoul Wallenberg's Swedish diplomatic immunity and of international law, seized him on January 17, 1945, with no explanation ever given for his detention and subsequent imprisonment;

And whereas Raoul Wallenberg has been a prisoner in the Soviet Union since 1945;

And whereas reports from former prisoners in the Soviet Union, as recently as January, 1981, suggest that Raoul Wallenberg is still alive and remains a prisoner;

And whereas history has revealed that heroic acts of salvation were tragically rare during the massacre of millions of innocent human beings during World War II;

And whereas the significance of this symbol of humanity's concern for its fellows has been reduced by the wall of silence that surrounds the fate of Raoul Wallenberg;

Now therefore the House of Commons resolve that the said Raoul Wallenberg is hereby declared to be an honorary citizen of Canada;

And that a message be sent to the Senate requesting that House to unite with this House in the said Resolution by filling in the blank with the words, "Senate and the".

Is the motion agreed to?

Some Hon. Members: Agreed.

Motion agreed to.

[*English*]

Mr. Lewis: Mr. Speaker, if I may, I would suggest that we call it six o'clock. We could proceed with the Adjournment Debate. We have one Parliamentary Secretary here to answer the questions. I would undertake on behalf of the Government to make sure that if the Parliamentary Secretary to the Minister of Transport (Mr. Forrestall) is not here on time, we will certainly make arrangements to accommodate Members who are on the "Late Show" today.

That would be the Hon. Member for Broadview-Greenwood (Ms. McDonald).

Mr. Deputy Speaker: Does the House give unanimous consent to call it six o'clock?

Some Hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

RAILWAYS—CARRIAGE OF DANGEROUS GOODS THROUGH TORONTO

Mr. Alan Redway (York East): Mr. Speaker, I wish tonight to take Members back for a few moments to the great Mississauga train derailment of a few years ago. I know that you can recall the time, Mr. Speaker, just as vividly as I can and just as vividly as can the people of Missussauga, the people from Metropolitan Toronto and the people from the areas surrounding Metropolitan Toronto. This was a great jolt to the people of Mississauga, Metropolitan Toronto and the surrounding areas.

• (1740)

Before the Mississauga train derailment, there had been on a number of occasions in the past in Canada and in the United States—and, for that matter, in other parts of the world—other catastrophes of this sort where there were chemical spills, explositions, fires and great devastation as a result of train derailments. I suppose we in the Metropolitan Toronto area felt that this kind of thing could never happen to us. Perhaps we were asleep at the switch and were not paying too much attention. But, certainly, the Mississauga train derailment jolted our attention. It caused all of us to reappraise the situation and think for the first time about what could really happen in these cases.

You will remember, Mr. Speaker, that at the time of the Mississauga derailment we were faced with, first, an explosition, then a fire, then the escaping of chlorine gas which caused the evacuation of a great many people. In fact, 225,000 people in Mississauga were evacuated for a period of some six days. That, of course, changed the way in which the people of Metropolitan Toronto and the surrounding area thought about this whole problem. Many citizens immediately became concerned and, as a result, organized a variety of citizen groups to try to deal with the situation and spearhead some changes in the law. Second, they inspired local Government to become concerned enough to try to bring about some changes. Third, the provincial Government was inspired to get involved as well. Finally, of course, pressure was put on the federal Government of the day to investigate the situation to see what could be done.

Out of all that came the Grange Royal Commission of Inquiry which looked into the Mississauga disaster. During its investigation it found a great many individual problems with the transportation of dangerous goods and commodities through the Metropolitan area. One of the major problems it found was that dangerous goods were in effect being shunted back and forth through the heart of Metropolitan Toronto, not for any specific purpose, but just because it was convenient for the train to take the goods through Metro Toronto, bring them back and then, perhaps, take them back and forth three or four times befor they were marshalled on to their ultimate destination, which may have been western Canada.

Out of the Grange Report came a number of recommendations, many of which have already been dealt with. But there is still a major problem because there are still many carloads of dangerous commodities being shunted back and forth through the heart of densely-populated Metropolitan Toronto every day of the year. That is of particular concern to my constituents because the train derailment in Mississauga was only about 30 minutes away from the heart of my constituency. My constituency has the main lines of two of the major railways the CPR and the CNR, running right through the Don Valley which cuts through the middle of my constituency and I suspect there are dangerous goods being transported on those rail lines right at this very moment. Obviously, that is of concern.

The backyards of some of my constituents abut the railway right-of-way and if anything happens they would certainly be in the front line of a disaster. But it is not just the people whose backyards abut this area who have a problem, it is everyone within one or two miles of the area. As you are aware, Mr. Speaker, we can have something called a "bleavy" when there is a derailment of a train carrying dangerous goods which causes an explosion that perhaps can cover one or two miles, devastating and wiping out the population in that area.

What can be done about that? There are a number of things which can be done and right now the Toronto Board of Education is doing one of those things, that is, carrying out evacuation drills. It is teaching the children how to evacuate the schools in the event of a spill of chemical materials near a railway track.

There are other things which can be done as well. The speed at which the trains are moving could be slowed down. There could be a rerouting of those trains and in fact a relocating of the rail lines themselves. Recently, there have been a couple of inquiries by the Railroad Transport Committee of the Canadian Transport Commission which is looking into the situation. There was one in Metropolitan Toronto where it was decided that nothing would be done, and another in Vancouver and Victoria where it was decided that as of the 1st of January the transportation of dangerous goods through the high-density areas of Vancouver and Victoria would be banned.

It is time we addressed this problem in Metropolitan Toronto. You will recall, Mr. Speaker, that on December 4, I asked the Minister of Transport (Mr. Mazankowski) what he was doing about the situation. He indicated in reply that he intended to set up a task force to deal with the problem. That task force, we hope, will be forthcoming before the end of the year. I hope that the Parliamentary Secretary tonight will be able to tell us when we are going to have that task force, what the terms of reference will be, whether it is going to deal with the question of rerouting or relocation and whether it will deal with the question of speed.

As you know, Mr. Speaker, this is the Christmas season. It is the season of hope, and I trust that the Parliamentary Secretary will give us hope tonight for a safer 1986. I can tell you, Mr. Speaker, that one of the citizen groups which has been dealing with this matter in Metropolitan Toronto, MTRAC, or the Metropolitan Toronto Residents Action Committee, is looking for some answers, as are all of the people in

Metropolitan Toronto, and I trust that we will hear those answers from the Parliamentary Secretary tonight.

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I appreciate my hon. colleague's remarks. I would like to take notice of his comments. Six p.m. came rather sooner than we had expected this evening and, unfortunately, the Parliamentary Secretary could not be here at this time. However, we will definitely take notice of the remarks and give an answer back to my colleague.

In view of the fact that our colleagues opposite who had given notice that they wanted to ask a question on the Adjournment Debate are not here, although the Parliamentary Secretary is here to answer one of the questions, I suggest that we will co-operate with the Table in rescheduling tonight's Adjournment Debate.

Mr. Deputy Speaker: I thank the Hon. Parliamentary Secretary.

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

The House adjourned at 5.48 p.m.

HOUSE OF COMMONS

Tuesday, December 10, 1985

The House met at 11 a.m.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 63—ATLANTIC CANADA

Mr. Speaker: Before I put the motion in the name of the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall), may I say that since today is the last day of supply the House will go through the usual procedures to consider and dispose of the supply Bill. In view of our practices, may I have the consent of the House to distribute the supply Bill now?

Some Hon. Members: Agreed.

Mr. Dave Dingwall (Cape Breton-East Richmond) moved:

That this House condemns the Government for its abandonment of the people of Atlantic Canada in its demonstrated lack of political will to provide jobs and other economic opportunities to the people of that region.

He said: Mr. Speaker, I rise today to speak to this opposition motion. I wish to preface my remarks by saying that I do so with a degree of sadness, a sadness brought on by the terrible economic plight with which those of us who live in Atlantic Canada are presently confronted. It is a serious situation, serious enough that it has caused various politicians of different political stripes to condemn the national Government for what I believe is an abandonment of the people of Atlantic Canada.

Those of us who are elected to this Chamber bear a heavy responsibility, a responsibility which we must seriously accept. In accepting it seriously we must be able to stand in the Chamber and, I believe, stand for our regions. This is, in fact, the essence of Confederation. Canadians in the Atlantic provinces have grown to expect the best health care possible. They have grown to expect an opportunity to work in their own region. Yes, they believe it is their right under the Constitution and under previous Parliaments to be able to acquire a good education which does not leave them at a disadvantage when compared with other Canadians. To borrow a phrase from Aristotle:

If liberty and equality are chiefly to be found in democracy, they will be best attained when all persons share in the Government to the utmost.

For all men and women to be truly equal there must be economic and social equality. It is with this particular thought in mind that, some years ago, my Party created the Department of Regional Economic Expansion as a cornerstone of national public policy to provide opportunities to those of us who live in the Atlantic region. There is no Member on either side of the House who would say that it was implemented without any flaws. There were flaws. However, it was a real attempt to eradicate, if you will, some of the economic disadvantages in the country.

The present policies of this national Government in Ottawa can best be described, as I have said before in the Chamber, as being akin to the trickle-down theory of economics. It is thought that somehow the economies of Toronto, Montreal and Ottawa will create sufficient wealth that it will trickle down to the hinterland of the country. The fact is that that philosophy which pre-dated Mr. Diefenbaker did not work then and it will not work now.

I pose two questions for Hon. Members to consider. First, can and should the federal Government wash its hands of direct responsibility for job creation? Second, is community preservation or place prosperity the sole concern of local and provincial Governments? I think the answers to those two questions are obvious to those who have watched and witnessed the policies of this national Government. It does not believe that as a national Government it has the responsibility to protect community life throughout the country. Nor does the Government believe, because it has not put in place policies with regard to job creation in Atlantic Canada, that it should. In fact, it has been said by one of the centralist Premiers that the job strategy program of the Minister of Employment and Immigration (Miss MacDonald) is fundamentally flawed. The facts which I will share with Hon. Members in a moment will show that to be the case.

My sentiments as expressed here this morning are not of a partisan nature. The sentiments which I express are shared by the Premier of Newfoundland, the Premier of New Brunswick and, yes, not by the Premier of Nova Scotia but by his Minister of Development. Here is what he said a few days ago when addressing a group in Halifax:

Is there anyone up there who will speak for the hinterland . . . who will give so much of a voice to regional problems and legitimate desires as was given in the heat of an election campaign?

That is a quotation from the Hon. Roland Thornhill, Minister of Development for the Province of Nova Scotia. He, too, recognizes that the disparities in the country are not closing. In fact, they are increasing in number and growing in length.

Atlantic Canadians feel adrift. They feel they are left to drift by this Government, which they have catalogued as an elitist and centralist Government which believes its constituency to be that of *The financial Post* 500. The facts bear this out. In Nova Scotia the rate of unemployment is stuck at 13.6 per cent. In New Brunswick 15 per cent of the workforce

cannot find jobs. In the past year Prince Edward Island has seen its level of unemployment rise over 3 percentage points to 16.3 per cent. In Newfoundland the rate is 19.5 per cent. However, that does not tell the whole story. Unemployment in western Newfoundland has shot up from the unacceptable level of 20.7 per cent a year ago to 22.9 per cent last month. Northern New Brunswick has been rewarded by the Tory Party with an increase in the jobless rate from 18.2 per cent to 19.1 per cent. My own constituency in the Island of Cape Breton has seen its unemployment level in 12 short months go up from 19.1 per cent to 24.6 per cent. There have been 4,000 people added to the unemployment roll in 12 months.

• (1110)

Has this been raised only by a Member of Parliament in the Opposition for the benefit of the House? What have other individuals said? I would like to quote a statement made in 1976:

> It is beyond my comprehension how any government can restrain expenditures in an area of the country which has an unemployment rate of 13.9 per cent. It is in fact positively cruel and inhuman for any government to apply the restraint policy equally across this country as though every section of it is the same. It may be a policy of restraint that is quite active for provinces like Ontario, Alberta and Saskatchewan perhaps where there are now high unemployment figures, but it is not proper to apply it blindly to Newfoundland which has an unemployment rate of almost 14 per cent.

That statement was not made by myself. It was made by the present Minister of Justice (Mr. Crosbie). But that Minister now has the audacity to sit in Cabinet in this Government and watch the unemployment rate in his own province go from 14 per cent up to in excess of 20 per cent.

We saw this type of attitude in the previous Government of 1979 and we saw this attitude prior to 1968. We know what the Canadian people in Atlantic Canada did to that Government when it came to re-election. I ask sincerely, Mr. Speaker, where is the federal representation in the Cabinet of the Government of the Prime Minister (Mr. Mulroney)?

Mr. Nunziata: There isn't any.

Mr. Dingwall: Are they asleep or are they grossly negligent?

Mr. Nunziata: Both.

Mr. Dingwall: I have to say with conviction, with sincerity, and with the facts as evidence thus far, that the case is obvious. The Government is grossly negligent, insensitive and it has abandoned the people of Atlantic Canada.

I would like to talk about transfer payments for a moment, if I may. The Minister of Finance (Mr. Wilson) made a decision to cut $2 billion from transfer payments. He used weasel words at the First Ministers' conference, but it was not good enough. The Premier of New Brunswick zeroed in on the effects these cuts in transfer payments would have on the Atlantic region, and they will affect hospital care and post-secondary education. For Members of Parliament to suggest otherwise, is wrong. It is wrong, in fact, because it will be devastating to those of us who live in Atlantic Canada. The Finance Minister of New Brunwsick denounced the unilateral decision of the Minister of Finance by saying: "I think we will come to a time when we realize that the honeymoon is over. Federal-provincial relations have to be on the basis of fairness and equity". Yet the Minister of Finance, aided and abetted by the Prime Minister and his Cabinet, unilaterally expedited cut-backs in transfer payments.

The Premier of Ontario at the First Ministers' conference said: "These cuts which were announced without consultation, speeded up by a year without discussion, will weaken our country in the very areas where we must martial our greatest strengths". When the Minister of Finance sat in opposition, he condemned the six and five program as predatory federalism. All of a sudden we find it is not a short-term measure which we implemented some years ago, it is a fact. It is a fact with which the provinces are going to have to live until the end of the decade.

Then there is the commitment made by the Prime Minister on July 26 of 1984 when he said, and I quote:

> A PC Government is committed to respect the federal obligation to fund provincial health care through Established Programs Financing, and make additional funds available to the provinces on a cost shared basis for the establishment or enrichment of programs being most likely to improve the general level of health and limit long-term costs. This determination to be made following a national conference of Health Ministers and health care professionals.

That is what our Prime Minister said in July of 1984. He was committed then but he is not committed now. When I say that this Government has abandoned the people of Atlantic Canada, the evidence is clear and unequivocal.

The equalization payments do not touch each and every province in the same way. We in Atlantic Canada, because of our history, our geography and our small population base, have had to depend upon the federal Government to provide the necessary moneys for the necessity of life. There is nothing wrong with that. There is nothing immoral about providing Canadians in that particular region with the opportunity to have the basic services of life, just as the federal Government has provided, through the John A. Macdonald policy, tariffs and regulations for central Canada. Government after government has provided the Auto Pact for central Canada. The national Government has provided billions upon billions of dollars for the western farmers. All of this is good, Mr. Speaker, and ought not to be denounced, but the Atlantic provinces will feel the cut-backs in transfer payments the most. As parliamentarians we mistakenly think that only provincial Governments will be affected. In fact, we are cutting back on services to people who live in Halifax and to people who reside in Moncton, Shediac, Corner Brook, and Summerside, P.E.I., because their municipalities will have to cut back.

• (1120)

Today on the front page of *The Chronicle Herald* it says: "Municipalities hope to head off 'severe squeeze' ". The President of the Federation of Canadian Municipalities said that he fears municipalities will be the ultimate financial losers as Ottawa goes ahead with plans to cut the level of transfer payments to the provinces beginning early next year.

In a weak economic region like Atlantic Canada the effect of the national Government unilaterally terminating moneys to the citizens will be real, obvious, and immediate. There is no fairness, Mr. Speaker. That is not what the Constitution says under Section 36. Members opposite who were here for the debate on the Constitution will recall what that section says. It talks about equal opportunity for all Canadians, regardless in which region of the country they live. I am ashamed that the national Government is pursuing that route. I am ashamed of the Government Members of Parliament and, from my perspective of, the weakest federal cabinet representation from Atlantic Canada in the history of Canada.

The Government may want to laugh and try to push aside the effect of the role of the national Government, whether in terms of transfer payments or regional economic development. However, I will read a few lines to give Hon. Members a better appreciation. This is what they say:

> The federal Government's presence in the region, along with transfer payments, have also contributed substantially to closing the gap with the national average on a number of fronts in the provision of public services. For example, between 1962 and 1979 the Atlantic provinces moved considerably closer to the national average in health and education expenditures. Newfoundland, for example, now has a per capita education expenditure level within 7 percentage points of the national average. In the health field, its per capita spending moved from 46 per cent of the national average to 81 per cent in the same period.

If those are not clear, unequivocal facts with regard to the importance of transfer payments to the Canadian mosaic, I do not know what is.

It does not stop there, Mr. Speaker. With regard to transportation, Bill C-75 singles out Atlantic Canadians to bear the brunt of cost increases. What about the federal Department of Regional Industrial Expansion? There was a $450 million cut in that Department, and now there is another $2 billion cut-back by the national Government. Where is the equity and fairness? There is no fairness. That is clear and obvious. I could go on with program after program. Housing has been absolutely devastated.

Let me conclude by asking what the Government has done. I opened my remarks by referring to the trickle-down theory of economic for Toronto, Montreal, and Ottawa. The Government has lived up to that. It provided a $500,000 capital gains tax for the wealthy in the country. It provided a $2 billion bonanza for the multinational oil companies. Because of its incompetence, it has provided a $1 billion bonanza for our banks. The Government is going to build a $500 million ship. That, in my view, is a totally wasteful expenditure. The Government has increased taxes for low and middle income Canadians who will be paying an additional $1,500 by 1990. The Government tried but failed, because of the persistence of this Party, to cut the pensions of our senior citizens.

The motion is clear and unequivocal. The facts are clear and unequivocal. The action and lack of action by the Government is clear to the people of Atlantic Canada. The Government has abandoned the people of Atlantic Canada and has not demonstrated any political will to create the jobs and economic opportunities that Canadians have a right to expect.

Mr. Baker: Mr. Speaker, I would like to make a short comment. I must congratulate the hon. gentleman on his speech and on his motion, which reads as follows:

> That this House condemns the Government for its abandonment of the people of Atlantic Canada in its demonstrated lack of the political will to provide jobs and other economic opportunities to the people of that region.

While the Hon. Member was speaking I was thinking about the gross negligence to which he referred. I was informed this morning that the Government of Newfoundland has made representation to the federal Government that it would pay for the mothballing of the Come-by-Chance oil refinery. In a private communication to the federal Government, the Government of Newfoundland said that, if required, the people of Newfoundland will pay the entire cost to the Government of Canada, through Petro-Canada, to mothball that refinery to prevent a contract being awarded by Petro-Canada to scrap it.

The hon. gentleman mentioned the signing of agreements. Under the Atlantic Accord we have only until February 11 to get industrial capacity in place because that is the trigger date for that agreement. We are supposed to see a Bill in the House but we have not seen it or any notice of it. Just imagine the Newfoundland Government having to suggest that it will use the money of Newfoundland taxpayers to mothball a refinery! Petro-Canada has informed the Minister that it does not want to do that but wants to scrap the refinery. In the same proposition communicated privately to the federal Government yesterday the Government of Newfoundland said that it would be willing to buy the refinery if all else fails.

This certainly drives home the point of gross negligence which the Hon. Member made. He said that there has been no responsibility shown by the Government and that there has been a lack of attention. As the hon. gentleman asked, where is the federal representation? Will the Hon. Member tell us where the federal representation is that we are supposed to have from Atlantic Canada?

Mr. Dingwall: Mr. Speaker, I will make a brief comment and then try to answer the Hon. Member's question. He must understand that the national Government is not putting forward its policies by accident, but rather by design. It is very clear what those policies are.

The Government wants the people of Atlantic Canada to migrate out because this is a centralist, elitist Government. The Government wants several communities in the country to form what it believes to be the new Canadian mosaic. People in Newfoundland do not really count as far as the Government is concerned. People in New Brunswick, Nova Scotia, and P.E.I. do not count because such are the social policies of the Government. If you cannot get a job in Atlantic Canada in the private sector, you go to Toronto, Montreal or Ottawa. The policy thrust is to have the people migrate out, and this was designed purposely rather than by accident. Unfortunately, those so-called representatives from Atlantic Canada, whether they be back-bench MPs with very little to say about economic policy, or cabinet Ministers, are not prepared to stand up for our region.

• (1130)

The representation that I condemn has also been condemned by the Nova Scotia Minister of Development, a Tory Minister. He has castigated his federal MPs for not doing their jobs. It could not be any clearer than what came from the First Ministers' conference, that is, that nothing for the region was recommended by those Members in either the November, 1984 statement or the May 23 Budget. There is no representation, none whatsoever, just bodies.

Mr. McCain: Mr. Speaker, I would like to ask the Member why he was not making these representations when he was sitting on the Government side of the House in the presence of two former Premiers from Atlantic Canada and two in the other place. These representations were not made at that time when there should have been competent representation from those Members on that side when they were sitting here. Why did he not mention in his remarks this morning that the payments to various funds benefiting Atlantic Canada were increased in the Budget by $500 million when compared to the Budget presented at the time he sat on the Government side of the House, supported by, we presume, four former Premiers of Atlantic Canada?

Mr. Dingwall: Mr. Speaker, the hon. gentleman might want to review some press clippings and speeches I have made with regard to development in Atlantic Canada.

Mr. McCain: When you were in Government.

Mr. Dingwall: Perhaps he would avail himself of that opportunity if he would like to take the time. As well, I was on the record very clearly when we brought in legislation regarding changes to the Department of Regional Industrial Expansion. I said very clearly, like my colleague from Egmont, that those changes ought to be reviewed on a 12-month basis, and if it is not working, it should be scrapped. That is what we said when we were in the Government. If there were mistakes made in the past to which the Hon. Member has alluded, then for God's sake—

Mr. McCain: You made them.

Mr. Dingwall: —do not make the same mistakes. Two wrongs do not make a right. The Hon. Member cannot have it both ways. He talks about increments in transfer payments.

Mr. McCain: Half a billion.

Mr. Dingwall: Half a billion. That is not going to suit your province, which will have a $17 million cut-back in transfer payments. It will not suit the Province of Nova Scotia, which will have to resort to user-fees in its hospitals and will have to jack up tuition fees in its universities, fees which are already the highest in Canada. It is painfully obvious from the question coming from the Hon. Member that there is no representation on the federal side. That is very clear from the question he raises and from its tone.

Mr. Jardine: Mr. Speaker, I have a brief comment. It is difficult to sit here and listen to the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) make such broad-brush statements on Atlantic Canada.

Mr. Dingwall: They are the facts.

Mr. Jardine: Broad-brush statements. It is very difficult to do so without making reference to my own particular riding. That Member is the spokesman for a Liberal Government which wanted to close Canadian Forces Base Chatham. However, it was this Government, of which I am a member, that saved that base and some 350 jobs. Had that base been closed there would have been a decrease in the population of my riding of some 3,000 people.

He also talks about inaction on the part of this Government of 15 months while overlooking the inaction of his Government, certainly in my riding, for the past 16 years. Over the last 12 months housing starts in my riding have been up 187 per cent. That was unknown in the past 16 years. I could go on and on but I know you want to give the Hon. Member time for rebuttal.

The Acting Speaker (Mr. Paproski): Very short rebuttal, please.

Mr. Dingwall: I guess it is fitting that that Hon. Member at least rises in his place and poses a question.

Mr. Boudria: For the first time.

Mr. Dingwall: Not necessarily the first time, probably the second. However, it is good to have him raise a question. He talks about his constituency but fails to mention it is his Government which refuses to act on the proposal we put forward regarding Renous, New Brunswick. However, I am not suggesting he would like to mislead the House in the broadside he just delivered. It is also particularly fitting for this Member to have asked a question because he wanted to deindex family allowances. It was his Party who was in favour of deindexing senior citizens' pensions. However, is this Hon. Member now standing in his place and saying that the Premier of New Brunswick is wrong when he says the federal Government has cut back on regional economic development and is cutting back on transfer payments? Is that what the Hon. Member is trying to—

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired. Questions and comments are now terminated.

Mr. George Henderson (Egmont): Mr. Speaker, I have looked forward to participating in this debate on the motion put forward by my colleague from Cape Breton-East Richmond.

Mr. Boudria: A very distinguished colleague.

Mr. Henderson: Yes, a very distinguished and articulate colleague. He has certainly pointed out the very severe situation in Atlantic Canada under this Government.

Consideration of this motion condemning the Government for its abandonment of the people of Atlantic Canada is certainly very appropriate given the situation today and what we have seen in the last few months. We in Atlantic Canada of course are fearful of what this Government holds in store for our region. I know some of my Atlantic colleagues on the other side also share our concern because they, too, go back to their ridings and regions on the weekends and I am sure their constituents are telling them exactly what they are telling us.

We in Atlantic Canada are facing a desperate situation. We come from a region which is very rich in history, culture and tradition. We have been proud, of course, of our accomplishments over the last number of years. We are equally proud of our way of life. We are very proud people when it comes to earning a living from the land and the sea. However, we who live in Atlantic Canada have found things extremely difficult in this last year or so. Conservative policies and priorities are not designed to foster prosperity in the Maritime provinces.

We see this Government reacting and responding to the needs of big business. Our area of the country does not have big businesses such as we see in Toronto, Montreal and some of the western provinces. Most of the businesses in our area employ from 3 to a maximum of 200 people, although very few businesses employ 200 people.

• (1140)

The Government's policies do not respect our heritage and life-style. As the Member for Cape Breton-East Richmond (Mr. Dingwall) stated, the Government's policies are likely to shrink our communities and our population. In my opinion, its policies will certainly not enrich our communities.

What does one do if one cannot find a job in one's home town or home province? I assume the Government is telling the young men and young women of this country that they should find a job elsewhere, in Ontario or out West. We went through that syndrome in the 1940s and 1950s. I was one of those who experienced it. I had to leave home at 16 years of age and hitch-hike to Toronto in order to find a job because there were no jobs in my region of my province. If I was able to find a job it was only for $2 a day and I have the documentation to prove it. Furthermore, I was probably more fortunate than many others because I was single male.

While we are obviously not working for $2 a day any more, wages have not improved very much in Atlantic Canada since then. It is not so much a question of money as the fact that there is no way to earn a living.

The private sector in Atlantic Canada is not a dominant force as it is in the rest of Canada. The Government must recognize this fact because it also applies to areas like northern Ontario and parts of the Province of Quebec. Not all of us live in the Mecca of the golden triangle in this country. My friend opposite, the chairman of the Quebec caucus, is nodding his head in approval because he understands what I am trying to say.

Neither was the Province of Alberta always prosperous. I remember working in northern Alberta for very little money in the 1960s. However, at least I could find a job there. That is not the situation today.

As the Member of Parliament for Egmont, I receive many letters from my constituents and meet literally hundreds of people who come to my office looking for jobs. The Government's job creation strategy is not accomplishing what we want in Atlantic Canada. Let me read a letter that I received on November 16 from one of my constituents. It states:

Dear Mr. Henderson,

I am writing you concerning the unemployment problem in our district. I have been unemployed for one year. My U.I. benefits are running out at the end of the month.

I have been looking for work for one year and have not had any results. Most of the feedback I have received is that most of the projects are only for those receiving social assistance and therefore I am not available for work.

This bothers me very much as I am very willing to work and I cannot. I would like to know how you feel about this serious problem in our West Prince district as well as our country, and what else can I do?

I would appreciate if you would answer my letter. Thank you.

Sincerely,
Linda Ellis.

That letter is from Oleary, P.E.I.

That is one example of what is happening in my region. I am glad to see my colleague from the opposite side, the Hon. Member for Cardigan (Mr. Binns), in the House. If we wants to admit it, I am sure he would agree that the situation is the same in his riding. The tobacco farmers were here yesterday demonstrating their plight. The farmers in my province are selling potatoes for 2 cents a pound, which is 3 cents to 3.5 cents a pound below the cost of production.

This weekend I witnessed something which I have never seen in my life. A farmer in my area went to a small general grocery store to deliver potatoes. He took in a 50 pound bag of potatoes for which the grocer paid him $1.20. That is 2 cents a pound, plus 20 cents for the paper bag bearing the name "Product of P.E.I.". That farmer was accompanied by his 9 year old son, who wanted a couple of chocolate bars at the store. The farmer bought the chocolate bars for his son and it cost him $1.20. I believe that puts the situation faced by farmers in this country and in my province into perspective.

The Government must do something about this. We are not here to act on a partisan basis because we must do the very best we can for the people who need the most help. We must point out to the Government that it is not addressing the real issues. It does not understand the plight of the farmer in Prince Edward Island and New Brunswick. It does not understand the employment situation.

Last month unemployment in my province went up two points, from 13.3 per cent to 15.3 per cent. While that is a provincial unemployment rate, I guarantee that the unemployment rate in my riding and in the riding of the Hon. Member

for Cardigan is 30 per cent. There are communities in my riding consisting of 80 or 90 people not one of whom is working. Thankfully, most of them are receiving unemployment insurance. However, the Government is conducting a witch-hunt into the unemployment insurance program. It has a committee that is travelling to Atlantic Canada to discuss the Unemployment Insurance Commission. The Premier of New Brunswick made a statement to that committee and pointed out very clearly what the impact of tampering with UIC regulations would be on Atlantic Canada. The only alternative to UIC in Atlantic Canada would be outright welfare.

What is the purpose behind the Government's policy? I am pleased that two cabinet Ministers from Atlantic Canada are in the House today to listen to our opinions. Since they are in a position of power with the Government, I hope they will attempt to persuade Treasury Board and their cabinet colleagues that we are correct in saying that there is a serious situation in Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland. They are the representatives of Atlantic Canada in a position of power. The Minister of State for Forestry (Mr. Merrithew) was a former cabinet Minister in the New Brunswick Government. He has provincial experience, as I have. He understands the difficulty provincial Governments have when the federal Government tries to cut back on transfer payments. I would like to hear the Minister tell me and tell this House today whether the cut-backs in transfer payments are going to hurt New Brusnwick, as his former Premier has indicated. I challenge him to do so. If he does not say it will hurt, he is not telling the truth, or the Premier of New Brunwisck is not telling the truth. I believe what the Premier of New Brunswick is saying is correct.

• (1150)

I know the Minister of State for Forestry will rise in his place today and state unequivocally that the proposed reduction in transfer payments is nothing more than shifting the tax burden from the federal Government to the provincial Governments and ultimately to the taxpayers of Atlantic Canada who will have to pay more. That is the bottom line. It does not matter to whom you have to pay taxes, it is the amount you have to pay that counts. If the federal Government is not meeting its commitments to the provinces and it is not meeting its commitments through the provinces to the municipalities, then the services Atlantic Canadians receive will have to be taxed, either transferred from the federal Government to the provincial Government or to the municipalities. That is what my colleague, the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) elaborately pointed out earlier.

I come now to cut-backs. In my province, living on an island similar to that of Newfoundland, we have the problem of transportation. We cannot get into our automobiles and drive from Halifax to Vancouver without paying a toll.

It is bad enough for the Government to increase ferry rates to Prince Edward Island, which in turn increases costs in agriculture, fishing and tourism, but these increases hit the ordinary Prince Edward Islander who wants to be part, and is part, of this country. In my opinion, he is discriminated against because that person from Prince Edward Island has to pay to go to Cape Tormentine, New Brunswick or to Pictou, Nova Scotia. Not only are the costs increasing rapidly but the service is deteriorating.

The Government, instead of doing something, changes the name of a Department or of a Crown corporation to make it look as though it were the Government's. CN Marine is now going to be Marine Atlantic, or something like that. It is the same thing. Changing the name will not make any difference. The same charges and the same deterioration in service will occur.

CN Marine has laid off 40 employees just recently. We have cut-backs everywhere we look, a job here and a job there in the Public Service. Atlantic Canadians can no longer stand that. The Government has to get wise, and the two cabinet Ministers sitting over there have to be the ones to make the Government listen.

Some Hon. Members: Hear, hear!

Mr. Henderson: They are the ones, Mr. Speaker. We have only one economic portfolio in Atlantic Canada.

An Hon. Member: Half of one.

Mr. Henderson: Yes, half of one, because it is the Minister of State for Forestry who has a budget under the Minister of Agriculture. I suppose that in some way you cannot really say we do not have at least one economic portfolio.

Here is an area about which something should be done by this Government. Someone has to be around in the corridors of power in order to point out these things clearly and directly to the new Government. It is obvious that the people we face here every day in the few front benches along with the Prime Minister (Mr. Mulroney) and the Deputy Prime Minister (Mr. Nielsen) do not understand what we are trying to get across. They do not understand the plight of the fishermen in Newfoundland, or else they would have put another $100 million into the small craft harbours instead of cutting the fishery budget. If the Government had understood, it would not have abused user fees on agricultural products nor would it have increased gasoline prices and ferry rates or allowed a deterioration in service brought about by the decrease in crossings. The Government should understand what real Atlantic Canadians are thinking and saying.

I can tell you there will be a judgment day, Mr. Speaker, for those Members of Parliament from Atlantic Canada on the Government side, and it may come a lot quicker than they think. I can tell you that the people in Cape Breton, the people in Nova Scotia, including Halifax, and the people of New Brunswick are telling me that they are embarrassed by the kind of representation they are getting here in Ottawa.

The Acting Speaker (Mr. Paproski): I regret but I must advise the Hon. Member that his time has expired.

Mr. Henderson: I could go on, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Yes, I know, but we now have questions and comments.

Mr. Dingwall: Mr. Speaker, I want to compliment the Hon. Member for Egmont (Mr. Henderson) who is the only Member from Prince Edward Island representing Prince Edward Island's interests in this Parliament. Would the Hon. Member avail himself of the opportunity to explain the problem of potato inspection fees? Perhaps he could take a few minutes of our time because it is an important issue.

We have heard in this House from the Member on previous occasions that the added cost of potato inspection fees on Prince Edward Island, in view of the present economic circumstances of that industry, is devastating for Prince Edward Island's potato farmers.

While the Hon. Member is on his feet, would he indicate to the House whether this issue of potato inspection fees is a partisan issue? Or does it transcend Party politics? For instance, does the Premier of Prince Edward Island agree with the principle of potato inspection fees? Would the Hon. Member care to elaborate on those two items?

Mr. Henderson: Mr. Speaker, I want to thank my colleague for his question and remark. First, I must say that the Premier of Prince Edward Island and his Minister of Agriculture have been on record as opposing user fees or inspection fees for potatoes. Indeed, the Legislature of the Province of Prince Edward Island was unanimously opposed to such inspection fees. I cannot however say on a number of issues whether the Province of Prince Edward Island was against some of the other user fees that have been implemented by the Government over the last year or year and a half. Politicians there are the same as we are. Politicians represent people and they should be getting the message.

As far as the provincial Government of Prince Edward Island is concerned, it got a clear message in the recent by-election. People are not happy with its performance inasmuch as two Members from the Liberal Party were elected to represent them. I am not sure whether it was totally as a result of inaction by the Province of Prince Edward Island, or whether it was due to some of the penalties which the federal Government placed on the backs of Prince Edward Islanders. I suspect quite strongly—and this is certainly what the people are telling the provincial Government and me—that the federal Government in Ottawa, which happens to be of the same tripe as that provincial Government, is not listening to Prince Edward Islanders. They certainly must be getting the message.

• (1200)

Mr. Merrithew: Mr. Speaker, I am delighted to meet the challenge of those people who indicated that I would not get to my feet to speak on this particular debate. I certainly welcome the opportunity to correct some of the impressions which have been left in the House. I listened to the sweeping—

Mr. Dingwall: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Minister knows that this is the period for questions and comments. There are still five minutes or six minutes remaining for questions or comments on the Hon. Member's speech. I hope he is not entering into debate at this time.

Mr. Merrithew: No, Mr. Speaker. I am rising to make some comments. I have listened to the sweeping generalizations and the condemnations. One might ask the question: Where were they when their Party was in power in the House? I was on the receiving end of the rancour, hatred and antagonism shown by the previous Government toward all provinces in Canada. I sat through many meetings and I watched the way in which that Government treated the provincial Governments.

Yesterday, I had the privilege of signing, on behalf of the Minister of Regional Industrial Expansion (Mr. Stevens), a $30 million industrial development agreement. In case those Liberal Members do not think that this is very much, the daily newspaper today in New Brunswick indicated that it was $30 million for the New Brunswick industry.

I happened to be the Minister of Commerce and Development when the previous agreement ran out—not last year, not the year before, nor the year before that, but in 1980. As hard as we tried to get the previous Government to sign a new agreement, it refused to do so.

Mr. Mayer: Shame on them.

Mr. Merrithew: The Hon. Member for Egmont (Mr. Henderson) indicated that he was in favour of small business. We in New Brunswick know what small business is all about. We developed the best small industry financial assistance program in Canada. In 1980, the previous Government let it lapse and said: "If you don't like it, lump it". The poor Province of New Brunswick had to pick up the cost of that industrial development program.

Hon. Members have referred to unemployment this morning. Between 1980 and 1984, there was not one net job increase in Atlantic Canada, certainly not in the Province of New Brunswick. At least, in the past year, we have created 14,000 new jobs in the Province of New Brunswick.

Some Hon. Members: Hear, hear!

Mr. Merrithew: Perhaps the Hon. Member should have it drawn to his attention, as was mentioned by the Hon. Member for Northumberland-Miramichi (Mr. Jardine), that Saint John had one of the highest rate of new housing starts in Canada this year.

I do not know how the Liberal Party, that opposition Party, can have the audacity and gall to talk about forestry when it has not had the decency to ask even one question of the Minister of State for Forestry in the House in the past 15 months. When we assumed power 15 months ago, the previous Government had in place about a quarter of a billion dollars in forestry agreements. We now have $1,057 million worth of agreements with the provinces.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): If the Hon. Minister has completed his comments, does he have a question?

Mr. Merrithew: Yes, Mr. Speaker, I have a question. I would like them to comment upon the unemployment figures. Have they read the Statistics Canada figures which were released on Friday, the figures indicating that unemployment was down in New Brunswick? Perhaps the Hon. Member for Egmont could respond to that.

Mr. Henderson: Mr. Speaker, I am going to answer him.

The Acting Speaker (Mr. Paproski): Yes, that is fine. Just one moment, please. I have extended the time by a few minutes for the Hon. Member because of the Minister's comments. I would like to hear every Member from that particular area comment and ask questions, but there are only so many minutes allowed for each Hon. Member.

An Hon. Member: That would be fine, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Not at this moment.

Mr. Henderson: Mr. Speaker, I am extremely pleased to respond to those comments. I am glad that I was able to get the Minister to his feet, because we have not heard a thing from him.

Some Hon. Members: Hear, hear!

Mr. Henderson: As far as asking him a question is concerned, he is really only in charge of the forestry service. My gosh, he is a glorified bureaucrat with a chauffeur; that is all he is.

The Minister referred to the unemployment figures. He should read the latest statistics, which indicate that in new Brunswick unemployment is up and that in Prince Edward Island it is up by two percentage points. Does the Minister read what is going on? What about the CNR lay-offs in the Moncton ships? What is happening there? Is the Minister saying anything about that? His colleagues are trying to get something going. Why is he not fighting the battle for them? He is asleep at the wheel.

The Acting Speaker (Mr. Paproski): The period for questions and comments is now terminated. On debate, the Hon. Minister of Supply and Services (Mr. McInnes).

Mr. Henderson: While the Minister is running around cutting ribbons, I would like him to comment upon the frigate program in Saint John.

The Acting Speaker (Mr. Paproski): Order, please.

Mr. Rodriguez: Mr. Speaker, I rise on a point of order. When we started the debate this morning, the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) stood, and the Conservatives were asleep at the switch. The Hon. Member from Charlottetown was not on his feet; he was sitting on his fanny. I think the Chair should recognize someone in this Party—

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member will be recognized following the Minister of Supply and Services (Mr. McInnes).

Hon. Stewart McInnes (Minister of Supply and Services): Mr. Speaker, I am absolutely delighted to enter into this debate.

Mr. Nunziata: It is about time.

Mr. McInnes: This is the first opportunity. I am also delighted to associate myself with the remarks of the Minister of State for Forestry (Mr. Merrithew). He is the first Minister responsible for forestry in the Government of Canada in 20 years in recognition of the fact that forestry is the number one industry and a major employer in Canada. I cannot understand where our friends opposite were when they were in a position to appoint a Minister responsible for forestry.

Mr. Merrithew: It was neglected.

Mr. McInnes: Yes, it was a resource which was neglected for far too long.

Mr. Tobin: He is a Minister of State who works for John Wise.

Mr. Dingwall: He is a phantom; he is here but he is not all there.

Mr. McInnes: Our Government is ensuring that this very valuable resource will receive the detailed attention which it deserves.

Mr. Nunziata: The lights are on but nobody is home.

The Acting Speaker (Mr. Paproski): Order, please. If there are questions and comments, Hon. Members can wait until after the Minister has finished.

Mr. Tobin: Mr. Speaker, I rise on a point of order. In the interest of keeping the record straight—and we want to listen carefully to what the Minister is saying—would he please refer to the Minister by his proper title, which is Minister of State reporting to the Minister of Agriculture (Mr. Wise)?

The Acting Speaker (Mr. Paproski): I do not think that is a point of order, but go ahead.

Mr. McInnes: I must confess, at the outset, that I will not be able to shout as loudly as my friend from Cape Breton-East Richmond. However, I hope the quality of my remarks will testify to the attitude and performance of the Government of the last 14 years, relative to the motion before the House.

I am very pleased to note that the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) has finally come out of the bottle. It is as though he has been encapsulated for the period of time he has been sitting in Parliament. Let the record show that he was a Parliamentary Secretary in the previous Government. I made inquiries as to the volume and effectiveness of any arguments which he advanced. Did he advance

those particular suggestions to his colleagues when they had the opportunity to act?

• (1210)

Mr. Tobin: All the time.

Mr. McInnes: I can only conclude that that was not the case because the evidence indicates that the Hon. Member and his colleagues indeed failed Atlantic Canada. Albeit there were two temporary interruptions, we are left with the result of 23 years of mismanagement, neglect and abdication of responsibility by those who had the opportunity to do something.

The way our friends used to deal with the problems in Atlantic Canada was pretty much the way they dealt with problems in the rest of Canada. That is what the people of Canada rejected in 1984. The people said that they had had enough.

In the olden days, when we were nearing election time our friends would say that they would initiate programs to help Canadians and Atlantic Canadians. What did they do? They threw some money here, they threw some money there, they painted pretty pictures and they built some buildings. However, what did they do for the long-term viability of Atlantic Canada? Nothing, Mr. Speaker. The situation today is that Nova Scotia and New Brunswick are 80 per cent dependent on Government revenues. Prince Edward Island and Newfoundland are 90 per cent dependent on government revenues. For 23 years, there was an erosion of the creativity, willingness, capital and dedication required to make Atlantic Canada a full partner in Confederation. This was not always so.

At the time of Confederation, as the Minister of State for Forestry will know, New Brunswick and Nova Scotia were two of the wealthiest provinces in Canada. Nova Scotia was the fourth largest trading partner in all of the world. What has happened since that time? There has been an abdication of responsibility on the part of the Government. There has been an erosion in the climate necessary to encourage private capital in Atlantic Canada, private capital that would create jobs and make manufacturing industries available in order to sustain long-term growth.

In 1984, the new Government decided that the *ad hoc* policies of our friends had obviously not done the job. In 1983-84, the federal Government awarded 29 federal grants to the Province of Nova Scotia. I would like to tell the House of the way those grants were administered in Nova Scotia. Of those 29 grants, 23 were given to the Cape Breton riding represented by the then Deputy Prime Minister. Every single one of those 23 grants went to the particular town in which he resided.

What was the reaction of the people of Canada to that? They said: "Thank you very much, we appreciated your effort, but you have done nothing for us. What have we got to show for it? What manufacturing industries do we have which will produce jobs for the long term? What infrastructure have you created which will minimize the everlasting, long-term, predicted unemployment rate to which we have been subjected?" The people asked where the grants were for Yarmouth, Bridgewater, Guysborough and Amherst. There were none. They all went to the riding of the then Deputy Prime Minister, obviously to no avail.

Mr. Tobin: That's untrue.

Mr. McInnes: I forgot. The riding of my friend, the Hon. Member for Cape Breton East Richmond, also received two of the 29 grants, and the other four were given to other parts of the province.

My friend is berating this Government because in 14 months it has not waved the magic wand and created 100 per cent employment. That is not our objective. The Government could create many more jobs overnight by throwing away money for three-week, six-week and 12-week projects as did the former Government. However, at the end of those periods of time to which those particular programs were directed, the people would be back on the dole. That is the reason for the captivity to subsidies which forms part of Atlantic Canada.

I would emphasize that Atlanticc Canada is absolutely dependent on Government revenues. Because of that, the people of Canada said: "No more, you have to try something else". Indeed, that is what this Government has undertaken. The objective statistics are there to show that the proof is in the pudding.

Interest rates are down 3 per cent. Investment intentions are up by 22 per cent and in Atlantic Canada they are up by 14 per cent. The unemployment rate is down by 1 per cent and the employment rate is up by 3 per cent. When there are 53 per cent more housing starts this year than last, when retail purchases are up by 27 per cent and when small businesses in Nova Scotia indicate that they are going to make 24 per cent more capital expenditures than they did last year and create 42 per cent more jobs in the next year, that is an indication that the people have adopted the policies of the Government, policies on which they can rely because they know that they will not be changed in the middle of the game. The people recognize that we are creating a climate of confidence in order to induce investors, not only from the Atlantic provinces but from all over, to invest in Canada.

We in the Atlantic provinces recognize that some of our very best employers and indeed some of our finest corporate citizens are from other lands. In Nova Scotia, Michelin is the largest employer. Nova Scotia Forest Industries and Bowater Mersey are good corporate citizens in Nova Scotia. In New Brunswick, there is St. Anne-Nackawic, the pulp mill, and in Prince Edward Island there is Usen Fisheries Ltd. These are just a few examples of the employment records of some of our fine corporate citizens. There have been too few citizens of that kind from foreign lands investing in Canada, and more particularly in Atlantic Canada, in the past number of years. This has been because of the National Energy Program and the Foreign Investment Review Agency.

We in Atlantic Canada welcome investors from other lands. Because we have done away with the FIRA and NEP legislation, which was inimical to the wellbeing of our area, we can

recognize that we have had large and very substantial increases in inquiries into the possibilities which exist in the Atlantic provinces. We recognize that there are no quick fixes to 23 years of Liberal mismanagement.

We recognize that in order to ensure our long-term credibility and viability, a new approach is required. That is what we have undertaken to do. The budget measures announced by the Minister of Finance (Mr. Wilson) last May as well as the amendments and comments he has made from time to time indicate that the entrepreneurial spirit will be the driving force in Canada and particularly in Atlantic Canada. Small business will be encouraged by the $500,000 capital gains tax exemption.

It comes to mind very quickly that there was a notable deficiency in the remarks made by my friend, the Hon. Member for Cape Breton-East Richmond. He spoke about all of Atlantic Canada but he neglected to mention one geographical location. I refer to his own riding and the constituencies in the area of Cape Breton. There we have undertaken the most daring initiatives which have ever been undertaken by any Government in Canada to encourage industry to invest. The tax havens and the incentives which have been put in place there have compelled and attracted more inquiries for one geographical area in six months with regard to investment possibilities and employment opportunities than in any other area of Canada. Indeed, some of the results have already been shown. We are not very happy with what has occurred in that area today. It takes a long time for a company to determine what possibilities are available, what financing is available and what the strength of the labour force is.

● (1220)

People always ask the question: "What about the people?" What this Government is saying is that we believe in people. Canada is not just woods, forests and mountains; it is all of that, and we are blessed with those resources. However, Canada is people. My colleague, the Minister of State for Forestry, other Atlantic Ministers, all our colleagues and I myself can testify and say to the House that we believe in equality in capability and the entrepreneurial spirit of Atlantic Canadians. We know that they can take the opportunities which we are presenting to them and that they will capitalize on them over the long term to the benefit of all Atlantic Canada.

The Hon. Member opposite has come out of the bottle after seven years in the House on behalf of Atlantic Canada, after having sat on this side and after having failed to do something when he was in an ostensible position of influence. We say to the House that we recognize that, given the opportunity, Atlantic Canadians can respond. We will reduce their dependency from 80 per cent and 90 per cent to something approximating the national average. It is a matter of the entitlement of Atlantic Canada to participing fully in Confederation on an equal level. I am not speaking of doing this through subsidies, unemployment insurance or welfare. Atlantic Canadians are proud. They recognize that they have the brains, and have been obliged to export them because there has been a lack of incentives. There has not been the opportunity to create possibilities in Atlantic Canada because the former Government and those Hon. Members opposite who have spoken this morning failed to respond when the need was so apparent.

I would now like to deal more particularly with what has happened in some of the Atlantic provinces. I have spoken of the general situation. However, in order to ensure that the entrepreneurial spirit and private sector employment will take place, we have fertilized the climate in these particular provinces and we have put in place certain programs. Obviously, there will be a tremendous increase in employment opportunities in Newfoundland in terms of the offshore. There will be opportunities in Nova Scotia as a result of the new frontier policies which were recently announced by the Minister of Energy, Mines and Resources (Miss Carney). The Government of Newfoundland almost seceded from Confederation when it endeavoured time after time and year after year to secure an agreement with the federal Government relative to the resources which so rightly belong to it. In less than one year in office this Government consummated an agreement to ensure that the resources and the employment opportunities will stay with Newfoundland. We have said: "It is yours". Plans are now under way to fulfil that mission.

In addition to that, a $300 million development fund has been given to the Province of Newfoundland in order to enhance its employment opportunities and in order to bring its oil and gas on shore. In addition, in Newfoundland, there was an injection of $93 million into Fishery Products International for the purpose of putting it on a competitive basis and ensuring its long-term viability. That was a grant of funds by this Government to a company in a province which is deserving. Given the five-year plan which was before us, we have been enassured that it will be able to compete on a national and international level and that the subsidies which have been given to it year after year will be reduced and new wealth will be created in the province. Indeed, it will be the mission in the long-term objective of Newfoundlanders and, indeed, of all Atlantic Canadians, to pay more taxes. They want to pay income tax because that means they are enjoying prosperity. That is the opportunity we wish to give them.

Only this week in Cape Breton my colleague, the Minister of Regional Industrial Expansion (Mr. Stevens), announced a new Cape Breton Enterprise Development Agency. We have given a tax holiday and tax incentives to Cape Breton, but in order to ensure that opportunities are promulgated and made known to all Canadians and other investors from other lands, this particular agency has been given a mandate of $25 million to ensure that the world knows of the possibilities for this particular area. Up to this time there has been some difficulty in knowing what was available by way of Government programs because such a mish-mash of relief and assistance had been advanced over the past few years that no one really knew what was available at any particular time to any particular investor. Thus, one-stop shopping has been created by the establishment of this particular agency.

I now wish to talk about small business.

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Minister, but his time has expired. We are now into the time for questions and comments. I would like to recognize the Hon. Member for Cardigan (Mr. Binns), the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin), the Hon. Member for Ottawa-Carleton (Mr. Turner) and the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall). Will Hon. Members please govern themselves accordingly. The Hon. Member for Cardigan (Mr. Binns) has the floor.

Mr. Binns: Mr. Speaker, it is certainly nice to hear the truth from the Hon. Minister from Halifax instead of the sweeping generalizations of questionable fact as put forward by the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall). I appreciate the remarks which the Minister has made in regard to the labour force and the increasing number of people working in Atlantic Canada as opposed to the suggestions made by the Hon. Member opposite with respect to migration from eastern Canada. I am not surprised that he speaks in terms of migration and in terms of abandonment, because no one in this House knows more about abandonment than the Hon. Member's Party. That was clearly demonstrated, of course, not so much in Atlantic Canada, but in western Canada over the last few years of the Hon. Member's Government when it abandoned the people of western Canada and forced them to move to places such as Saudi Arabia, South America and so on.

I wish to make the point that the former Government certainly abandoned many Canadians. I think the Minister may agree with me when I say that our Government has continued to encourage ecnomic development, job creation and the promotion of the general well-being of the people of Atlantic Canada. In fact, if we look at a few statistics—and I hate to bore the House with statistics—we find they speak for themselves. In July of this year the labour force in Prince Edward Island totalled 64,000. It was at an all-time high. It was up by 3,000 persons over the previous year. In the month before, it was up by 3,000 over the previous year as well. In May, it was up by 5,000 over the previous year. It was up by 4,000 in April, 5,000 in March, 4,000 in February and 3,000 in January. So, indeed, there has not been an outright migration. I wonder if the Minister can confirm that that same kind of economic resurgence is occurring in other areas in Atlantic Canada?

● (1230)

Mr. McInnes: Mr. Speaker, I certainly can. I want to say that the positive economic statistics which were spoken about by my friend can be partly attributed to some of the following programs. Under the Small Business Loans Act, this Government has awarded 3,186 loans to various firms in the four Atlantic provinces, for a total amount in excess of $98 million. Under the Industrial and Regional Development Program, there have ben 209 grants which total in excess of $88 million. Under the ERDA agreements, there have been nine agreements in Newfoundland for a total of $235 million. In Prince Edward Island, there have been 12 agreements for a total of $103 million in federal contributions. In Nova Scotia, there have been eight agreements for a total of $140 million. In New Brunswick, there have been eight agreements for a total of $195 million. That comes to 37 agreements for a total of $673.3 million in federal contribution, and yet my friend opposite says we have abandoned Atlantic Canada.

Mr. Tobin: Mr. Speaker, it is tragic to realize that one can take a rookie Member of Parliament, give him a car and a chauffeur, and call him a Minister. He arrives in this Chamber and begins to sound like the perennial parrot repeating the lines written by the bureaucracy which represents the interests and the market-place mentality being put forward as by this administration. That is not only tragic, it is disappointing when one listens to responsible voices in Atlantic Canada, including the voices of—I nearly choke on the words—four Progressive Conservative Premiers now elected in Atlantic Canada to the Chamber of Commerce to the Transportation Commission and to the Economic Council of the Atlantic provinces. We listen to all those voices commenting on the direction taken by this Government in abandoning the regional development policy and abandoning the tools which allow an area of high disparity to develop. After listening to those words, the Minister opposite appears to be like a speck in a snowstorm, blowing against the wind and, like a speck in a snowstorm, I predict he shall be buried come the next election.

In prefacing my question, I want to say to the Minister that Hon. Members on this side are not asking today that a magic wand be waved and that A.B.C. directives be followed and all will be well, prosperous and floating in the fat of the land. As the Minister said, it is not that simple and it is not what we are suggesting. Hon. Members opposite, by the way, Mr. Speaker, are not suggesting we were floating in the fat of the land previous to the last election. We understand and recognize we were not. We do not make any other case. What we are saying is that there is the philosophy that everyone, no matter where he or she lives in this country, has a right at least to equal opportunity—and only opportunity and not guarantees—to develop their full potential, and that those kind of programs which provided access to opportunity ought not to be destroyed. That is what we are saying and the Minister has failed to come to grips with that.

Could the Minister tell us whether he has heard the voice of the Premier of Newfoundland, Premier Peckford, a Progressive Conservative; the voice of Premier Lee of Prince Edward Island, a Progressive Conservative; the voice of Premier Hatfield of New Brunswick, a Progressive Conservative, and the voice of Premier Buchanan of Nova Scotia, a Progressive Conservative, all of whom have said that the projected cuts in transfer payments are in essence a transfer of the federal deficit on to the backs of provincial Governments? And if that occurs, as the Minister of Finance (Mr. Wilson) insists that it will, we are going to see a reduction in education, which provides our young people with the ability to go out and compete in the market-place, and hospital care for our people.

Has the Minister heard these voices? Is he making their case in Cabinet? Does the Minister accept the reasoning that the cut-backs being proposed will ultimately send Atlantic Canada on a treadmill into the past rather than being able to march confidently into the future?

Mr. McInnes: Mr. Speaker, I am happy to respond. I would suggest to Hon. Members that an increase in federal transfer payments of $25 billion over the next five years will very adequately pay for any demand for hospital and educational services.

Mr. Tobin: There is a cut in transfer payments.

Mr. McInnes: In my own particular Department of Supply and Services, in order to ensure that Atlantic Canadians prosper, the Government is going to spend an additional $50 million in Atlantic Canada in the ensuing year. We have also undertaken a program of education so that small business—which is where the opportunity is in our province—

Mr. Tobin: Point of order, Mr. Speaker—

Mr. McInnes: We are allowing small business the opportunity—

Mr. Tobin: Mr. Speaker, if this process is going to be worth-while, the Minister ought to answer the question about transfer payments.

The Acting Speaker (Mr. Paproski): That is debate. The Hon. Minister of Supply and Services has the floor.

Mr. McInnes: What I am saying, Mr. Speaker, given the opportunity for our policies to work, the requirement for transfer payments will be mitigated, given time. We are going about the Atlantic provinces, as indeed we are in other parts of Canada, with programs on how to do business with the federal Government in order to ensure that small business, which is the essence of Atlantic Canada, has the opportunity to participate. That program has started and will accelerate over the next year.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I would like to congratulate the new, so-called "rookie", Member of Parliament for Halifax (Mr. McInnes), the new Minister of Supply and Services, because he is showing good leadership and good fiscal management in his new portfolio. I wish him continued success.

What the Minister did not point out is that we are again talking to the provinces. The various Departments of the federal Government have met consistently and regularly with their counterparts in Atlantic Canada, more so than the Liberals ever did. The Liberals totally ignored Atlantic Canada for decades.

The Canadian Federation of Independent Business recently released statistics from a survey it did of its 750,000 members concerning the capital gains exemption of $.5 million which will encourage investment to diversify the economy. The CFIB survey showed that as a result of this, more than 55 per cent of small business owners are likely to expand their operations; 20 per cent would start a new firm; 16 per cent would buy another firm and 24 per cent would invest in someone else's business. Does the Minister of Supply and Services not feel that this is contributing to a new level of confidence in Atlantic Canada?

Mr. McInnes: Mr. Speaker, I think that is corroboration, testimony to and further evidence of the fact that the policies started by this Government 14 months ago are indeed working. Every month when Statistics Canada brings forth the economic indicators, we see that everything that should be up is up and everything that should be down is down. Bankruptcies are down, inflation is down and employment is up. Investment opportunities are up. Everything is up. The Minister from Cape Breton-East Richmond will know that in Nova Scotia small business intends to hire 24 per cent more people this year than it did last year.

• (1240)

The Acting Speaker (Mr. Paproski): Order, please. I will allow a short question by the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall).

Mr. Dingwall: The Hon. Minister is wrong. I did mention my constituency. I did talk about Cape Breton in my opening remarks. Second, I have not been a Member of Parliament for seven years. Third, I am not a Minister, I am the Member of Parliament for Cape Breton-East Richmond.

My question is this. Does the Minister agree or disagree with the Premier of New Brunswick when he says unequivocally that unilateral cut-backs in transfer payments will cause New Brunswick to implement user fees or higher tuition fees? Does he agree or disagree?

Mr. McInnes: I was present at the First Ministers' conference, and all the Premiers, in varying degrees, commented on the transfer payments. The feeling was about fifty-fifty, a matter of degree. Some were more strident. The essence of all the comments was: Would you entertain continuing transfers at the same level for a year? When they received the explanation from the Prime Minister (Mr. Mulroney) that in our current circumstances we were not able to do so, that was accepted. There is now a spirit of co-operation and consultation and we will continue to consult.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, one of the changes in the way we debate was that after speeches of 20 minutes we have a 10-minute question and answer period. I want to tell you that one of the phoniest exercise we have is when a regressive Conservative gets up and asks Ministers all sorts of nice pat and puffy questions so he can blow his horn. He says unemployment is down, bankruptcies are down. Well, in the Gallup polls the Tories are down, and you are going to go lower, brother.

Mr. Turner (Ottawa-Carleton): I rise on a point of order, Mr. Speaker. I am not a regressive Tory, I am a Progressive Tory.

The Acting Speaker (Mr. Paproski): That is not a point of order. The Hon. Member for Nickel Belt (Mr. Rodriguez) has the floor.

Mr. Rodriguez: Mr. Speaker, some would say Progressive Tory is a contradiction in terms. The two are mutually exclusive.

I listened to the Minister of State for Forestry (Mr. Merrithew) and he sounded so much as if we were back in 1972, 1973 and 1974 when the Liberals were sitting over there and the Conservatives were sitting in opposition. The Conservatives were raising the same sort of questions about Atlantic Canada, and members of the Liberal Government were getting up and thumping themselves on the back, breaking their wrists over what a great job they were doing in Atlantic Canada.

Mr. Mayer: And you were sitting there with the Liberals in 1972.

Mr. Rodriguez: To hear the Tories today you would think they just discovered Atlantic Canada.

I thought I would participate in this debate because whenever I go to Atlantic Canada I feel very much at home. Atlantic Canada is much like the area I come from. It is very much like northern Ontario. We, just as in Atlantic Canada, have developed from the exploitation of our resources, fishing, mining and forestry. One thing we do not have in northern Ontario is agriculture, but to an extent we are very similar. We in northern Ontario feel the same way Atlantic Canadians feel about their place in the sun called Canada, their role in helping to develop this great nation. In other words, we feel we have been short-changed.

I know Atlantic Canadians are getting the impression, if they do not have it already, that they are not participating fully in the development of our country. We see southern Ontario as the ace in the deck of cards. All our resources are taken out of the ground and the trees are cut down and sent to southern Ontario to be finished. There is little or no manufacturing at all in our area. All of the research and development and manufacturing takes place in the southern part of this province. Having watched this for some time I feel it was a deliberate strategy in developing the southern part of the province. For Atlantic Canada it would be central Canada which is being developed at the expense of the hinterland. Indeed, things like freight rates were put in place by Government fiat, and they discriminate against those two parts of the country, Atlantic Canada and northern Ontario. It locks us into forever being hewers of wood and drawers of water. We have not eliminated these trade barriers and hinderances.

I will give you the specific example, Mr. Speaker, of the steel industry. As far as I know there are no iron ore deposits in southern Ontario. They are in the North. The iron ore is mined and shipped to southern Ontario. Bill Davis built Nanticoke, a brand-new operation, to finish steel. Why was that not done where the ore was mined? I suspect the same thing has happened in Cape Breton. That part of the country was sacrificed to develop the steel industry in the Hamilton area. This is all the design of the past. Fish were caught and shipped to the United States to be processed and canned there. The value of secondary processing was added there. All the people in Newfoundland were good for, under the old structure, was to catch the fish, gut them, cut off their heads and tails and ship them south. Then we have the forestry. What a scandal! There was never any plan or program for harvesting the forests of Atlantic Canada and northern Ontario. The only plan was to cut them down as quickly as you can and ship them out. As a result, there were serious problems in New Brunswick with the spring run-off where the trees had been cut. There was no program to plant a tree where a tree was cut. When the people concerned discovered the disaster, they turned to both the provincial and the federal Governments for money to replant trees.

Much has been made of unemployment figures. I want to put some unemployment figures on the record which came out of Statistics Canada last Friday. The national unemployment rate is 10.2 per cent. The adjusted figure in Newfoundland is 19.6 per cent, the same as the previous month. In Nova Scotia it is 13.5 per cent, up by .4 per cent from the previous month. In New Brunswick it is 15.2 per cent, up by .2 per cent. In Prince Edward Island it is 15.3 per cent, up by 2 per cent from the previous month. This did not happen overnight. This is the result of years of attention and concern by both provincial and federal Governments to make sure that the economies of those provinces were developed with the best interests of the people at heart. But often times, and we can look at history, it was the Governments of those provinces which sold the people out. They were amply aided and abetted by the federal Government. The history is clear. Look at Joey Smallwood's performance in Newfoundland. He ripped the resources out of the ground and sold them out. He had no concern for the health and safety of the people. I went to the little town of St. Lawrence in Newfoundland. In the graveyard one sees the results of the lack of concern by a provincial Government for the occupational health and safety of the folks. The federal Government gave a company concessions to exploit that resource with no concern for the people. Members in the House should hang their heads in shame.

• (1250)

I know that my good friends on the Liberal benches are sincere folks, but federal Liberal Governments and provincial Conservative and Liberal Governments should hang their heads in shame. Is Joey Smallwood's resettlement plan to move everyone in from the outports so different from what Donald Macdonald is saying in his latest report? He says that we should give them relocation grants to move them out. He is an up-dated Joey Smallwood. That is the mentality. They do that instead of tackling the problem.

I would like to put a shocking statistic on the record. Income per capita in Newfoundland is 65.3 per cent of the national

average. In Prince Edward Island it is 67.9 per cent, in Nova Scotia it is 78.5 per cent, and in New Brunswick it is 71.8 per cent. The earned income per capita as a percentage of the national average is 59.2 per cent in Newfoundland, 60 per cent in Prince Edward Island, 74.1 per cent in Nova Scotia, and 65.4 per cent in New Brunswick. This is a most shocking statistic which speaks volumes of provincial and federal Government in action.

Unemployment insurance payments per capita as a percentage of the national average are 260 per cent in Newfoundland, 216 per cent in Prince Edward Island, 141 per cent in Nova Scotia, and 205 per cent in New Brunswick. Individual subsidies per capita are 190 per cent of the national average in Newfoundland, 233 per cent in Prince Edward Island, 295 per cent in Nova Scotia, and 295 per cent in New Brunswick.

All that did not happen in 14 months, as the motion of my hon. friend, the Member for Cape Breton-East Richmond (Mr. Dingwall), would suggest in its political thrust. It did not happen in 14 months of Conservative rule. It happened in over 100 years of provincial and federal Conservative and Liberal rule. That is the reality. I do not think that the Government has yet recognized that Canada is diverse. It says it in all its rhetoric, but I do not think it has really impinged on its consciousness that this is indeed a diverse country, not only geographically, but in its human and natural resources as well.

As I watched the implementation of DREE and its conversion to DRIE I had the impression that the thinking was that a federal policy or program should apply equally to all parts of the country and that all the decisions have to be made in Ottawa. It has not occurred to the Government that there is something called "decentralization". It did not occur to Governments of the past, nor has it occurred to the present Government, that there is a thing called "economic planning". I know that to many of these Conservatives the words "economic planning" are an anathema. However, it seems to me that Atlantic Canada is now reaping the harvest of the lack of economic planning or economic strategizing of the last 100 years. The Government has always followed a "top down" approach. You throw a few dollars at the top and let it trickle down.

DREE was developed by a Liberal Government specifically for Atlantic Canada to try to implant some secondary manufacturing industries. As demands on the federal Budget grew, DREE started to diminish. I would like to give my hon. friends some figures which I got from a speech given by the Chairman of the Atlantic Provinces Economic Council. He pointed out that in 1972 DREE expenditures were 67 per cent of UI payments and that by 1982 the reduced DREE expenditures were 10 per cent of the UI payments. In other words, unemployment was becoming a far greater industry than anything that DREE could create.

The Government is now contemplating changes from a central position which will only exacerbate an already serious situation. One example is the changes to the Unemployment Insurance Act. They do not take into consideration the fact that fishermen in Newfoundland are hardly likely to get 20 weeks of insured earnings this year.

Mr. Tobin: Ten.

Mr. Rodriguez: They are lucky if they get ten. We have heard of the heart-rending situation of the gentleman who gave up his kidney to his sister and could not qualify for the 15 weeks of sick benefits. I sat in the House in 1978 when the Liberals were trying to amend the Unemployment Insurance Act. They had all sorts of reports that said employment was great in Atlantic Canada. They were going to cut back on part-time workers. I remember that we fought that tooth and nail, but they got their way. The pot cannot call the kettle black here, Mr. Speaker.

Another change that is coming is the attack on the deficit. One of the greatest transfers of money is the transfer payments to provincial Governments through subsidies. May I call it one o'clock, Mr. Speaker?

The Acting Speaker (Mr. Paproski): The Hon. Member will have two minutes remaining in his speech plus a ten-minute question and comment period.

It being one o'clock, I do now leave the Chair until two o'clock today.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 22

[*English*]

AGRICULTURE

STATE OF ECONOMY IN PRINCE EDWARD ISLAND

Mr. George Henderson (Egmont): "Prince Edward Island and Atlantic Canada agriculture and business alike will die a natural death unless we can change the philosophy of our federal politicians and bureaucrats". That warning came from the President of the P.E.I. Federation of Agriculture last spring.

We have only to look at the Island's potato and tobacco industry to see the truth in these words. The potato industry has hit rock bottom. Prices are low and there are no buyers. Even if farmers could sell their crops, it is hardly worth it. Farmers are getting between 1.5 cents and 2 cents a pound for their potatoes. The cost of production is between 5 cents and 6 cents a pound. Who can afford to stay in business with those returns?

The future of our primary producers is bleak. Farmers who have never owed a cent in their lives now tell me that they cannot even pay their bills. They are in serious trouble and in danger of losing their farms.

We grow the best seed potatoes in the world but we cannot even sell those. Our marketing techniques are outdated. The Europeans are capturing all of our markets.

How does the Government respond to this depressing situation? It hits them when they are down, with inspection fees, increased fuel prices, and a user pay policy.

This country needs a policy that shows respect for our primary producers. We do not need a policy that puts them out of business. We need to beef up our marketing techniques. Farmers need national marketing boards to guarantee them at least the cost of production. The Government must act immediately.

The family farm is disappearing, farmers are going bankrupt, and the Government is doing nothing about it.

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APARTHEID

SOUTH AFRICA—CANADIAN UNIVERSITY INVESTMENTS

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, today we celebrate the 37th anniversary of the Universal Declaration of Human Rights. Thus it seems an appropriate time to reflect briefly upon the referenda being held on university campuses on disinvestment of pension funds in South Africa.

I am shocked that members of some university faculty associations, faced with the moral choice, have determined to settle the matter by referendum. On reflection, however, I should not be surprised. The issue of apartheid is not whether it kills and oppresses millions only because of the colour of their skin. It is essentially whether there exists the moral fortitude to reject the perpetuation of the moral equivalent of slavery when what is at stake is corporate or individual financial gain.

Doubtless there will be those who find solace in the argument that sanctions such as disinvestment will hurt blacks more than comfortable profitable neutrality. They will have few qualms in disregarding the assertion by leaders of the front line states or by 73 per cent of black South Africans that sanctions, including disinvestment, will damage them less than the other sacrifices demanded by the fight for freedom.

There is no moral dilemma. It is a question of justice for others or profit for oneself. The moral choice is clear. The ultimate victory of the oppressed is assured. They who value profits over human justice will ultimately lose, not only virtue, but profits.

S.O. 22

[*Translation*]

INCOME TAX

INTRODUCTION OF MINIMUM TAX

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, this Government is keeping a major campaign promise by introducing a minimum personal income tax effective January 1, 1986. This measure is another key element of our economic renewal program. In fact, this formula reflects, in a very sensible and effective way, the principle of equity on which our economic policy is based. Its purpose is to ensure that every year, high income Canadians bear their fair share of the tax burden.

This minimum tax on the rich is aimed at taxpayers with very high incomes, who will no longer be able to escape paying income tax, and at large corporations that will no longer get tax rebates upon the sale of assets. This reform of the tax system will make the system more equitable and provide for stronger economic growth.

The Bill presented by the Minister of Finance (Mr. Wilson) is aimed at closing a tax loophole that made it possible for thousands of citizens well versed in the art of claiming tax deductions to avoid paying income tax.

The Government is also aware that existing tax incentives were introduced for valid economic and social reasons. Consequently, Mr. Speaker, the minimum tax will have a carry-forward mechanism to ensure that the value of tax incentive deductions and credit is not lost.

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[*English*]

HUMAN RIGHTS

CALL FOR APPLICATION TO BALTIC STATES AND UKRAINE

Mr. Alan Redway (York East): Mr. Speaker, 40 years ago the Baltic states of Latvia, Estonia, and Lithuania were annexed by the Soviet Union.

Three years later and 37 years ago today, on December 10, 1948, the General Assembly of the United Nations unanimously adopted the Universal Declaration of Human Rights. That Declaration calls upon all of the United Nations member states, including the Soviet Union, to guarantee to every human being freedom of opinion and expression; freedom of thought, conscience and religion; freedom from torture or cruel or degrading treatment of punishment; freedom of movement; freedom from arbitrary arrest and detention; right to a fair trial; the right to a public hearing by an independent and impartial tribunal; the right to be presumed innocent until proven guilty, and the right to a nationality.

• (1405)

Thirty-seven years later the people of Latvia, Estonia, and Lithuania and the people of the Ukraine are still waiting for

the restoration of those rights and freedoms. Canada has spoken out and acted strongly on behalf of human rights in South Africa. We must speak and act just as strongly on behalf of human rights in eastern Europe.

* * *

ENERGY

DELAY IN SIGNING AGREEMENT WITH NOVA SCOTIA

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, on March 28, 1985, the Minister of Energy signed away billions of dollars to the oil compagnies. After accomplishing that task, she said that a new agreement with Nova Scotia was "next on her agenda". She needed, however, "a weekend to rest". It is now December 10 and there is still no deal. Nova Scotia's Energy Minister now says that the deal will not be ready until the new year. It sure has been one long weekend.

Why is it taking so long to sign a deal with Nova Scotia? Maybe it is because of what the federal Energy Minister's policies have done to Nova Scotia. Thanks to the new policies there is only rig operating off the coast of Nova Scotia. There were nine last year.

John Beddome, President of Dome Petroleum, says the new policy means a gain in western Canada but: "It comes at the expense of Nova Scotia's hopes for its Venture project at Sable Island."

Allan Ruffman, Vice-President of Geomarine Associates Limited, says that oil and gas activity off Nova Scotia will be cut in half in 1986, following a steep reduction this year.

Informetrica predicts "meagre growth for Nova Scotia's economy" this year.

Perhaps one of the stumbling blocks in signing the deal is just how to compensate Nova Scotia for the revenues lost compared to its 1982 deal with the former Government. But how do you compensate for completely destroying oil and gas activity off the coast of Nova Scotia, Mr. Speaker? The Minister may need a few more weekends to think about it.

* * *

GOVERNMENT EXPENDITURES

REMUNERATION OF FORMER ENERGY CHIEF OF STAFF

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I was flabbergasted this morning, as I am sure were many of my colleagues, when we learned that the Minister of Energy, Mines and Resources, the Hon. Member for Vancouver Centre (Miss Carney), has been using the taxpayers' money to pay members of her staff salaries well above the levels set down by the Treasury Board.

The Minister of Energy, Mines and Resources paid Mr. Harry Near $50,000 for only four months work as her Chief of Staff last year. On an annual basis, this works out to $150,000. Mr. Near's contract was extended for an additional two months, for which he picked up the tidy sum of $22,000. Outrageous, you say! Incredible! But wait, there is more. The Minister of Energy used the taxpayers' money to pay Mr. Near another $25,000 for six weeks' work last spring, and another $10,000 for four weeks' work this past summer.

The Hon. Member for Vancouver Centre was the only government Minister to make a special request to the Treasury Board for additional sums of taxpayers' money to pay her staff salaries well above the guidelines. This Minister is single-handedly giving a new meaning to the old cliché that it pays to have friends in high places. If you are a friend of the Minister of Energy, Mr. Speaker, it not only pays, but it pays handsomely.

What sort of signal does it send out to ordinary Canadians when they find out that the Minister of Energy is spending their hard-earned tax dollars on huge salaries for her friends? Last week my colleague, the Hon. Member for Nickel Belt (Mr. Rodriguez), accused the former Minister of the Environment of spending taxpayers' money like a drunken sailor. I would like to point out that at least drunken sailors spend their own money. The Minister of Energy would do well to remember that.

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[*Translation*]

HOUSING

GOVERNMENT POLICY

Mr. Jean-Luc Joncas (Matapédia-Matane): Mr. Speaker, I would like to draw the attention of the House to the figures published recently by Statistics Canada for housing starts in this country during the month of November.

These figures indicate an increase of 58 per cent, that is, an annual seasonally adjusted total of 197,000 housing starts, compared with a total of 125,000 last year.

In urban centres with a population of over 10,000, the number of units increased from 8,647 in 1984 to 14,260 in November 1985. This represents an increase of nearly 65 per cent. The number of single-family dwellings under construction in the same centres over the same period increased from 5,271 to 8,125, an increase of 54 per cent.

Mr. Speaker, this increase in housing starts is largely due to our policies to promote economic renewal. Falling interest rates, more stable prices and a series of favourable economic forecasts have made it attractive for Canadians to carry out their residential construction projects. This country is caught up in a new wave of optimism.

Mr. Speaker, these new projects are not only a boon to home builders but also to manufacturers of household appliances, surveyors, architects, moving companies and the general public.

• (1410)

[*English*]

CRIMINAL CODE

STIFFER PENALTIES FOR DRUNKEN DRIVERS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, Bill C-18, an Act to amend the Criminal Code, contains stiffer fines and tougher jail sentences for those persons convicted of dangerous or impaired driving. These changes, which came into effect on December 2, 1985, will be welcomed by all Canadians. The Minister of Justice (Mr. Crosbie) has shown real leadership in taking the necessary initiatives to get these improvements into law.

I was with the Justice Minister at Queen's Park yesterday when he and the Attorney General of Ontario spoke of the objectives and importance of this new legislation. The scope of criminal liability has been expanded where an impaired driver has caused injury or death.

The sentences will be much tougher for dangerous or impaired driving offences. For instance, dangerous or impaired driving causing death now carries a maximum penalty of 14 years. The RIDE program which began in the City of Etobicoke, Ontario, in 1974, together with this new legislation, will most certainly go a long way to deter dangerous and impaired driving and thereby save the lives of many innocent Canadian citizens.

* * *

CN MARINE

FERRY SERVICE LAY-OFFS IN NEW BRUNSWICK

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I rise today to express my profound disappointment with the treatment which some workers in my riding are receiving at the hands of the Government.

As if the cuts at the Canadian Wildlife Service in Sackville, the lay-offs at the CN shops and the relocation of the animal pathology lab were not enough, I have been informed that CN Marine is laying off nine employees at the ferry crossing from Cape Tormentine, New Brunswick, to Borden, Prince Edward Island. The Government is showing no mercy. It is cutting left and right with absolutely no feeling for the welfare of the people it is affecting, with absolutely no concern for the damaging effect it is having on the less developed regions of the country which must rely heavily on federal Government dollars and federal jobs to keep their economy afloat.

The People of New Brunswick cannot understand the action of the Government because they were led to believe that more jobs would be coming their way. Instead, the Government is cutting jobs, and the Government is deceiving and mistreating the people of Atlantic Canada.

S.O. 22

THE PRESS

CLAIM TO ACT AS OFFICIAL OPPOSITION DISPUTED

Mr. J. R. Ellis (Prince Edward-Hastings): Mr. Speaker, last October 7 the publisher of *The Citizen* of Ottawa was interviewed on the French language program "Le Point". I do not know to what extent Mr. Keith Spicer spoke for the rest of the media during this interview, but he must certainly have spoken for *The Citizen*, which is the most widely distributed newspaper in the nation's capital. Accordingly, his views and approach to publishing are of importance to the House and to the country, no matter in which language they are stated.

Today I should like to isolate one unequivocal statement which he made during the interview that sheds light on his perception of the role of *The Citizen* in national politics. In response to a question regarding his newspaper playing the part of the Official Opposition, he replied:

> For lack of a real opposition, we had to perform this task and, quite so, Mr. Turner and his team have not. There is not even a particularly biting attack, and for lack of a true opposition, I think it is reasonable for the press to step in.

I should like to remind Mr. Spicer that the Opposition in the House has earned the right to the title not only of Official Opposition but that of Loyal Opposition, by going to the citizenry for its mandate. This gives opposition Members both the right and the obligation to criticize, within the boundaries of remaining loyal to the basic principles of our Constitution.

Mr. Spicer has no mandate from anyone except his shareholders and, as a good entrepreneur, no obligation to be loyal to anything except his profit and loss statement. The more I read his coverage of real events and some non-events, the more this becomes apparent.

* * *

REGIONAL INDUSTRIAL EXPANSION

AWARD TO INCO FOR INCREASED PRODUCTIVITY—SIZE OF LAY-OFFS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, last month Inco Ltd. was given an award by the Department of Regional Industrial Expansion in the productivity category of the Canada Awards for Excellence competition. In giving this award to Inco, the Government ignored a basic fact: the increase in productivity was accomplished by Inco wiping out thousands of jobs over the past five years.

• (1415)

It is the workers of Inco who should be given an award for increased productivity. Indeed, they are so productive that they produced themselves out of a job. Inco's award came less than three weeks before it announced yet another round of workforce reductions. No doubt the company is going for the gold medal in next year's competition.

In giving the award to a company which has cut its workforce from 34,000 to 14,000, the Government is sending a clear message to the private sector that the more workers who

are laid off, the more productive is a business. It seems to me that instead of rewarding companies which lay off workers, the Government should realize that Inco has made its wealth on the backs of the workers and that this company has a responsibility to the community to make alternative employment available.

Awards should be given to Inco the day it stabilizes its employment and provides for secondary mineral development in Canada. In the meantime, the silver medal ought not to go to Inco but the Government should distribute silver medals to all laid off and retired workers of Inco as they are the real winners in the productivity sweepstakes.

ORAL QUESTION PERIOD

[*English*]

COMMUNICATIONS

REPORTED PUBLIC OPINION POLL ON TELEPHONE RATES

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is for the Prime Minister and deals with the Government's survey to determine just how big will be the telephone rate increase the Government plans to foist on Canadians. This is a very bizarre way to test our pain threshold.

The telephone is the lifeline to the outside world for senior citizens and shut-ins. The telephone is the life-blood for small businesses and charities. Can the Prime Minister justify even contemplating the doubling of the rates for basic telephone services for small businesses, senior citizens, and people who are too ill to leave their homes? How can he justify spending taxpayers' money to promote such an unjust and unfair plan?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, the Minister of Communications will be in the House momentarily.

Some Hon. Members: Here he is.

Mr. Hnatyshyn: Indeed, my colleague is here right now. Possibly he can carry on and finish the beginning of a very excellent answer.

Some Hon. Members: Oh, oh!

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, this question which refers to a survey by Decima Research, ordered last spring by the Department of Communications, does not in any way alter the responsibility of the CRTC which is to set telephone rates in Canada. The survey is part of a series of studies ordered by federal-provincial committees and by the CRTC to provide the broadest possible base and a maximum of information for defining a Canadian telecommunications policy that will be in the interest of Canadians.

[*English*]

INQUIRY CONCERNING GOVERNMENT'S POSITION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, considering that the Minister just sent back a decision by the CRTC—

[*Translation*]

—I would like to know, and my question is directed to the same Minister... Last year, Bell Canada's profits were around $940 million. The elderly have received pensions that are below the poverty line.

Considering these figures, could the Minister explain why he is considering a plan that will increase the cost of local telephone services to consumers by $720 million?

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, since it is not the Government's responsibility to set telephone rates in Canada, it will be a pleasure to refer your question to the CRTC, for consideration.

[*English*]

REQUEST THAT MINISTER REJECT POLL FINDINGS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I find it fascinating that the Minister is turning over the CRTC's questions. The Minister's actions speak much louder that his words. I would remind him of his secret cabinet document.

I would like to know why the Minister undertook such an expensive poll. Now that he has done so, will the Minister reject that poll and reassure all Canadians that there will be no increase in local telephone rates this coming year?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, it is not for me to reject or to confirm a survey. I can discuss the methodology used in the survey. However, as long as the answers were given in accordance with the methodology used, I cannot approve or disapprove of the way Canadians respond to a survey.

Furthermore, the Government promised last spring to review our telecommunications policy in Canada. We have approached this issue bearing a number of basic principles in mind, including that of providing Canadians with a universal service at reasonable cost. This review of our telecommunications policy is being carried out with the provinces, who have a major responsibility in this area, and an important phase in this review will be the federal-provincial conference next February.

• (1420)

[*English*]

CROWN CORPORATIONS

SALE OF DE HAVILLAND—BOEING'S ELIGIBILITY FOR PUBLIC FUNDING

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the President of the Treasury Board. Yesterday the Minister emphasized the large amounts of money which he said the taxpayers would save if the Government sold de Havilland to Boeing. It seems that Boeing will be putting very little into de Havilland compared to the amount of money which the taxpayers will have to put into it under the deal which the Government has accepted. Has the Minister done any calculations with respect to the amount of money the taxpayers of Canada will have to put into this company after the sale to Boeing which will become the owner and beneficiary of all the profits of the company? Does he know and can he tell us how much Canadian taxpayers will continue to put into the company over the next five years?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, certainly an awful lot less than was put in by the former Government.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. de Cotret: I think I have mentioned in respect to this type of question in the House time and time again that, under Boeing, de Havilland will be eligible, like any other corporation, for the various programs of this Government. To the extent it wishes to invest, grow and create jobs, it will be eligible for all the assistance for which any other corporation in the country is eligible.

COST TO TAXPAYERS INQUIRY

Hon. Bob Kaplan (York Centre): Mr. Speaker, it is just not credible that the Government has made a big deal like this without having done a calculation with respect to how much the taxpayers will be called on to put into it.

Can the Minister confirm a calculation which I have done—

Some Hon. Members: Oh, oh!

Mr. Kaplan: —which shows that over the next five years—

Some Hon. Members: Oh, oh!

Mr. Kaplan: I think the Canadian people would be happy to have the Government's calculation. I insist the Government must have done one. Does the Minister dispute that the cost to the Canadian taxpayers with respect to selling this company and continuing with Boeing as the owner, if things go well, will be something in the neighbourhood of $580 million over the next five years?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the Hon. Member is trying to suggest that there will be a cost to taxpayers with respect to this transaction.

Mr. Broadbent: He is right, too.

Mr. de Cotret: This transaction is a good deal.

Mr. Blaikie: That is what you said when you bought your Edsel.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. de Cotret: I would like to quote briefly from an editorial which appeared in Winnipeg's *Free Press*:

If that happens—

Mr. Frith: Never mind the editorial, give us a cost analysis.

Mr. Speaker: Order, please.

Mr. de Cotret:

—Boeing will have got itself, in the words of UAW Canada President Bob White, "a hell of a deal." But it will also be a hell of deal for Canadians—

Some Hon. Members: Hear, hear!

Mr. de Cotret:

—who will have in place a company which is employing Canadian workers, selling a Canadian product all over the world and paying taxes to Canadian governments.

Some Hon. Members: Hear, hear!

NEGOTIATION OF SALE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister knows that with the kind of write-offs he has given Boeing it will make profits for the next 10 to 15 years and not have to pay a cent in taxes.

Mr. Hnatyshyn: Move General Motors to Saskatoon.

Mr. Dick: Are you in the UAW's pocket?

Mr. Speaker: Order, please.

Mr. Rodriguez: They are testy over there today.

Mr. Broadbent: Tory herds are difficult to control.

I do have a question for the Minister. Will he confirm that in the negotiations with respect to the sale of de Havilland to Boeing the Canadian side did not even raise the question of job guarantees or a buy-back provision in the event of a shut-down by Boeing? Will the Minister confirm that?

• (1425)

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the whole question of job security was obviously brought up. It was a central concern of this Government, as job creation has been throughout our mandate. It was brought

up and we are assured that the best job security for the employees of de Havilland is exactly the kind of deal we made with Boeing, with its financial and marketing strengths, the world product mandate, and the technology which we retain in Canada. That is where the real job security will come from.

Mr. Broadbent: The Minister has just said that the best job guarantee is no guarantee because he knows, unlike the Canada-U.S. automotive agreement and other deals which have been made for the transfer of ownership, there is not a guarantee written into that agreement. The Minister knows that.

PROVISION OF INFORMATION TO MEMBERS OF PARLIAMENT

Hon. Edward Broadbent (Oshawa): Since we learned this as a result of Paul Marshall's briefing late yesterday to Members representing all Parties in the Ontario Legislature—which was a meeting I just learned about—does the Minister think it appropriate that Members of the Canadian House of Commons have to learn through private contacts with people in Toronto what a federal Crown corporation is doing? Why is that information not provided to the Canadian House of Commons?

Hon. Robert de Cotret (President of the Treasury Board): I believe, Mr. Speaker, that before we announced the transaction, complete folders of the available information were made available to all Hon. Members of this House.

An Hon. Member: You can't read.

Mr. Broadbent: No. Folders with nothing in them don't matter an awful lot.

FINALIZATION OF DEAL

Hon. Edward Broadbent (Oshawa): The Minister knows that Mr. Marshall gave Members of the Ontario Legislature all kinds of information yesterday which is not available to Hon. Members of this House. Will the Minister confirm that if the Government of Canada does not finalize this deal by the end of this month, it is going to cost the taxpayers of Canada another $60 million? And does that explain why the Government is in such a rush to make a bad deal with Boeing?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, we are making a great deal with Boeing, and we are making a great deal for Canada. Again I quote from the *Winnipeg Free Press:*

> Instead of sniping and complaining, Ed Broadbent and Lloyd Axworthy should be down on their knees on behalf of Canadian taxpayers—

Some Hon. Members: Hear, hear!

Mr. Broadbent: Is that your briefing note?

An Hon. Member: On your knees, Ed.

Mr. de Cotret:

> —thanking the Government for removing this millstone from around their necks. And Bob White should be down on his knees thanking Boeing for giving his . . . members a chance to continue applying their skills in a productive enterprise which now has the chance to be an asset rather than a burden to the country.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member for Cape Breton-East Richmond, when his colleagues are prepared to let him ask a question.

* * *

REGIONAL ECONOMIC DEVELOPMENT

CAPE BRETON ADVISORY COMMITTEE RECOMMENDATIONS

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Prime Minister. The Prime Minister will know that his economic policies are not working in Atlantic Canada.

Some Hon. Members: Oh, oh!

Mr. Dingwall: Unemployment is up, and it is up substantially. I would like to ask the Prime Minister why the recommendation of the Cape Breton Advisory Committee—the appointments to which he made—of $600 million for short-term job-creation programs has not been acted upon by his Government, particularly in view of the fact that 4,000 additional Canadians in that area of Canada are unemployed as opposed to last year? Why is the Prime Minister dragging his feet on this most important initiative?

Right Hon. Brian Mulroney (Prime Minister): First, Mr. Speaker, the indication as set out by my hon. friend that the economic policies are not working is, of course, demonstrably false—demonstrably false. This Government has created more jobs in 14 months than the Liberals did in 55 months. That is the reality.

Some Hon. Members: Hear, hear!

Mr. Mulroney: It will interest my hon. friend because it will interest anyone who is hopeful about the welfare of Canada, to hear some fact which just came out moments ago. Housing starts during November were at a seasonally adjusted annual rate of 197,000, up 65 per cent over last year. Starts of multiple-unit dwellings were up 82 per cent—

Mr. Hovdebo: Order.

Some Hon. Members: Order.

Mr. Mulroney: —over last year. This is very good news for Canada.

Some Hon. Members: Order.

An Hon. Member: They don't like that.

Mr. Mulroney: It is consistent with all—

An Hon. Member: They don't like success.

Mr. Nystrom: How about the Gallup poll, Brian?

An Hon. Member: They can't stand good news.

• (1430)

Mr. Mulroney: Mr. Speaker, I know the doomsters and gloomsters of the NDP do not like good news, but hang on to your hats because you are going to have nothing but good news from this Government.

Some Hon. Members: Hear, hear!

Mr. Mulroney: With regard to the very excellent question raised by my hon. friend concerning Cape Breton Island—

Mr. Nystrom: Gallup poll, Brian.

Mr. Mulroney: "Gallup poll", he says. The NDP stumbled from lack of success—

Mr. Speaker: Order, please. Supplementary question.

PRIME MINISTER'S POSITION

Mr. Dave Dingwall (Cape Breton-East Richmond): Perhaps, Mr. Speaker, the Prime Minister will participate in the debate this afternoon regarding the disasterous economic conditions in Atlantic Canada. That is the economy to which I am referring. We need more jobs in Prince Edward Island, Nova Scotia, and New Brunswick.

Why is the Prime Minister reneging on the recommendation of a committe, which he appointed, for $600 million in short-term job creation? He appointed a bunch of Tory hacks. Why does he not listen to them for a change?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I sympathize with and accept as valid the observations of my hon. friend regarding Cape Breton, for which not only the Government but this House must do more. This is a very important area of our economy and it has been left out of the renewal of economic life in this country where 416,000 new jobs were created since this Government came to office. I will acknowledge that Cape Breton has not received its fair share of those jobs, but I can tell you this. We will make sure, with your help, that Cape Breton indeed receives its share, which will be a lot more than it ever got from the Liberals. That is for sure.

* * *

CROWN CORPORATIONS

SALE OF DE HAVILLAND TO BOEING—REQUEST FOR NEGOTIATION DETAILS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the President of the Treasury Board. The Prime Minister says we will be getting nothing but good news in the future. All I want is some information.

The Minister indicated on December 3 that details of the arrangement between de Havilland and Boeing would be made available. Given that, is he now prepared to put before this House all of the relevant information regarding the negotiations which have taken place to date between de Havilland and Boeing so that the House of Commons, representing the people of Canada, can make an evaluation of whether or not that is good news?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, that question has been asked, and asked, and asked, over and over again.

Some Hon. Members: And not answered.

Mr. de Cotret: It has been answered over, and over, and over again. The answer is very simple. The details of the sale of de Havilland to Boeing will be made available according to normal procedure at the normal time and in the normal forum.

BRIEFING OF ONTARIO POLITICAL PARTY LEADERS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, why are the Leaders of the three Parties in the Province of Ontario being briefed on the details of this deal and the Minister refuses to give the same information to the Members of the House of Commons?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, there have been questions over the last week and I have given all the information that is available publicly to Hon. Members. So I think the premise of the question is entirely false. Furthermore, there was a full day's debate and a vote on this issue in which this House expressed its faith in the Government's action.

* * *

[*Translation*]

INDUSTRY

PETROCHEMICAL INDUSTRY—REQUEST FOR GOVERNMENT'S INTENTIONS TO ASSIST INDUSTRY IN QUEBEC

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Right Hon. the Prime Minister. After making firm commitments with respect to Quebec's petrochemical industry, the Government is worrisomely silent about the break-up of two important links in the petrochemical chain, namely Gulf and BASF, and it unduly puts off announcing a lasting solution to Petromont and, indirectly, for Union Carbide.

Can the Prime Minister tell us whether his Government is still determined to promote and maintain a third Canadian petrochemical centre, in Montreal, and what immediate steps

it will take to prevent the dismantling of that whole sector in Quebec?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we intend to continue the sustained efforts which we have made since taking office and which have resulted in the creation of about 9,000 new jobs in Quebec every month, as compared with the 673 jobs created monthly during the four and a half years of the previous administration.

Our performance has been impressive, but with respect to the question raised by my colleague, I intend to meet with the Premier of Quebec in the near future and hold further talks about this important matter.

INQUIRY IF PRIME MINISTER WILL MEET REPRESENTATIVES OF PÉTROCHIMIE ACTION

Hon. Jean Lapierre (Shefford): A supplementary question, Mr. Speaker. As the Prime Minister is undoubtedly aware, the inaction of his Government has led to the establishment of a common front in Montreal yesterday—it is called Pétrochimie Action—and this group is expected in Ottawa tomorrow. I want to ask the Prime Minister if his generosity and sense of responsibility will be strong enough to prompt him to meet with those people who will be here tomorrow to share their concerns and disarray with him. It is five minutes to midnight for those workers, Mr. Prime Minister, and their children are looking forward to Christmas. Will he have the generosity to meet with them?

Right Hon. Brian Mulroney (Prime Minister): When those workers do get here, Mr. Speaker, I hope my friend will remind them of two things: one, the new Government's first move was to set aside several million dollars to help Petromont, while at the same time the outgoing Liberal Government was telling Petromont workers: No, it is over, not a nickel. That is what you did for Petromont and those workers will certainly remember that. You in the Liberal Party of Quebec are all hypocrites!

[*English*]

Mr. Speaker: Order, please. Order, both sides.

* * *

[*Translation*]

CROWN CORPORATIONS

INQUIRY IF CANADAIR WILL STILL BE OWNED BY CANADIANS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Prime Minister. Everyone was delighted to hear the announcement by the Minister of Regional Industrial Expansion—my question is directed to the Prime Minister—that, despite the Montreal Urban Community's plan to turn Canadair's facilities into a housing development, Canadair will remain in Montreal. However, since the Minister also announced that Canadair will be sold, could the Prime Minister give the House the assurance that Canadair will remain in Canadian hands and not be sold to foreign interests?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, yesterday, the Leader of the New Democratic Party who is doing his best to make people panic, raised a non-issue when he used a document produced by a municipal body in Quebec to draw some very definitive conclusions with respect to Canadair. Well, for years the Government of Quebec printed maps that showed Labrador as part of Quebec. But it didn't change a thing. It didn't make Labrador part of Quebec! And when the Leader of the New Democratic Party produces a document that says a municipal body in Montreal is going to close down Canadair, that is just as far from the truth!

[*English*]

REQUEST FOR COMMITTEE REFERRAL

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, the Prime Minister did not answer my question.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. Supplementary question.

• (1440)

Mr. Cassidy: He also ignores the fact that this particular plan was distributed to 300,000 homes in the urban community of Montreal in the last week and a half. It tells people of a very carefully worked out plan to replace Canadair with residential housing.

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

Some Hon. Members: Order!

Some Hon. Members: Sit down.

Mr. Speaker: Order, please!

Mr. Rodriguez: Settle down over there.

Mr. Speaker: The Member will ask his question immediately, please.

Mr. Cassidy: Can the Prime Minister at least assure the House that Canadair will not be disposed of the way that de Havilland was without an opportunity for this House and a committee of this House to examine such a deal in advance of being presented with a *fait accompli*?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think the House and everyone who watched it yesterday is aware of the vexatious way in which the Leader of the New Democratic Party sought to sow fear and confusion in the minds—

Mr. Broadbent: What nonsense. We asked you to guarantee it and you did not answer the question.

Mr. Mulroney: —of Quebecers and Quebec workers. I thought that that was unseemly, unfair, and unworthy of the Leader of the New Democratic Party—

Mr. Orlikow: We don't need lectures from you.

Mr. Mulroney: —who ought to know full well—

Mr. Broadbent: Don't give me lectures on worthiness.

Mr. Mulroney: —that all of the leading economic indicators in the country are going the right way. Thousands and thousands of jobs are being created. I know it causes him heartache. He does not like good news.

Mr. Hovdebo: Order!

Mr. Mulroney: I can guarantee him that the Progressive Conservative Government has no lessons to learn—

Mr. Riis: Answer the question.

Mr. Mulroney: —from the NDP in regard to protecting the jobs of Canadians and Quebecers.

Some Hon. Members: Hear, hear!

* * *

NATIONAL ARTS CENTRE

TASK FORCE RECOMMENDATION ON FUTURE MANAGEMENT

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, I have two questions for the Deputy Prime Minsiter.

Mr. Speaker: One.

Mr. Gauthier: You're only allowed one.

Mr. Speaker: Order, please. In that case I had better go to someone who has only one question. Order. The Hon. Member for Ottawa-Carleton.

Mr. Turner (Ottawa-Carleton): I am trying, Mr. Speaker. My question for the Deputy Prime Minister concerns a recent report about the National Arts Centre, and I emphasize the word "National". Does he or the Government have any intention of accepting the recommendation of the Handleman task force to turn the National Arts Centre over to local municipalities or to the National Capital Commission?

Mr. Fulton: He's sowing fear.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, as part of the program review that was mandated by the Prime Minister a year ago last September, some 19 study teams, with over 102 private sector members and roughly the same number of public servants, have produced hundreds and hundreds and hundreds—

Mr. Broadbent: That's 300.

Mr. Nielsen: —of alternatives, options, and suggestions with respect to solving the very real problems with the wide array of programs that have been examined. Cabinet is addressing those matters one by one. At the proper time the decisions will be announced—

Mr. Gauthier: That's enough, Erik.

Mr. Nielsen: —as the very attractive decision on the rationalization of real property was yesterday by the Minister of Public Works and the President of the Treasury Board.

Some Hon. Members: Hear, hear!

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CANADIAN NATIONAL RAILWAYS

LAY-OFFS IN MONCTON

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, my question is for the Minister of Transport. In reply to a question which I asked the Minister last October 9, the Minister indicated that CN lay-offs in Moncton were a result of a decline in traffic and that he hoped the lay-offs would not continue for a long period of time. Can the Minister then explain why 140 of the 225 workers who were laid off were informed that their lay-offs were permanent? And that, Mr. Prime Minister, is not good news.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I think the Hon. Member is fully aware of the decline in CN traffic and of the fact that the available workload requires some adjustment in the work force.

Ms. Copps: You're too busy running around arresting people.

Some Hon. Members: Shush!

Mr. Mazankowski: CN is currently conducting an internal assessment of its maintenance requirements. I suspect that that evaluation will be completed some time early in the new year. At that time we will be looking at various options. I will certainly take the Hon. Member's representations and convey them to the management of the CNR. That is something that the Hon. Member for Moncton has been doing a very good job of, Mr. Speaker.

REQUEST THAT MINISTER ASSURE PROTECTION OF JOBS

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, there is a cloud of uncertainty hanging over Moncton right now. There are over 1,000 jobs on the line. When will the Minister take a stand on this issue and assure those people in Moncton that their jobs will be protected? This, Mr. Minister, would be very good news.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I want to assure the Hon. Member, as I have assured the Hon. Member for Moncton, that I share that concern. The fact of the matter is that there is a serious decline in traffic. An internal assessment is being conducted. I am sure that at the appropriate time after making the evaluation CN will take the necessary action to ensure that it can provide the necessary services where the workload so requires.

As I said, Mr. Speaker, I will undertake to make the Hon. Member's representation known to the management of CNR. I want to assure him and the people of Moncton that I am deeply concerned about ensuring that we have an adequate presence in Moncton because it is a railway centre and a very important transportation centre in Atlantic Canada.

Mr. Speaker: Order, please. I will recognize the Hon. Member for Winnipeg North.

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COMMUNICATIONS

PUBLIC OPINION POLL ON TELEPHONE RATES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to direct a question to the Minister of Communications. A recent decision of the CRTC refused an increase in the rates of B.C. Tel and turned down the application of CNCP to enter into competition in long-distance telephone rates. What reason would the Minister have for commissioning the poll done by Decima, which tells the Government that the public will accept increases of 10 per cent to 20 per cent a year for the next five years in telephone rates, other than that he has already decided that he is going to permit substantial increases in home telephone rates, and cuts in long-distance rates? If that is the policy, when will he announce it?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I may remind my hon. friend it is not for the Minister of Communications to regulate rates in the telephone sector in Canada. It is not the Minister's responsibility but that of the agencies or the provinces or the federal Government, through the CRTC, and these rates are determined through a process of public hearings and decisions by the CRTC or provincial agencies.

The Minister of Communications is responsible for providing, in consultation with the provinces, consumer groups, the telephone companies and Canada's business sector, for an in-depth review of our domestic telecommunications policy. We have been working on this since last spring, and the federal-provincial conference to be held next year in February will be an important step in this review. Surveys and studies that have been ordered either by the CRTC, the provinces or—

[*English*]

Mr. Speaker: Order, please. I am afraid this is becoming a speech. Order, please.

REQUEST FOR DISCUSSIONS WITH PROVINCIAL MINISTERS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, any change in the regulated Bell Telephone rates will affect all other areas in Canada which are serviced by private or public systems because they are all partners in Telecom Canada. Would the Minister give his assurance that before any major changes are made they will be discussed and approved by the provincial Ministers of Communications as well as the CRTC?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, the provincial ministers will be discussing the direction and basic principles of Canada's telecommunications policy, and not CRTC decisions, which would be against Canadian law.

* * *

[*English*]

BUSINESS OF THE HOUSE

RAOUL WALLENBERG CITIZENSHIP RESOLUTION

Mr. Alex Kindy (Calgary East): Mr. Speaker, my question is for the President of the Privy Council. Yesterday the House passed a resolution declaring Raoul Wallenberg an honorary citizen of Canada. Mr. Wallenberg is probably still in the Soviet Union and the resolution has been sent to the other House so that it can become a bicameral resolution. Can the House Leader tell us when he expects that resolution to come back to the House?

Mr. Speaker: Order, please. With respect, this is a question of House business, not one for Question Period. Order. I will recognize the Hon. Member for Cape Breton-The Sydneys.

* * *

REGIONAL INDUSTRIAL EXPANSION

SYDNEY STEEL CORPORATION—FUNDING OF MODERNIZATION

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directd to the Right Hon. Prime Minister. He has said that he favours financial assistance for the second phase of the modernization of the Sydney Steel Corporation. The Premier of Nova Scotia has said that since October he has had a deal on this financing, yet the Prime Minister has recently said that there was no deal. Why, after 14 months of the Government's mandate, has it not been able to enter into an agreement for the funding of the second phase of the Sydney Steel Corporation modernization?

● (1450)

Right Hon. Brian Mulroney (Prime Minister): Because I said no such thing, Mr. Speaker. I had a very effective meeting with the distinguished Premier of Nova Scotia in Halifax two weeks ago. We dealt in substantial measure with the Sysco modernization as well as other projects designed to be of deficit to Cape Breton. I believe that you will be seeing some very positive results in the near future.

IMPLEMENTATION OF TASK FORCE RECOMMENDATIONS

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, as my colleague from Cape Breton-East Richmond said, the Prime Minister established a Cape Breton advisory task force. The Government has only managed to put one of its 34 recommendations into effect. When will the Government implement some of the other 33 recommendations, including the modernization of Sysco? When will this happen, because you know the situation is bad and you know that the need is there?

Right Hon. Brian Mulroney (Prime Minister): I do indeed, Mr. Speaker. My hon. friend is quite right that the need exists and it is serious and urgent. Some of the fiscal measures that we have introduced have not been as attractive to industry in the short term as we would have liked. Consequently we are looking at that and a number of other measures designed to be of assistance to Cape Breton.

I do not think there is anyone in the House who would deny that Cape Breton has gone through a very special kind of misery in the last couple of years and we all very much want to be of assistance. I can assure him that I work with all Members of the House and the Premier of Nova Scotia to bring about a much better resolution of the difficulties on Cape Breton Island.

* * *

[*Translation*]

CULTURAL AFFAIRS

THREAT OF QUEBEC MOVIE HOUSES BOYCOTT—GOVERNMENT POSITION

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I have a question for the Right Hon. Prime Minister about the threat of a boycott by American Majors against Quebec movie houses. Has the Prime Minister already spoken or will he speak to President Reagan to ask him to ensure that the Americans respect fully our Canadian culture, especially in instances where Quebec has taken action to promote an independent culture?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I believe that last week in my speech at the University of Chicago, I made very clear statements of principle about the vital dimension of our cultural sovereignty and the determination which the Government of Canada and all Canadians will show to ensure its preeminence at all times.

[*English*]

INDEPENDENT DISTRIBUTION OF FILMS

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, that was an answer to a different question, perhaps. We were very pleased to see the statement about cultural sovereignty. However, in view of the fact that there is a proposition about independent Canadian distribution, what chance will there be if the Prime Minister does not stand up to the Americans when the crunch comes? When the provinces or the federal Government want to promote an independent culture, is it not his job to stand up to defend them and fight for particular cases and not just spout the rhetoric of independence?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, the Hon. Member refers to the report submitted publicly by the task force on the status of the cinema industry in Canada. As agreed by the task force and the province in Halifax, this report is a working paper which will be used by the provinces and the Canadian Government to analyze the situation, and it will certainly be an important tool at the Federal-Provincial Conference next February, which will deal with both the publishing and the movie industries in Canada.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

TASK FORCE ON CHEMICAL ACCIDENTS

Mr. Alan Redway (York East): Mr. Speaker, in the absence of the Minister of the Environment my question is directed to the Parliamentary Secretary. Last year, after the disastrous gas leak in Bhopal, India, a committee was established by Environment Canada to look into the potential for a similar disaster in Canada. Has that committee made any recommendations to the Government and when will those recommendations be made public?

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, following the tragic Bhopal accident of December, 1984, the Minister of the Environment established an industry-government task force which had three working groups looking at the potential for and handling of chemical accidents in Canada. That working group has reported with a working document which has now been sent by the Minister of the Environment to provincial Governments, municipal governments, the Canadian Labour Congress and others. We expect to have a final report by the end of January, 1986.

Oral Questions

AGRICULTURE

PROPOSAL TO ESTABLISH NATIONAL TOBACCO MARKETING BOARD

Mr. Maurice Foster (Algoma): Mr. Speaker, in the absence of the Minister of Agriculture, my question is directed to the Prime Minister. Today thousands of farmers from the Maritimes and central Canada are on the Hill demanding that the Government keep its promise to establish a national marketing board for tobacco. They are also concerned that the Government will sell them out in the free trade negotiations with the United States.

Will the Prime Minister guarantee that the Government's promise to establish a national marketing board will not be sacrificed at the altar of free trade in the negotiations with the United States?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Minister of Agriculture is just about now speaking to 1,500 or 2,000 representatives of the agricultural community at a very important national forum, the Outlook Canada Conference.

Ms. Copps: Look out.

Some Hon. Members: Shush.

Mr. Mulroney: There is a melody in the air, Mr. Speaker. It must be Christmas.

Mr. Gauthier: There is a flat tire over there. That is the problem.

Mr. Mulroney: I had the pleasure of meeting briefly with the leaders of the group on Friday, after Question Period. The Parliamentary Secretary has met with them today, as will the Minister of Agriculture after his appearance. Hopefully this matter will be resolved. The meeting to take place between the procedures and the companies is scheduled for tomorrow. Hopefully a resolution of this very difficult and long-standing problem will be found.

PRIME MINISTER'S POSITION

Mr. Maurice Foster (Algoma): Mr. Speaker, a year ago the Prime Minister wrote to one of the farmers and guaranteed that he would act quickly to establish a national marketing agency. Why should the farmers believe that the Prime Minister will not break his promise now? Is the Prime Minister prepared to speak to the farmers who are rallied in front of the Centre Block this afternoon?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, why would such an Hon. Member cloak his question in such a spurious manner? He knows full well the reason for the dilatory tactic is because it is before the courts. It is something over which we have absolutely no control. You know that and you are willfully misleading the House.

Some Hon. Members: Oh, oh!

Some Hon. Members: Withdraw.

Ms. Copps: Kick the hypocrite out.

Mr. Manly: Withdraw.

Mr. Speaker: Order. Members will please come to order. I must ask the Right Hon. Prime Minister to withdraw his last assertion.

Ms. Copps: Hypocrite, that is what you are.

An Hon. Member: Throw him out.

Mr. Speaker: The Right Hon. Prime Minister will know that it is entirely out of order to use the phrase "willfully misleading the House". I would simply ask him to withdraw the phrase.

Mr. Mulroney: Mr. Speaker, if I violated a rule of the House and used the word "willfully", I withdraw it without reluctance.

Some Hon. Members: Hear, hear!

* * *

AGRICULTURE

BANKRUPTCY ACT AMENDMENTS INQUIRY

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate affairs. Some time ago the Minister of Agriculture declared a moratorium on farm foreclosures by the Farm Credit Corporation, and the Canadian farming community has been awaiting announcement of further action ever since. Will the Minister tell us if it is the Government's intention to reintroduce the amendments to the Bankruptcy Act which had all-Party agreement in the last Parliament to handle the farm debt through debt review tribunals, with the power to provide for debt composition, debt set aside and interest reduction?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I am pleased to be able to inform my hon. friend that we have been aware of the situation for several months and have created an advisory committee to this end. We expect the committee to be submitting its recommendations within the new few weeks and we shall then take action accordingly.

[*English*]

REQUEST FOR EXTENSION OF MORATORIUM ON DEBT REPAYMENTS

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my supplementary question is directed to the Prime Minister. Will the Government be extending a moratorium that now applies to FCC loans to cover all farm loans until such time as

the Government makes a decision on farm debt policy, or is the current round of foreclosures the Government's policy?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Minister of Agriculture will be back in the House tomorrow and I will take—

Mr. Althouse: Is it government policy?

Mr. Mulroney: —notice of the Hon. Member's specific question.

With regard to government policy, even my hon. friend will admit that no Government in history has done so much for the farmers in such a short period of time as this one.

Some Hon. Members: Hear, hear!

* * *

● (1500)

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of two, presented by Hon. Members on Monday, December 9, 1985, meet the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for Thunder Bay-Atikokan (Mr. Angus) does not meet the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for York East (Mr. Redway) by filing with the Clerk of the House also does not meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

INTERNAL ECONOMY COMMISSION

TABLING OF MINUTES OF MEETINGS

Mr. Speaker: Pursuant to Standing Order 87(2), it is my duty to lay upon the Table extracts of the minutes of meetings of the Board of Internal Economy approving budgets of certain standing and legislative committees.

* * *

[*Translation*]

THE DISABLED AND THE HANDICAPPED

TABLING OF DOCUMENT PROCLAIMING DECADE OF THE HANDICAPPED IN CANADA

Hon. Benoît Bouchard (Secretary of State of Canada): Mr. Speaker, pursuant to Standing Order 47(2), I would like to table, in both official languages, a document in which the Government of Canada announces that the period 1983-92 will be the Decade of Disabled Persons in Canada.

* * *

[*English*]

HUMAN RIGHTS

DISABLED PERSONS—GOVERNMENT PROGRAMS AND ASSISTANCE—STATEMENT OF SECRETARY OF STATE

Hon. Benoît Bouchard (Secretary of State): Mr. Speaker, thirty-seven years ago today an historic document was proclaimed by the United Nations General Assembly, the Universal Declaration of Human Rights. The thirty articles of the Declaration set out a comprehensive framework for rights and freedoms. It covered the traditionally cherished and most commonly mentioned rights and freedoms, which are essential to the guarantee of individual liberty within a society.

For its part, Canada has a major and continuing commitment to the principles contained in the Universal Declaration. This commitment is perhaps best exemplified by the historic step which we took, as Canadians, in entrenching the Charter of Rights and Freedoms in the Constitution of Canada. For it was in making the Charter forever a part of the supreme law of Canada that we acknowledged our desire as a people to achieve social justice and human dignity as realities for all Canadians. These are not merely high-sounding phrases or legal abstractions. They represent our commitment as a nation to live in harmony and to thrive together as a community. As such, they offer an important living example for greater harmony within the world community.

Some Hon. Members: Hear, hear!

Mr. Bouchard: The Universal Declaration was one of the first international documents that gave recognition to the evolutionary nature of human rights. As stated in its preamble, it set forth:

A common standard of achievement for all peoples and all nations.

In many ways, it became both a catalyst and a benchmark encouraging states to improve their human rights records and giving them an appropriate tool to measure the progress they had made. It is indeed fitting that we honour and commemorate the symbols and spirits of this important document.

[*Translation*]

Today, on the 37th anniversary of the Proclamation of the Universal Declaration of Human Rights, I have the honour, Mr. Speaker, of announcing a new initiative by this Government, an initiative that is a direct response to the concerns of the United Nations and that is in line with Canada's historic commitment to human rights. This initiative concerns a very important part of our population, namely, the disabled.

Earlier this afternoon, I had the privilege of tabling the United Nations Declaration on the World Decade of Disabled Persons.

At least 14 per cent of Canadians have a disability. There are the hearing and sight disabled, there are people with reduced mobility and people with mental health problems or a mental disability. The report *Obstacles*, published in January 1981 by a parliamentary committee, gave a clear indication of the many needs of disabled persons that were not met by either the public or the private sector.

As I said before, Mr. Speaker, the United Nations have proclaimed the period 1988-92 to be the Decade of Disabled Persons. The U.N. has prepared a world action plan in this respect.

[*English*]

In proclaiming Canada's participation in the World Decade of Disabled Persons today, we also proclaim our commitment to a set of principles that will govern our participation. These principles recognize the value and the need for disabled persons to be active participants in all those areas relating to the development of implementation of policies, programs and services which affect their lives.

To assist in this self-determination, our Government is initiating an innovative program of community support to disabled persons and their organizations. Detailed information of this new program is being distributed to Hon. Members this afternoon.

This new initiative will provide for the first time significant resources in direct support of Canada's disabled persons.

I am pleased today to inform you, Mr. Speaker, and through you all Canadians, particularly the 3.5 million Canadians who are disabled, that the Government is committing more than $16 million for the next five years to assist them in more fully participating in Canadian society.

Some Hon. Members: Hear, hear!

Mr. Bouchard: This represents a fivefold increase over that which the previous Government has made available for this purpose.

Our strategy for change, consistent with the promise made by the Prime Minister (Mr. Mulroney) during the election campaign, is threefold.

One, for the first time, it is a collaborative partnership among federal and provincial Governments, business, labour, religious institutions, educational institutions, service groups and, most important, disabled persons themselves.

Two, it promotes the capabilities of disabled persons to participate more fully in Canada's economic and social life by providing a significant infusion of financial and technical resources to organizations of disabled persons to carry out activities in such important areas as research, teaching and organizing at the community level.

Three, it involves more effective planning and co-ordination of federal Government initiatives.

In this regard, I am pleased to announce that above and beyond this Government's commitment to community groups, a permanent secretariat is being established within my Department to advocate the needs of disabled persons within and among Governments.

Some Hon. Members: Hear, hear!

Mr. Bouchard: As part of the Government's new strategy, we will continue to ensure that meaningful consultations are conducted with representatives of the disabled persons community to ensure that our actions as a Government reflect their genuine needs and desires in their quest for full citizenship.

[*Translation*]

Mr. Speaker, Canada has chosen to highlight the decade by launching its own action program. As Minister responsible for the status of the disabled, I will hold consultations in 1986 with a view to convening a federal-provincial-territorial conference on the status of disabled persons. In addition, I will have a series of meetings with the private sector during that year. Those meetings will complement others with charitable organizations and public authorities, and they will enable us to draft and implement a national action program designed to honour our international commitment with respect to the World Decade of Disabled Persons.

In addition to the measures already mentioned and the commitments we made in the Speech from the Throne, I am responsible for establishing a plan to follow up on the recommendations contained in the "Obstacles" report which has been left in limbo. This plan will also feature a number of new initiatives we might take to meet the challenge of the Decade of Disabled Persons, within the parameters of the world-wide action program concerning handicapped people.

• (1510)

[*English*]

Upon completion of this commitment on behalf of our Government, the report will be submitted to the parliamentary Subcommittee on the Disabled and the Handicapped. Together, the subcommittee and I can measure the progress of our society in meeting the greater goals of full participation and equality of disabled persons.

In my view, the initiatives I have just announced give strong support to the principles which underlie the Universal Declaration of Human Rights. I am sure Hon. Members will support these measures to enhance the quality of life for disabled persons in Canada and will regard them as a fitting tribute to the Universal Declaration.

Some Hon. Members: Hear, hear!

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, I am very pleased to have the opportunity to reply to the statement of the Hon. Minister. Indeed, he selected a very appropriate day to make such an important representation on behalf of the Government. It being Human Rights Day throughout the world, it is most fitting for him to have chosen it to discuss the human rights of a very important segment of our community—disabled persons who have made a contribu-

tion to society. As he pointed out, they represent a full 14 per cent of the population. I congratulate him on recognizing this day and choosing it to make his announcement in the House.

Also I recognize his observations regarding the importance of the Proclamation of Human Rights and the decade of disabled persons which began in 1983. They deserve being brought to the attention of our population. Also the House of Commons should be further sensitized to their importance. We agree with the objectives which the Minister set forth, and it is important to congratulate him on whatever intiatives are now being undertaken.

I thank him as well for bringing to my attention, at least an hour or two ahead of time, his comments and views so that I could have an opportunity to read them and attempt to reply. On behalf of the Official Opposition, I commend him on his concern and his announcement.

However, it is fitting at this time to point out a number of our concerns. We are pleased with the announced commitments, but we still have to say that it is time to act. We welcome the revelation that some $16 million will be made available to programming over the next five years. The Minister said in his statement that it was five times the amount passed by the previous Government. However, in the areas of employment, income tax and transportation, as well as in those areas under the office of the Secretary of State such as consumerism, indeed tens and tens of millions of dollars have been spent. This does not mean that more money should not be given; on the contrary.

Of course this is not a new initiative. The decade of disabled persons began in 1983. We remember that Governments of Canada in the past were concerned about the subject. In fact, in 1980, before the decade or the international year of the disabled was thought of, the previous Government brought into play a committee which made representations in a report entitled "Obstacles". That report suggested many things which needed to be done. We are working on those things, and I understand that the Government will double its efforts to clean up those recommendations which have not been dealt with. Indeed, I welcome the Government to the decade which began in 1983. I know the Government of Canada has been concerned about the matter since 1980 in an active way.

Specifically, it is time to act. I say to the Hon. Minister that we have seen some action. As I mentioned, the *Obstacles* Report called for action. Since that time the Government has been in receipt of other reports such as the Abella Report and the *Equality Now* Report of 1984, as well as recommendations from the Committee on Equality. I hope the Minister takes into account that words are not enough. Actions were demanded in these reports. They asked for laws which provided mandatory compliance in the field of employment, so that people would not only find out that their employers had been given a memorandum to follow guidelines but that they were given directions and were required by law to obey them and give equality to the handicapped. Leaders of the handicapped groups have time and again indicated that mandatory action was required. This is what the Abella Report demanded. I would say that mandatory compliance is important in the field of employment.

On November 26, I had the opportunity in the House to comment on a Minister's statement. It was given by the Hon. Minister of State for Transport (Mrs. Blais-Grenier). I pointed out to her that action was required, not merely repetition of a press release some six months before that time. In the field of transportation, those working for or with or those who are themselves disabled want to ensure that there are mandatory requirements for carriers to provide equality of access now. They want that now, not later; they want it to be mandatory, not just guidelines.

On this important day we are happy to hear that the Government has made a clear and forceful commitment as to the direction it will take. The Official Opposition will support it. However, it is not enough to suck the bullet; they have to bite it. We want them to bite it and get on with the job of making certain that mandatory laws protect the handicapped. We do not want nice wishes and pious concepts. Therefore, we call upon the Minister to go forth with what he is undertaking. We wish him well. We will co-operate with him in any way we can to further the commendable objectives which he set forth.

Some Hon. Members: Hear, hear!

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I congratulate the Minister on his statement. However, in doing so, I express one regret—and it is not primarily the responsibility of this Minister—that it has taken two years for a response to the UN Declaration. Therefore, rather than having 10 years to do what we hope to accomplish, we will now have only eight. Perhaps that was the responsibility of the previous administration, but nevertheless I think it is worth noting.

• (1520)

[*Translation*]

Mr. Speaker, most disabled persons are in a very difficult situation. The need to consult them is obvious. The program and the policies must reflect the urgent needs of those people. The Government must feel a responsibility to keep an open line of communications with their representatives.

[*English*]

With this in mind, I would say that in reading over the Minister's report, I noted a number of places indicating a desire to consult with those who are handicapped. I urge the Minister to do what I am sure he will be doing in any event, and that is, to seek out those who are the representatives of the handicapped like COPOH which has done such magnificent work here and to involve them in the process from the very beginning.

Going beyond that, I suggest to the Minister, if I may be so presumptuous, that in establishing the permanent secretariat, he hire the handicapped. The handicapped could and should make up that secretariat. They would then have a first-hand knowledge of the kinds of problems with which they are going to have to deal. If it has not gone too far yet, and I hope it has

not, I would ask that the Minister take into consideration that recommendation which I offer on behalf of myself and of my colleagues.

I suggest to the Minister that beyond the consultation process with the provincial and territorial officials leading up to the possible convening of a federal-provincial-territorial conference to deal with important issues facing disabled persons, he involve disabled persons in the planning of the conference. Make sure that if the secretariat does, as I have asked, reflect those who are indeed disabled, that they be the persons who undertake the planning and travel across the country to meet with the representatives of provincial and territorial Governments. While doing that travelling, the travel problems confronting the handicapped will become part of the considerations of the conference itself. I urge that that be done.

I would like to deal with the entire question of developing an implementation plan for the outstanding recommendations of the *Obstacles* Report. I might say that that report is one for which there has been a great deal of support over the years. My colleague, the Hon. Member for Beaches (Mr. Young), who worked so very hard during the deliberations on behalf of those who are disabled, would want me to say that when the implementation plan is being considered, it should be considered by the disabled. Let them be the ones who determine the pace and methods of implementation. Let them be the ones who make the recommendations, because it is in fact much more difficult for someone without a disability to understand the complexities of the issue than it is for a person who has to face the problems on a day-to-day basis.

These are not criticisms of the Minister's report by any means. My remarks are intended, I hope, to give a slightly different focus which will make the exercise that is about to be engaged in a much more meaningful one. As a simple gesture as evidence of the goodwill the Government no doubt feels, I would ask the Minister if he would once again do as I have done in the House of Commons, and that is, to seek from the Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson) one small change to the tax legislation, a change that will eliminate the sales tax on replacement parts for wheelchairs. It is not a big change, neither is it a costly undertaking. However, it is something that we could do right now to show that we are serious. It is something that we could do that would indicate that not only are we getting on with finding new ways but we are going to solve one of the old problems in the process. I would ask the Minister to do that.

I commend the Minister for allotting new money for the program. I think it is fair to say that while it is a substantial amount of money, it will not be enough. It never is, but it is a substantial increase over what the previous administration and even this Government had been allotting over the years. I am positive that with that money, disabled groups themselves will be able to seek out solutions and ways of representing their needs.

On behalf of my colleagues, we welcome the report and ask that the matters I have raised be given careful consideration and be implemented if possible. We ask the Minister to report back if he finds that some of them cannot be implemented so that we may understand why that is. We ask further that that simple gesture through the tax structure be made early so that people can see that the Government stands for more than just rhetoric. The Minister will have our co-operation in making sure that we get the kind of program that we ought to have.

Some Hon. Members: Hear, hear!

* * *

PETITIONS

UNEMPLOYMENT INSURANCE—PENSION INCOME DEDUCTIONS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the responsibility and duty to present four petitions, one from Halifax, Nova Scotia; one from the Bricklayers', Masons' & Terrazzo Workers' International Local No. 1 in British Columbia; a petition from Toronto; and a petition from the Brantford area. All of these petitioners ask the Government to rescind its decision which comes into effect on January 1, 1986, whereby pension income will be considered employment income for unemployment insurance purposes.

OPPOSITION TO BILL C-70

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, it is my honour and duty as a parliamentarian to present a petition signed by 10 persons from the National Capital Region who request the Government to withdraw Bill C-70 from the legislative process.

[*Translation*]

IMPORTANCE OF AGRICULTURAL PROGRAMS IN FREE TRADE NEGOTIATIONS WITH U.S.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have the honour and privilege to present to the House a petition signed by 250 farmers of the electoral constituency of Glengarry-Prescott-Russell who urge the Prime Minister to give his personal assurance that none of the agricultural programs will be sacrificed in the free trade negotiations with the United States.

[*English*]

FULL INDEXATION OF FAMILY ALLOWANCE

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have the honour once again to present three petitions which are concerned with the deindexing of family allowances. The first one is from the Minister's own Province of Manitoba and is signed by a number of people connected with business and professional women's clubs and the St. John Ambulance Association. They are imploring the House of Commons to reinstate full indexation of universal family allowances because this deindexation will have a very negative effect on women and families. I also have a petition from Burnaby, Surrey and

Richmond in British Columbia which asks for a reindexation of family allowances, and another one from Vancouver East.

I am glad the Minister is present in the House. We are presenting many, many petitions every day on this subject and I hope that the Minister will reconsider his decision.

• (1530)

RAIL PASSES FOR CP PENSIONERS

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, I have a petition signed by over 500 of my constituents who ask that this House reinstate the rail passes for CP Rail pensioners and their survivors.

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I have petitions to present signed by residents of both Thunder Bay-Atikokan and Thunder Bay-Nipigon. It is my duty, honour and pleasure given the importance of this issue that I present petitions signed by 150 residents of northwestern Ontario who protest the decision of the Government to deindex the family allowance. They call upon the Government to recognize that the changes which are being made, including those to the child tax credit, will leave even the poorest families worse off by 1990 than they would be if the indexation of family allowances was continued for all. They call upon the House of Commons to maintain the full indexation of the family allowance.

[*Translation*]

POSSIBLE CLOSURE OF CN MONCTON SHOPS

Mr. Fernand Robichaud (Westmorland-Kent): Again today, Mr. Speaker, I rise to support the workers of Moncton by presenting two petitions from residents of Caissie Cape, Moncton, and Hopewell Cape. All those people are worried about the current situation in the CN shops; they would like the Government to commit itself by guaranteeing that those jobs will remain in Moncton and will not be transferred elsewhere.

[*English*]

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have petitions signed by a number of residents from my riding, other people from the City of Winnipeg and people living in the province of the Minister involved respecting family allowances. The petitioners point out that by the year 1990 even the poorest families will lose as a result of the changes which the Government is putting into place. They also point out that the cut-back with respect to child tax benefits, along with the sales tax increases, will be a heavy burden on middle-income Canadians and that these changes are unfair in the face of the budget hand-outs in terms of tax gains.

Order Paper Questions

Mr. Dan Heap (Spadina): Mr. Speaker, it is my privilege to enter a petition from residents of Spadina riding objecting very strongly to the Government's Bill which will reduce the family benefits. They point out that by 1990 this will take $600 million from families with children, including the poorest families. This is on top of sales tax changes and increases that hurt them, excise tax increases and stiff income tax increases which hurt low and middle-income people and benefit upper-income people. Therefore, the undersigned, your petitioners, humbly pray and call upon the House of Commons to reinstate full indexation of universal family allowance and to rescind the unfair tax increases.

[*Translation*]

Mr. John Parry (Kenora-Rainy River): Today, Mr. Speaker, I have the honour and the duty, to present to this Honourable House a petition circulated by the National Action Committee on the Status of Women and signed by residents of Fort Frances and Devlin in my riding, who urge the Prime Minister of Canada to withdraw Bill C-70 immediately.

[*English*]

CONCERN FOR FUTURE OF CN MONCTON SHOPS

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I wish to present a petition on behalf of the residents of the greater Moncton area. CN is the largest industrial employer in New Brunswick and, in particular, in the Moncton area, with 1,100 to 1,200 workers. Some 600 to 700 job losses will occur as a result of public and private sector losses in income of $32 million in the area as a result of CN's decision. I wish to present this petition on behalf of residents in the Moncton area who are concerned that the Government come clean with a statement as soon as possible indicating that the jobs at the CN shops in Moncton will be maintained because of the regional economic importance of these jobs.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following question will be answered today: N°. 461.

[*Text*]

ADVERTISING COSTS FOR MARITIME NATIONAL PARKS

Question No. 461—**Mr. Corbett:**

1. How much money is spent on advertising to promote (*a*) Fundy (*b*) Kouchibouguac National Parks?

2. What share of the moneys allotted to advertising national parks is allotted to (*a*) Fundy (*b*) all the maritime national parks?

Hon. Tom McMillan (Minister of the Environment): 1. (*a*) None, (*b*) none. 2. (*a*) None* (*b*) 30 per cent.

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*The Atlantic region's advertising budget for national parks is not site specific, but is for all parks in the region.

[*Translation*]

The Acting Speaker (Mr. Charest): The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining question stand?

The Hon. Member for Ottawa-Vanier (Mr. Gauthier) rises on a point of order.

Mr. Gauthier: Mr. Speaker, I take this opportunity to ask the Parliamentary Secretary to try and find out once and for all from the Minister of Public Works (Mr. La Salle) how he is planning to dispose of the Daly Building in my riding. Question No 261 has been on the Order Paper since February 6, 1985.

I am trying to find out what will become of the Daly Building. The newspapers are full of stories and we would like to know what the facts are. Could the Minister give us an answer, so that we can forget about this question and do something with the Daly Building?

[*English*]

Mr. Lewis: Mr. Speaker, I will be pleased to discuss that matter with the Minister.

I ask that all the remaining questions be allowed to stand.

The Acting Speaker (Mr. Charest): The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Charest): I wish to inform the House that because of the ministerial statement consideration of Government Orders will be extended by 25 minutes this day.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 63—ATLANTIC CANADA

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

That this House condemns the Government for its abandonment of the people of Atlantic Canada in its demonstrated lack of political will to provide jobs and other economic opportunities to the people of that region.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, just prior to lunch I was saying that the economic mess which presently exists in Atlantic Canada in terms of unemployment and lack of economic activity did not arise over the last 14 months. In fact, it has arisen over the past 118 years of Conservative and Liberal federal and provincial rule. In fact, the responsibility now rests with this Government to do something about it. It simply cannot escape its responsibility by dumping on the previous Government. The challenge is now with it. In fact, it has embarked on a course which can only be more disastrous because, in fact, it will now attack this great deficit. It wants to attack this deficit having, of course, over the years followed a trend which has moved to individuals and Governments in Atlantic Canada depending on transfer payments. The Government is now going to attack the deficit. It is going to look to the private sector, which is virtually non-existent in Atlantic Canada. It will cut the deficit which can only further exacerbate the situation for Atlantic Canada.

Mr. Speaker, I notice you are giving me a signal. I wish to close with the words of Elizabeth Beale, who is the Chief Economist for the Atlantic Provinces Economic Council. She put it very succinctly when she said:

Because of this dependence on government, deficit reduction could have a proportionally more severe effect on Atlantic Canada than elsewhere. Stated intentions in several areas have already given indications of the potential effects of deficit reduction (for example, changes to UI benefits, higher user fees for transportation and agricultural services, reduction of transfers to provinces).

I think she has hit the nail on the head. It means that this Government has got to commit itself in a real way to changing the economic base in Atlantic Canada.

The Acting Speaker (Mr. Charest): Are there questions or comments? The Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin).

Mr. Tobin: Mr. Speaker, I want to thank the Hon. Member for Nickel Belt (Mr. Rodriguez) for his speech. All the citizens of Newfoundland, and myself, have been waiting with bated breath to hear the position of the New Democratic Party on the decision of the current administration to abandon regional development policy in the country. I know that the Hon. Member for Nickel Belt is a fairly genuine fellow. He speaks his mind and calls it the way he sees it. So I was particularly delighted that if there were going to be a spokesman for the NDP today in this debate that it would be the Hon. Member. In Atlantic Canada, but in Newfoundland in particular, we have been wondering where the New Democratic Party stands on this issue.

● (1540)

It was with some regret and disappointment that we noticed that despite the very great and real concern of the New Democratic Party for the people of Newfoundland, the leader of that Party, the Hon. Member for Oshawa (Mr. Broadbent) did not have time during the last federal election to visit Newfoundland. Perhaps that is understandable. However, we have been left since that time, until today, with a degree of doubt about the interest and position of the New Democratic Party with respect to federal government policy and its impact on Newfoundland. During the course of the last election campaign not a single hour, day or minute, regrettably, was

spent by the Leader of the NDP in the Province of Newfoundland putting forward the policy of his Party.

That having been said, I want to say to the Hon. Member for Nickel Belt that I appreciate what he said because I realize, as he does, that the record of any administration, including previous Liberal administrations, cannot be a perfect one. I recognize, as he does, that the statistics held up to the light of day are not numbers to jump up and down and cheer about. However, I hope the Hon. Member will agree with me that current measures are being undertaken by this Government to take away the basic underpinnings of a policy which recognizes regional disparities where they exist and attempts to attack those disparities by providing special incentives.

We speak today about Atlantic Canada, and I wonder if the Hon. Member will agree that the basic policy which is currently being undertaken by this administration is not only going to affect Atlantic Canada but will affect northern Ontario, the eastern part of Quebec, the Northwest Territory and part of western Canada. It will affect areas such as Prince George where I was a few weeks ago. I hope we are going to be successful as Members of Parliament on all sides of the House who come here with a genuine dedication to improve the lot of people no matter where they live, in spreading this message. It is not just an Atlantic Canada problem but a problem for all of Canada. I wonder if the Hon. Member would care to comment on that particular proposition.

Mr. Rodriguez: I thank my hon. friend for asking me a question under the guise of a speech. Let me first say to him in reply to the preface to his question that we have found out that it is not what one says during a political election campaign which counts. It is one's performance in between elections. I want to tell the Hon. Member that in my capacity as chairman of the Atlantic caucus of my Party, I went to Labrador and listened to what the people had to say, which was not unlike what people were saying to me in my own area of northern Ontario.

We recognize that in fact Government has to take a more active role in establishing community development funds. It may be that the Government has to participate more with ordinary citizens in developing the resources for the benefit of people in the community. One of the things we discovered is that often times the decisions with respect to economic development are made here in Ottawa and it takes a long time for the message to get back. I was in Cape Breton not too long ago and I heard of a paramount example of this with respect to Millie's Potato Chips. The gentleman who owns Millie's Potato Chips wanted to build a plant at Port Hawkesbury and applied for a DRIE grant. The decision had to be made here in Ottawa and something like two months elapsed before it got back to Cape Breton. The fellow decided he could not wait any longer and put the plant in Ontario. Decentralization of decision-making with respect to economic development through the various agencies of the federal Government must be paramount. People at the local level must have an input. We do not need to appoint a whole pile of Tory hacks which, in the past, used to be Liberal hacks, to these boards which make the decisions.

Mr. Darling: What about the NDP hacks?

Mr. Rodriguez: We believe the local people can make the decisions with respect to economic development. We believe that there should be a provision of funds for co-operatives in community enterprises. That's where it is at. We cannot depend upon a large corporation to come and create jobs. It is not going to happen that way. It has not happened with Inco. Inco is cutting back jobs in my own area, so we cannot expect that.

We believe there should be reduced taxation for co-ops and community enterprises. We think that is where the incentives should be. We believe that a lot of times individuals in the communities of northern Ontario and Atlantic Canada who have good ideas cannot get financing because the banks want all sorts of ironclad guarantees and collateral. Poor folks in Atlantic Canada and northern Ontario do not have that kind of collateral. We need to have capital made available to ordinary individuals so that they can get into a small business and create some employment.

We believe we can restore the forest lands of Atlantic Canada. I mentioned before how they have been raped. One can trace the history of it. It goes right back to decisions of provincial and federal Governments of the past. We believe there should be $200 million injected into Atlantic Canada to start the restoration process. We believe that there should be a program for co-operative management of private wood lots. That is an activity these people can get into but they do not have the wherewithal to involve themselves. We believe that an investment of $150 million should be made immediately to develop such programs as the salmonid enhancement, the rehabilitation of the natural habitat, and improved marketing. Some of that is already going on in Cape Breton and in St. John's, Newfoundland.

Mr. Tobin: St. John's is not Newfoundland. It's a very small part of Newfoundland.

Mr. Rodriguez: I say to my hon. friend in all honesty that what we need at this point in time has to be a marshall type plan to get Atlantic Canada back on its feet. It cannot be the drop down, fall down theories we have followed in the past. They have not worked because as we created some activity, we found that the greater part of our economy slipped back. We must make a concentrated attack on this problem. No longer can we treat Atlantic Canada as if it is some Third World colony of central Canada. It seems that is what we have been doing. We have been sending it foreign aid and what we need is a thought-out economic strategy with economic development plans attached to it so we can get on with the business of creating employment in that area. That is what people want. They want a job and they want dignity. They do not want hand-outs from the federal and provincial Governments.

Mr. Tobin: Well said.

Supply

The Acting Speaker (Mr. Charest): Resuming debate.

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, I would like to congratulate my colleague, the Hon. Member for Nickel Belt (Mr. Rodriguez) on his speech which I believe contained some insight. However, he talked about a martial plan. Instead of sending in the marshall, the problem is that this Government has sent in the sheriff. The sheriff has said: "We are taking back and repossessing everything you have".

Just to put into perspective the resolution which is before us today, let me say that the Prime Minister (Mr. Mulroney) in Question Period painted a glowing picture of what is happening with respect to job-creation in Canada. He quoted this from *The Globe and Mail*: "Creation of 304,000 jobs drives unemployment down". If the Prime Minister had read on to the last four paragraphs, I think he would have put into perspective the resolution we have before us today. As a graphic example of what we are talking about, *The Globe and Mail* stated:

● (1550)

Still, the silver lining has a cloud. The job creation machine appears to have ignored residents of Canada's hinterlands. Raw figures show that between November, 1984, and last month, most of the new jobs were packed into the country's heartland, while the demand for new workers petered out going either west or east.

If the growth in jobs had been evenly spread across the country, each province would have one share of the new jobs roughly equal to its share of the labour force.

In the past year, Ontario, Quebec and New Brunswick were the biggest winners.

All got more than their share of the new employment. Together they have almost two-thirds of the labour force, but picked up almost 84 per cent of the new jobs in the past year.

Here is the message I want to get across, Mr. Speaker:

The outermost provinces—British Columbia, Alberta, Newfoundland and Nova Scotia—did worst. With 26 per cent of the work force . . . they got only 8 per cent of the new jobs.

When the Government talks about the rosy picture across the country in job creation, we have to put it in perspective and illustrate the figures which point out why we have this resolution before the House today.

The people of the Atlantic provinces have always struggled to stay afloat. However, since this Government took power there seems to have been a consistent policy of taking away whatever life preservers we have had. The problem is that there is an ideological inflexibility over there. There is a flaw in the policy which says that somehow the private sector is going to solve all our ills. For the first time in 30 years in this country there is no regional development policy. My colleague from Cape Breton said it was our Party which created the Department of Regional Industrial Expansion. That was a victory for regional development. However, there is now in Canada no policy for regional development and that is why the Atlantic provinces are suffering. You cannot inflexibly apply one policy all across Canada. Canada is a collection of regions and the Atlantic provinces have always depended on public sector support to shore up the weak private sector. There is nothing wrong with putting the private sector front and centre, but in the Atlantic provinces the private sector is weak and there has to be Government involvement. In the past there has been Government involvement but it is absent now. In the meantime, the Government programs we have depended on have been cut back.

Let me start with the Established Programs Financing, transfer payments, because therein lies the greatest tragedy of all. There will be less money going to the Atlantic provinces, including my own, than had been anticipated, hoped for and expected. As a result there will be increased charges for hospitals and post-secondary institutions. Young people, the real hope for Atlantic Canada, will have a tough time getting the education and training they need. In the long run the most tragic cut of all will be that cut in the Established Programs Financing.

I want to look at the cuts in the Department of Fisheries and Oceans. Something like $25 million will be cut from that Department which is so important to my province. There will be lay-offs in the Department, about 170 people across Canada. Some provinces depend more heavily on the fishery and it is logical to assume that we will probably lose more of those civil servants in the Atlantic than elsewhere in Canada. Therefore, the cuts in the area of small-craft harbours and lay-offs in the Civil Service will add to an already disastrous situation. As well, the issue of factory-freezer trawlers emphasizes again the insensitivity of this Government to what is needed in Atlantic Canada. If this approach to factory-freezer trawlers is allowed to be developed, if more licences are issued, it will have a devastating effect on the northeast coast of Newfoundland which is in my riding. If factory-freezer trawlers are allowed to multiply, the whole inshore fishery along the northeast coast will be devastated, indeed wiped out. The only alternative for these people will be what my colleague from Cape Breton mentioned this morning, an exodus from the Atlantic provinces to elsewhere in Canada. That none of us can tolerate. There are no plans to help the people on the northeast coast who will be dislocated because of these trawlers. There are no programs for retraining, for developing alternatives in the inshore fishery. No examination, no plan, and that is where the Government stands condemned on this whole issue.

The Government has not only not responded to the long-term problems in the fishery, it has not responded adequately to emergencies. In October I raised in the House with the Minister of Employment and Immigration (Miss MacDonald) the disastrous situation in the inshore fishery. There was no crop there this year. The fish did not come inshore. Many people along the northeast coast and in other parts of Newfoundland and Labrador will not qualify for unemployment insurance. In October I told the Minister not to wait until the end of the fishing season, but institute work programs now and give these people a chance to have an income this winter. The Minister waited until the fishing season was over and responded with too little, too late. We received $9.5 million which I estimate is half or less than half of what is needed to do the job

in job creation in the Newfoudland fishery. The Government was told about this but it did not react to a real emergency and for that it stands condemned as well.

In addition, the regular job-creation program is not working. This year the Minister built a training component into what is the successor to the Canada Works program. If you are going to apply for a job-creation project now in Newfoundland or the Atlantic provinces, you have to show you can train people for long-term jobs. It is naive and nonsensical to apply a policy like that to the Atlantic area. There is no way that kind of training program can be built in. The Government and the Minister have to realize that. She has to change the policy, and reinstitute Canada Works if workers in the Atlantic provinces are going to get jobs and have the income they need over the winter. This job development program has to be changed, this training component has to be wiped out, and we have to get back to the job-creation programs we had previously. As well, the situation in youth job creation is bad. I want to read some figures from the Minister's own Department which show that under Challenge '85, Newfoundland young people earned less money per hour, worked for a shorter period of time, and earned less over-all than young people anywhere else in Canada. Young Newfoundlanders earned an average of $1,232 compared with a national average of $2,000. Newfoundlanders earned an average of $4.09 per hour compared with a national average of $4.73. If we add that to the figures I read from *The Globe and Mail* earlier we can see that there may be an advance in other parts of Canada but it has not happened in Atlantic Canada. Indeed, that area of the country is slipping farther behind. In the meantime, no action has been taken to shore up the economy with public sector support which we so badly need. As a matter of fact, programs which had been announced have been cancelled. For example, a federal prison announced for central Newfoundland has not gone ahead. It was announced one year ago last fall and this is December, 1985. We still have no word on that project. This is the kind of public sector support we need to create jobs in the Atlantic area and that is the kind of project this Government, with its private sector ideology, has cancelled.

The only thing that the present Government is hanging its hat on in Newfoundland, as far as I can see, is the Atlantic Accord. Given the situation now with OPEC and the prospects for world oil prices, the development of Hibernia, as much as I want it to go ahead, is questionable. It is certainly questionable if we see it as the total economic saviour of Newfoundland. Newfoundland may get $200 million a year from the Hibernia project, but the deficit of Newfoundland is something like $300 million a year. If the present Government is hanging its economic hat on the Hibernia development, it will be sadly mistaken. We need the kind of public sector input which my Party put into my province when it was the Government of Canada. It instituted a water system in Port aux Basques at a cost of $6 million, a music school at Memorial at a cost of $2 million, a world-class marine institute at a cost of $47 million, and an ocean industries agreement to help small business get a leg up in going after jobs in the offshore.

• (1600)

The Liberal Government instituted a tourism agreement at a cost of $14 million to help small business to respond to the increased traffic in the Atlantic area, and a minerals agreement which prompted exploration which resulted in finds such as the gold deposit on the south coast of Newfoundland. That minerals agreement was made at a cost of $21 million. The Liberal Government made the Burin Peninsula agreement at a cost of $28 million which has resulted in the start-up of projects such as the mine at St. Lawrence. There was a rural development agreement which funds incentives by volunteers all over the province. That involved a cost of $18 million. There was also a roads agreement.

Those are the kind of projects, programs, and policies that the Liberal Party had when it was the Government of Canada and that is the kind of public sector support which is absent now. The Government has even cancelled a very important project, the Northern Fisheries Development Corporation. I asked the previous Minister of Fisheries and Oceans about that and he confirmed that the $15 million which had been set aside to create the Northern Fisheries Development Corporation has evaporated. It no longer exists. The Government has been in power for over a year and we still do not have the vehicle which is so important to northern Newfoundland and Labrador.

Fisheries Products International has just said that it will be getting rid of 23 plants. Many of those plants are in small communities which are very vulnerable indeed. Without support, help, confidence, and money from the Government, there is no way that those plants in those communities can survive. They need the Northern Fisheries Development Corporation which the present Liberal Party proposed but which the Government has not seen fit to proceed with. Indeed, it has seen fit to spend that money elsewhere.

In my estimation, Mr. Speaker, the north is probably the hardest hit of all. The people in the north are usually the forgotten people of Canada. I speak not only of the people in Labrador, but those in Yellowknife in the Northwest Territories as well. The deregulation of transportation will mean increased costs for people in the north because they depend so heavily on air transportation.

I would like to point out one particular issue in the north which I believe needs immediate attention by the Government, that is the isssue of taxation of northern benefits. In his economic statement the Minister of Finance (Mr. Wilson) said that he would continue the moratorium, that is the nontaxation of northern benefits such as housing and travel until the end of 1985. We are getting very close to the end of 1985 and there has been no statement from the Government as to what it intends to do about the taxation of northern benefits.

This is not a national issue in the country, but the people who live in Whitehorse, Yellowknife, Old Crow, Labrador City and Goose Bay, as well as some people in northern New Brunswick and northern British Columbia are very, very concerned about this particular issue. It particularly affects mining communities such as Farrow in the Yukon. There are

special benefits for people who live and work in the north and the Government must say very clearly that in the future, as in the past, those benefits will not be taxed because, if that happens, it will put an increased economic burden on people at a time when they can least afford to bear it. The Government must measure up to its responsibilities in the north. It is one thing to let the *Polar Sea* go through the Northwest Passage, but it is another thing altogether to take money out of the pockets of people who live in that area.

In conclusion, Mr. Speaker, in defence of the motion before the House today, I have tried to say that the record of the Government in the Atlantic provinces is, indeed, utterly dismal. The people know it. That is why the polls show that, although there are only four points separating the two Parties nationally, there is a ten-point spread in favour of my Party in the Atlantic Provinces. That seems to me to be as dramatic an indication as any that I can use of the knowledge of the people that the present policies are not going to work and that the Government has failed to live up to its responsibilities. I find it amazing that a Government with such an overwhelming mandate to govern should dissipate that right to govern so quickly.

What the Government is doing to the economy of the Atlantic area is even more serious. If the present Government policies of user-pay, deregulation, cuts in government services and private sector front and centre at all costs are not changed, corrected and reversed, the Atlantic provinces will slide silently into the Atlantic Ocean. If the Government continues on that course, it will see that happen. At the very least, it is ignoring the Atlantic economy, and at the worst, it is goring the economy of the Atlantic area.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Louis-Hébert (Mrs. Duplessis)—Health—Breast implants—Request for stricter control and additional research funds; the Hon. Member for Regina East (Mr. de Jong)—Airports—Automobile rental policy. (*b*) Request for committee hearing; the Hon. Member for Broadview-Greenwood (Ms. McDonald)—Trade—Canada-United States negotiations—Prime Minister's speech in Chicago. (*b*) Magazine publishing industry.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 63—ATLANTIC CANADA

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

That this House condemns the Government for its abandonment of the people of Atlantic Canada in its demonstrated lack of political will to provide jobs and other economic opportunities to the people of that region.

Mr. Binns: I am pleased to have the opportunity to respond to some of the comments made by the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey). He suggested that the record of the Government is dismal in the Atlantic area. He did mention the Atlantic Accord, but suggested that the Government is hanging its head on that particular measure with little to back it up. I do not think that is the case at all. I think the Government can hold its head high over the Atlantic Accord which is an outstanding agreement when you consider the benefits that will flow to Newfoundland in particular and to the Atlantic area as a whole.

I will mention a few of the other benefits which the Members from Newfoundland may like to be reminded of. Just a few days ago the Minister responsible for CMHC entered into an agreement whereby a new $700,000 senior citizen housing unit will be built in Mount Pearl in conjunction with the Legion in that community. There was a recent announcement on the launching of a new ferry vessel, *Caribou*, at a cost to the federal Government of approximately $121 million. The Government of Canada made an investment in the equity capital of Fishery Products International to put the company on a sound footing for the future. That was an investment made in the last eight weeks of some $76.7 million. There was an official ceremony celebrating the completion of the highway connecting Conception Bay south to the Trans-Canada highway, which project cost a total of $12.8 million. The federal contribution for that was some $9.6 million. Just recently there was the official opening of the Newfoundland-Labrador Institute of Fisheries and Marine Technology.

● (1610)

Mr. Tobin: Liberal policy.

Mr. Binns: That was a total cost of $42 million, $29.7 million of which was from the federal treasury. On November 1, there was the official opening of the new music school building at Memorial University. The total cost was $5 million with a contribution from the Government of Canada of some $2 million.

On November 5, there was the official opening of the National Research Council Institute for Marine Dynamics, including the world's largest Arctic vessel research facility and ice tank. The cost to the Government of Canada was $55 million for that one project alone. On November 18 there was the official opening of the Marine Emergency Duty Centre. This is another program costing some $4.2 million.

In that list from the last eight weeks there is nearly $300 million worth of federal contributions to Newfoundland and Labrador. I think that is a remarkable and significant record.

Let us look at some programs for fishermen and fish plant workers because all of us know that it has been a difficult season for Newfoundland fishermen. In June, the Government instituted a special program for inshore fishermen who were prevented from commencing the inshore season by unusual ice conditions. That program was instituted to give such fishermen payments equivalent to the payments they would have received under the UI program if it was applicable. As a result, some 5,854 fishermen were assisted at a cost of $4.7 million.

I could go on at some length. I am sure Members opposite would want to be reminded of the commitment which the Government of Canada has continued to make to the Province of Newfoundland.

Mr. Tobin: Previous Government.

Mr. Binns: Of course, these are events which have taken place within the last eight weeks.

Mr. Rompkey: Mr. Speaker, I know that the Hon. Member has a duty to respond on behalf of his Party. However, being the Hon. Member that he is, I also know that he would not want to mislead the House. He is in very great danger of doing that.

I happen to know whereof I speak because I served as the Newfoundland Minister in the previous administration. The reality is that every project he has mentioned, with the exception of the injection into Fisheries Products International, was implemented under the previous Liberal administration. The *Caribou* project began under our administration. I happened to sign the Conception Bay highway agreement myself. That is a matter of record. The Marine Institute, costing $47 million, was money that was commissioned by us and indeed the construction started when we were the Government of Canada. I was at the opening two weeks ago.

The music school was another project that started when we were the Government of Canada. The National Research Council goes back beyond my time to the time of Don Jamieson. The Marine Emergency Centre was instituted by Jean-Luc Pepin when he was Minister of Transport. All of those projects began under a Liberal administration and that was exactly the point I was making. We are public sector conscious whereas the Government is private sector conscious.

It is important to emphasize that the only thing the Hon. Member mentioned that his Government did was to inject $105 million into Fisheries Products International. It is also important to note that as a result of that, it has drained every single cent of economic development money for all of Newfoundland for this year. There will not be another project. It is important that all those people from Newfoundland who are watching and all those in the Chamber realize that the $105 million comes from an economic development envelope that is put aside every year for every province. As a result of that injection into Fisheries Products International there is no more money for economic development projects in the Province of Newfoundland.

If I am wrong, I would like someone opposite to correct me, but I believe that the fact is that that $105 million injected into Fisheries Products International is not new money but money from the Department of Regional Industrial Expansion under the economic development envelope for economic projects in Newfoundland. This means that there will be no new initiatives such as the ones we have taken in the past. That is the reality and the truth.

Mr. Henderson: Would the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey) comment on the opinion of Mr. Peckford, the Premier of Newfoundland, and give us his opinion on the total effect of the issuance of the factory-freezer trawler licences? How will it affect plant workers in Newfoundland and indeed the inshore fishery of Newfoundland? Does he see that as being a long-term threat to the inshore fishery?

There are those who believe that the capital cost of bringing in factory-freezer trawlers may well put extra pressure on the fishing industry and indeed allow for further quotas for factory-freezer trawlers in order to make them economically feasible in the long term to te detriment of the inshore fishery?

Mr. Rompkey: There is no question that it will be an either/or situation. You cannot catch fish twice and you cannot process fish twice. If they are caught offshore, they cannot be caught inshore and if they are processed offshore they will not be processed inshore. There is no question that there is a threat to jobs in inshore plants.

My greatest concern in this whole debate about factory-freezer trawlers is that there has been no enunciation of any long-term plan for the inshore fishery of Newfoundland, for the people in the plants and the fishermen. No one has given any thought to that.

Those are the people who are in jeopardy and they are among the most disadvantaged and vulnerable groups anywhere in Canada. The real tragedy today is that no one in Government is giving thought to what will happen to the inshore fishery, particularly along the northeast coast of Newfoundland. I have not heard one word in this whole debate on factory-freezer trawlers addressing that situation.

There is no question that it is a threat and the Government must live up to its responsibility and make clear its intention for the inshore fishery, particularly for the northeast coast of Newfoundland.

Mr. Tobin: Mr. Speaker, first I want to congratulate the Member for a very articulate and succinct speech, especially in light of the rebuttal wiht the ridiculous claims made by Members opposite. They are so desperate to find something good to say that they had to go back to the Liberal record to find some positive announcements to recant.

I know that the Hon. Member for Grand Falls-White Bay-Labrador has made the same inquiries as I have. Has he received any assurance from the Government of Canada,

despite repeated requests by us and the people living in the area, about the future of the northern fisheries development corporation? This project was conceived under the last administration, during the time he was in Cabinet, but we have heard nothing about it ever since.

Mr. Rompkey: Mr. Speaker, my colleague, the Member for Humber-Port au Port-St. Barbe (Mr. Tobin) points out an issue that is important to him and myself as well as the people we serve together. As I said in my speech, if nothing is done 23 plants will be cut adrift by Fisheries Products International. Fisheries Products International says that it will be getting rid of these plants because they are non-productive.

If no plan is put in place, those small communities in his riding and mine will not only be vulnerable, their whole economic base is in danger of being destroyed.

We have proposed a public sector corporation, a northern fisheries development corporation. Not only has the Government not put this in place, it has taken the $15 million which we had put aside to fund that corporation and used it elsewhere. That cannot be excused and must be condemned.

My hon. friend and I must continue to fight to establish that northern fisheries development corporation for plants on the northern peninsula of Newfoundland and along the coast of Labrador. Only with that kind of support will those people who are very disadvantaged and vulnerable be able to survive.

The Acting Speaker (Mr. Charest): Resuming debate.

● (1620)

[*Translation*]

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, even after what we have just heard, it should not come as a surprise that I welcome this opportunity to inform the House that the Government has not abandoned the Atlantic provinces, as claimed by the Opposition.

The Conservative Government has now been in office for fifteen months, and I think Canadians know what we have done and the results we have achieved.

Before elaborating on the situation in the Atlantic provinces, Mr. Speaker, I would like to give a general overview of the national situation, which in itself constitutes a very encouraging indicator of our economy.

I would remind the House that unemployment has dropped 1.5 per cent since we came to power. This is remarkable progress indeed, at a time when our economic recovery is still somewhat shaky.

During the first quarter of 1985, the GNP growth rate increased 33 per cent compared with the first quarter in 1984. During the same period, interest rates fell, dropping from 11.25 per cent at the end of 1984 to their present level which is around 10 per cent. In August 1985, retail sales increased by 12.6 per cent over the previous year, and things are continuing to improve.

These figures are enough to make the Opposition blush with embarrassment, since they are supported by the projections of the Economic Council of Canada, which is announcing ten years of steady growth, moderate inflation and a progressive decline in the unemployment rate.

The ECC is predicting an average annual growth of 3.5 per cent during the next ten years, a rate of inflation of less than 4 per cent and a drop in the unemployment rate which should stabilize at around 7.6 per cent between now and 1991.

And now I would like to get back to what has been done to help the Atlantic provinces. The Government of Canada has signed an agreement with Prince Edward Island on electric power rates. This step involves funding of over $50 million and is aimed at bringing down existing power rates in this province. One of the aspects of this agreement is a provisional, shared-cost subsidiary agreement, with a budget of $8.5 million, of which $6.8 million is being provided by the federal Government. Furthermore, a special advisor has been appointed to explore all possible avenues regarding a long term solution to the Island's energy problems.

This Government has signed agreements on tourism and market development, within the framework of the general agreements. It has also provided $4.5 million to establish a new meat processing plant to replace the Canada Packers plant.

The Government has provided this province with funding totalling $103 million under the Economic Regional Development Agreement.

As for Newfoundland, last spring, the federal and provincial governments signed a joint agreement under which $180 million will be set aside for improvements to Newfoundland's road network. Under the ERDA, $150 million will be injected into upgrading the Trans-Canada Highway and $30 million will be allocated for roads in Labrador. The federal contribution amounts to $112.5 million; in addition, $93 million have been allocated to the Goose Bay airport development project, and a $6.5 million contribution has been used to improve the quality of Channel-Port-aux-Basques municipal drinking water.

All told, under the regional economic development agreement, the federal Government will have invested over $235 million in Newfoundland over a five-year period.

Members of the Opposition also referred to Nova Scotia. In May 1985, eight new members were appointed to the Cape Breton advisory committee to consider ways in which the federal and provincial Governments might promote employment and long-term economic development in Cape Breton.

The Canadian Government has also approved the final project for the construction of a second access tunnel to the Donken-Morien underwater coal deposits at Cape Breton.

Drilling for this 3.5-kilometre tunnel will take a year, at an estimated cost of $16 million. Capital expenditures fall within Devco's current budgetary appropriations and, in line with our terms of reference, the tunnel drilling project attests to the federal Government's commitment towards Cape Breton. It will boost the local economy and create 100 jobs in the Glace Bay region.

Under the regional industrial development program, the Government gave Nova Scotia Pulp Limited about $4 million to upgrade its pulp and paper plant, make its operations more profitable, and thus contribute to maintaining jobs in the region of Port Hawkesbury.

Again in May 1985, DRIE gave a $1.5 million grant to Glace Bay's Highland Fisheries for the construction of a modern fish processing plant valued at $6.3 million. Thanks to that assistance, the plant will have 180 employees before the end of 1985.

In July 1985 the Minister of Regional Industrial Expansion (Mr. Stevens) announced Government support payments to complete the federal assistance program made available to Cape Breton under the regional industrial development program and other DRIE projects. These support payments and the Cape Breton investment tax credit which then increased 50 to 60 per cent have turned this region into a haven for investors.

Both Governments agreed last June to act jointly to bring forward various economic development projects under the Canada-Nova-Scotia Economic Regional Development Agreement.

The new action plan proposes cooperative efforts under the two subsidiary agreements on technological transportation and innovation. The signatory Ministers took this opportunity to change the priorities of the ERDA to reflect their views about the importance of consultations with the native people and the visible minorities of the province about ERDA issues which concern them. Indeed, we saw at the recent First Ministers' Conference that these are priority issues for the province. The subsidiary agreements already signed under the ERDA have a total value of $205.5 million, of which the Federal share will be $140 million.

The Cape Breton Advisory Committee created by the two Governments and chaired by Mrs. Theresa MacNeil is a perfect example of federal-provincial cooperation. Last September, the committee submitted a report based on its consultations with Cape Breton residents last summer. The recommendations contained in this report have been carefully evaluated and have already influenced the decisions of the Federal Government. For instance, the boundaries for the Cape Breton tax credit have been extended to the Mulgrave Region in the Southwest, and the benefits of the tax credit have been increased.

Last Friday, on December 6, a new agency called Enterprise Cape Breton was created. Its purpose is to stimulate economic development in the region. While this is a federal initiative, the participation of the private sector and the province will be welcome and even essential. Based on the one counter formula, Enterprise Cape Breton will enable eventual investors to be better informed about DREE programs and services, and will operate with a $25 million budget, which is double the budget of the Cape Breton Development Corporation. Enterprise Canada will also launch major promotion and marketing programs to attract investments to Canada.

If we look at all these projects, we can see that our federal projects have already begun to create jobs in Cape Breton, as indicated by the announcement of $10 million worth of industrial development and expansion projects.

Last June, Magma International Inc. signed a memorandum of agreement with the Federal Government to locate in Cape Breton. Magma is a company which has been very successful in operating small semi-independent facilities, for instance in Southwestern Ontario. It is considering the construction on Cape Breton Island of a center similar to the one it already operates in Ontario for training in state-of-the art technology.

Again in Nova Scotia, over $1 million have been allocated for repairing the Port Hawkesbury road, and $200,000 for developing an industrial area in Antigonish. Those amounts have been expended under the Canada-Nova Scotia supplementary agreement on the Strait of Canso.

And to promote access to modern technology, a $34 million economic and regional development agreement was signed with Nova Scotia in July 1985 to set up computer and high technology training centers. Ottawa will assume 70 per cent of the cost, with the Province contributing the other 30 per cent.

Again under ERDA, the Federal Government has therefore injected another $140 million in Nova Scotia.

Let me turn now to New Brunswick. A $32 million supplementary agreement was signed in November 1984 relating to tourism, with a $22 million federal contribution. And, yesterday, on December 9, $30 million were allotted for industrial development in that Province, with the signing in Fredericton of an industrial development supplementary agreement. The federal Government will provide $21 million through MIRD, and the Province $9 million.

Under another agreement signed in May 1985 under IRDP, the Canadian Government will contribute $42 million, $10 million of which are refundable, for the setting up in Newcastle of a coated paper mill. The Acadia Paper Company is being financed by Repap Enterprise Incorporated from Montreal.

That project will provide employment stability to more than 1,600 forest and mill workers, and involves the hiring of 1,000 person-years during the construction phase. An estimated 125 permanent jobs will thus be created.

The Canadian Government has provided that Province with $215.7 million under ERDA.

Mr. Speaker, from January 1984 to March 1985, 3,100 loans totalling $98 million were guaranteed under the Small Business Loans Act in Atlantic Canada. Under the Industrial Regional Development Program, we have been able to contribute a total of $90 million for 209 projects.

Mr. Speaker, more than any other Government, this Government has promoted an exchange of views and improved relations between the federal Government and the provinces. For the first time in the history of this country, the Chairman of the Cabinet Committee responsible for Regional Economic Development, the Hon. Sinclair Stevens, scheduled regular meetings with his provincial counterparts. Since the first meeting in Ottawa in January 1985, meetings have been held every two months in provincial capitals across the country to discuss the difficult problems of regional development. These meetings provide an opportunity for discussing economic development and for setting up a development policy adapted to the needs of the various regions of this country. These meetings provide a forum for discussing questions such as co-ordinating assistance to small businesses through partial decentralization of the Industrial and Regional Development Program, reducing the number of regulations and the paper burden for small businesses, co-ordinating investment promotion activities and consulting on federal proposals for revising regulations for the transportation industry.

The Ministers responsible for regional economic development have agreed on a workplan for dealing with three broad objectives connected with regional development, namely, attracting and especially maintaining investment in all regions, enumerating obstacles to interprovincial trade as well as the various ways in which it could be enhanced, and preparing a data base on regional development. Two federal-provincial task forces have been created to examine these issues, and their reports will be submitted for consideration by the Ministers at their next meeting in January 1986.

Mr. Speaker, we have never seen the like of the economic potential that exists in the world today. Canada must take advantage of these opportunities and carve out its share of the market.

In concluding, I still wonder why Opposition Members are not prepared to invest their energies and work together with the Government to ensure that programs and initiatives produce results as quickly as possible, for the greater benefit of all Canadians.

The Acting Speaker (Mr. Charest): Questions or comments. The Hon. Member for Egmont (Mr. Henderson).

● (1630)

[*English*]

Mr. Henderson: Mr. Speaker, I have a question for the Hon. Member. Concerning the situation in Cape Breton, obviously her speech was written before the Prime Minister (Mr. Mulroney) answered a question in the House today. Quite clearly he stated that very little happened to improve the economy of Cape Breton, or indeed Atlantic Canada, in the last year and a half. It is in that context that I mention her Department obviously wrote her speech yesterday. That she had to rise and read that speech is not good enough for Atlantic Canada. The people of Atlantic Canada are looking for some action from the Government. They are not looking for words. Actions speak louder than words.

On the very important issue of transfer payments to the provinces, I have in my possession a clipping from *The Evening Times Globe* of Saint John headed "Baxter Blasts Federal Cuts". Mr. John B. M. Baxter, Q.C., the Minister of Finance for the Province of New Brunswick, is reported as follows:

> New Brunswick's health and education programs are "at serious risk" under an inflexible plan for slashing $2 billion from transfer payments to provinces advanced by federal Finance Minister Michael Wilson on Wednesday—
>
> Depending on what method Wilson ultimately employs, Baxter says New Brunswick could lose either $60 million or $120 million in health and education transfer payments.

Those are the comments of the Minister of Finance for the Province of New Brunswick. We have heard other Ministers and Premiers from Atlantic Canada state clearly that cuts in transfer payments will affect Atlantic Canada. In fact, they will affect most provinces, but certainly Atlantic Canada.

How can the Hon. Member rise in her place today and say that what the Government has done in the last year and a half is beneficial to Atlantic Canada? How can she justify that? Also I would like her to justify how job-creation programs, such as the new Canadian Jobs Strategy invoked by the Minister of Employment and Immigration (Miss MacDonald), will help my province and the Province of Newfoundland, which is in such bad shape that it will take 10 years of good Liberal administration for it to experience decent economic times?

Mr. Epp (Provencher): What a dreamer!

Mr. Henderson: How can the Hon. Member say that the new Canadian Jobs Strategy of the Government will be beneficial to my Province of Prince Edward Island when unemployment is the highest it has been since 1980?

[*Translation*]

Mrs. B. Tardif: Mr. Speaker, I must say that the question of my colleague makes me smile. When he talks about a Liberal administration whose benefits we are reaping today, I think he is right. The problem we are experiencing in Cape Breton, indeed in all Canadian provinces, has been created by a Liberal administration which was in office for over 20 years.

Some Hon. Members: Quite true.

Mrs. B. Tardif: If something is now going wrong, particularly in Cape Breton, he might perhaps ask more questions and direct them to the Party he represents.

Some Hon. Members: Right on!

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

Mrs. B. Tardif: I was asked two questions in this long introduction. The first one was specifically related to Cape Breton.

Surely my colleague knows the special measures taken by the committees representing local interests, the provincial Government, which made their representations to the federal Government. They are now under review and should give some results.

When we talk about concerted efforts and co-operation with the provinces and local interests, it shows that we favour that kind of intervention, and local authorities make recommendations likely to meet the needs of the people.

As to what you refer to as losses, concerning equalization payments, I think it has been pointed out on several occasions that equalization payments had not been reduced, but there has been an indexation readjustment.

If you think the problem is peculiar to your province or to the Atlantic region, I can say it exists as well in Quebec, and that too may very well be due to the former administration which left us with a deficit which Canadians now want us to cut down.

• (1640)

[*English*]

Mr. Rodriguez: Mr. Speaker, I want to ask the Hon. Member a question in light of the fact that she is the Parliamentary Secretary to the Minister of Regional Industrial Expansion. Can she tell the House when the people of Cape Breton can expect Phase II of the Sysco plant to be announced?

[*Translation*]

Mrs. B. Tardif: Mr. Speaker, the matter will be studied and an announcement made in due time.

[*English*]

Mr. Tobin: Mr. Speaker, I will try to be brief so my colleague will have a chance to ask a question as well. First I would like to congratulate the Parliamentary Secretary on her presentation to the House this afternoon. I know the very difficult position she is in, being forced to read the script that has been written by officials of her Department. It is difficult to read from a document one does not really understand, talking about an area about which one knows nothing while giving a speech and trying to make it interesting. I think the Hon. Member has shown a particular degree—

Mr. Horner: You don't know anything.

Mr. Tobin: When I don't know, I don't rise to make speeches written by someone else. I think the Parliamentary Secretary has shown a particular degree of backbone in attempting to carry this through. Having sympathy for her plight. I congratulate her.

Nevertheless, because this is an educational time for the Parliamentary Secretary, who I am sure has a genuine interest in Atlantic Canada, I am sure she will one day speak her own mind in the House on matters affecting Atlantic Canada. I say that sincerely.

If the Parliamentary Secretary attended Question Period today, she would have heard the Prime Minister (Mr. Mulroney), in response to a question put by my colleague, the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall), admit in the House in a very quiet tone that indeed the Cape Breton Development investment credit is not all that we would like it to be and that there has not been the kind of response that we wanted to see. The Prime Minister said that we are going to have to review the program.

Given the Prime Minister's admission that the special programs that were created, in the words of the Parliamentary Secretary, to create a paradise for investors, and given the fact that the Prime Minister himself and not a junior Minister has admitted that that program has failed the people of Cape Breton, will the Parliamentary Secretary give us an assurance now that if the matter will be under review and a more realistic, serious, sober attempt will be made to provide assistance to the people of Cape Breton, that review will be conducted in public in Cape Breton and people living in that region who have ideas, practical life experience and suggestions will be given a chance to be heard? It is obvious that this investment scheme will be scrapped by a Government, the Prime Minister of which has admitted it has failed.

[*Translation*]

The Acting Speaker (Mr. Charest): Order, please. Very, very rapidly, the Parliamentary Secretary to the Minister of Regional Industrial Expansion (Mrs. B. Tardif).

Mrs. B. Tardif: Mr. Speaker, I would remind those who think the results of the May Budget have not been all that exceptional that last Friday, Cape Breton Development Investment was set up. We have also had the report by the task force headed by Mrs. MacNeil which made its recommendations. Here again, the Government has demonstrated its desire to ensure that the initiatives to be taken by Cape Breton will produce results. Our objective is to draw attention to the programs that exist today in Cape Breton.

[*English*]

Mr. Dan Heap (Spadina): Mr. Speaker, I am very pleased to be able to take part in this debate today for more than one reason. One reason I am pleased is because it is a good and relevant motion and I thank my Liberal colleagues for having moved it today. The motion reads as follows:

> That this House condemns the Government for its abandonment of the people of Atlantic Canada in its demonstrated lack of political will to provide jobs and other economic opportunities to the people of that region.

I had the opportunity to visit Halifax, Wolfville and Sackville last week. That was not my first visit there but it was my most recent one. Actually, my great, great grandfather, Daniel McDonald, was a merchant in Halifax and I wanted to go

back to see how the city was doing. According to the people I met there and to the newspapers and other media that I saw, it is not doing quite as well as the rest of Canada.

There are three points to be raised today. I am especially concerned with housing and I was astonished to see the Hon. Minister of Labour (Mr. McKnight) who is responsible for housing quoted as saying that there is no housing crisis in Halifax. What a frivolous statement he made. I will return to that point in a moment.

I was very pleased to see the local action that is being taken by people from those communities to create housing. They are not creating very much housing because their resources are limited but I was interested to see the action that they are taking and I will return to that in a moment.

As someone who is now living in and for two or three generations has belonged to what they call Upper Canada, I was embarrassed to see the financial fix in which Canada has put Nova Scotia. Of course, this is so not only for Nova Scotia but the other Atlantic provinces and I will return to that in a moment. The responsibility for that does not rest only with the previous Governments, it rests with the present one as well.

First, regarding the matter of the crisis, I visited Hope Cottage in downtown Halifax where Father McKenna explained that in 1982, 30,000 meals were given to homeless men; in 1984, 60,000, or double. If there are twice as many meals to be given to homeless men in 1984 as there were in 1982, how can we say that there is no crisis?

In fact, 35 responsible groups from Metropolitan Halifax including church groups, housing societies, health associations, welfare rights groups and the district labour council combined last summer to issue a report on the housing crisis. These are some of the things they mentioned: the cost of a three-bedroom apartment averages between $550 and $750 per month with many higher than that and single rooms cost $80 per week and up. Rents like that can be found in the City of Toronto but what cannot be found in Toronto is the large proportion of people whose incomes do not allow them to pay those prices. There are some but not in the proportion that exists in Halifax. It is pointed out that to afford that sort of accommodation, according to federal standards, a family's income should be between $26,000 and $36,000 per year.

● (1650)

They point out that federal funding for things like non-profit and co-op housing, which is the most reliable form of housing to provide for low income people and for middle income people, has been cut systematically during the last two years. It was cut by 25 per cent in the last year alone by this present Government. Only 252 new units have been constructed in the last five years in the Halifax district.

The crisis is not just a matter of buildings; it is a matter of what happens to the people who are either forced to live in poor buildings or forced to give up other necessities to live in a decent building. They catalogue the results, they summarize them: increased homelessness, families living in one or two rooms, family breakdown, physical and mental health deteriorating, unnecessary hospital admissions where the hospital keeps a child in hospital at great expense to the public because there is no heat or proper sanitary conditions in the home to which the child might be returned, food money getting spent on shelter and the frustration—frustration of the tenants, frustration of the homeowners in dismally poor homes, frustration of the workers, the human service workers, who are trying to hold the fabric of society together because they do not have the resources.

It has been demonstrated statistically over and over and it has been repeated in this House that the Atlantic provinces do not have the resources available to use for their own benefit. It is not that they have no natural resources. It is not that they have no good workers, willing and capable workers, but that they do not have the benefit of their natural resources and their labour resources. One measure of that is the figures from Statistics Canada which tell us that in Nova Scotia the income per capita is only 78.5 per cent of the average for all of Canada. Now, at that, they are better off than the other three Atlantic provinces. That is a long way down from average. The earned income per capita is only 74 per cent. Again, Nova Scotia is better off than New Brunswick, Prince Edward Island and Newfoundland, but it is only three-quarters of the average of Canada. Unemployment insurance payments per capita are 141 per cent of the national average, almost half as much again as is needed for the rest of the country. Again, the other provinces are in worse condition but Nova Scotia's condition is bad enough. The subsidies that are required per capita are 295 per cent of what is required in the other provinces. I will come back to that point again; but I want to mention the local drive, the local energy, in Wolfville.

I was shown what they call the small houses. These are houses locally designed. They are not CMHC houses; they are locally designed. There is one large room. They call them hearth houses, one large room where people cook, eat, and generally live and recreate and there are two small bedrooms, 600 square feet roughly. Now, by Toronto standards, that is a very, very small house. These are houses for people who are living outside Wolfville. They are living up in what they call the Mountain. They are replacing houses that were equally small but dreadfully, dreadfully poor houses with the wind blowing through, houses with one wood stove and a stove-pipe for a chimney set too close to the door. In wintertime there are not only tragedies of people who freeze for lack of fuel but people who burn because of the rickety stove in their house because they cannot afford better. Lack of decent water supply, lack of decent sewage arrangements. In these new small houses they have decent water supply. They have decent sewage arrangements. The houses are airtight, the heating equipment is modern and it has a brick chimney. The house is safe, comfortable and clean. It is of a design that many of the poeple there are used to. It is not only in Nova Scotia. When I lived in the Gatineau Valley for three years, I found that most of the farmhouses pratically worked with that design. They had a parlour but they never used it except when the minister came. He only used it once, found it too cold and then spent

with the rest of the family his time in the kitchen or dining-room. It is a good local effort and it did not cost the CMHC one cent. They neither used CMHC money, a CMHC guarantee nor a CMHC design. It was guaranteed by the local government.

In the city I saw Adsum House, a refuge for women. If you read the newspapers in Halifax you know it is badly needed, Mr. Speaker. I take my hat off to the people who keep that house going on a dreadfully small budget.

I saw co-ops, co-ops with 40 or 50 units that had been built in the last few years and one of them just being built, Seaview Co-op, again, with a great deal of local labour. In that case they had some help from CMHC but, as I say, that help has been declining.

The local people are trying to do what is needed. As I said before, they are in a condition in which it is not possible for them to get the full benefit of their local resources, whether it is natural or human. I want to demonstrate that in the case of one shocking example, the shell homes in Sackville. These are homes that were built a dozen or so years ago with CMHC initiation. The Canada Mortgage and Housing Corporation built a shell and then conveyed it to a future homeowner on the understanding that the homeowner finish the shell inside and out, furnish it and so on. They are called shell homes. The roofs were so badly built that they are falling apart. They are rotting. They were built with moisture barriers above and below. There is no ventilation and they are rotting. I stood in the bedroom and looked at the plank that had been put in to hold up that part of the roof. The roof was sagging on each side of the plank. When I looked outside the roof looked like a ploughed field. This is one of 23 houses on that street, on that block. These were built under CMHC direction, that is, by Ottawa. They were inspected, so to speak, so we are told. Homeowners told me about seeing the day they came to take over the house and the inspector drove out, never walked close to the house, simply met the builder in his car out on the road and signed the final document of approval. He had never inspected the buildings then or before.

Some Hon. Members: Shame!

Mr. Heap: Mr. Speaker, my colleagues are saying that it is shameful. I agree. I am particularly ashamed because the company that built those houses is a Toronto company, or was, before it went broke. There was a rip-off. Quite plainly there was a rip-off by that company building a substandard house and making whatever arrangements resulted in no inspection, getting clearance from CMHC for what it did and sticking the local homeowners with the garbage and, eventually, with the bills because now they are having to pay $10,000, $15,000, $18,000 to put on a new roof. One who was waiting for negotiations with CMHC waited too long and the roof fell in on her while she slept. She had to put a new roof on without any assistance from CMHC. Only three years ago one of these houses was resold. CMHC renewed its certificate of approval for that building which it knew was rotten. The officials of CMHC knew the building was rotten, mainly the roof, but not only the roof. There were problems with the windows, the doors and the floors. If we take away the roof, the walls and floors, the house is all right but one cannot live in it. CMHC knew it was rotten yet it gave a certificate of approval to deceive a co-op into buying that unit from the former owner. Therefore there was a connivance between the Canada Mortgage and Housing Corporation and the Toronto builder to cheat the people of Sackville. This concerns not only Sackville but houses in other provinces. We do not know where. CMHC knows, but it is not telling. We do not know how many shell homes were built and how many people were caught in that shell game which CMHC mastermined.

• (1700)

Those people are mostly poor. One of them said he had to double his mortgage to put on a roof. Another lady had applied for a RRAP grant but could not get it because she is too poor. Her husband has nothing but a disability pension. She could not repay the loan part so she is not entitled to receive the grant part. How she is going to put a new roof on her house, no one has told her. But the final crunch in this disgrace is that the Minister of Labour (Mr. McKnight), responsible for housing and for the CMHC, is copping out. In March the local Member of the Legislature wrote to him about the problem. In April the Minister of Labour responsible for CMHC, thanked him for his letter and said that senior officials of Canada Mortgage and Housing had been requested to conduct an investigation into the problems outlined in the letter, including the aspect of CMHC responsibility for inspection of the houses. He said: "They will be contacting your office to obtain the names and addresses of home owners that are known to you". He also requested that the corporation examine mechanisms and programs such as may be available to provide assistance to the home owners. He said: "I expect to be able to provide you with the results of our investigations by early June". That was the Minister's signed promise. He never lived up to it. On June 18, Mr. Gordon Walt of CMHC in Ottawa telephoned the local MLA to tell him that a formal letter would be sent to him within the next two weeks in response because the inspections had been completed and it was agreed that the houses were in poor condition, particularly with design and maintenance problems. On August 8, the MLA, Johm Holme, wrote again to Mr. Gordon Walt. He said: "During our conversation of a few weeks ago, you indicated you would shortly be forwarding to me a copy of the interim report on the problem with shell housing in Sackville, Nova Scotia". He continues: "I've learned from Mr. Green in the Halifax CMHC office that he has not yet received the report but that the case has been referred to Vickie Garland of Social Housing for Block Funding". But still no report.

On August 15, Mr. Walt writes back to Mr. Holme. He says: "I have requested that Mr. McKnight's office reply directly to your August 8 letter which has been forwarded to him". On September 11 there is still no report. But Sylvain Lasnier, a special assistant to the Hon. Minister of Labour writes to Mr. Holme on behalf of the Minister: "I wish to

acknowledge receipt of your letter of August 8 concerning new houses built under the shell housing program. You can be assured that your correspondence would be brought to the Minister's attention at the earliest opportunity". I do not know where the Minister has been since August 28 but it would seem that he has not been in his office because he has not responded. On August 28, in fact, Mr. Holme wrote again to the Minister. He said: "It's my understanding from talking to Mr. Walt and other CMHC officials that the investigation and preliminary report were completed in early June". He asks for the report which the Minister—not an official—had promised him. On October 17, Mr. Holme writes again to the Minister: "Further to my correspondence of that date, I would like to inform you of a situation of which I've only recently become aware". He mentions a new development regarding that co-op house. He asks again for the report which the Minister had promised he would have in June.

Finally, there is again a letter from John Holme, MLA, on November 5 to the Minister: "In addition, I again ask that your Department provide me with a copy of their report prepared by your staff on the problems which exist with shell housing in Sackville". As of last Wednesday, no report had been received by John Holme. In other words, the Minister has decided it would be wiser not to issue the report he promised. He has offered a miserable $50,000 to put the roofs on 23 houses. That is $2,000 for a $10,000, $15,000 or $18,000 roof for poor people who were not responsible for its condition.

The Acting Speaker (Mr. Horner): I am terribly sorry to interrupt the Hon. Member but his time has elapsed.

Mr. Heap: Can I just finish briefly, Mr. Speaker?

The Acting Speaker (Mr. Horner): Yes, you may.

Mr. Heap: What I wanted to say is that is the situation up to date at present. This Government, which the Progressive Conservative Party inherited and which enjoys spending the loot in all the ways Government spends the loot, has inherited the debt and obligation to put the roofs back on these houses in Sackville and in other parts of the Maritime Provinces.

Mr. Crosby: Mr. Speaker, I want to make some comments on the speech of the Hon. Member for Spadina (Mr. Heap). Let me begin where he began, by pointing out that the motion before the House relates to economic opportunities for Atlantic Canada. I want to say two things. First, the Hon. Member has not addressed in any way, shape or form the serious matter of equal opportunities for Atlantic Canada. Instead, he related to us his trip in which he visited two of the wealthiest areas of the Atlantic Provinces, namely, the City of Halifax and the Town of Wolfville. He indicated the dire straits in which people found themselves in those urban centres. I want to say to this man who emerges from the heart of the City of Toronto that we in Nova Scotia do not think that the City of Halifax is in the dire straits which the Hon. Member apparently saw. In fact, those who traverse Yonge Street and the other parts of the City of Toronto, would probably welcome the opportunity to come to the City of Halifax and see the beauty and splendour and magnificent development which has taken place there within the last eight years. Particularly since the advent of the John Buchanan Government in the Province of Nova Scotia, the city has actually blossomed. Hotels are constructed, freeways have been built. The city is in magnificent shape and is acclaimed by one and all to be one of the most magnificient cities in North America.

I would like the Hon. Member from the City of Toronto to stand up in this House of Commons and say that the City of Halifax does not compare in every way and in every detail with the City of Toronto or any other city in North America. I would like to ask him if his point was to discredit the area. The Town of Wolfville, the home of Acadia University, is one of the nicest towns in the whole of eastern Canada and does not deserve to be maligned in that way by the Hon. Member.

I simply want to ask the Hon. Member what does he know about Howland Drive in Sackville after a two hour journey up and down the street? What has he done? What has he written to the Minister responsible for housing? I will tell you, Mr. Speaker, what he and his colleagues in the New Democratic Party have done to the residents of Howland Drive, those unfortunate people who have a real problem which requires a real solution. They have made the case public. It is a kind of living off the avails of misfortune. It is the kind of thing the New Democratic Party has practised in this House and across this country since Adam was a boy. That is its point. It picks up destitute people, fans their case across the country and then tries to take credit for resolving it. The very fact they bring it to the public's attention in that way prevents a solution. What happens to a public servant when you accuse him of all kinds of wrongdoing like the Hon. Member for Spadina did in this Chamber and as his colleague, John Holmes, did in Nova Scotia in the media? The civil servant becomes defensive, refuses to co-operate. They take legal action, consult lawyers and say they cannot accept responsibility for this horrible situation. That is what happens. The matter becomes a stalemate and you cannot get a favourable answer from the official concerned. They deny any knowledge of it.

• (1710)

The case the Hon. Member mentions arose in 1972 and involved Canada Mortgage and Housing Corporation. However, as he said, it was a Toronto contractor who was the author of this terrible misfortune. He disappeared, probably into the confines of Spadina, and cannot be found. These other people are left with the problem. However, some of us are working diligently to provide a solution notwithstanding the posturing of people like John Holmes and the Hon. Member for Spadina. We want to resolve the problem, not live off the avails. Answer that.

Mr. Heap: Mr. Speaker, I would be glad to answer the Hon. Member on several points. He accuses me of hobnobbing with the well-to-do as well as meeting the poor. In fact, I met some of both. I made no comment on the general nature of Halifax. However, I did find that the Mayors and Wardmen, four of them, of Metroplitan Halifax agreed there is a housing crisis.

They agreed with the housing coalition. Of course the Hon. Member is then in a spot. He has to back his Minister who says there is no crisis. However, I said nothing about Halifax and Dartmouth and other cities which is not being said by people such as the mayor, the leading clergy, responsible academics, homeowners, tenants and the homeless in those cities.

As to exposing the facts about shell homes and shell games in Sackville, the Hon. Member has acknowledged this problem came to light in 1972.

Mr. Crosby: Originated.

Mr. Heap: I heard from homeowners there about their efforts to try and get an answer from the Hon. Member, their MP, and how he turned them off and snubbed them. I understand why the Hon. Member is very defensive. He knows he has not done his job as their Member of Parliament. He knows his Minister has let them down and broken his promise to issue a report. He is thoroughly embarrassed by the fact his Government is just as irresonsible as the Government which preceded it.

Mr. Crosby: Not as irresponsible as John Holmes.

Mr. Heap: The only way he can cover up is to make a thundering speech about someone who wants to get a legal defence and suggest that the rotten contractor, whose address is in Willowdale, must be hiding out in Spadina. Quite possibly he is. He went broke and we have a lot of poor people in Spadina. I am not afraid to admit we have poor people in Toronto. The point I was trying to make, and I am sorry the Hon. Member was so frantic that he would not get the point, is that money which should have been spent to fully benefit some people in Nova Scotia was instead partly drained away to Toronto not only by a shady contractor but by an irresponsible CMHC for which the present Minister has accepted full responsibility. Therefore, he cannot get out of paying his moral debts.

Mr. Crosby: Mr. Speaker, I usually accept criticism gladly but I do not like to accept misrepresentation of the facts. I know that could not possibly be deliberate on the part of the Hon. Member so I will offer the further comment that we have been working diligently with the homeowners on Howland Drive to solve their problem.

Mr. Heap: That is not what they said.

Mr. Crosby: What prevents solution of the problem is the fact that the officials of CMHC will not admit any of the facts which the Hon. Member presented to the House today. However, I will be very glad to take his allegations—he used the words "cheat" and "malice"—and present them to officials of CMHC. Perhaps, given what appear to be outlandish statements on the part of the Hon. Member for Spadina, officials of CMHC will be required to search their records and their consciences to determine whether or not they ought to acknowledge more responsibility. However, for the Member to stand in this House and accuse any Member, and particularly the Government as a whole, of not recognizing their obligations when he well knows it is the officials of CMHC who deny any responsibility—

Mr. Heap: Where is the report that was promised eight months ago?

Mr. Crosby: The Hon. Member well knows the status of CMHC. It is probably one of those many Crown corporations like Petro-Canada and CBC which are constantly defended by Members of the NDP. They constantly demand that these Crown corporations maintain their independent status and freedom from political intervention. That is why the Minister cannot call the shots. It is the officers in the corporations who are calling the shots and I object to that.

Mr. Pat Binns (Cardigan): Mr. Speaker, the motion of the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall), moved earlier today, would see the House condemn the Government for abandoning the people of Atlantic Canada and for a lack of political will to provide jobs and economic opportunities. I believe the Hon. Member had his tongue in his cheek while speaking. If he did not, perhaps he should have, because I know that he knows that this Government has done an awful lot toward fostering economic development in the Atlantic region over the last 15 months. In fact, the Conservative Party is fully committed to development of the Atlantic region and my province in particular. I am very pleased that in just over one year we can point to a great deal of success in the development of Prince Edward Island and the Atlantic region.

One of the first items of priority for our Government in Atlantic Canada, and P.E.I. in particular, was to overlook the formula of the Hon. Member's Government concerning equalization payments to the poorer provinces. Despite the fact that Liberal legislation would have seen us in a very serious situation because of declining equalization payments, our Government overlooked the formula and added money to the pot. We recognized that the Atlantic provinces needed the financial assistance, which should have been there anyway, to ensure they continue with full economic development. Prince Edward Island alone received some $2 million we would not have otherwise received only through the good graces of the Conservative Government on this side of the House.

There were many other issues addressed in the last year. To start off with the fishery, I was very pleased that the former Minister of Fisheries and Oceans moved quickly to resolve a long-standing problem which had not been addressed by the former Liberal Government. We were denied crab licences for years and years despite successive requests to Liberal Ministers of the day. Can you imagine a province in the middle of the Gulf of St. Lawrence, completely surrounded by water, with a crab resource off its shores and the Government said no, we could not have access to that fishery? The Conservative Minister quickly redressed that problem last fall. He gave us 16 exploratory permits and that led to landings of approximately one million pounds of snow-crab. That translates into a lot of economic returns for my province. It meant jobs for

fishermen, their helpers on the boats and plant workers on shore. Those plant workers were not just in P.E.I., they were in neighbouring provinces such as New Brunswick. Based on the success in year one I think we will see this Government continue to aid that fishery in our province because the resource is there. I know that that is not a major cost to government, but it is simply a matter of doing justice to the provinces.

• (1720)

Today opposition Members bewailed reductions in transportation services. I would like to speak for a few minutes about some of the things that have happened in my own constituency which indicate that transportation services and facilities have not all been reduced as has been suggested by Hon. Members. For example, after the election last fall the Minister of Transport (Mr. Mazankowski) moved quickly to ensure that we had additional ferry crossings from Wood Island, P.E.I., to Caribou, Nova Scotia. At that time there was a crisis in terms of getting agricultural products, highway material, and many items required by industry generally, from Nova Scotia to P.E.I. The additional crossings were allowed at considerable expense to the federal treasury.

That was not all, Mr. Speaker. During the winter months negotiations continued between the Department and Northumberland Ferries Limited, the carrier, and as a result we had better service last summer. There were additional crossings between P.E.I. and Nova Scotia which produced direct economic benefit to my constituency as well as the entire province. When the ferries are not running or are making less crossings, we feel the impact immediately. When the ferry runs open up, our economy opens up. Tours can go in and out and people can access markets more easily. The Government has shown leadership in that area.

Not only has the Government improved service, but it has entered into negotiations with Northumberland Ferries for the construction of new vessels for that run. Currently negotiations are under way which could result in two 150-car ferries installed for the run between Nova Scotia and Prince Edward Island. That would be a tremendous economic benefit to my province.

Another transportation matter which is important to the constituency of Cardigan is that the Government, through the Minister of Transport, approved a $5.4 million contract for the reconstruction of the Georgetown wharf which was burned a few years ago. That wharf is very important to the eastern end of the province. Georgetown is a deep-water harbour used to load potato boats and pulp boats. It is also used by the Georgetown shipyard for repairing vessels which dock at the wharf. The port is used to unload asphalt, oil, and gas for a local oil company. That initiative, which was delayed, postponed, and pushed around with a long stick by the former Government, was acted upon quickly by the Minister of Transport. He has come up with funding for that very important project. In addition, he has approved the expenditure of $2 million in the town of Surrey for expansion of its wharf facilities. That is another benefit to the transportation industry and the fishing sector.

The Government has also assisted the agricultural industry. The hog industry in Prince Edward Island has been in crisis due to the fact that our main processing plant, a Canada Packers operation, was due to be closed by the owners. The plant was an antique, unable to keep up to standards and inspections which was losing money year after year. The provincial Conservative Government moved quickly after the decision by Canada Packers to ensure that the plant did not close and that our hog industry would not suffer serious consequences. It moved quickly in concert with producers of hogs and beef cattle, but it could not get the co-operation of the former Liberal Government.

I am pleased to say that once the federal Government was elected serious negotiations began between the province, the producers, and the federal Government. Those negotiations resulted in $4.5 million of federal money being spent for the construction of a new plant which is now nearing completion. That plant will be paid for by hog producers, beef producers, and the province. The plant will actually be operated by Canada Packers under an agreement to manage and market the product from that plant. That has enabled us to consider expanding our hog industry and, more important, it has enabled us to save the existing industry.

I would like to mention a few more economic initiatives so that people will not get the idea that only a few things have happened. In the last 15 months $6.8 million has been made available to P.E.I. for industrial competitiveness programs. There has been an expenditure of $3.2 million for IRDP offers. A commitment in the amount of $10 million has been made to the Atlantic Veterinary College in Charlottetown. There has been an allocation of $7.3 million for a new terminal building at the Charlottetown airport. There has been an allocation of $1.8 million for the dredging of the Summerside harbour so that it can receive potato boats necessary to export our process. There has been an expenditure of $.35 million to establish the Eastern Ventures and Development Corporation in my constituency which is now providing funds to enable small businesses to start up. There has been a provision of $8 million to CFB Summerside in order to establish a mess and hospital facility. Federal money amounting to $5.8 million has been allocated under a new tourism agreement which will allow us to continue to build on the tourism base which already exists in the province. Five million dollars has been spent on marketing and $5.2 million has been spent on industrial milk assistance. There has been a $7.5 million expenditure on fisheries and a $13.6 million on forestry.

That is all federal money committed by the Conservative Government to ensure that jobs are created in P.E.I. It is just one more indication of the fact that we have not, in any way, shape, or form, abandoned economic priorities in Atlantic Canada.

I have not mentioned the big item yet, Mr. Speaker. The Conservative Government acted on a commitment made by our Leader prior to the election to address the very serious

problem of electrical energy costs in our province. P.E.I. has been plagued for years by the highest electrical rates anywhere in Canada. The Liberal Government refused to help the province to address that problem. I sometimes think that was because it did not want the provincial Conservative Government to get any credit for being able to get such an agreement. Although I hate to say it, Mr. Speaker, I think that economic development was being sacrificed for political credit. I hope that this Government never stoops to such a low.

This fall an historic agreement was signed. It will create jobs because lower electrical energy costs mean that our industries can be competitive. Some $50 million has been allocated to the federal-provincial agreement. That will offer up to 40 per cent assistance to manufacturers and processors who will be able to increase their industrial competitiveness. Over all, consumers of electrical energy will benefit by approximately 20 per cent.

Job creation has been talked about by Members opposite all day. They have suggested that jobs are not being created in Atlantic Canada and that the Government has abandoned its commitment for the creation of jobs. Once again, Mr. Speaker, nothing could be further from the truth. In fact, the Government has moved away from the old band-aid approach of job creation. Job creation funds have been restructured so that we will no longer have make-work projects and dead-end jobs but will be able to assist people who want to be trained for permanent jobs in the private sector and want to assist in the growth and development of our economy. We have committed equal dollars to the training and development of unemployed Atlantic Canadians.

Last summer, Challenge 85 was introduced. That was an important variation of the old summer job-creation projects. For the first time substantial money was made available to the private sector to employ people. Some of that money has led to more permanent work. It has provided students with training in the private sector which will give them opportunities in the future. That is a substantial departure from the old job creation projects which were simply government projects that led nowhere and had no lasting benefit.

I just mention the new Canadian Jobs Strategy as well. An agreement was signed between the federal and provincial Governments for an approach to economic development and job creation in the Atlantic area. That was unheard of under the former Liberal Government. Some 1,000 projects have already been approved in the Maritimes. Contrary to opposition statements, it is clear that we have not abandoned job creation in Atlantic Canada. One only need look at the Statistics Canada figures for proof. In July this year, Prince Edward Island had the largest labour force ever. There were some 64,000 people in our labour force. That does not suggest a migration from the province as suggested by the opposition earlier or abandonment of the province. It shows more health in our economy than ever before.

• (1730)

Even though there was high unemployment in November, which we do not want to endure, it is important that we look at all of the statistics. There were 57,000 people in the labour force which is up by 3,000 over 1984. Employment was also up by 1,000 people over November, 1984. Our participation rate was up by 1.7 per cent. These figures which are similar for the last 12 months show that more people are working. The labour force is increasing, there is greater involvement in our economy and more economic activity is taken place. Our Government has had a good record, especially in its first year, after so many years of Liberal neglect of Atlantic Canada.

I am not pretending that problems do not exist in my province or the Atlantic area. I will not begin burying my head in the sand and suggesting that all is well and good. We intend to address those problems just as we did with respect to those items I mentioned earlier.

There is no question that we have problems with agriculture. Today, some 24 tobacco farmers from my constituency of Cardigan were present on Parliament Hill and in the House. They were here because they are concerned about the tobacco industry in Canada, particularly in Prince Edward Island. They are considering the advantages of establishing a national marketing agency.

I believe it is important that I point out that the Government acted early to amend the National Farm Products Marketing Act to enable tobacco to be included among the commodities where a national marketing agency could be established. That development has been held up by a court injunction. However, I believe that justice will prevail and the growers will be able to make the right decision in regard to the tobacco industry in the months ahead. I look forward to closely working with them.

The other day I rose under the provisions of Standing Order 22 to speak to the House about the pending financial disaster facing our tobacco producers. I suggested to the Government that growers will have to be compensated for loss of productive capacity. I will continue to press the Government on this important issue.

Similarly, our potato growers are experiencing serious difficulties, with three years of prices well below the cost of production. In fact, it cost roughly 6 cents to produce a pound of potatoes but our growers are only getting 2 cents to 2.5 cents for their commodity. It would not take very long for even the strongest producers to run far into the red and border on the verge of bankruptcy. Indeed, some have already gone bankrupt.

The federal and provincial governments, along with the growers, must work diligently to ensure that the potato industry in my province does not collapse. The potato industry is the backbone of the Prince Edward Island agricultural industry. When one thinks of Prince Edward Island, one thinks of potatoes and lobsters. Thank goodness that lobsters are strong this year because potatoes have not been strong for three years. It is a serious situation and I intend to work side by side

with the growers in the potato industry to ensure that they get the kind of assistance that is necessary.

Even today, representatives of the P.E.I. potato industry met with the Minister of Agriculture (Mr. Wise). Once again, the Government is showing its concern for the province. I believe that it will act by providing appropriate assistance in the very near future. The opposition is wrong. The Government has not abandoned Atlantic Canada but has perhaps done more in one year than the last 10 years of Liberal administration.

If the Hon. Member for Cape Breton-East Richmond reflected on his motion for a moment, he would probably withdraw it, realizing that he has made a serious error. If he will not withdraw it, perhaps he will amend his motion to condemn the former Government rather than the present Government for abandoning Atlantic Canada.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, it is the second time today that the Member for Cardigan (Mr. Binns), in searching desperately to find an example of positive programs that have been undertaken by the current administration, has had to reach back to the days of the Liberal administration. In the case of Newfoundland he read a list of six projects, all of which were undertaken by the previous Government.

In the case of Prince Edward Island, he talked about the veterinarian college, the Charlottetown airport, the move of Veterans Affairs, the dredging of Summerside Harbour and about CFB Summerside. All of these projects were initiated under the able representation of my colleague, and seat-mate, the Member for Egmont (Mr. Henderson).

Members opposite could learn a lesson from him. As a Member of the Government and a Government supporter, he was never one to sit by silently when policies were being contemplated that were not in the best interest of his constituents. It might come as a shock to back-benchers opposite, particularly Members from Atlantic Canada from whom we have not heard, that Members of Parliament such as the Member for Egmont understood that while his loyalty and responsibility was to the development of the nation, he must speak with a particular voice for the people of his riding. He did so even when he found himself in conflict with the Government of the day. That is why we have such a list of progressive and positive projects which have contributed significantly to the Province of Prince Edward Island. I should say, with a degree of modesty, that the same is true in the Province of Newfoundland.

The motion today reads:

> That this House condemns the Government for its abandonment of the people of Atlantic Canada in its demonstrated lack of political will to provide jobs and other economic opportunities to the people of that region.

Ever since the Minister of Finance (Mr. Wilson) delivered his economic statement, or mini-Budget, to the House in November, 1984, the policy in this country has been to move toward the notion of user pay. This is a notion which for the first time in decades espouses the belief that we are no longer willing to pay a price to ensure that all Canadians, no matter where they live, no mater what their economic circumstances, shall have certain basic rights and services afforded to them by the national Government. The policy being enunciated by the Progressive Conservative Government, under the leadership of the Prime Minister (Mr. Mulroney), follows a philosophy that the price of providing basic equality for Canadians wherever they live in this country has suddenly become too high.

• (1740)

We have a Government that is going to cut by way of transfer payments not luxury items, not four-lane highways, not tourism development dollars but education and health care. We are saying to the people who live in the poorest provinces of Canada that they no longer should expect to move in those two fundamental primary areas toward a sense of equality with people who live in the wealthier parts of this country, quite the opposite. "You should expect if you live in an area of disparity, of high unemployment, an area with a relatively low degree of wealth, that services will degenerate, regress. People should check with their fathers and grandfathers, their mothers and grandmothers and find out what it was like 30 years ago because we are taking you back with this policy of the Government."

In 1976 a Member of Parliament stood in this House and talked about his concern that the commitment of the Liberal Government of the day toward regional development was being diminished. He said:

> It is beyond my comprehension how any Government can restrain expenditures in an area of the country which has an unemployment rate of 13.9 per cent. It is, in fact, positively cruel and inhuman for any Government to apply a restraint policy equally across this country as though every section of it is the same. It may be a policy of restraint that is quite apt for provinces like Ontario, Alberta and Saskatchewan, perhaps where are now high employment figures but is not proper to apply it blindly to Newfoundland which has an unemployment rate of almost 14 per cent.

Those words were spoken in 1976 by the Hon. Member for St. John's West (Mr. Crosbie), the former Minister of Finance, now the Minister of Justice. He was talking about Newfoundland with an unemployment rate of 14 per cent and saying that the province could not afford a policy of restraint.

That 14 per cent unemployment has now become 20 per cent. The roar of the Member for St. John's West in opposition to Government restraint and cut-backs at 14 per cent in 1976 has now become a whimper, a pathetic whimper of approval for restraint and cut-backs at a time when my province is experiencing, nine years later, unemployment of 20 per cent, and unemployment on the increase in the last 14 months since this Government has taken office.

What does the Government do? It wields a surgical scalpel. It cuts. It has gone through the fat and the meat. It is into the bone, and still it cuts deep into the marrow, Mr. Speaker. What do we mean? In Newfoundland we talk about marrow. Do we mean that the people in Newfoundland can no longer afford to have two cars? Is that what we mean? No, Mr. Speaker. It is not what we mean. That is not marrow. That is fat. Do we mean that the people of Newfoundland can no longer afford to buy three Canada Savings Bonds so will only

buy one? They cannot afford any right now, but that is not marrow either. That is also fat. The fat of the land is something we only dream about these days in the Province of Newfoundland.

When I say that this Government's economic scalpel has cut right to the bone marrow in the Province of Newfoundland, what I mean is that Newfoundlanders are beginning to lose hope. They are being swept up in a tide of cynicism, anger, frustration and hopelessness. Yes, Mr. Speaker, they are becoming convinced that they are the human disposables in a society being crafted by a Government that bows down before the altar of market forces, in a world that must conform to the theology of user pay and to a throw away society. There is nothing so tragic as a people without hope.

There can be no greater waste anywhere in our society than in a young mind afflicted with the curse of cynicism. There are too many tragic people in my province. There are too many good young minds that have been poisoned by the frustration and anger that comes with cynicism.

You know the cynic, Mr. Speaker. Every Member in this House recognizes a cynic when he sees one. He is the young man or young woman who does not trust anybody, the person who believes that nothing he or she can do will change anything, the person who believes that everyone is out for himself or herself. The cynic is seduced by the option of copping out, seduced by the option of sitting on the sidelines and condemning all of those who would attempt to chart their own course and who attempts to fasten the fabric of society in which they live.

The message of the Government is to cut, cut and cut some more. If you are patient enough, if you bow down before the altar of market forces and believe in the philosophy of user pay, one day down the road, somewhere, God knows when, it will all be all right, you simply have to have faith.

As this Government begs for faith, the ranks of the cynics are swelling and we are losing the most important resource this country possesses, the good young minds, the heart and soul of the country, which is eating itself in frustration and anger in a sense of hopelessness.

I say to the Government, as has been said to the Government by the Conservative, same stripe Premier of Nova Scotia, by the Conservative same stripe Premier of Newfoundland, by the Conservative same stripe Premier of Prince Edward Island, by the Conservative same stripe Premier of New Brunswick, by opposition leaders in all four of those provinces and by the Atlantic Provinces Chambers of Commerce, the Transportation Commission, and Economic Council, indeed the voice of the people of Atlantic Canada, that this policy is not going to work.

The people of Atlantic Canada unquestionably would prefer to live in a society where they would not need to have a hand-out, and would unquestionably prefer to be giving, contributing to the pot that sits at the centre of the country, not depending upon the wealth of those elsewhere. Until that day arrives, until we find in a very complex and difficult world, a changing world, the kind of solution that allows us to make the contribution we want to make to the nation as a whole, do not in the name of some ideological political philosophical doctrinnaire position about the market-place take away from Atlantic Canada the underpinning of our economy, socially and economically. Do not say to our young people, those who just want a chance to have the dignity of a job and the dignity of a paycheque, that they are part of a disposable society. That is the greater tragedy being inflicted upon Atlantic Canada with the economic measures of this administration.

I give way in the hope that my colleague the Hon. Member for Westmorland-Kent (Mr. Robichaud) will be able to add his voice to this debate.

The Acting Speaker (Mr. Charest): Are there questions or comments? Resuming debate.

Mr. Rod Murphy (Churchill): Mr. Speaker, on the last point made by the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin) I will speak for only 10 minutes and allow the remainder of the time to go to one of our colleagues.

I rise in this debate not as someone new speaking on opposition days with concern about Atlantic Canada because when the previous Liberal Government was in power our caucus was making exactly the same kind of resolution in the House. Many of the items I will speak about relating to Government neglect, taxation policies and the way the Government's actions have impacted on the people of Atlantic Canada are the same types of things that I was saying four years ago in a similar debate.

• (1750)

The problems in Atlantic Canada are not new. Historically they have not been caused by any one Government. However, the people of that region are legitimately concerned about them. Their concerns have been expressed in the House over a number of years. The people of the region have every reason to expect that the Government will not neglect or continue to neglect their problems. They have every reason to expect that we, as a Parliament, will actually deal with some of the proposals.

It is with that in mind that I wrote to the chairperson of the Standing Committee on Regional Development. I asked for that committee to travel to Atlantic Canada to take a look at what was happening. I indicated that we could use another in-depth study of the area. I suggested that if the committee did not have the time to tour all Atlantic Canada, it could use the very tragic situation of Cape Breton as a study model. I hope Hon. Members of all three Parties support that committee spending time to consider the situation and to make an extensive tour of the Cape Breton area. Other colleagues in my caucus have written to the same committee asking for an in-depth study, so that the people of the region could make presentations. I hope the committee will take the opportunity to visit there and to conduct a very intensive study.

I have visited Atlantic Canada a number of times in the last three months. For that matter, I have made three trips in the

last 75 days, for the sole purpose of hearing what the people had to say about the Government and what was happening to them. I visited Cape Breton as well as the mainland of Nova Scotia. There are many concerns, some of which resulted from the May 23 Budget. For example, the workers at the heavy water plants were laid off and only heard that fact as they listened to the budget speech on television. They were certainly affected by the actions of the Government. Two weeks prior to the presentation of the Budget, they were told by a Minister of the Crown that before anything happened to the heavy water plants they would be consulted. Also they were told that other job programs would be in place before anything happened to them.

Let us look at what happened. That is not what the Government in fact did. The more than 600 people working in those two heavy water plants turned on their television sets on budget night and heard the Minister of Finance (Mr. Wilson), with that one line in his Budget, tell them that their jobs had disappeared. It was a shameful action. It was a cruel and harsh measure. Even if the Government believed that it had to take that step, it could have been more concerned about how it dealt with the people affected. They should not have been required to turn on their television sets that night to hear from the Minister of Finance, without any explanation or expression or concern, that their jobs and, in many cases, their homes in those communities had disappeared. That harshness or cruelty is typified in many of the decisions made by the Government.

Mr. Boudria: Shame.

Mr. Murphy: It is not only the present Government. As I said in my introductory remarks, it has not been only the Conservative Government. The Liberals cannot pretend, despite the mutterings of the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), that these problems are new ones.

I should like to return to some of the concerns which I heard expressed in Atlantic Canada. I wrote to various Ministers about these concerns. For example, I wrote to the Minister of Transport (Mr. Mazankowski) about Sydney Steel Corporation and CN orders going to European manufacturers. That was not something new. The problems with Sydney Steel have existed for years. When the Liberals were in Government, we asked questions about Sydney Steel. We asked where was the money for phase two and when real action would take place on their commitment to those people. We are still awaiting that action. We were promised by the previous Liberal Government—and now the Conservative Government is promising it—that there would be money for phase two, yet the people of Sydney are still waiting. They were told that the decision would be made soon. They were told that in September and in October. They were told that a decision would be made before the end of October, and later they were told that it would be by the end of November. However, that decision has not come about. The previous Liberal administration and the present Conservative administration have talked a lot about Sydney Steel but have refused to act.

I have also written to the Minister of Employment and Immigration (Miss MacDonald) about the workers in the heavy water plants in Cape Breton who were laid off. Many of the problems faced by those people were not only as a result of new Conservative measures respecting unemployment insurance. They also exist because there were cut-backs in the unemployment insurance program by the previous Liberal Government, and the Conservative Government continued along the same path.

I have written to many Ministers. For example, I wrote to the Prime Minister (Mr. Mulroney) and to the Minister of National Revenue (Mr. MacKay). I wrote to the Minister of Transport about CN Marine and staff reductions in North Sydney. I have written to the Minister of Regional Industrial Expansion (Mr. Stevens) and to the Minister of Finance. I have written many letters, such as the one to the Minister of National Revenue about the heavy water plant workers. I have been trying to point out that these people are facing serious problems. They are not new problems. No one can pretend that they came about on September 4, 1984 with the election of the Conservative Government. These are problems on which the Conservatives are now making very harsh decisions, very harsh on the people who live in those communities and work in those operations. They are a continuation of the years of neglect, the years of failing to come to grips with regional economic expansion. We must remember that the Liberals were in power for most of that period of time.

One of the most harsh decisions in so far as Atlantic Canada was concerned was when the previous Liberal decided to dismantle the Department of Regional Economic Expansion. That Department was incorporated within the new Department, at which time I rose, as well as others, and explained that in the long run less money would be going into the hinterland areas such as Atlantic Canada and more money would be going into large industries in the heartland. This means that as the country continues to grow, the hinterland areas will continue to be ignored. That is what has happened.

I attended as an observer at the First Ministers' Conference, and Conservative Premiers from Atlantic Canada said that we were suffering because the money for regional development was not keeping pace with other government expenditures. That was said by Conservative Premiers. They told that to the Conservative Minister of Finance, the Prime Minister and other Ministers such as the Minister of Employment and Immigration. They said that the money was not forthcoming in the same proportion as it used to be. This results from the fact that there is no Department of Regional Economic Expansion with a specific mandate to ensure that the interests and concerns of the people living in those regions are looked after.

Again this is not strictly as a result of the neglect shown by the Conservatives. It is also a result of a decision made by the Liberal Government and a trend started by that Government to reduce the total amount of government expenditures directed toward regional economic expansion.

Before I sit down, and I made a promise to a Liberal Member that I would give him an opportunity to speak before

the debate ended, there is another item regarding Atlantic Canada about which I should like to speak. It is one of the reasons I went to the First Ministers' Conference and that is the Government's announcement in the Budget that it would be reducing expenditures for transfer payments by $2 billion annually. Transfer payments provide the money that goes to post-secondary education and medicare.

• (1800)

It does not matter to me that the Government is pretending that this is not a cut. I know that when they were in Opposition, the Minister of Finance and the Minister of National Health and Welfare (Mr. Epp) were two of the chief critics of the Liberal Government when it did the same thing. Those two Ministers sat right here on the front benches and called the MacEachen Budget a cut that was breaking faith with the provinces. That is what they said then. Each of those Ministers said something to the effect that that would result in the closing of schools and the loss of beds for hospitals. I find it quite interesting that the Ministers who are actually responsible for health care and for providing money for medicare and post-secondary education are saying exactly the opposite now that they sit on the Government benches.

It is apparent, particularly in the area of medicare, that because of our growing population and because of the growing technology in the health field there are going to be cost increases in the field of health care, cost increases which will be much higher than the increase in the cost of living. For the Prime Minister to address the premiers and the House of Commons by saying that the Government will cover the cost of living and therefore the provinces should be grateful is for him to try to sell a myth. In fact, we know that the cost to the provinces for medicare and post-secondary education will increase by more than the cost of living.

For the Minister of Finance to say: "It's all right, boys and girls, it doesn't matter because we are going to cover at least the cost of living," ignores the fact that he is transferring the burden from the federal tax base to that of the provinces. The provinces will have to make up that shortfall. There is no region in Canada that will suffer more from that than Atlantic Canada. That is something with which the Government will have to come to grips. The Government broke a promise to the people of Atlantic Canada and that is something which will be remembered.

I recognize that there is not much time left in this debate and I will sit down soon, but in closing, I do want to say that the Government broke faith in so many areas that there really does now exist the cynicism about which the Liberal Member who spoke previously spoke so eloquently. However, Liberal Members must share much of the blame for that. They have to share that blame with the Conservative Members. What the Minister of Finance and the Minister of Health and Welfare and saying is exactly the opposite of what they said when they were in Opposition and that breeds cynicism. It certainly breeds cynicism in the area of this country which needs the most assistance in order to develop in its own way.

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

[*Translation*]

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I would like to start by thanking my hon. friend from Churchill (Mr. Murphy) for leaving me some of his time, and I would like to take advantage of the few minutes I have left to take stock of the situation. I would have liked to do so in greater detail, but I will do what I can in the circumstances. Mr. Speaker, if I were to paint a picture of everything the Conservative Government should do for Atlantic Canada, I think it would not be a very happy one, with very few bright spots.

Not a day goes by in Atlantic Canada without people asking me, when I am there: Why are we being ignored? Why have people forgotten we exist? Mr. Speaker, it is not just me—it is also what the people down there think. Not long ago, according to the results of a public opinion poll, the popularity rating of the Conservatives in this region dropped to 33 per cent. The Liberals went up to 43 per cent. And no wonder. It is because this Government has done nothing except implement negative development policies in our region. Especially if we consider the question of regional economic development and what has been done for the Atlantic provinces. The Budget was cut by $450 million. In the Atlantic provinces, the conclusion is that the Government is ignoring us and has forgotten that we exist. Mr. Speaker, the Government wants to let the market forces act, and we all know what happens when you do that. The large urban centres are the winners, and disadvantaged regions like ours are the losers.

Mr. Speaker, this Government has no regional development policy for the very simple reason that to have such a policy, one must first have the political will to help these regions. And that is exactly what this Government lacks.

Another example to explain why people in Atlantic Canada have lost confidence in the Government, is what is going to happen to transfer payments. We are told that these payments will not be reduced. No indeed! They will not be reduced, but just the same, it is going to cost New Brunswick about $120 million. And they say: Don't worry, it's peanuts.

I continue, Mr. Speaker. I am talking about fisheries which happen to be a labour-intensive sector in Atlantic Canada, yet the only thing they managed to do was to cut the budget for small craft harbours, and then they decided to ask the fishermen to pay for certain projects such as dredging and wharf repairs. It is totally ludicrous to expect low income fishermen to finance projects which are the responsibility of the Government. Even more so when we consider the program to help fishermen build their own boats—there is no money left!

Our fishing fleet will gradually become obsolete and there will be no money to replace it.

[*English*]

Let me say a few words about the CN shops in which 225 jobs have been lost. The Minister cannot today explain why this is so and he does not want to take any position which will guarantee to the people of Moncton that those jobs will be protected.

[*Translation*]

And then, Mr. Speaker, another example in the tourism sector where all projects under IRDP agreements have been shelved. I must say that we in New Brunswick were seriously affected because they did not care and we had to wait for a whole year before job application forms were even available.

Mr. Speaker, allow me to refer to the unemployment insurance file. They are now talking about re-examining the unemployment insurance program. It is criminal to consider making changes before finding something to give work to our people.

Mr. Speaker, I should like to conclude by quoting a passage of La Sagouine which adequately describes the actions of this Government:

Sure enough, they say that promises will be made right, left and centre during the election campaign . . . You will get everything for nothing because you are first class citizens with the right to vote . . . It does not change anything, once the election is over the Government is too busy and could not care less about us.

* * *

● (1810)

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Charest): I have the honour to inform the House that a message has been received from the Senate informing the House that the Senate do agree with the House of Commons in the resolution declaring Raoul Wallenberg an honorary citizen of Canada, by filling in the blank space left therein with the words "Senate and the".

Order! It being 6.10 p.m., it is my duty to interrupt these proceedings and put every question necessary to dispose of the supply proceedings now before the House under the provisions of Standing Order 63(10).

* * *

SUPPLY

MOTION FOR CONCURRENCE IN VOTE 10B—FINANCE

Hon. Robert de Cotret (President of the Treasury Board) moved:

That Vote 10b in the amount of $1,577,000 under the Department of Finance—Inspector General of Banks—program expenditures, in the Supplementary Estimates (B) for the fiscal year ending March 31, 1986, be concurred in.

[*English*]

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Call in the Members.

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

(Division No. 145)

YEAS

Members

Andre
Attewell
Beatty
Belsher
Bernier
Bertrand
Binns
Bissonnette
Blais
Blais-Grenier
Blenkarn
Bouchard
Bourgault
Boyer
Bradley
Brightwell
Browes
Cadieux
Caldwell
Charest
Clark (Brandon-Souris)
Clifford
Cochrane
Collins
Cook
Corbett
Cossitt
Crofton
Crosby (Halifax West)
Crouse
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Domm
Dorin
Duplessis
Edwards
Ellis
Elzinga
Epp (Provencher)
Fennell
Ferland
Forrestall
Fraleigh
Fretz
Friesen
Gagnon
Gass
Gervais
Gormley
Gottselig
Graham
Gravel
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Horner
Howie
Hudon
Jacques
James
Jardine
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kindy
Ladouceur
Landry
Lanthier
La Salle
Layton
Lesick
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly
Malone
Marin
Mayer
Mazankowski
McCain
McInnes
McKenzie
McKinnon
McKnight
McMillan
Merrithew
Minaker
Moore
Nicholson (Niagara Falls)
Nielsen
Oberle
Oostrom
Paproski
Pennock
Peterson
Pietz
Plourde
Porter
Price
Ravis
Redway
Reid
Reimer
Ricard

Members

St. Germain
St-Julien
Schellenberger
(Wetaskiwin)
Scott
(Victoria-Haliburton)
Scott
(Hamilton-Wentworth)
Scowen
Shields
Speyer
Stackhouse
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa-Carleton)
Vankoughnet
Vézina
Vincent
Warner
Wenman
Wilson
(Swift Current-
Maple Creek)
Wilson
(Etobicoke Centre)
Winegard
Wise—144.

NAYS

Members

Allmand
Althouse
Angus
Benjamin
Berger
Boudria
Cassidy
Copps
Deans
de Corneille
de Jong
Epp
(Thunder Bay-Nipigon)
Finestone
Foster
Fulton
Garneau
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Heap
Henderson
Hopkins
Hovdebo
Jewett
Keeper
Langdon
Lapierre
MacLellan
Manly
McCurdy
McDonald
(Broadview-Greenwood)
Mitchell
Murphy
Nicholson
(Trinity)
Orlikow
Parry
Penner
Pépin
Prud'homme
Robichaud
Robinson
Rodriguez
Tobin—43.

Mr. Speaker: I declare the motion carried.

MOTION FOR CONCURRENCE IN VOTE 35B—DEPARTMENT OF FINANCE

Hon. Robert de Cotret (President of the Treasury Board) moved:

Motion No. 2

That vote 35b in the amount of $211,000 under the Department of Finance—Tariff Board—program expenditures, in the Supplementary Estimates (B) for the fiscal year ending March 31, 1986, be concurred in.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Speaker: All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Gray (Windsor West): Mr. Speaker, we would be disposed to dispense with the ringing of the bells so that we can proceed to the vote.

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

Supply

(Division No. 146)

YEAS

Members

Andre
Attewell
Beatty
Belsher
Bernier
Bertrand
Binns
Bissonnette
Blais
Blais-Grenier
Blenkarn
Bouchard
Bourgault
Boyer
Bradley
Brightwell
Browes
Cadieux
Caldwell
Charest
Clark
(Brandon-Souris)
Clifford
Cochrane
Collins
Cook
Corbett
Cossitt
Crofton
Crosby
(Halifax West)
Crouse
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Domm
Dorin
Duplessis
Edwards
Ellis
Elzinga
Epp
(Provencher)
Fennell
Ferland
Forrestall
Fraleigh
Fretz
Friesen
Gagnon
Gass
Gervais
Gormley
Gottselig
Graham
Gravel
Greenaway
Grisé
Guilbault
(Drummond)
Gurbin
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Horner
Howie
Hudon
Jacques
James
Jardine
Jepson
Johnson
(Bonavista-Trinity-
Conception)
Joncas
Jourdenais
Kelleher
Kindy
Ladouceur
Landry
Lanthier
La Salle
Layton
Lesick
Lewis
MacDonald
(Kingston and
the Islands)
MacDougall
(Timiskaming)
MacKay
Mailly
Malone
Marin
Mayer
Mazankowski
McCain
McInnes
McKenzie
McKinnon
McKnight
McMillan
Merrithew
Minaker
Moore
Nicholson
(Niagara Falls)
Nielsen
Oberle
Oostrom
Paproski
Pennock
Peterson
Pietz
Plourde
Porter
Price
Ravis
Redway
Reid
Reimer
Ricard
St. Germain
St-Julien
Schellenberger
(Wetaskiwin)
Scott
(Victoria-Haliburton)
Scott
(Hamilton-Wentworth)
Scowen
Shields
Sparrow
Speyer
Stackhouse
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa-Carleton)
Vankoughnet
Vézina
Vincent
Warner
Wenman
Wilson
(Swift Current-
Maple Creek)
Wilson
(Etobicoke Centre)
Winegard
Wise
Witer—146.

NAYS

Members

Allmand
Althouse
Angus
Benjamin
Boudria
Cassidy
Copps
Deans
de Corneille
de Jong
Epp
(Thunder Bay-Nipigon)
Finestone
Foster
Fulton
Garneau
Gauthier
Gray
(Windsor West)
Guilbault
Saint-Jacques)
Heap
Henderson
Hopkins
Hovdebo
Jewett
Keeper
Langdon
Lapierre
MacLellan
Manly
McCurdy
McDonald
(Broadview-Greenwood)
Mitchell
Murphy
Nicholson
(Trinity)
Orlikow
Parry
Penner
Pépin
Prud'homme
Robichaud
Robinson
Rodriguez
Tobin—42.

Mr. Speaker: I declare the motion carried.

Mr. Deans: I rise on a point of order, Mr. Speaker. There might be a disposition to allow the vote just recorded to be

applied to the remaining two, namely, Vote 1(*b*) under the Department of Regional Industrial Expansion and Vote No. 51(B) under the Department of Regional Industrial Expansion.

Mr. Speaker: I take it there is that disposition, I suspect with the addition of the Hon. Member for Gander-Twillingate (Mr. Baker) in the opposition.

Some Hon. Members: Agreed.

MOTION FOR CONCURRENCE IN VOTE 1B, DEPARTMENT OF REGIONAL INDUSTRIAL EXPANSION

Hon. Robert de Cotret (President of the Treasury Board) moved:

Motion No. 3

That Vote 1b, in the amount of $1 under the Department of Regional Industrial Expansion—Operating Expenditures, in the Supplementary Estimates (B) for the fiscal year ending March 31, 1986 be concurred in.

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

(*Division No. 147*)

YEAS

Members

Andre
Attewell
Beatty
Belsher
Bernier
Bertrand
Binns
Bissonnette
Blais
Blais-Grenier
Blenkarn
Bouchard
Bourgault
Boyer
Bradley
Brightwell
Browes
Cadieux
Caldwell
Charest
Clark (Brandon-Souris)
Clifford
Cochrane
Collins
Cook
Corbett
Cossitt
Crofton
Crosby (Halifax West)
Crouse
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Domm
Dorin
Duplessis
Edwards
Ellis
Elzinga
Epp (Provencher)
Fennell
Ferland
Forrestall
Fraleigh
Fretz
Friesen
Gagnon
Gass
Gervais
Gormley
Gottselig
Graham
Gravel
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Halliday
Hardey
Harvey
Hawkes
Hicks
Hnatyshyn
Hockin
Horner
Howie
Hudon
Jacques
James
Jardine
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kindy
Ladouceur
Landry
Lanthier
La Salle
Layton
Lesick
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly
Malone
Marin
Mayer
Mazankowski
McCain
McInnes
McKenzie
McKinnon
McKnight
McMillan
Merrithew
Minaker
Moore
Nicholson (Niagara Falls)
Nielsen
Oberle
Oostrom
Paproski
Pennock
Peterson
Pietz
Plourde
Porter
Price
Ravis
Redway
Reid
Reimer
Ricard
St. Germain
St-Julien
Schellenberger (Wetaskiwin)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Sparrow
Speyer
Stackhouse
Tardif (Charlesbourg)
Taylor
Thacker
Towers
Tremblay (Lotbinière)
Tupper
Turner (Ottawa-Carleton)
Vankoughnet
Vézina
Vincent
Warner
Wenman
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Wise
Witer—146.

NAYS

Members

Allmand
Althouse
Angus
Baker
Benjamin
Boudria
Cassidy
Copps
Deans
de Corneille
de Jong
Epp (Thunder Bay-Nipigon)
Finestone
Foster
Fulton
Garneau
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Henderson
Hopkins
Hovdebo
Jewett
Keeper
Langdon
Lapierre
MacLellan
Manly
McCurdy
McDonald (Broadview-Greenwood)
Mitchell
Murphy
Nicholson (Trinity)
Orlikow
Parry
Penner
Pépin
Prud'homme
Robichaud
Robinson
Rodriguez
Tobin—43.

Motion agreed to.

Mr. Speaker: The question is on Motion No. 4 in the name of the President of the Treasury Board (Mr. de Cotret).

MOTION FOR CONCURRENCE IN VOTE 51B, DEPARTMENT OF REGIONAL INDUSTRIAL EXPANSION

Hon. Robert de Cotret (President of the Treasury Board) moved:

Motion No. 4

That Vote 51b in the amount of $2,916,000 under the Department of Regional Industrial Expansion—Investment Canada—Program Expenditures, in the Supplementary Estimates (B) for the fiscal year ending March 31, 1986 be concurred in.

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

(*Division No. 148*)

YEAS

Members

Andre
Attewell
Beatty
Belsher
Bernier
Bertrand
Binns
Bissonnette
Blais
Blais-Grenier
Blenkarn
Bouchard
Bourgault
Boyer
Bradley
Brightwell
Browes
Cadieux
Caldwell
Charest
Clark (Brandon-Souris)
Clifford
Cochrane
Collins
Cook
Corbett
Cossitt
Crofton
Crosby (Halifax West)
Crouse
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Domm
Dorin
Duplessis
Edwards
Ellis
Elzinga
Epp (Provencher)
Fennell
Ferland
Forrestall
Fraleigh
Fretz
Friesen
Gagnon
Gass
Gervais
Gormley
Gottselig
Graham
Gravel
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Halliday
Hardey
Harvey
Hawkes
Hicks

Members

Hnatyshyn	Mayer	Scott (Victoria-Haliburton)
Hockin	Mazankowski	Scott (Hamilton-Wentworth)
Horner	McCain	Scowen
Howie	McInnes	Shields
Hudon	McKenzie	Sparrow
Jacques	McKinnon	Speyer
James	McKnight	Stackhouse
Jardine	McMillan	Tardif (Charlesbourg)
Jepson	Merrithew	Taylor
Johnson (Bonavista-Trinity-Conception)	Minaker	Thacker
Joncas	Moore	Towers
Jourdenais	Nicholson (Niagara Falls)	Tremblay (Lotbinière)
Kelleher	Nielsen	Tupper
Kindy	Oberle	Turner (Ottawa-Carleton)
Ladouceur	Oostrom	Vankoughnet
Landry	Paproski	Vézina
Lanthier	Pennock	Vincent
La Salle	Peterson	Warner
Layton	Pietz	Wenman
Lesick	Plourde	Wilson (Swift Current-Maple Creek)
Lewis	Porter	Wilson (Etobicoke Centre)
MacDonald (Kingston and the Islands)	Price	Winegard
MacDougall (Timiskaming)	Ravis	Wise
MacKay	Redway	Witer—146.
Mailly	Reid	
Malone	Reimer	
Marin	Ricard	
	St. Germain	
	St-Julien	
	Schellenberger (Wetaskiwin)	

NAYS

Members

Allmand	Gauthier	McDonald (Broadview-Greenwood)
Althouse	Gray (Windsor West)	Mitchell
Angus	Guilbault (Saint-Jacques)	Murphy
Baker	Heap	Nicholson (Trinity)
Benjamin	Henderson	Orlikow
Boudria	Hopkins	Parry
Cassidy	Hovdebo	Penner
Copps	Jewett	Pépin
Deans	Keeper	Prud'homme
de Corneille	Langdon	Robichaud
de Jong	Lapierre	Robinson
Epp (Thunder Bay-Nipigon)	MacLellan	Rodriguez
Finestone	Manly	Tobin—43.
Foster	McCurdy	
Fulton		
Garneau		

Motion agreed to.

MOTION FOR CONCURRENCE IN SUPPLEMENTARY ESTIMATES (B)

Hon. Robert de Cotret (President of the Treasury Board) moved:

That the Supplementary Estimates (B) for the fiscal year ending March 31, 1986, laid upon the Table Wednesday, November 6, 1985, except the votes disposed of earlier this day, be concurred in.

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

Some Hon. Members: Agreed.

Mr. Deans: On division.

Mr. Speaker: I declare the motion carried on division.

Motion agreed to.

Mr. de Cotret thereupon moved that Bill C-89, an Act for grating to Her Majesty certain sums of money for the Government of Canada for the financial yar ending March 31, 1986, be read the first time and be printed.

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

Some Hon. Members: On division.

Motion agreed to, Bill read the first time and ordered to be printed.

Mr. de Cotret thereupon moved that Bill C-89, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1986, be read the second time and referred the to Committee of the Whole.

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to, Bill read the second time and the House went into committee thereon, Mr. Paproski in the Chair.

Mr. Gray: Mr. Chairman, I rise on a point of order. Can the President of the Treasury Board assure the House that this Bill is in its usual form with no unusual or extraordinary additions?

Mr. de Cotret: Mr. Chairman, I am more than happy to assure that the form of the Bill is the same as that passed in previous years.

The Deputy Chairman: Shall Clause 2 carry?

Some Hon. Members: On division.

Clause agreed to.

The Deputy Chairman: Shall Clause 3 carry?

Some Hon. Members: On division.

Clause agreed to.

The Deputy Chairman: Shall Clause 4 carry?

Some Hon. Members: On division.

Clause agreed to.

The Deputy Chairman: Shall Clause 5 carry?

Some Hon. Members: On division.

Clause agreed to.

The Deputy Chairman: Shall Clause 6 carry?

Some Hon. Members: On division.

Clause agreed to.

The Deputy Chairman: Shall the Schedule carry?

Some Hon. Members: On division.

Schedule agreed to.

The Deputy Chairman: Shall Clause 1 carry?

Some Hon. Members: On division.

Clause agreed to.

The Deputy Chairman: Shall the preamble carry?

Some Hon. Members: On division.

Preamble agreed to.

The Deputy Chairman: Shall the title carry?

Some Hon. Members: On division.

Title agreed to.

The Deputy Chairman: Shall I rise and report the Bill?

Some Hon. Members: Agreed.

Bill reported.

• (1850)

Mr. de Cotret moved that the Bill be concurred in.

Some Hon. Members: On division.

Motion agreed to.

Mr. de Cotret moved that the Bill be read the third time and do pass.

Some Hon. Members: On division.

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

Mr. Speaker: Order, please. May I suggest that we wait one minute for the House to clear and that those who wish to leave, do so expeditiously.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

HEALTH—BREAST IMPLANTS—REQUEST FOR STRICTER CONTROL AND ADDITIONAL RESEARCH FUNDS

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, I would like to speak today about an important problem which affects more than 17,000 women each year in Canada, including 7,000 in Quebec. I wish to call the attention of the House to the breast implant studies submitted to me a few weeks ago by Dr. Robert Guidoin, an eminent researcher at the Experimental Surgery Department of the Université Laval in Sainte-Foy.

As a woman, I am very sensitive to this serious issue, which jeopardizes the health of many Canadian women each year. I made a statement about this last week and asked a question to the Minister of National Health and Welfare (Mr. Epp) to find out what had been done following my many interventions in this regard.

If I raise this issue once more today, it is because I consider that all Members of this House should be made aware of the urgency of undertaking a vast study program on breast implants used by surgeons, and especially on the need to regulate the quality of these implants.

Indeed, Mr. Speaker, the Department of National Health and Welfare now provides no control over silicone implants used by surgeons.

Research clearly show that, during the two years following the initial operation, inadequate silicone implants can rupture or leak, causing considerable damage to the tissue of the patient who must then be hospitalized for additional surgery.

Mr. Speaker, the optimism with which the use of medical silicones was greeted has now been tempered by caution in view of the various types of evolutive complications associated with them, such as calcification, distortion and proliferating encapsulation.

Of the implants examined, 21.7 per cent have shown signs of encapsulation, and this does not take into account the fibrous capsules sent by themselves. A slight difference was noted between intact and damaged implants. Intact implants showed fewer fibrous capsules, or 13.9 per cent, than the damaged ones, which showed 38.2 per cent.

As for mineralization, it was found present not only in the fibrous capsules, but even on the very surface of the implants. Of all implants examined, 48.1 per cent showed mineralization of the implant itself and 11.8 per cent of the fibrous capsule. The conclusions of the analyses show that intact specimens seemed to be more mineralized than the damaged ones. The proportion was 50 per cent in the first case and 40 per cent in the second. In addition, implants of the Heyer Schulte brand showed 80 per cent mineralization compared with 38.1 per cent for Dow Corning brands.

The results of these analyses show the serious problem raised by this surgery. After such an operation, the health of women is seriously threatened and this raises grave doubts about the safety of medical practices in this type of surgery.

• (1855)

That is why, Mr. Speaker, I feel it is urgent to make additional funds available in order to undertake immediately a major research program to remedy a situation which jeopardizes the health of thousands of women each year. I also ask the Minister of National Health and Welfare to establish very precise regulations to adequately control the implants used by surgeons.

The studies on breast implants are of vital importance and I deplore the short-sighted attitude of the Department of National Health and Welfare toward this type of investigation.

The best proof that studies to develop better regulations and control have been so far neglected by the Department is that the most recent research project entitled "Breast implants: their characteristics and behaviour *in situ*" presented last May by Dr. Guidoin to Departmental officials was categorically turned down.

As Dr. Guidoin told Dr. Sheena Lee, Head of the Research Administration Division, it is a great disappointment to realize that this research project was not recommended for financial assistance under the National Health Research and Development Program.

This project seems to have been taken lightly and indicate a complete lack of communications between the various divisions of the department. I find most regrettable this situation which might have serious consequences for Canadian women who will have to submit to this kind of surgical operation during the forthcoming months and years. These negative effects might be even worse than those we have been able to assess so far.

I therefore ask the Minister to take action to remedy this situation as soon as possible. He should take steps to make available additional research funds immediately and implement regulations very shortly. I call for much stricter control to rectify the intolerable situation which exists now.

Because we need to protect the health of a great many Canadian women, including a large number of Quebec women, I urge the Minister to take the necessary steps without delay. This situation which endangers the health of women should not be tolerated any longer.

Mrs. Monique Landry (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, it is a pleasure to answer a question by my hon. friend from Louis-Hébert (Mrs. Duplessis), on a subject of great topical interest.

Mr. Speaker, reconstructive surgery has become common place. Every year, thousands of Canadian women undergo such surgery in an attempt to recover their normal appearance. Some of these treatments are simple and effective, while others are complex and sometimes unpredictable. And some only provide temporary improvement and require frequent surgical touch-ups.

When the purpose of the operation is to correct a deformity or disability resulting from an illness, accident or the removal of a malignant tumour, medical expenses are refundable on the same terms as all other essential health care. However, if a person decides to undergo plastic surgery although his or her appearance is quite normal to society, it is up to that person to pay the cost. However, any complications due to plastic surgery that was not successful may be refundable if harmful to the health and well-being of the person in question.

Breast reconstruction is practised throughout the western world. The destroyed tissues must often be replaced by a permanent implant designed to give the breast a normal appearance. These implants come in the form of bags filled with a liquid and are permanently attached within the breast. Various methods are used to manufacture these medical aids, and since the end of the sixties, a variety of models have been available.

Mr. Speaker, at the present time, products of this kind must be imported. All must comply with the Food and Drug Act and the regulations on medical instruments.

However, until now, only the new implant devices available on the market since 1983 have been subject to a pre-marketing examination. Very few have been introduced up to now. In fact, most of these products were introduced before the regulations were amended in 1983.

On the basis of reports from abroad on breast implants and unfavourable reactions to these devices, the Department of National Health and Welfare decided to look into the matter in 1982. A study conducted in Canada at the time revealed a certain degree of dissatisfaction within the medical community. Generally, it has been found that the results obtained by breast implants were not spectacular, but that there was no need to take corrective action. The Health Protection Branch was recently advised of unfavourable reactions to these products. The reports submitted raised once more the doubts already expressed about the quality, durability and long term safety of certain breast implants.

Mr. Speaker, the Department of National Health and Welfare is now reevaluating the need for research in this area with a view to improve the quality and safety of breast implants used in Canada. It should be possible to achieve a decrease in the morbidity and costs associated with the treatments, the new surgical interventions and the readaptation of patients who are unfavourably affected by reconstructive surgery. We have to find mechanisms to make good use of the experience of research centres and doctors specialized in this field. As in any highly sophisticated branch of medicine, their participation is essential.

• (1900)

[*English*]

AIRPORTS—AUTOMOBILE RENTAL POLICY. (B) REQUEST FOR COMMITTEE HEARING

Mr. Simon de Jong (Regina East): Mr. Speaker, almost a year ago I raised with the Minister of Transport (Mr. Mazankowski) a matter concerning the policy regarding car rental agencies at airports. At that time I requested the Minister to postpone the bidding which was imminent and to refer the matter to the Transport Committee. I made the allegation that as a result of the way the regulations had been written the only

Canadian national system, Holiday Rent-a-Car, would not be eligible to apply in relation to key airports in the country and that, in fact, the only Canadian national system could not long survive. In fact, that is exactly what has happened in this last year. Because Holiday Rent-a-Car was not able to apply for positions at the Vancouver, Toronto and Montreal airports we no longer have a Canadian-owned national car rental system today. In fact, the Holiday Rent-a-Car system has essentially gone belly-up. Most have sold out to Thrifty's or Hertz and a few are left hanging on as independents.

Essentially, Government policy destroyed a small Canadian car rental system. What we have left is car rental systems owned by foreign multi-nationals. This comes from a Government which paid a great deal of lip service during the last election to taking Government regulations out of the marketplace, and allowing a freer market to exist by giving encouragement to Canadian industry. It is a shame to see that the actual results of its policies has been the suppression of the Canadian car rental system.

Some 80 per cent of the car rental business is done out of airports, which is now totally controlled by foreign-owned multi-nationals. The small independent car rental companies are being strangled to death.

• (1905)

This is a situation made worse by the new policies put into effect by the major airline companies. For example, the Aeroplan which Air Canada operates is attracting most of the car rental business to the national and international chains. Small companies which are not part of a national chain are not eligible to participate in the Aeroplan. Therefore, only companies which provide a national service are allowed to participate in the Aeroplan. Small independent locally-owned and Canadian-controlled companies are not eligible and are being squeezed out.

It is also interesting to note that Budget Rent-a-Car has now become the largest of its kind in Canada. All the regulation changes, and even counter space, which Budget Rent-a-Car requested have been given to it. I must express concern and some suspicion that there might be some political connection between this Government and Budget Rent-a-Car. It may be that at some time in the future when someone writes his memoirs we might get the full story of why Budget Rent-a-Car was allowed counter space at the Toronto airport and why it was given all of the changes in regulations it asked for, because those regulations which were allowed to stay in place killed the major Canadian competition so that today we have Budget Rent-a-Car as the major care rental agency and we have no Canadian car rental system left.

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I think it is a little strange, and I am not all that certain it is a wise use of the chamber's time, to be discussing a matter which was thoroughly dealt with and which, I believe, took up some considerable amount of time both in the House, in the Senate and in the Standing Committee.

However, notwithstanding that, I can refer the Hon. Member to the very ample explanation given by the Minister of Transport (Mr. Mazankowski) a little over a year ago in response to the Hon. Member for Regina East (Mr. de Jong) on November 22 and on November 29 in committee. At the same time Hon. Members availed themselves of an opportunity to meet for an extended period with the Minister to discuss this matter. Indeed, I myself responded to the Hon. Member at some length in this very chamber.

The Hon. Member should rest assured that every possible effort was made to accommodate Holiday Rent-a-Car within the parameters of the policy—and I think this is most important—without being unfair to other bidders.

The car rental policy was carefully scrutinized by this Government in 1979 and, after consultation with industry, a workable and fair policy was in fact developed and put in place. I might also add that during the time of the previous Government an extensive review of the policy was conducted over a two-year period. I do not, therefore, believe that any useful purpose would be served by the Hon. Member's request that this matter be referred to a Standing Committee on Transport at this time.

TRADE—CANADA-UNITED STATES NEGOTIATIONS—PRIME MINISTER'S SPEECH IN CHICAGO. (B) MAGAZINE PUBLISHING INDUSTRY

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, the question I raised on December 5, which I wish to expand on this evening, concerns cultural sovereignty for Canada and free trade. The question was directed to the Minister of Communications (Mr. Masse) and he gave the best answer I have ever received in this House on the issue. He referred to the Prime Minister's assurances which were given in Chicago that anything concerning cultural sovereignty would not be on the negotiating table. I wish I could be more relaxed and confident that this very good answer is really the answer of the Government because we are still receiving messages of a different sort from the Secretary of State for External Affairs (Mr. Clark).

Recently a meeting was held with leading representatives of the cultural community with the Secretary of State for External Affairs. It was thought at the meeting that the idea was adequately put across that they did not want to have any part in negotiations for free trade. They thought that that had been well understood. However, the Secretary of State for External Affairs was quoted after the meeting as saying: "They are prepared to work with the Government in negotiations as we prepare our case".

As a result of that statement, or misunderstanding, a very noted writer, Graham Gibson, who was part of that delegation replied that they all tried, apparently in vain, alas, to persuade Mr. Clark that cultural matters must not be negotiable. Moreover, he said, if the Government did place culture on the bargaining table, it would encourage concerted opposition from our community. We have very little to gain and, most probably, much to lose if Canada allows cultural matters to be

a part of negotiations. They were unanimous in pointing out that it was not greater access to American markets that we need, but fairer access to our own. That has been the message from cultural groups across the country to this Government.

• (1910)

I have been raising the issue in the House and it needs to be raised again. Canadians want access to Canadian markets. Canadians want to communicate with other Canadians. Access to American markets is the icing on the cake. It is desirable and certainly very possible in some industries, some being more appropriate than others. However, they do not want to sacrifice their ability to reflect Canadian problems, to be Canada's image, in order to gain more access to American markets. American films made in Canada with American stars, American signposts, American licence plates and American flags are not Canadian culture. The fact that they will sell well in the U.S. because they appear to be American films, even though they are produced here simply to take advantage of certain economies, may be well and good economically, but it is not Canadian culture and not what we want.

Canadian artists are worried about cultural sovereignty being bargained away. They are also worried about cut-backs and Canadian culture being cut away. Last year cuts to the CBC were in the order of $85 million and more cuts are expected this year. There are rumours of substantial cuts for the National Film Board and the National Arts Centre. We are worried that promises made at a very general level are not implemented in practice. For example, the publishing policy announced by the Minister of Communications (Mr. Masse) last July. We have a very specific case involving Prentice-Hall which has not been resolved. We are worried when it comes down to cases the Government will capitulate to pressure from the Americans and the goal of repatriating our culture will not be met. Just today we had some excellent recommendations from the film industry task force concerning film distribution being Canadian-owned and controlled.

Will the Government act? It certainly has not shown it will act promptly in defending Quebec's film policy. There is a proposal that the National Arts Centre cease to function as a centre for Canadian culture and excellence and instead simply be a place for cheaper imported shows. In other industries that is called dumping, but in Canadian culture it is simply, according to the Americans, the opportunity to treat the Canadian market as an extension of their own. There are rumours of a freeze in Canada Council funding. That would be a real cut-back because expenses are going up and last year the Council suffered a real decline. There had also been a long-term erosion of Canada Council funding under Liberal Governments. We are really concerned about that.

The second very specific question I raised with the Minister concerned subsidies to our magazines. There was no answer at all from the Minister. We have a growing magazine industry. It is not flourishing yet. Only one-quarter of the magazines on our news-stands are Canadian with the balance overwhelmingly American. However, that is an improvement. We have seen a large number of magazines coming onto the market because of a policy introduced by the previous Government involving postal subsidies and the policy on advertising in Bill C-58 which freed up a lot of advertising money for Canadian periodicals. We now have a relatively strong, certainly a growing industry. Some 186 new periodicals appeared after 1977. We have now a total of 5,000 titles. The industry employs 25,000 people with a payroll of $500 million. Subsidies are absolutely essential if this industry is going to continue, especially the smaller and newer Canadian magazines. They would fold if it were not for the subsidies. Of course, if the subsidies were removed it would be cheaper for magazines to distribute by a private, commercial delivery system in the city and our Post Office would be left with the expenses of rural deliveries. This is a very vital, growing part of our culture and we want it to get the attention it needs from the Government. We have had enough rhetoric. We need practical policies. They are going to cost money, but the cultural industries repay that money six-fold. We want to see action on this front.

• (1915)

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I would like to say how much I welcome this opportunity to speak on a question that we, as a Government, consider so fundamental. We all recognize that the Hon. Member for Broadview-Greenwood (Ms. McDonald) is very interested in our cultural sovereignty. I had the privilege of serving with her on the sub-committee on the revision of the copyright law. I remember in particular one day in Montreal when she stood down the Yankees, and she did it with fierce Highland pride. I congratulate her and assure her that this is also a central concern of the Government as we prepare to begin negotiations with the United States.

I hold the view that in the exchange between the Hon. Member and the Minister of Communications (Mr. Masse) on December 5 the Hon. Minister clearly and unequivocally defined the Government's position on cultural sovereignty. Furthermore, he reminded the Member that the Prime Minister of Canada (Mr. Mulroney) had raised this same question in his speech in Chicago last Wednesday evening. The statements of the Minister and of the Prime Minister should, as far as I am concerned, dissipate any doubts in this regard. Nothing related to our cultural sovereignty will be part of these negotiations with the United States.

I will take the liberty, Mr. Speaker, of repeating the Prime Minister's statement. He told his audience on December 4 in Chicago that "when it comes to discussing better trade rules for cultural industries, you will have to understand that what we call our cultural sovereignty is as vital to our national life as political sovereignty". To me that is a formal engagement on the part of the Government to safeguard Canada's cultural sovereignty. That should make us all very pleased.

[*Translation*]

The Hon. Member for Broadview-Greenwood (Ms. McDonald) also referred more specifically to the Canadian magazine industry. Mr. Speaker, I would like to assure her that we look

upon the profitability of our periodicals and of the whole Canadian publishing industry as one of our major priorities in the cultural realm. The Government's commitment became a reality last July when we announced a clear and specific policy on non-Canadian investment in the publishing industry, and we expect to take other such constructive initiatives.

Referring to publishing and other Canadian cultural industries in the context of negotiations to liberalize trade with the United States, the Minister of Communications (Mr. Masse) stated on December 5 that "it is up to us to decide what will or will not be negotiable". It is with that in mind that our Government will make every effort to protect our cultural sovereignty and the instruments through which we express it, such as periodicals.

[*English*]

We believe that it is in formulating effective policies clearly defining our cultural objectives that we will succeed, on the one hand, in ensuring the viability of our cultural industries and, on the other, in taking the fullest possible advantage of enhanced trade.

In keeping with the Government's intention to reduce the federal deficit and the desire to minimize government intervention in the private sector, the Minister of Communications has committed himself to rationalizing the Postal Subsidy Program. This program, which is over 100 years old, has never been thoroughly and completely reviewed in the past. In June, 1984, the consulting firm, Woods Gordon, published a report based on a study of the Canadian periodical publishing industry conducted on behalf of the Department of Communications. This study was instrumental in the formulation of a national periodicals policy being developed at the Department of Communications by departmental staff.

In May, 1985, the Minister of Communications commissioned some consultants to conduct an evaluation of some aspects of the Postal Subsidy Program and to appraise what would be the impact of substantial postal tariff increases on the publishing firms currently registered in the Postal Subsidy Program. The findings and results of these projetcts are also being examined and we should be in a position to determine if we could reduce the Postal Subsidy Program's budget, and by how much, without affecting the dissemination of information in Canada through the printed media and the economic viability of the Canadian publishing industry.

[*Translation*]

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 7.20 p.m.

HOUSE OF COMMONS

Wednesday, December 11, 1985

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 22

[*English*]

LABOUR CONDITIONS

UNEMPLOYMENT IN CAPE BRETON

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I rise to express my concern, indeed outrage, over the situation confronting my province, particularly the Island of Cape Breton. Yesterday we had an opportunity to debate a host of issues of particular importance to Atlantic Canadians. The Prime Minister (Mr. Mulroney) admitted in Question Period yesterday as well that the economic policies he put in place are not working in Atlantic Canada, particularly in my constituency of Cape Breton-East Richmond. One year ago there were approximately 14,000 people unemployed in that area. Today, as a result of Government policy, there are an additional 4,000 unemployed. The unemployment rate has risen to an all-time high of 24.2 per cent, surpassing, unfortunately, that of the Province of Newfoundland.

We continue to hear cabinet Ministers from Atlantic Canada saying yes, the economic policies of their Government which they have put in place will assist those of us who reside in Atlantic Canada, only to hear their Prime Minister disagree—

Mr. Speaker: The Hon. Member's time has expired.

* * *

AGRICULTURE

DELAY IN ESTABLISHING NATIONAL TOBACCO MARKETING AGENCY

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, this week more than 900 tobacco farmers from Quebec, Ontario, Prince Edward Island and Nova Scotia came to Parliament Hill to demonstrate in favour of a national tobacco marketing agency. The Conservative Government's failure to provide these farmers with the right to form a marketing agency is yet another broken election promise. After more than a year the Government continues to delay while the tobacco farmers' livelihood is threatened.

The Minister says he will ensure that the existing provincial boards will reach an agreement with the manufacturers. This is exactly what they had last year, and it is not good enough. These farmers need a national agency to bargain on their behalf, an agency with power to restrict production and to restrict imports of tobacco. They do not need to be locked in a room under the old rules until they give in to the manufacturers. They do not need to be threatened by the riot squad. This latest Conservative tactic is too reminiscent of South Africa.

Some Hon. Members: Oh, oh!

Mr. Althouse: It also reminds us of how the military dictatorship of Argentina governed that country. Under the guise of maintaining normality they suppressed wage demands, removed most of the controls on foreign investment, and crushed public demonstrations with shows of military force. This is regretfully a type of action which our Government now appears to be embracing. These are not normal times for farmers, but they deserve a lot better than threats.

* * *

[*Translation*]

INTERNATIONAL HUMAN RIGHTS DAY

DEFINITIONS OF HUMAN RIGHTS

Mr. Guy Ricard (Laval): Mr. Speaker, yesterday was International Human Rights Day, as announced by the United Nations Organization.

The day before, I had the privilege of presenting a motion on behalf of the Government, expressing recognition for the efforts of Raoul Wallenberg to save hundreds of innocent Jews, men, women and children, from genocide during the Second World War.

Mr. Speaker, the meaning of the word "human rights" may vary, depending on the person who uses them. To some people, these terms are closely linked to the politics of an oppressive regime, of pseudo-liberation organizations which typically engage in violence, assassination attempts and crimes of all kinds. To others, they represent the basic freedoms, the freedom to be, to act, to speak and to worship.

To me, these words also mean the right to life, growth and self-determination.

Unfortunately, too many peoples are helpless to defend their rights and remain deprived of those rights. However, Mr. Speaker, the day will come when people of goodwill will force

the oppressor to respect the rights and freedoms of the individual.

* * *

[*English*]

ENERGY

PROPOSED CONSTRUCTION OF HEAVY OIL UPGRADER AT LLOYDMINSTER, SASK.

Mr. Alex Kindy (Calgary East): Mr. Speaker, in 1984 an agreement was signed by the federal Government and the Governments of Saskatchewan and Alberta to build a heavy oil upgrader at Lloydminster, Saskatchewan. As conventional supplies of light crude oil in western Canada are gradually declining, we must replace these resources by upgrading our heavy oil resources. Not to do so would be to turn back the clock and cause us to become increasingly dependent upon foreign crude supplies.

The construction of the Husky Lloydminster upgrader and associated field facilities will generate significant direct and indirect employment benefits for Alberta and Saskatchewan. Much of this employment will involve highly skilled engineering and technical expertise. In addition, large indirect benefits will be generated in Ontario and Quebec where much of the hardware for the project will be manufactured.

Cancellation of the Husky project will cast a serious shadow over all major non-conventational oil and gas development projects now in the planning stage. These projects are both capital and labour intensive and, as such, will provide the backbone in the "engine of future economic growth" for Canada. We hope the Government of Canada is going to stick to its signed agreement and proceed with the project as intended.

* * *

CROWN CORPORATIONS

SALE OF DE HAVILLAND CORPORATION

Mr. Sergio Marchi (York West): Mr. Speaker, the sale of de Havilland to a U.S. multinational corporation reflects the Tories' blind quest for privatization and commitment to satisfy U.S. interests at all costs. However, all the costs involved are Canadian costs. There is the lack of job guarantees, the huge investment Canadians have made in de Havilland, the loss of precious and unique research and technology, the timely development of markets for its products, especially with the introduction of deregulation, and the fact that de Havilland represents one-quarter of the Canadian aerospace industry.

de Havilland went from a wholly Canadian enterprise which inspired a sense of national pride and national achievement, to a simple number within a conglomerate of companies whose future importance can be changed or ended dramatically based on the whims of its U.S. corporate bosses.

• (1410)

de Havilland's sale is Canada's loss. It not only reminds us of the Avro-Arrow tragedy, but also brings back to life the Conservative Party's opposition to our own Canadian flag, our own Canadian anthem, our own Canadian FIRA, and our own Canadian Constitution, and now it is opposing our efforts to own and control our own Canadian aircraft industry.

The Government has brought shame once again to our Canadian identity and to the principle of Canadian sovereignty. Canadians will not forgive nor forget this regressive, un-Canadian policy move by this regressive Government.

* * *

EXTERNAL AFFAIRS

SRI LANKA—ATTACKS ON TAMIL POPULATION

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, the Tamils of Sri Lanka are being forced to flee their homeland in fear for their lives. A demonstration yesterday on Parliament Hill by several busloads of Tamil-Canadians dramatized their concern about attacks on their compatriots in Sri Lanka. They presented evidence which Amnesty International has gathered that the Sri Lankan army is resorting to torture of Tamils and other persons in military camps. The Prevention of Terrorism Act passed in 1979 has encouraged Sri Lankan military and police personnel to make random attacks on Tamils. Regulations have recently been issued to control the inquests into the deaths produced by this violence.

Sri Lanka has been a large recipient of Canadian aid for more than 30 years. The Colombo Plan is, in its very name, a reminder of these links. These Commonwealth ties should only make us more sensitive to the use of irregular and arbitrary violence by those who are responsible for law and order in Sri Lanka. I call on the Secretary of State for External Affairs (Mr. Clark) to ensure that Canadian aid, including trucks, is not used in this proto-civil war in Sri Lanka. I call on him to encourage the Government of Sri Lanka to avoid the kind of irregular violence that has disfigured the life of so many countries in these last years.

* * *

ABORIGINAL RIGHTS

MEETING BETWEEN HAIDA AND BRITISH COLUMBIA ATTORNEY GENERAL

Mrs. Mary Collins (Capilano): Mr. Speaker, over the past month many Canadians have been deeply concerned as they have watched events unfold on Lyell Island in the Queen Charlottes of British Columbia. The issues involved are complex. Many people are directly affected by activities on South Moresby and are concerned about its future. These people include the Haida people, loggers, residents of the Queen Charlotte communities, and those proposing a park on South Moresby.

Obviously the escalation of confrontation and disregard of law are no way to resolve the conflicting points of view. A few weeks ago our Minister of Indian Affairs and Northern Development (Mr. Crombie) and our Minister of the Environment (Mr. McMillan) offered their good offices to mediate the dispute. I am pleased that over the past weekend the Minister of Indian Affairs and Northern Development met with representatives of the Haida people and then with representatives of the Province of British Columbia and has indicated his commitment to further discussions with respect to the federal Government's involvement in the land claims process of the Haida people.

Fortunately, yesterday the Attorney General of British Columbia and representatives of the Haida people met and, from all accounts, had fruitful discussions on matters under provincial jurisdiction. A provincially appointed study group is also examining the possibilities for mixed uses in the region including logging, mining, tourism, and the protection of wilderness. The magnitude of the problem is such that a negotiated settlement is the only answer.

As we well know, a journey of a thousand miles begins with a single step. Let us applaud all parties on being willing to take the first step.

Mr. Speaker: I regret to inform the Hon. Member that her time has expired. The Hon. Member for Bow River (Mr. Taylor).

* * *

CAPITAL PUNISHMENT

CALL FOR RESTORATION

Mr. Gordon Taylor (Bow River): Mr. Speaker, recently thousands of people in our country were shocked and saddened when a Canadian woman and her child were murdered by terrorists in Malta. It was a dastardly act, and just punishment must be meted out at least to endeavour to ensure that such a tragedy will never happen again.

But, the terrorists in Canada are just as bad; like Brown and Peters who murdered a young wife and later a teenage girl and burned their bodies after satisfying their lust; like Clifford Robert Olson who deliberately planned and then abused and killed at least 11 boys and girls, one only nine years old.

But, what do we do with these terrorists in our country? We put them in jail, feed them the best of food, provide amusement, and even connubial trailers at the taxpayers' expense, and then, in a few years, we set them free.

The people of Canada are just as frustrated with Canadian murderers as the people of the world are with international murderers, but the bleeding hearts have taken over in Canada. They call capital punishment "revenge" when it is "deserved punishment". At least 70 per cent of the Canadian people want capital punishment restored. A dead murderer will never kill another human being.

• (1415)

Let us restore capital punishment and tell the terrorists of Canada and the world that the punishment for anyone who deliberately plans and kills another human being will be death—d-e-a-t-h.

ORAL QUESTION PERIOD

[*English*]

CROWN CORPORATIONS

SALE OF DE HAVILLAND—TERMS OF SALE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. When I was on the West Coast I arranged a meeting in Seattle, Washington with Mr. Thornton Wilson and Mr. Frank Shrontz, the Chairman and President respectively of the Boeing Company. I arranged the meeting to discuss the purchase of de Havilland. Later I was advised that these two gentlemen did not feel free to discuss the deal because they had been advised by the Canadian Government that it would not be in their interests to do so.

Why will the Prime Minister not reveal the terms and publish the agreement of sale so that Members of Parliament and Canadians generally can see the terms of the sale? Why has his Government imposed a conspiracy of silence on the Boeing Company of Seattle?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the mere fact that the President of Boeing Canada was at the press conference and freely answered questions obviously shows that the premise of the Hon. Member's question is false. There is no conspiracy of silence whatsoever.

Furthermore, we have been answering questions in the House for the last 10 days about the details of the deal. It is a deal that is good for Canada.

[*Translation*]

REQUEST FOR EXAMINATION OF ALL TERMS OF DE HAVILLAND SALE AGREEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would have thought the agreement with de Havilland was important enough for the Prime Minister to answer this question himself.

Although Canadian taxpayers are the real shareholders of de Havilland, the Government is refusing to reveal the terms of the deal to the Canadian people.

I shall repeat my question to the Prime Minister. Is he going to allow a parliamentary committee, as he promised during the election campaign, to examine all the terms of this agreement

and to call as witnesses the executive officers of Boeing in Seattle, Winnipeg and Toronto?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I would like to point out to the Right Hon. Member that the actual terms of the agreement were made public. They were made public in this House. The actual terms of the agreement have put an end to expenditures that had become an incredible burden on the Canadian taxpayer in recent years, and which totalled more than $800 million. It is an agreement that will save Canadian taxpayers several hundred million dollars in the years to come. It is an agreement that will create jobs. It will create investment. It will keep an important Canadian industry alive and well.

[*English*]

PROVISION OF TAX INCENTIVES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, it is an extraordinary situation when a company belonging to the people of Canada is being sold, yet the people of Canada through their representatives in the House cannot see the terms of the agreement.

The hon. gentleman talks about the Canadian taxpayers. According to what we have been able to calculate from the vague terms that have been rendered public, the Boeing Company will receive tax incentives and grants to the amount of about $600 million. How can the Minister justify that, when there were Canadian purchasers available to buy this company who were not asking for that type of guarantee or that type of incentive at all?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, once again the premise of the question is wrong. We looked at the various bids. They were considered by a number of outside experts. We selected the best bidder in the best interest of Canada, Canadians, and of taxpayers.

FUTURE AIRCRAFT PURCHASES BY AIR CANADA

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the President of the Treasury Board. Air Canada estimates that in the next 10 years it will buy a billion dollars worth of big jet planes. These planes are made by Airbus in Europe, McDonnell-Douglas, and Boeing. Canadians will want Air Canada to buy the best planes at the best price.

● (1420)

Has the Minister considered that those jobs at de Havilland, are now a hostage for Boeing to put pressure on the Canadian Government and Air Canada—

Some Hon. Members: Oh, oh!

Mr. Kaplan: —to buy Boeing's planes and to buy them at Boeing's prices?

Mr. McDermid: Are you ever desperate.

Mr. Kaplan: Did the Government consider this compromise to our independence and our integrity? What is there in the deal to be sure the independence and autonomy of Air Canada and of the Government in this purchase decision will be preserved?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I can honestly answer the gentleman that there were no such guarantees sought by Boeing, no such guarantees offered by the Government of Canada, and there is no link between this transaction and any future Air Canada purchases.

Some Hon. Members: Hear, hear!

REQUEST FOR PARLIAMENTARY REVIEW

Hon. Bob Kaplan (York Centre): Mr. Speaker, although the Minister of Regional Industrial Expansion told this House on December 11 that the transaction will be reviewed by Parliament before completion, the Government is moving back on that deal. If this deal is so bad, why will the Government not submit it for a review by Parliament before closing, and honour the promise made by the Minister on December 11?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, it is quite clear that members of the Opposition have made up their minds about this matter. We have had a full day of debate. We have had a vote in this House approving the deal.

Mr. Chrétien: When?

Mr. de Cotret: Let me tell you, Mr. Speaker, the Government made up its mind to go ahead and sell de Havilland to Boeing because it is the best thing for Canada.

Some Hon. Members: Hear, hear!

1984 PROPOSAL TO MERGE DE HAVILLAND AND CANADAIR

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a question for the Minister of Finance with respect to the sell-out of de Havilland and the possible sell-out of Canadair. I would like to point out to the Minister that this House has not had a single opportunity outside this Chamber to question Ministers or to question the people involved in the sale of de Havilland.

On August 21, 1984, the Minister, speaking for his Party, said:

—that a Conservative Government will set up a separate Crown corporation for Canadair and de Havilland—that the Government would make them commercially viable and would continue to do so into the next century.

Was that an election promise on behalf of the Conservatives? Will the Minister explain why it has now been broken?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I am very happy to answer the Hon. Member's question. That possibility was discussed time and time again

and it was examined. We found that the potential of selling de Havilland to Boeing in a separate transaction yielded more significant and positive results for the aerospace industry in Canada, as it itself has indicated to us, and to Canadians in general. That is why we acted in that way.

Some Hon. Members: Hear, hear!

REQUEST FOR COMMITTEE REFERRAL

Mr. Mike Cassidy (Ottawa Centre): Maybe I could direct my supplementary question to the Prime Minister, Mr. Speaker. The Minister said that the Government has changed its mind on policy important to the future of the aerospace industry. You promised an aerospace strategy and have abandoned it. Is it not right that you should at least take such an important change of direction in policy before a committee of this House, rather than abandoning the strategy without explaining why?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, again the premise of the Member's question is wrong. This was not policy. I have just explained to the Hon. Member that we looked at the situation and we felt in the best interests of the Canadian taxpayer, whom we happen to represent, by the way, that the deal we are proposing to conclude is the best one for Canadians throughout this land. That is supported by the aerospace industry itself, and most of the editorials that have been written across the country also support it.

ACCOUNTABILITY OF CROWN CORPORATIONS TO PARLIAMENT

Mr. Mike Cassidy (Ottawa Centre): My final supplementary, Mr. Speaker, is for the Prime Minister. Your Government, your Party promised—

Some Hon. Members: Order.

Mr. Cassidy: —to keep this industry Canadian. You promised to keep it in the Crown corporation's hands.

Some Hon. Members: Order.

Mr. Speaker: Order, please. I think the House is reacting to the fact that the Hon. Member should know that questions should come through the Chair without reference to individuals.

Mr. Cassidy: I apologize. Through you, Mr. Speaker, on August 21, 1984, the now Minister of Finance said:

> We will increase the acountability of this and all other Crown corporations to Parliament.

Was that a Conservative promise with any credibility or was that, too, just another broken promise as has been demonstrated in this House for the last week and a half?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, we have had many opportunities to discuss this transaction in the House. Many opportunities will come again through the normal procedures which this House has in place. We are selling de Havilland to Boeing because it is a good thing for Canadian taxpayers.

An Hon. Member: Why don't you quote?

Mr. de Cotret: Yes, the Hon. Member likes to quote. Let me quote from *The Gazette* for December 4:

> This is a commercial venture best left to people with skills and training acquired in a commercial environment rather than to bureaucrats.

Some Hon. Members: Hear, hear!

* * *

• (1425)

TRADE

CANADA-UNITED STATES NEGOTIATIONS—REQUEST THAT STUDIES BE TABLED

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Prime Minister. Today the Canadian Centre for Policy Alternatives released two major economic reports indicating that any Canada-U.S. trade agreement would be an economic tragedy for Canada, clearly contrary to the assertions of the Government. The only response we have had from the Government so far has been a speech in New York, a speech in Chicago, and now an ad supplement in *The New York Times* which highlights the Prime Minister as the head of Canadian operations of a North American trading company.

When will the Government table all the studies it has prepared relating to the job impact of a trade agreement? When will the Prime Minister schedule a major debate in Parliament so that we will know what is going on?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the last time the Hon. Member rose to make a projection—

Ms. Copps: A junior vice-president of the trading company.

Some Hon. Members: Sh-h-h!

Mr. Mulroney: There is the sweet voice of Christmas coming. The last time he rose to make a projection, I think the record will show, was in November of last year when he predicted that, as a result of the economic policies of the Government, 200,000 jobs would be lost. In fact 416,000 new jobs were created. He was wrong by almost three-quarters of a million jobs.

Some Hon. Members: Hear, hear!

Mr. Mulroney: It will not come as a surprise to anybody—

Mr. Hopkins: Part-time jobs.

Mr. Mulroney: —to hear that the Hon. Member is wrong again and railing against the United States. The only person

who is surprised and upset by that is his brother who is working down there.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I think that the family should stand up and turn back that "dirty yankee money", right now!

Some Hon. Members: Answer the question.

Mr. Mulroney: We have put in place—

Ms. Copps: The Schefferville lackey.

Mr. Speaker: A supplementary question.

Mr. Axworthy: After that tirade, what could one say?

Some Hon. Members: Then sit down.

Mr. Axworthy: We do have a lot to say. I do not like to correct the Prime Minister, but the last time I made a speech, I predicted that the Tories would fall 10 percentage points in the polls, and that has come true.

Some Hon. Members: Hear, hear!

APPEARANCE OF CANADIAN NEGOTIATOR BEFORE PARLIAMENTARY COMMITTEE

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I have a supplementary question. Seeing that the Prime Minister has refused to answer the first question, will he answer this question?

Mr. Shields: We want Tom.

Mr. Axworthy: Three weeks ago he gave a direct commitment in the House that Simon Reisman, the negotiator, would appear before a parliamentary committee. Can he now answer the question? When will Mr. Reisman come before that parliamentary committee so that Parliament and the Canadian people know what the Government plans to do in its deal with the United States?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend says that we have dropped 10 points in the polls. Better now than during an election campaign.

Some Hon. Members: Hear, hear!

Mr. Axworthy: Wait until the next one.

Some Hon. Members: More, more!

Ms. Copps: It is a bottomless pit.

Mr. Rossi: Canadians will remember you.

[*Translation*]

Mr. Mulroney: Don't get excited, Mr. Rossi.

[*English*]

Mr. Reisman will be available an appropriate time.

Mr. Axworthy: When is appropriate?

Mr. Mulroney: The Hon. Member says "when is appropriate?" As soon as the Hon. Member for Winnipeg-Fort Garry and the Leader of the Opposition are in the House on the same day.

* * *

EXTERNAL AFFAIRS

TURKEY—TRANSFER OF CANADIAN FIGHTER AIRCRAFT

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is directed to the Associate Minister of National Defence. Last December the Secretary of State for External Affairs promised to look into the gift of 20 CF-104 Starfighters to Turkey and halt the transaction "if it would increase tension in the area". Will the Associate Minister of National Defence tell the House why the Embassy of Greece has not been contacted about this matter for two months, expecially since Greece still contends that this gift is "changing the balance of power in the Mediterranean"? I read in the newspaper just today that its request for one-half of these planes had been turned down.

● (1430)

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, the Hon. Member will know that when the CF-18s were destined for Europe in 1981, in keeping with NATO policy, we made an offer to the three southern-tier countries—Portugal, Greece and Turkey—of surplus CF-104s. Only Turkey responded to that request. We are honouring a commitment in which all NATO partners are involved.

When Greece expressed some concern about the balance, we acknowledged that, in fact, it is necessary to be even-handed and that some of the assistance granted to these southern-tier countries by NATO countries has been less than even in its impact. As a result of that, we are engaged in discussions with Greece to provide it with spare parts and engines for its aircraft, plus other equipment, in order to strengthen its capabilities, since it is an important part of the NATO deterrence.

At the officials level in Brussels, and in Athens, in fact, very amiable discussions are ongoing now.

Some Hon. Members: Hear, hear!

COST OF UPGRADING AIRCRAFT

Mr. Derek Blackburn (Brant): Mr. Speaker, I sincerely hope that the Government realizes that what it is doing may very well be heating up an already very volatile political situation, in view of the fact that we also have 600 Canadians in Nicosia.

Will the Minister tell the House why his predecessor said last year that the cost to the Canadian taxpayer for the upgrading of these Starfighters would be approximately $6

million when we now learn that the cost has soared, in just a year's time, to $17.5 million?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, in terms of the relationships in that part of the world, I would like to inform the Hon. Member that when I was in Brussels last week I had lunch with the Minister of Defence for Turkey and the permanent representative of Greece. The three of us discussed this question. I can assure the Hon. Member that none of the tensions about which he is talking exist in regard to what Canada is attempting to do.

In terms of how much it will cost, my predecessor, the former Minister of National Defence, when answering that question was giving the dollars involved in terms of the cost of inspection for the first 20 aircraft. As the Hon. Member should know, that is required after 200 hours of flight time. The remaining aircraft, their transference and all the support account for the difference of an additional approximately $11 million.

* * *

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

PARTICIPATION OF NEW BRUNSWICK IN FRANCOPHONIE SUMMIT—NOTIFICATION OF CANADIANS

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I have a question for the Prime Minister. Yesterday, Premier Johnson of Quebec stated that he had not been told on November 6 that New Brunswick would be taking part in the Francophonie Summit, and today the Prime Minister stated he had duly informed him of the fact.

Could the Prime Minister inform the House why he kept the people of Canada and Quebec in the dark between November 8 and the provincial election?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, just to show how the Hon. Member for Saint-Maurice insists on short changing the Members of this House by refusing to examine important issues and by failing to consult, before he rose in the House, the transcript of a press conference held on November 8, 1985, here in Ottawa, where, in answer to a question from a reporter, referring to the fact that earlier that day or the day before I had announced that Quebec would be taking part in the International Francophonie Summit, I said the following: I can say that discussions are under way with the Government of New Brunswick for the purpose of concluding an agreement that will ensure its participation in the summit. That is crystal clear, and the Government's intentions were clearly established and announced, contrary to what the Hon. Member just said.

PARTICIPATION OF NEW BRUNSWICK IN FRANCOPHONIE SUMMIT—GOVERNMENT POSITION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, could the Prime Minister state before this House whether he did or did not clearly inform Premier Johnson of New Brunswick's eventual participation in the summit? And if he did, which means he had already decided that New Brunswick would be at the summit, why did he not announce that fact at the same time as Quebec's participation, instead of trying to help Premier Johnson win an election he ultimately lost?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if the Hon. Member would spend more time here instead of selling his book across the country, he would be better informed on the issues of the day.

In fact, I said this: I am very surprised because the federal Government's firm intention of also authorizing New Brunswick's participation was clearly expressed in the normal course of negotiations leading up to the Ottawa-Quebec agreement. At all times and in all circumstances, the federal Government's intention has been clear. To us, there are only first-class francophones, not first- and second-class francophones. There are only first-class francophones in Canada and they are all going to be represented.

* * *

[*English*]

ENERGY

SASKATCHEWAN HEAVY OIL UPGRADER PROJECT—PROVISION OF LOAN GUARANTEES

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, my question on the Husky Oil upgrader in northwestern Saskatchewan is directed to the Minister of Finance. While the Government has enacted some historic energy proposals, it is understandable that the Minister is now reviewing carefully the loan guarantees made by the previous Government with respect to this proposal. Will the Minister tell the House if the Government will undertake loan guarantees for this vitally needed energy development?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, in reply to the Hon. Member I can assure him that there are very careful studies going on at the present time with respect to the Husky upgrader with the Minister of Finance, the Minister of Energy, Mines and Resources, and their officials. They are assessing a review which has taken place on the financial capabilities of this project and will be reporting in due course.

Mr. Gormley: Supplementary.

Mr. Speaker: The Hon. Member for Vancouver East.

Oral Questions

FAMILY VIOLENCE

BADGLEY REPORT RECOMMENDATIONS ON CHILD ABUSE

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is for the Minister of National Health and Welfare. Recently a conference was held here in Ottawa and the participants were very angered because children continue to be sexually abused, prostituted, and even murdered, while the Badgley recommendations which were tabled over a year ago continue to be ignored by the Government. When will the Minister, in co-operation with the Minister of Justice, introduce the necessary legislation which was recommended by the Badgley Commission and appoint a commissioner to help counteract child abuse?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I wish to indicate to the Hon. Member that when the Badgley Report came down a number of the recommendations were recommendations, for example, to the Minister of Justice and to the Department of National Health and Welfare, to name just two, as the Hon. Member and other Members of the House will know. The Government established an inter-departmental committee to examine not only the recommendations but the proper response. That work is going on now. I hope, as she does, that a satisfactory response can be made very shortly.

NATIONAL CLEARING HOUSE INQUIRY

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am sure the Minister knows that we already have in place one clearing house on family violence which could be expanding in terms of some of the public education work, information systems, and even national training. Why has the Minister cut back on the national clearing house on family violence when he should be expanding it to help with the very serious problem of child abuse?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, we will look at that question and at what the proper response will be. Generally, I think we would accept as a society that the best response would be at the community level through organizations which have experience in these areas. If one looks at that approach and at the report of the Badgley Commission, I think that before too long the Government will have a response. I keep in mind, as I hope the Hon. Member will, that the response will have to be such that there should be help for children and battered children rather than simply looking at it as a financial matter. I think it goes much deeper than that.

• (1440)

[*Translation*]

INDUSTRY

QUEBEC PETROCHEMICAL INDUSTRY—REQUEST FOR POLICIES

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. Yesterday, in answer to a fundamental question about the future of Quebec's petro-chemical industry, he gave me the usual line that it was all the Liberals' fault. I would like to inform the Prime Minister that it has now been fifteen months, and that it is high time he took on his responsibilities as Leader of this Government. And that is why I am asking him again today: Can his Government state quite honestly that, as he promised, it will adopt every policy necessary to maintain and expand the petro-chemical industry in Quebec, and especially in Montreal?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I must admit that it was uphill all the way in this respect for the new Government, since the Liberal Government had officially announced its decision to close down the petro-chemical industry in Montreal. Yes, that is what they said. The Liberal Government told Montrealers they would not get another red cent for this very important industry in their city. So this was a tremendous problem for us. The first thing we did to try and held this important industry which had been abandoned by the Liberals was to inject $15 million into Petromont in September 1984. And now, Mr. Speaker, I intend to see the Premier of Quebec in the near future to discuss the matter further with him, since he is an interested party.

REQUEST THAT PRIME MINISTER MEET REPRESENTATIVES OF QUEBEC PETROCHEMICAL INDUSTRY

Hon. Jean Lapierre (Shefford): Mr. Speaker, it is there for everyone to see in the Progressive Conservative Party's literature that they intend to establish policies to promote the petro-chemical industry in Quebec, and the Government has not done so. What I want to ask the Prime Minister . . . You may want to meet with the Premier of Quebec, but on December 15, Mr. Prime Minister, workers in the petro-chemical industry are going to go home with their termination papers in their—

Mr. Speaker: Order, please!

Mr. Lapierre: Is the Prime Minister prepared to meet today with representative of these workers who are sick and tired of his beating around the bush? They want action. What is he going to do?

Right Hon. Brian Mulroney (Prime Minister): Yes, action, action like the false promises the Liberal Government made to

workers in the petro-chemical industry . . . Yes, that is what you did! Besides, the figures show that in Quebec, the previous Liberal Government created 673 new jobs a month, while we have created 9,286. That is the difference.

Mr. Speaker, I insist that without this unfortunate decision by the Liberal Party to shut down the petro-chemical industry in Montreal, we would not be in the mess we are today. Thanks to you!

* * *

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—PRIME MINISTER'S POSITION

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is for the Prime Minister. Two studies have now been released, one by the Ontario Government and one by the Centre for Policy Alternatives, both warning that hundreds of thousands of jobs in branch plants will shift to the United States. Does the Prime Minister agree with the following statement:

> Free trade with the U.S. is like sleeping with an elephant . . . He is going to roll over in times of economic depression and they are going to crank up those plants in Georgia, North Carolina and Ohio and they are going to be shutting them down up here.

Right Hon. Brian Mulroney (Prime Minister): I will agree that it is a very elegant statement, but I must tell my hon. friend that I think I have seen the study to which he refers, but I am not sure. I noticed one reported in the *Toronto Star* today which was billed as some great study put out by a research director for one of our leading trade unions. I think we can understand where they come from. Just look at Jim Laxer.

REQUEST THAT PRIME MINISTER ACCEPT CONCLUSIONS OF STUDIES OPPOSING FREE TRADE

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, of course the statement I quoted was made by the Prime Minister before the election.

Mr. Mulroney: That's why I said it was elegant.

Mr. Langdon: He went on to say that if the elephant ever rolls over, you're a dead man. Will the Prime Minister now agree that he was right then, and accept the conclusions of these two new studies, one by the Ontario Government and the other by the Centre for Policy Alternatives, that show that free trade will be an economic tragedy for Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, what is it in the NDP socialist psyche that makes them so insecure? We are going to have to hire babysitters for you people.

Some Hon. Members: Oh, oh!

Mr. Mulroney: Why is it that you are so timorous? What is the matter with you? They are afraid to compete. They want walls and protectionism. This country, Canada, can be strong and vibrant and can compete with the world and create new wealth and new jobs. That is what we are going to do.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

CORPORATIONS

INQUIRY IF GOVERNMENT DISPOSED TO LET GAZ MÉTROPOLITAIN BUY GULF REFINERY IN MONTREAL EAST

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Right Hon. the Prime Minister. I have to tell you that the workers who are here now and who expect to lose their jobs must find your performance rather pitiful, not to mention the Conservative Members who are frolicking while those workers' jobs are on the line.

Mr. Prime Minister, the National Assembly of Quebec will adopt a unanimous resolution urging you to intervene and block the sale of Gulf to Ultramar. Is the Prime Minister prepared to do just that through Investment Canada and cancel the deal between Gulf and Ultramar so as to enable Gaz métropolitain to buy the Montreal East Gulf refinery?

Right Hon. Brian Mulroney (Prime Minister): As far as I know, the Quebec National Assembly has yet to be called. Are you telling me that you are in the secure possession not only of the truth but of the Speech from the Throne as well?

Because we never . . . on the contrary, Mr. Speaker, and I hope the workers are watching us. The workers of Quebec know that only 673 jobs were created between 1979-80 and 1984, just as they know that any attempt to get Quebec City and Ottawa to co-operate was thwarted by the Liberal Government, whereas we have begun a new era of co-operation with the duly elected Government of Quebec, and we intend to work together in this case as well.

INQUIRY IF GOVERNMENT DISPOSED TO STOP SALE OF GULF TO ULTRAMAR

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I will get a hold of myself, but I wish you would ask the Prime Minister to be frank for once in his life, if he can.

Mr. Prime Minister, we are not joking, and this is not a Conservative caucus. The Gulf workers want to know right now: Can you announce today that you will step in and block the sale of Gulf to Ultramar to enable Gaz métropolitain to buy the refinery and save 450 jobs? Can you have human feelings? We are talking about 450 individuals.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not have to convince the refinery or union workers who are here. They know the situation. They know that four similar industries had to close down: three did so as a result of unilateral decisions by the Liberals, there is one left and we are trying to save it in co-operation with the Quebec Government. Our approach is directly opposed to what yours was—we are saving jobs instead of exporting them elsewhere.

* * *

● (1450)

CULTURAL AFFAIRS

INQUIRY IF GOVERNMENT DISPOSED TO INSIST ON CANADIAN CONTROL OF FILM INDUSTRY

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my question is directed to the Minister of Communications, who said he wanted to consult with his provincial counterparts before commenting more specifically on the recommendations made yesterday by the Task Force on the Film Industry.

My question is about the principle. Does the Minister agree with the principle the task force is proposing, namely to eliminate vertical integration in the industry and insist on Canadian control over the film industry?

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, with respect to the film industry—and I will explain why it is essential to work together with the provinces—the federal Government has very specific responsibilities in the production area, and through Telefilm, the National Film Board and the CBC, we invest money in this industry. The Department of Finance has a regulatory role from the taxation point of view.

As for the distribution aspect of the film industry, this is a responsibility that, it is broadly agreed, belongs to the provinces. And that is why the Government of Quebec has adopted legislation concerning that aspect, and why other provinces can take similar action. If we intend to achieve the objectives mentioned by the Hon. Member, I think it is essential to define, not a national policy, set up by the federal Government, but a Canadian policy that will provide a framework for the provinces and the federal Government to work together on various objectives, including the patriation of our cultural industries. That is how we want to work. That is why the February conference is so important.

Mr. Speaker: Order! Supplementary.

REQUEST CONCERNING GOVERNMENT FUNDING OF CANADIAN FEATURE FILMS

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I have a supplementary about a matter that does not require the participation of the provinces, and I am referring to the proposal to set up a feature film fund.

Does the Minister intend to grant the $60 million recommended by the task force for financing Canadian feature films?

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, the Department of Communications and the Minister received the report during the day yesterday. It has been published and we are going to read it, analyze it and report to Cabinet, which will announce its position.

* * *

PUBLIC WORKS

SALE OF GOVERNMENT REAL ESTATE

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is directed to the Minister of Public Works.

[*English*]

I was pleased to hear about two decisions which resulted from the work of the Nielsen task force; first, the control of most real property will be under the Treasury Board and, second, property management in construction projects will be centralized under the Department of Public Works. Besides providing better control, will the bureaucracy be down-sized?

An Hon. Member: Come on!

Mr. Gray (Windsor West): Order.

Mr. Gauthier: Order.

Mr. Attewell: And what will the savings be to taxpayers? Merci, le président.

An Hon. Member: Your French is worse than mine.

Hon. Roch La Salle (Minister of Public Works): It is a great pleasure for me, monsieur chairman—

Some Hon. Members: Hear, hear!

An Hon. Member: Perfect English.

Mr. La Salle: It is a great pleasure to have an intelligent question.

[*Translation*]

As you know, Mr. Speaker, the Nielsen task force reported on the importance of doing away which duplication in real estate, a sector which henceforth will be under the responsibility of Treasury Board within which a specific office will identify—

Some Hon. Members: Order.

Mr. La Salle: I think it is important that all Hon. Members be made fully aware that this office will also identify Canadian Government surpluses.

With that in mind, it becomes clear that such rationalization of construction and services within Treasury Board and Public Works Canada can only result in substantial savings for all taxpayers.

* * *

[*English*]

ABORIGINAL RIGHTS

SITUATION IN BRITISH COLUMBIA

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. In November of this year Premier Bennett said he would not negotiate with the Indians of British Columbia until they abandoned their claim to having any aboriginal title in that province. While the Minister was in British Columbia, did he succeed in getting the province to change its mind and agree that there are aboriginal rights in British Columbia and that those rights have constitutional validity?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, as I believe the Hon. Member may know, I spent most of my time in all of the meetings dealing with the question of process and the question of a pause in the activities on Lyell Island. That is because the important thing from the point of view of the Haida people, the Government of the Province of British Columbia, as well as the federal Government is to be able to begin a process by which all of the issues which affect the Haida people, and other people who have a concerned interest, will be able to proceed in a way which will satisfy their concerns.

POSITION OF PROVINCIAL GOVERNMENT

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, we appreciate what the Minister was able to do, but would he not agree that until the Government of British Columbia recognizes that there are constitutional aboriginal rights there can be no just resolution for the Haida people, or any other people of Indian ancestry, in the Province of British Columbia?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Indeed, Mr. Speaker, the Hon. Member is correct. The Province of British Columbia does in fact recognize constitutional aboriginal rights. In fact it agreed to the amendment when it was brought forward in 1982.

TRADE

CANADA-UNITED STATES NEGOTIATIONS—LUMBER EXPORTS TO UNITED STATES

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Prime Minister. On November 26 the Secretary of State for External Affairs wrote to me and stated definitevely that the lumber issue is now Canada's number one trade problem with the United States. As the Prime Minister knows, the President Reagan raised this with him yesterday on the phone. What precisely is on the agenda for the lumber discussions with the U.S. administration? Since the Minister for International Trade says he is going to proceed with those talks, I would like to know just exactly what is being offered? Does it include United States access to Canadian forest lands and to raw logs?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that question, and others, have been clearly answered by the letter which President Reagan sent to the Chairman of the Ways and Means Committee, Mr. Rostenkowski, in which he pointed out that, notwithstanding the existence of mutual irritants which may exist on both sides of the border, it is his view that the trade discussions should proceed because the ultimate conclusion would, hopefully, be beneficial to both sides and ought not to be interrupted by this.

The position of the Government of Canada is that we will, of course, maintain very vigorously the position the Secretary of State for External Affairs, and others, have advanced in regard to timber and other matters.

AGENDA FOR TALKS

Mr. Jim Fulton (Skeena): My question is again directed to the Prime Minister. Since the Secretary of State for External Affairs is on record in this House as stating that Canada will in no way consider any protectionist measures proposed by the U.S. Congress against our softwood exports, would the Prime Minister explain just what forest industry related items are going to be on the agenda for the talks which the Minister for International Trade is proposing, particularly in light of the comments made in this House and outside by the Secretary of State for External Affairs?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I don't see anything either troubling or inconsistent in anything which has been said. The President wrote, as he must do constitutionally, to Congress, seeking authorization to negotiate a bilaterial trade arrangement, if it can be done. I reported to this House on September 26, along similar lines.

We will sit down with the provinces, as agreed, within the next 90 days, as we will in parallel fashion after the Americans receive their approval, if they do.

Mr. Fulton: What about wood?

Mr. Mulroney: And not just wood. Timber is a very high priority with us. It will be pursued with the greatest of vigour

and, I hope, ingenuity as well, so that the very valid position put forward by the Government of Canada and by the producers in British Columbia and elsewhere, will prevail.

* * *

GOVERNMENT EXPENDITURES

REMUNERATION OF FORMER ENERGY CHIEF OF STAFF

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources, and in her absence—although there is a "surfer" sitting in her seat—

Some Hon. Members: Oh, oh!

Mr. Boudria: —I would like to direct my question to the Deputy Prime Minister who is in charge of cutting everything. It concerns the outrageous expenditure of funds paid to Mr. Harry Near to be the Chief of staff of the Minister of Energy, Mines and Resources at a salary equivalent to $150,000 a year. Can the Deputy Prime Minister tell the House how he can justify that kind of expenditure of public funds when he and others are trying to cut back on salaries of floor cleaners and others who work for the Department of Public Works? Where is the priority of the Government?

• (1500)

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I am pleased the Hon. Member asked the question because it will give me a chance to make three points. First, Mr. Near was paid from the Minister's exempt staff salary budget and no extra funds were paid. Secondly, he took a pay cut to work in the Minister's office. Thirdly, and most important, he was hired to do a job, to set up the Minister's office, and to act as a senior policy adviser on the Western Accord and Atlantic Accord. All Canadians know the success of those two Accords, and I think we got good value for money spent.

Some Hon. Members: Hear, hear!

Mr. Speaker: A very short supplementary.

[*Translation*]

ATTITUDE OF CERTAIN MINISTERS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my supplementary question is for the President of the Treasury Board. How many other Ministers cheat that way to give extravagant fees to Conservative Party supporters? How many other Ministers are cheating as does the Minister of Energy, Mines and Resources?

[*English*]

Mr. Speaker: That question is out of order.

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of one, presented by Hon. Members on Tuesday, December 10, 1985, meet the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for Kenora-Rainy River (Mr. Parry) does not meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*Translation*]

THE CABINET

TABLING OF LISTS RESPECTING CABINET COMMITTEES AND MINISTERS' FUNCTIONS

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, pursuant to the provisions of Standing Order 47(2), I have the honour of laying on the Table of the House, in both official languages, a document describing the membership of Cabinet committees, with Order in Council P.C. 1985-356, naming the list of Ministers authorized to act on behalf of the Prime Minister in his absence and the list of Acting Ministers.

* * *

[*English*]

AGRICULTURE

BOVINE BRUCELLOSIS ERADICATION PROGRAM—STATEMENT OF MINISTER OF AGRICULTURE

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I want to take this brief opportunity to draw Hon. Members' attention to a very small celebration which took place just across the Ottawa River earlier today. It was a gathering of which all Hon. Members can be proud. Agriculture Canada's Food Production and Inspection Branch hosted a luncheon to pay tribute to all those in our beef and dairy industries, the veterinary services of every province and private veterinarians, who, together with the staff of my Department, have eradicated bovine brucellosis from our national cattle herd.

Some Hon. Members: Hear, hear!

Mr. Wise: Virtually every Canadian beef and dairy farmer deserved a place at that table. Without their complete co-operation, success would have been impossible.

Bovine brucellosis is a serious and contagious disease which causes abortions and production losses in cattle. It also causes undulant fever in humans. One hundred cattle-producing nations have mounted eradication campaigns. Of these, only the Scandinavian countries, Switzerland and, this year, Canada, have reached the goal. We in Canada have mounted

an animal health program which stands as an international bench-mark. The eradication campaign began in 1957 and was waged step by step, province by province and, in truth, farm by farm. From the Magdalen Islands to the Queen Charlotte's, some 39 blood samples were taken, infected herds were quarantined and infected animals destroyed. Certification and testing were required to move cattle between provinces. All animals were tested before sale at auction markets. By 1981 we had narrowed the disease down to only 83 herds nation-wide. Today the number of infected herds is zero.

I believe all Hon. Members can appreciate the magnitude of the task, but what are the benefits of success? For producers it means free movement of cattle throughout Canada. For exporters it means one more bargaining chip in the competitive world market-place. For Canadian taxpayers it means the saving of millions of dollars in compensation payments. Last, but not least, it removes the threat of undulant fever from producers, veterinarians, meat-processing workers and Canadian consumers. Now that we have achieved a nation-wide brucellosis-free status, we must not let down our guard. Only with constant vigilance will it remain a disease of the past in Canada.

In conclusion, I invite all my colleagues in this House to join me in congratulating all those who worked so hard to gain this victory. The brucellosis eradication program stands as a model of what industry and Government can do when they work together in a co-operative effort.

Mr. Maurice Foster (Algoma): Mr. Speaker, the Minister's announcement of Canada's brucellosis-free status certainly is a happy day for Agriculture Canada, the livestock industry and the provincial veterinary services who participated. Eradication of this desease in Canada is very imnportant because in the past many farmers were put out of business because of the loss of milk and calf production. That was the situation when I entered veterinary practice back in about 1957. I questioned at that time whether an eradication program was possible because of the infectious nature of the disease. However, the program moved forward and it has been a model of success even though it was a massive undertaking. It is interesting that we were able to achieve this in Canada, being the second largest country in the world. The other countries that have achieved this status have relatively small cattle populations and are themselves relatively small geographically.

The benefits of this program flow not only to farmers and the agricultural industry at large. Thousands of Canadians have spent much of their lifetime suffering from constant fever and discomfort as a result of undulant fever. However, it does bode well for our agricultural future because our cattle can now move freely within the country as well as to world markets. Meat production and dairy products are an important part of our agricultural industry.

I would like to pay tribute to Dr. McGowan and the hundreds of veterinarians across the country who made this success possible, as well as the advisory committees who assisted and advised the Department and provincial Governments involved. I do not know exactly who was at the Minister's celebration luncheon today but I would like to pay tribute to Dr. McGowan's predecessor, Dr. Ken Wells, who was our veterinary director general for many years. He was instrumental in establishing many programs to improve the health of animals in this country and, at the same time, improved the health of people as well.

I would like to sound a note of caution for the future, however. We know this Government is hell-bent on cutting back and privatizing everything in sight. We know the Nielsen task force is cutting some $58 million from Agriculture Canada's budget as well as deindexing the budget's purchasing power by another $10 million or $15 million. If any of this $60 million to $65 million cut-back were made in the budget for research into animal disease control, it would do a terrible disservice to the future of the agricultural industry in Canada. You can count on our side of the House opposing any such cut-backs in that regard. However, the eradication of brucellosis in our country is a significant development for agriculture and human health in Canada. I want to express my congratulations and good wishes to everyone who has made this possible. They should be justly proud.

• (1510)

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, in 1950 the first step in a national program to eradicate bovine brucellosis, or Bang's disease, in Canada's national herd was taken. Thirty-five years later we have declared a victory over that disease. That step, a federal-provincial initiative for a national vaccination program, required wisdom, dedication, and courage. It recognized that the disease was a serious problem. That part was easy. However, it also recognized, quite correctly, that it was fitting, proper, and necessary for Government to take the initiative in eradicating this disease.

It was not left up to individual producers to pursue their own short-term interests. The problem was not left up to veterinarians to tackle if and when they were called upon to do so. Neither was it left up to the provinces. The success of this national program depended upon all of these people, but it would never have got off the ground without the decision to take direct government action to solve the problem. Members of the former Health of Animals Branch, individual farmers, the dairy and beef industries, federal and provincial veterinarian associations, and especially the federal Department of Agriculture, contributed greatly to the eradication program.

We must continue to work together to ensure that this disease is not reintroduced into the national herd. We must maintain our stringent testing programs on new entrants to the national herd from outside of the country. We must continue to monitor the situation to ensure that infections do not cross the border through wildlife. We should, as well, assess the relative importance of other diseases to determine if similar efforts should be mounted against them for the long-term benefit of everyone in Canada.

I make these comments because today the Government seems committed to reducing the role of government in Canada and to reducing the amount of money that it spends on

research into disease eradication and control. Sometimes the Government tries to justify all of these cut-backs by claiming that it will reduce the deficit. Too often, however, these cut-backs in Government programs have more to do with ideology than with common sense or good science. The Government seems intent on reducing the number of people working in a given Department, whether or not this serves to reduce the deficit, and whether or not they are involved in good work necessary for the well-being of society.

The present Government should take the brucellosis eradication program as an important lesson for the future. It is not good enough simply to turn important decisions over to the private sector. These kinds of decisions cannot be made by the private sector and this kind of result cannot be achieved by it. The Government should sit up and take notice of this great victory. Many more problems could be eradicated in the country with a similar co-ordinated approach under government management and direction. Cut-backs to research in disease control should be reviewed with the successful brucellosis control program in mind.

Some Hon. Members: Hear, hear!

* * *

PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCE

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I have a number of petitions from Notre-Dame-de-Grâce and various other areas of Montreal. The petitioners are asking that the Government of Canada abandon its regressive decision to deindex family allowances. This decision, if implemented, would reduce the buying power of the truly needy in Canada.

Mr. Sergio Marchi (York West): Mr. Speaker, I too rise to present to the House a number of petitions that I have received in my office urging the Government and the Prime Minister (Mr. Mulroney) to fulfil their promise not to deindex family allowances. I have petitions from the riding of Etobicoke-Lakeshore, one from Surrey-White Rock-North Delta in the west, another from residents of the riding of Regina East, and another one from the riding of Trois-Rivières in *la belle province*. I have another petition with regard to the deindexation of family allowances from Portneuf. I have one from the riding of Charlevoix, one from Halifax, one from the riding of my Leader, Vancouver Quadra, and another one from the riding of Broadview-Greenwood in the Toronto area. The last petition, Mr. Speaker, is from the riding of Laval.

[*Translation*]

Mr. Guy Ricard (Laval): Mr. Speaker, I wish to present a petition on behalf of the Cercle des fermières de Sainte-Dorothée, which concerns family allowances.

[*English*]

Mr. Rod Murphy (Churchill): Mr. Speaker, I also have some petitions on the deindexation of family allowances. The first petition is from residents of the God's Lake Indian Reserve at God's Lake Narrows. In the petition Chief David Nazzie says the following: "Native people are the first peoples of Canada and we were stripped of our dignity, our rights, our heritage, our pride—"

Mr. Speaker: Order. I think this is becoming a speech as opposed to the presentation of a petition.

Mr. Murphy: In presenting this petition the Chief asks me to indicate that the Government still wants what the people on that reserve have left.

I have another petition with regard to the Government's plan to deindex family allowances. It is from the riding of Dauphin-Swan River. The people in that riding indicate that they want the Government to rescind its decision and also to rescind the unfair tax increases which the Government is imposing on people who need the money the most.

Mr. Simon de Jong (Regina East): Mr. Speaker, I also wish to present two petitions to you and to the House. One is signed by petitioners from the province of New Brunswick and the other is signed by petitioners from the Province of Alberta. All of these petitioners, as well as Canadians from coast to coast, are petitioning the Government with regard to its proposal to cut back on the full indexation of family allowances. They join with many other Canadians in protesting this move.

CONTROL OF PORNOGRAPHY

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, I have the honour to present to the House petitions from The Reformed Congregation of North America, The Chilliwack Central Mennonite Brethren Church, and The Emmanuel Church. All of these congregations, which are located in Chilliwack, British Columbia, urge the federal Government to strive to establish clearer obscenity legislation and to enforce stricter control of pornography.

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Derek Blackburn (Brant): Mr. Speaker, I would like to present a petition from residents of eastern Ontario who ask the Government not to go ahead with its Bill to deindex family allowances partially.

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I have a petition signed by residents of Coquitlam, Delta, Burnaby, and Surrey, all of which places are in my area of British Columbia. The petitioners ask their Members of Parliament to present a petition, and I have the honour to do so. They call upon the Government to rescind its legislation which would partially deindex what we and they believe should be a universal family allowance.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have several petitions to present. I have one from Toronto, one from Thunder Bay, one from the Brampton area, and one from Newfoundland. All of the signators to these petitions condemn the Government for having deindexed family allowances. One petition lists 28 names, one lists eight names, one lists 12 names and the last one lists three names. All of the petitioners call upon the Government and Members of Parliament to maintain full indexation of family allowances so that people in the country can get what they are entitled to.

• (1520)

Mr. Jim Fulton (Skeena): Mr. Speaker, I have several petitions to present today. The first group of petitions raises with Members of the House the concern about the deindexation of the universal family allowance, in particular that deindexation will take about $600 million away from children by the year 1990 on top of all the other increases in costs that have come with recent budget proposals. Therefore, they call upon the House to reinstate full indexation of universal family allowance and to rescind the unfair tax increase. These petitioners are from all over British Columbia.

My second petition is from Women Against the Federal Budget. It is distributed by the National Action Committee on the Status of Women and signed in large number by women throughout British Columbia. They are concerned that children are everyone's responsibility and that all parents should receive Government assistance. In fact, they call for higher than present family allowances rather than the reduction proposed by deindexation in order to protect all children in Canadian society.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, as we are nearing Christmas season it is almost our last chance to present a petition on behalf of those residents who do not want to see the heart cut out of our family allowance benefits. This petition comes from a number of residents of the great Province of Quebec, calling upon the federal Government to renege on this anti-Christmas notion of cutting back on the increases of family allowance. Don't let the Grinch steal Christmas. Bring back full indexation.

Some Hon. Members: Order.

[*Translation*]

Mr. John Nunziata (York South-Weston): Mr. Speaker, today I wish to present a petition on behalf of residents of the federal riding of Montreal-Sainte-Marie. There are 25 signatures, and these residents want the Government of Canada to reinstate full indexation of family allowances and the child tax credit.

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, I have several petitions, including one from the federal ridings of Edmonton-Strathcona and Edmonton North; another petition is from the riding of Outremont, my hon. friend's, and another from the federal riding of St. Paul's; another petition is from the riding of Ottawa-Carleton; another is from Scarborough West in Ontario; another is from the riding of Spadina in Ontario; another is from the riding of Halifax in Nova Scotia; another is from the riding of Moose Jaw in Saskatchewan; another is from Regina West and the last petition is from the riding of Surrey-White Rock-North Delta in British Columbia.

Mr. Speaker, all these petitions ask the Government of Canada to reinstate full indexation of family allowances and the child tax credit.

[*English*]

Mr. Dan Heap (Spadina): Mr. Speaker, I have the honour to present petitions from a number of citizens in the riding of Spadina, in other parts of Toronto and also in the City of Scarborough. They are all concerned with the Government's Bill to deindex family allowance partially and with other legislation to increase taxes that will bear heavily on the same people. They point out that this is an unfair tax, particularly on women and children and that by 1990 all families with children will be losing money because of the Government's program. Therefore, they petition this House to see to it that this immediate family allowance Bill is withdrawn and also that the tax increases are rescinded.

[*Translation*]

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I have the honour and the privilege of tabling four petitions, the first of which is signed by residents of Ottawa who humbly ask that full indexation of family allowances be reinstated.

[*English*]

RAIL PASSES FOR CP PENSIONS

Mr. John Parry (Kenora-Rainy River): My second petition is signed by residents of Thunder Bay. It calls upon Parliament to assist pensioners and survivors of CP Rail pensioners in convincing that corporation that the proposed withdrawal of family travel passes is unfair and a breach of the company's implicit contract with those said pensioners when they were working for that company.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Mr. John Parry (Kenora-Rainy River): My third petition calls upon the House of Commons to reinstate the full indexation of universal family allowance and rescind unfair tax increases.

[*Translation*]

And finally, Mr. Speaker, my fourth petition, signed by residents of Hamilton and Stony Creek in Ontario, asks the House to withdraw the proposal to deindex family allowances.

[*English*]

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I have a number of petitions to present on behalf of the citizens of

Prince Albert and the Village of Birch Hills. The citizens are concerned about the cut-backs in family allowance and the tax increases. They call upon the House to reinstate full indexation of universal family allowance and riscind unfair tax increases.

Mr. Les Benjamin (Regina West): Mr. Speaker, I have the honour and duty to present two petitions from the City of Regina. The petitioners call upon the House to maintain full indexation of family allowance and to rescind unfair tax increases, for all of which they and I are duty bound forever to pray.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I have two petitions, both from residents of British Columbia. The first is from Women Against the Federal Budget. It has been distributed by the National Action Committee on the Status of Women. It points out that children are everyone's responsibility and that all parents should receive Government assistance whose value is at least as high or higher than the present family allowance level. Therefore, they strongly oppose the budget proposals to reduce the cost of living protection for family allowance and demand that these proposals be withdrawn as soon as possible.

My second petition is also signed by citizens of British Columbia. They call upon the House of Commons to reinstate full indexation of universal family allowance and rescind the unfair tax increases, pointing out that these tax increases will fall unfairly upon the people who can least afford them and that the accelerating cut-backs in child welfare benefits—

Mr. Speaker: Order. This is becoming somewhat of a speech.

[*Translation*]

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, first of all, I have the honour of presenting a number of petitions on behalf of the undersigned who belong to unions including the Canadian Paper Workers Union and the Canadian Union of Public Employees.

Whereas the reduction in family allowances and increases in taxes are unfair and intolerable, faced with these presents from the Budget—

Mr. Speaker: Order, please!

[*English*]

I have a feeling that the Member is reading the petition instead of summarizing it.

[*Translation*]

Ms. McDonald: Mr. Speaker, I have a large number of petitions. I have grouped them and I will do this very quickly.

The undersigned humbly ask that full indexation of family allowances be reinstated and that unfair tax increases be revoked.

[*English*]

The second petition comes from a number of petitioners in my own riding. I have received a very large number of them which I have grouped together. These petitioners point out that the cut-back in family allowance is unfair and unbearable in the face of budget hand-outs such as a tax-free capital gains give a way of up to $500,000 and a greater RRSP deduction for high-income recipients. Accordingly, the petitioners call upon the House of Commons to reinstate full indexation of the universal family allowance and to rescind unfair tax increases.

Third, I have a number of petitions from east Toronto, from a variety of areas. The petitioners point out that the deindexation of the universal family allowance and the massive cut-backs in public support for child benefits are unfair and that they are an attack on women and families—

Mr. Speaker: Order, please. I think the Hon. Member is still reading the petition. I take it that she is presenting petitions on one subject. She knows that she should simply indicate where they are from. It is supposed to be a brief presentation.

Ms. McDonald: I have a number of petitions on this subject but they are slightly different. They are from all over the country and point out different matters. I am summarizing—

Mr. Speaker: Order, please. The Hon. Member is entitled to present the petition and what it prays for. To put the comments, preambles or "whereases" in advance of the petition by means of a speech is entirely out of order.

Ms. McDonald: These petitioners call upon the House of Commons to reinstate full indexation of the family allowance.

[*Translation*]

I have the honour of presenting another petition in French, in which the undersigned ask that full indexation of family allowances be reinstated.

Mr. Speaker, this petition is from residents of Ottawa.

• (1530)

[*English*]

Mr. Speaker, I now have another number of petitions from citizens of my own riding, again on indexation. They are asking—

Mr. Speaker: Order, please. These are all petitions on the same subject as far as I can tell. The Hon. Member should know that all she has to do now is to indicate she has other petitions to table which should take no more than about 10 seconds.

Ms. McDonald: Mr. Speaker, next I have petitions, again on the family allowance, you are quite correct, which come from Ontario residents, in Simcoe and Brantford, demanding full indexation of the family allowance.

The next one I have, with a good 10 signatures—

Mr. Speaker: Further petitions.

Ms. McDonald: These are from—

Mr. Speaker: Order, please. The Hon. Member for Essex-Windsor (Mr. Langdon).

RRSP DEDUCTIONS FOR HIGH INCOME RECIPIENTS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, first I have a petition to present which challenges the greater deductions in RRSPs for high income recipients. It comes from people in Wallaceburg, Comber, Chatham, Ridgeway, Tillsonburg and Blenheim, parts of which are within my constituency and parts of which are outside.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Mr. Steven W. Langdon (Essex-Windsor): The second petition I have to present, Mr. Speaker, is against the accelerating cut-backs in child benefits on top of sales tax change increases, excise tax increases and stiff income tax increases, all of which are seen as unfair and place an extraordinary burden on middle and low-income households. It comes from Tillsonburg, Wallaceburg, Chatham and London.

GOVERNMENT HAND-OUTS TO OIL COMPANIES AND BANKS

Mr. Steven W. Langdon (Essex-Windsor): I have a third petition, Mr. Speaker, which deals specifically with the $9 billion in hand-outs to the oil companies and the billion dollar bail-out of the banks. It expresses opposition to those bail-outs. The petitioners who have signed include people from Whitby, Weston, Woodstock, Tillsonburg, and from my former home town of Kitchener so I am particularly pleased to make that presentation.

[*Translation*]

REPEAL OF TAX ON CAPITAL GAINS OF $500,000

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I also have a petition signed by residents of Ottawa concerning the repeal of the tax on capital gains of $500,000.

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, the last petition I have concerns the de-indexation of family allowances. This petition also comes from Ottawa, and in it we learn that all petitioners are against this policy from which only the rich stand to benefit.

[*English*]

SALES TAX AND EXCISE TAX INCREASES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I have two or three petitions. One is from Delta, Fort Langley and Surrey. The petitioners are praying that the Government of Canada rethink its decision to increase the sales tax and excise tax indicating that they are unfair and place an extraordinary burden on middle and low-income households.

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I have a petition from Surrey, British Columbia. The petitioners therein pray that the Government reconsider the massive cut-backs in the public commitment to child benefits which are an unfair attack on women and families with children, especially single-parent mothers.

From Delta, British Columbia, Mr. Speaker, the petitioners pray that the Government reconsider the deindexing of family allowance and are concerned that the deindexation will not be offset by changes to the child tax credit, and that even the poorest of families will be worse off by 1990.

I have a petition from a large group of women from British Columbia who indicate that they oppose the budget proposals that reduce the cost of living protection in the family allowance and demand that this proposal be withdrawn by the Government of Canada as soon as possible.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have the honor to present the petition signed by people living in Guelph, Ontario and London, Ontario who call on the House of Commons to reinstate full indexation of universal family allowances and to rescind the unfair tax increases. They believe family allowance deindexation will not be offset by changes to the child tax credit and even the poorest families will be worse off by 1990 and will fall further and further behind.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a number of petitions to the House of Commons from—

[*Translation*]

—the *Coalition des femmes pour les allocations familiales*, from Quebec, a number of petitions stating their belief that society is responsible for children, that the principle of universality must be maintained, therefore that they are opposed to Bill C-70 on the deindexation of family allowances.

[*English*]

The second group of petitions I have is from people in Guelph and Toronto who call upon the House of Commons to reinstate full indexation of universal family allowance and to rescind the unfair tax increases.

The third petition I have is from Operation Justice, families with children. This petition asks the Prime Minister (Mr. Mulroney) to restore full indexation to the family allowance and child tax credit—

Mr. Speaker: Order, please. May I be clear whether that is a petition to Parliament or to the Prime Minister (Mr. Mulroney)?

Mr. Cassidy: With respect, Mr. Speaker, I am not sure whether it is in order, but the petition is certainly given to me as a Member of Parliament for communication to this House of Commons.

Mr. Speaker: The Member by raising it attests that it is in order, I take it? I think the Member knows that.

Mr. Cassidy: I think that is determined by the Chair afterwards, Mr. Speaker. There is no question about the intention of the petitioners who wish to acquaint this House of Commons with their opposition to the deindexing of the family allowance.

The next two petitions are from a number of petitioners in Toronto and in Fort Erie who express concern over the cut-back in family allowance which in their view, is inequitable and unbearable—

Mr. Speaker: Order, please. With great respect, I take it that all of these petitions are on the same subject?

Mr. Cassidy: —and express—

Mr. Speaker: Order, please. I take it that all the petitions are on the same subject, in which case the Member knows that he simply has about 10 or 15 seconds to indicate that he has a large number of petitions that he wishes to table.

Mr. Cassidy: Mr. Speaker, in that case I will conclude by tabling petitions from the Province of Quebec demanding that Bill C-70 be withdrawn, and by tabling further petitions which come from my riding of Ottawa Centre and other parts of Ottawa expressing opposition and asking that the deindexation of family allowances be rescinded.

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I have a petition signed by 57 residents of the great village of Toronto who suggest strongly that the Government has made a mistake in its attempt to deindex family allowances. They call upon this House to reinstate full indexation.

I have another petition signed by 26 residents of the Mississauga area of Metropolitan Toronto who suggest that the deindexation of family allowance will not be offset by changes to the child tax credit. They call upon this House to reinstate fully indexed family allowances.

Finally, I have a petition signed by 50 residents from the communities of Downsview, Willowdale, Cooksville, Scarborough and Don Mills, all in the Toronto area, who also call upon the Government to rescind this attempt to deindex family allowances.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I have the duty and the honor to present petitions from residents of northern Ontario protesting the decision of the Government to deindex universal family allowance. These petitioners point out that the deindexation will not be offset by changes to the child tax credit and that even the poorest families will be worse off by 1990. These petitioners, over 150 of them, call upon the House of Commons to re-establish indexation of the family allowance. They live in the ridings of Thunder Bay-Atikokan, Thunder Bay-Nipigon and Cochrane-Superior. They are to be found in the City of Thunder Bay, Nalalu, Kaministikwia and in the outskirts, in Dorion, Hurkett, Red Rock and Nipigon, and in Cochrane-Superior, at Heron Bay and Longlac.

• (1540)

Mr. Speaker: I thank the Hon. Member for the travelogue.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have the honour to present several different petitions. They are only some of literally hundreds of thousands of petitions which have come to the offices of this caucus. I know that many more have been sent to the Prime Minister (Mr. Mulroney).

The first petition is from the community of Mount Pleasant, which is in my riding of Vancouver East. It states that the family allowance deindexation will not be offset by changes to the child tax credit and that even the poorest families will be worse off by 1990. Therefore, they call upon the House of Commons to reinstate full indexation of the universal family allowance and to rescind unfair tax increases.

The second petition is from quite a different group in North York. It asks the Prime Minister and the House of Commons to restore full indexation to the family allowance and child tax credit. Also it says that this budget measure will take away $55 million in family benefits by 1987. Mostly women from North York signed this petition.

The next petition is from Women Against the Federal Budget. It is signed by quite a number of women from the regions of North Vancouver, Seymour, Vancouver Centre, Vancouver-Kingsway, Vancouver South and Winnipeg, Manitoba. The Women Against the Federal Budget say: "We, the undersigned, believe that children are everyone's responsibility and that all parents should receive Government assistance, whose value is at least as high or higher"—

Mr. Speaker: Order, please. I think the Hon. Member is engaging both in making a speech and in reading the petition. I ask the Hon. Member to make a summary of the petition, please.

Ms. Mitchell: The petitioners ask that the budget proposals which will reduce the cost of living protection of the family allowance, be rescinded. They demand that they be withdrawn as soon as possible. No time like today.

The final petition I should like to present today is from Surrey-Delta in British Columbia, among other regions such as North Vancouver, the City of Vancouver itself and Burnaby. This petition indicates that cut-backs in the family allowances and the tax increases are inequitable and unbearable in the face of budget hand-outs of $500,000—

Mr. Speaker: Order, please. The Hon. Member has indicated where the petition is from.

Ms. Mitchell: They call for—

Mr. Speaker: Order, please.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I have the honour to present two petitions today. In the interest of saving time, I will present them together.

Some Hon. Members: Hear, hear!

Mr. Deans: These petitions are signed by citizens of Ontario from London and Woodstock, in addition to others from Thorold, St. Catharines, Welland and Niagara Falls. The petitioners express their grave concern about the Government's intention to deindex family allowances and its intention to increase taxes. They ask that the House of Commons take action to rescind those measures.

SALE OF DE HAVILLAND CORPORATION

Hon. Bob Kaplan (York Centre): Mr. Speaker, I have a petition from a number of Canadians in my constituency. They protest the sale of the de Havilland Corporation, a company owned by Canadians, to a multinational corporation with its headquarters outside Canada. They ask that the Government make public all details of the purchase and sale, so that Canadians can see the exact terms which have been agreed upon.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I have a petition signed by several constituents, protesting the sale of the Havilland. They ask the Government to make the details of the memorandum of agreement public, so that they will have all details of the options in the disposition of de Havilland.

* * *

Mr. Speaker: I wish to inform the House that because of the ministerial statement, consideration of Government Orders will be extended by 12 minutes this day.

* * *

REPRESENTATION ACT, 1985

NOTICE OF ALLOCATION OF TIME TO CONSIDER THIRD READING STAGE OF BILL C-74

On the Order: Government Notices of Motions:

December 9, 1985—The President of the Privy Council:

That, in relation to Bill C-74, an Act to amend the Constitution Act, 1867 and the Electoral Boundaries Readjustment Act and to provide for certain matters in relation to the 1981 decennial census, one sitting day shall be allotted to the third reading stage of the said Bill; and

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

Mr. Speaker: Pursuant to Section (2) of Standing Order 26, this Government Notice of Motion stands transferred to and ordered for consideration under Government Orders at the next sitting of the House.

Order Paper Questions

QUESTION PASSED AS ORDER FOR RETURN

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if Question No. 382 could be made an Order for Return, the return would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that Question No. 382 be deemed to have been made an Order for Return?

Some Hon. Members: Agreed.

[*Text*]

AIRPORT FINANCIAL ASSISTANCE PROGRAM

Question No. 382—**Mr. Nystrom:**

1. Was funding made available by Treasury Board to the Department of Transport for its local/local commercial airports financial assistance program for the 1985-86 fiscal year and, if so (*a*) what was the total amount (*b*) which airports received funding and what improvements were sought (*c*) at what level were each funded?

2. What portion of the funding is remaining from the total allocation?

Return tabled.

[*English*

Mr. Gauthier: Mr. Speaker, I rise on a point of order. I placed a question on the Order Paper on May 31, 1985, dealing with Public Service superannuation, pension plans and everything else. It is quite an important question. I am beginning to become a little impatient as to whether or not we will get the facts. I plead with the Government to give us those facts. I was told two or three weeks ago that I would get them. Would the Parliamentary Secretary please talk to the appropriate people and get us, before the end of the year, the facts we require to make a judgment?

Mr. Lewis: Mr. Speaker, I will be glad to take that up with the appropriate authorities.

Mr. Boudria: Mr. Speaker, I rise once again to ask the Parliamentary Secretary why he is not answering my questions concerning the travels of the now Minister of State for Transport. I have asked for the answers to these questions on numerous occasions.

I placed a simple question on the Order Paper on March 6 asking: Did the Prime Minister go to Jamaica? Why can that question not be answered?

Mr. Benjamin: He cannot answer it.

Mr. Boudria: He probably does not know the answer. Also, Question No. 313, standing in my name and dated March 28, involving the cost of redecorating and refurbishing cabinet Ministers' offices, has not been answered.

Mr. Speaker: Order, please. This is becoming a speech.

Mr. Lewis: Mr. Speaker, it is probably because they were left in such a mess, but I will take the questions under advisement and look into them.

Mr. Boudria: That is an accusation.

Mr. Speaker: Order, please.

Mr. Boudria: You are in a mess; you can't even provide answers, you are so disorganized.

Mr. Speaker: Order, please.

Mr. Boudria: He is making accusations. I have been polite to him. I will have to start getting partisan.

Mr. Speaker: Order, please. I may have to check the "blues" to make sure that I heard the Hon. Member correctly.

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

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

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

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

Mr. Speaker: Shall all Notices of Motions for the Production of Papers be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FAMILY ALLOWANCES ACT, 1973

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-70, an Act to amend the Family Allowances Act, 1973, as reported (without amendment) from a legislative committee.

Mr. Speaker: There are nine report stage motions on today's Notice Paper in amendment to Bill C-70, an Act to amend the Family Allowances Act, 1973.

Motion No. 1, standing in the name of the Hon. Member for Vancouver East (Ms. Mitchell), gives to the Chair some procedural difficulty, in that appears to infringe upon the financial initiative of the Crown and goes beyond the purposes as laid down in the royal recommendation attached to the Bill. Further, it seems to go beyond the principle of the Bill as agreed to at second reading, therefore I intend to rule Motion No. 1 out of order.

With regard to Motion No. 2, also standing in the name of the Hon. Member, it is unclear to the Chair whether or not this motion infringes on the royal prerogative of the Crown. It is the Chair's intention to give the benefit of the doubt to the Hon. Member and to allow Motion No. 2 to be put to the House. The motion will be debated and voted on separately.

[*Translation*]

Motion No. 3 in the name of the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) seems to encroach upon the financial prerogative of the Crown and, as the Hon. Member would know, that is unacceptable. Therefore I also intend to rule that Motion No. 3 is out of order.

[*English*]

Motions Nos. 4, 5, 6, 7, 8 and 9 are in order and will be debated together and voted on as follows:

(*a*) Motion No. 4 by itself.

[*Translation*]

(*b*) An affirmative vote on Motion No. 5 will make it unnecessary to vote on Motions Nos. 6, 7, 8 and 9. A negative vote on Motion No. 5 will call for a vote on Motion No. 6.

• (1550)

[*English*]

(*c*) An affirmative vote on Motion No. 6. obviates the need to put the question on Motion No. 7. A negative vote on Motion No. 6 requires the question to be put on Motion No. 7.

(*d*) An affirmative vote on Motion No. 7 obviates the need to put the question on Motions Nos. 8 and 9. A negative vote on Motion No. 7 requires that the question be put on Motion No. 8.

(*e*) An affirmative vote on Motion No. 8 obviates the need to put the question on Motion No. 9. A negative vote on Motion No. 8 requires that the question be put on Motion No. 9.

Therefore, unless there are some other comments my intention would be to begin with—

Mr. Redway: I rise on a point of order, Mr. Speaker. Motions Nos. 8 and 9 stand in my name. I would like to withdraw Motion No. 8 on the understanding that Motion No. 9 will have an opportunity to be put in the event, I take it, of a negative vote on Motion No. 7. Is that correct, Mr. Speaker?

Mr. Deans: Mr. Speaker, I rise on a point of order.

Mr. Speaker: Order, please. I have to be careful about these arcane matters.

Yes, the Hon. Member is correct about the consequence. Therefore, I take it the Hon. Member is seeking the unanimous consent of the House to withdraw Motion No. 8.

Mr. Deans: No.

Mr. Speaker: There is not such consent.

Mr. Deans: I rise on a point of order, Mr. Speaker.

Mr. Speaker: Excuse me. I am getting confused with respect to the effect of the votes. The Hon. Member will know that his practical solution is not to put Motion No. 8. There is nothing to withdraw since it will be up to him to decide whether or not to put it at the time. Therefore, if he chooses not to put it, it will not be put.

Mr. Deans: I rise on a point of order, Mr. Speaker. It is a much simpler point of order.

Given the complexity of Your Honour's ruling, short though it was, would it be possible to provide me with a copy?

Mr. Gauthier: And us as well.

Mr. Deans: In this way I could take a brief look at it and try to understand exactly what the implications might be as a result of what, no doubt, is a very learned ruling.

Mr. Speaker: I would be perfectly happy to do that. Do I take it that the Hon. Member wishes to reserve his right to make representations with regard to Motions Nos. 1, 2 and 3?

Mr. Deans: Yes.

Mr. Speaker: Then may I suggest to the House that we begin with Motion No.—

Mr. Gauthier: Motion No. 2.

Mr. Speaker: In my view, Motions Nos. 1 and 3 are out of order. Motion No. 2, in my view, is questionable. On that basis, I am prepared to give the Hon. Member the benefit of the doubt. Is there any objection to that?

Therefore, I suggest that we start with Motion No. 2 and provide those affected—

Ms. Mitchell: I rise on a point of order, Mr. Speaker. I wonder if you could explain your views a little further in regard to Motion No. 1, which is my motion, and also Motion No. 3, both of which were accepted in committee. The reason I am wondering—

Mr. Speaker: Order, please. May I suggest to the Hon. Member that I believe her House Leader was suggesting that he and others might want to see the words of my ruling rather than having me repeat what I have just said. May I suggest that it would be most efficient to begin, therefore, with Motion No. 2 and distribute the ruling.

Mr. Gauthier: Mr. Speaker, I rise on a point of order. I think you are a genius. This is, indeed, an unclear amendment. I think it should be explained by the Hon. Member in order to make it clear. I would like to hear arguments with respect to why Motion No. 2 should be accepted. I do not understand it myself.

Mr. Speaker: I take it we have a suggestion that Motions Nos. 1, 2 and 3 be stood down, that we begin the debate with Motion No. 4, and that my ruling be distributed. I take it there is no objection to grouping Motions Nos. 4, 5, 6, 7, 8 and 9 for debate.

Therefore, my intention is to distribute my comments and begin with Motion No. 4.

Ms. Margaret Mitchell (Vancouver East) moved:

Motion No. 4

That Bill C-70, be amended in Clause 4

(*a*) by striking out lines 39 and 40 at page 2 and substituting the following therefor:

"person or institution is entitled and where that person or institution has not been convicted of an offence under section 20 in connection with the obtaining of the allowance, the Minister shall remit all of the allowance or amount in excess of the allowance in any case where these result from a calculation based on a new certificate issued pursuant to subsection 15.1(2); in any other case, the Minister may remit all or any portion of the amount or excess of the allowance where the Minister is satisfied that".

(*b*) by striking out lines 10 to 16 at page 3 and substituting the following therefor:

"Act." ".

Mr. Jean-Robert Gauthier (Ottawa-Vanier) (for Mr. Malépart) moved:

Motion No. 5

That Bill C-70, be amended in Clause 5 by striking out lines 14 to 47 at page 3 and lines 1 to 8 at page 4.

Ms. Margaret Mitchell (Vancouver East) moved:

Motion No. 6

That Bill C-70, be amended in Clause 5 by striking out lines 20 to 47 at page 3 and lines 1 to 8 at page 4 and substituting the following therefor:

"15.1(1) Where a child has, either before or after the coming into force of this section, disappeared under circumstances that raise a presumption that the child is dead, the Minister may apply to a court of competent jurisdiction in the province or territory where the child usually resides for an order declaring, according to the law of the province or territory, that the child shall be presumed to be dead; thereupon the child shall be deemed for all purposes of this Act to have died on the date stated in the court order.

(2) If, after obtaining a court order under subsection (1), the Minister receives new information or evidence that the date of death is different from that stated in the court order, the Minister may, with leave of the court, apply to the court for an order to vary, amend or revoke the order previously made, in which case the child named in the court order shall be deemed for all purposes of this Act to have died on the date so stated in the new court order.

(3) If, after obtaining a court order under this section, the Minister is satisfied from new information or evidence that the child named in the court order is alive, the Minister shall forthwith cause to be paid any allowance that would have been payable in respect of the child if the order had not been made.

(4) Subject to subsection (3), the Minister is bound by the law of the province where the child normally resides in respect of the issuance and revocation of death certificates and the making, variance and revocation of orders of presumption of death."

Mr. Jean-Robert Gauthier (Ottawa-Vanier) (for Mr. Malépart) moved:

Motion No. 7

That Bill C-70, be amended in Clause 5 by striking out lines 26 to 47 at page 3 and lines 1 to 8 at page 4 and substituting the following therefor:

"Minister may, five years after the disappearance of the child, issue a certificate declaring that the child is presumed to be dead and thereupon the child shall be deemed for all purposes of this Act to have died on the date the certificate is issued.

(2) If, after issuing a certificate under this section, the Minister is satisfied from new information or evidence that the child named in the certificate is

alive, the Minister shall forthwith revoke the certificate and cause to be paid any allowance that would have been payable in respect of the child if the certificate had not been issued.

(3) For the purposes of this section, the Minister is not bound by the issuance or revocation of a death certificate by any other authority." "

Mr. Alan Redway (York East) moved:

Motion No. 9

That Bill C-70, be amended in Clause 5 by striking out lines 26 to 47 at page 3 and lines 1 to 4 at page 4 and substituting the following therefor:

"Minister may determine the date for the purposes of this Act on which the child's death is presumed to have occurred, and thereupon the child shall be deemed for all purposes of this Act to have died on that date.

(2) If, after having determined such a date, the Minister is satisfied from new information or evidence that the date of death is different from that previously determined, the Minister may determine a different date, in which case the child shall be deemed for all purposes of this Act to have died on that different date.

(3) If, after having determined such a date, the Minister is satisfied from new information or evidence that the child is alive, the Minister shall forthwith cause to be paid any allowance that would have been payable in respect of the child had such determination not been made."

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I had hoped that these latter motions would have been spoken to following the debate with respect to the deindexing part of the Bill. As I am sure Your Honour is aware, Motions Nos. 4 to 8 deal with a part of the Bill which was quite complicated and quite difficult when we were in committee. It was difficult for us to understand at first, but we then started to gain more understanding from witnesses, resource people and those with legal expertise. After that we became much more aware of the complexity of these motions.

For example, we were told that Motion No. 4 was a housekeeping motion. Yet, when we looked into it more carefully we saw it is the intention of this clause to tighten up the wording to ensure that the Minister could not use presumption of death certificates, which are allowed in Clause 5, to collect overpayments from parents. When speaking to this particular motion, it is rather important that we talk about the presumption of death. We in committee had a very serious concern about whether or not this should be under the jurisdiction of the Minister. The advice that we received which was different from the advice I know the Minister's own legal experts gave him, was that the whole question of presumption of death was a provincial matter and not a federal matter and that only in very, very rare instances should it be considered under federal legislation and then only with the permission of the provinces.

● (1600)

I would like to refer to some of the documents at which the committee looked and which were put on the record of the committee. The first deals with evidence regarding life and death in Ontario, and this comes from the *Canadian Encyclopedic Digest* (Ont. 3rd). It says there that presumption of death falls under provincial jurisdiction. Another document, Title 146, Vital Statistics, from the *Canadian Encyclopedic Digest* (Ont. 3rd), supports the same position. It indicates that the Vital Statistics Act provides the central statutory framework for the regulation of vital statistics in Ontario and that official records of birth, marriages and deaths have been kept in Ontario since 1793. Again, this substantiates the fact that the whole question of presumption of death is a provincial and not a federal responsibility.

References in the Quebec Civil Code also prove beyond a doubt that the matter of presumption of death is not a federal matter but a provincial matter under the Constitution. The federal Government is certainly interfering in provincial responsibilities by dealing with this matter.

Another item I would like to bring to the attention of the House is the Uniform Law Conference of Canada recommendation dealing with the Uniform Vital Statistics Act. Section 13 of this Act defines registration of death and indicates that the death of every person who dies in the province shall be registered under this Act. That again, according to the legal authorities that we consulted, shows that the whole question of presumption of death is a provincial and not a federal matter.

I would also refer to the Uniform Presumption of Death Act proceedings from 1976 and this comes from the Uniform Law Conference of Canada. This also recommends that the whole question of presumption of death should carry through as it does under the common law, which stipulates that someone is presumed dead after being missing for seven years unless there is proof to the contrary. It seems therefore that this falls exclusively within provincial jurisdiction unless there is evidence under statutes to the contrary. The federal Minister should not be overruling common law which indicates that a person must be missing for seven years before he or she is presumed dead. Under this Bill, the Minister would intervene and in his own judgment decide when a missing child would be presumed dead. This is in conflict with both the common law customs as well as the documents of provincial Governments to which I have referred. It also presents a conflict of interest for the Minister since, on the one hand, he has the responsibility for paying family allowance payments to parents whose children may be listed as missing, and, on the other hand, of withdrawing that payment if the children should be presumed dead. This Bill will give the Minister the authority to determine at what point a child is presumed dead, a considerable authority to take upon oneself.

I would also like to refer to the standing joint committee of the Senate and the House of Commons which indicated that the issuance of death certificates is the responsibility of a judge and should not be the responsibility of a Minister. It should not be left under administrative discretion but rather should be a judicial process.

In February, 1978, the standing joint committee established criteria which should be used when scrutinizing statutory documents and instruments. Part 6(*a*) of Section B of the joint committee's document indicates that one criterion should be that we should consider whether or not the Bill makes the rights and liberties of the subject dependent upon administrative discretion rather than on the judicial process. In this case, of course, it will not be a judge who will make the decision but the Minister. As well, considerable discretionary powers are given to the Minister, and I would like to return to that when we deal with some of the other motions that are before us.

We are particularly concerned about Clause 5 of the Bill because, as I said, it would tighten up the wording to make sure that the Minister could not use presumption of death certificates which would follow to collect over-payments from parents. In committee, we heard from parents connected with Childfind, an organization established in both eastern Canada and British Columbia, and I understand that it has developed a national network. This organization is very concerned because many parents with missing children feel that they have been left alone. They feel that once a child is missing, all supports are pulled out from under them. The police will usually help them to search for missing children for a certain number of weeks, but then they slow down and in fact to all intents and purposes stop looking for missing children.

We also heard how important it is that parents have money to continue to search for missing children. That is why we feel it is important that the family allowance be continued during the period a child is missing and until the child is proven dead. The parents have to pay for photographs and long-distance telegrams and telephone calls. There is much concern about this. We object to the clause as it stands and that is why we have presented the amendment in Motion No. 4.

Hon. Bob Kaplan (York Centre): Mr. Speaker, the Government has made many promises which it has broken. There is an illustration of one of these broken promises in the legislation which is now before the House at report stage. Not only has the Government broken specific promises about family allowances but it has shown its true colours. Its true constituency is not composed of average and poorer Canadians but of those Canadians who are better off. Parliament will see Bill after Bill delivering goods to that constituency.

We see another broken promise in the case of the sale of the de Havilland Corporation to Boeing Corporation of Seattle. The Government is free to break its promises. It is free to tell the Canadian people one thing and to do another. It has control over this Chamber and eventually it will get its way here. Under the Financial Administration Act, the sale of the de Havilland Corporation is entirely within the control of Cabinet, not the House of Commons, to settle. But we believe that it does not have the authority or the power to keep the Canadian people in the dark about the terms and conditions of the de Havilland deal.

• (1610)

Mr. Redway: Point of order—

The Acting Speaker (Mr. Charest): Order. The Hon. Member for—

Mr. Kaplan: —in view of its refusal to allow that, I move that this House do now adjourn.

The Acting Speaker (Mr. Charest): Order, please. I am sorry to interrupt the Hon. Member for York Centre (Mr. Kaplan) but the Hon. Member—

Mr. Gauthier: He's moved a motion.

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

Mr. Kaplan: I moved a motion before you recognized him.

Ms. Copps: He moved a motion.

The Acting Speaker (Mr. Charest): Order, please. The Hon. Member for York East (Mr. Redway) rose on a point of order.

Mr. Kaplan: No, it was on debate.

The Acting Speaker (Mr. Charest): Please. He rose on a point of order and I attempted to interrupt the Hon. Member for York Centre so that the Hon. Member could rise to speak. I have no knowledge of what the point of order is. I can understand full well that the Hon. Member for York Centre, being in the middle of his speech, could not very well understand what was said by the Chair, as is usually the case, anyway. Having said that, I believe the Hon. Member for York East (Mr. Redway) has a point of order.

Ms. Copps: Point or order—

The Acting Speaker (Mr. Charest): I will recognize the Hon. Member for York East—

Ms. Copps: Point of order—

Mr. Andre: You are not at Queen's Park now.

Mr. Deans: Let's hear what's happening.

The Acting Speaker (Mr. Charest): Order, please. I will hear the Hon. Member for York East on his point of order and we will take it from there.

Mr. Gauthier: No, absolutely not. Absolutely not.

Mr. Redway: Mr. Speaker—

Mr. Gauthier: We will follow one set of rules in this House—one set of rules for all of us.

Mr. Redway: Mr. Speaker—

Mr. Gauthier: Mr. Speaker, there is one set of rules for all of us.

Mr. Redway: Mr. Speaker—

Mr. Gauthier: Mr. Speaker, I will not sit down. This is a show of partisanship on your part.

Some Hon. Members: Sit down.

The Acting Speaker (Mr. Charest): Order.

Mr. Gauthier: I will not sit down. You guys can yap all you like over there and I will not sit down. I will give this guy a piece of my mind.

The Acting Speaker (Mr. Charest): Order.

Mr. Gauthier: The hell with you guys if that's all the respect you have. There's a limit to what I'll take.

The Acting Speaker (Mr. Charest): Please.

Ms. Copps: A motion to adjourn is not debatable. Any idiot knows that.

The Acting Speaker (Mr. Charest): Order, please. For some very odd reason something seems to be happening.

Mr. Deans: What is it?

The Acting Speaker (Mr. Charest): Let's just take a minute here and recall the events as they are seen by the Chair. The Hon. Member for York East rose in his place on a point of order. The Chair attempted to recognize him.

Mr. Kaplan: He did not.

Ms. Copps: He did not recognize him.

The Acting Speaker (Mr. Charest): Please.

An Hon. Member: Order.

Mr. Hnatyshyn: Let him say something. You will get your chance.

The Acting Speaker (Mr. Charest): And we haven't yet heard that point of order.

Mr. Gauthier: You don't have to hear it. You have a motion before you.

Ms. Copps: There's a motion before the House.

Mr. Gauthier: You can't have two motions.

The Acting Speaker (Mr. Charest): I recognized the Hon. Member for York East on his point of order and I intend to proceed and hear him on that point of order first of all. All Hon. Members in the House could very well see that that was the situation. That is the decision from the Chair from which the Hon. Member for Ottawa-Vanier (Mr. Gauthier) knows very well there is no appeal.

Mr. Gauthier: I'm not appealing anything.

The Acting Speaker (Mr. Charest): Well maybe the Chair has another impression.

Mr. Gauthier: I'm making a point, Mr. Speaker. I will make it now if you will sit down.

The Acting Speaker (Mr. Charest): We are here discussing points of order and their precedence. If the Hon. Member for Ottawa-Vanier will be patient, as all Hon. Members of this House should be, I will hear the Hon. Member for York East on his point of order—and I presume the Hon. Member for Ottawa-Vanier is also interested in hearing what he has to say on his point of order—and we will then take it from there. Thank you.

Mr. Redway: Thank you very much, Mr. Speaker. In connection—

[*Translation*]

Mr. Gauthier: Mr. Speaker, I rise on a question of privilege.

The Acting Speaker (Mr. Charest): The Hon. Member for Ottawa-Vanier (Mr. Gauthier) on a question of privilege this time.

Mr. Gauthier: Mr. Speaker, I must raise a question of privilege so I can draw your attention to the following. There are rules in this House. The Hon. Member for York Centre (Mr. Kaplan) had the floor. He presented a motion. As soon as he finished speaking, Mr. Speaker—I ought to know what I am talking about—immediately after he presented his motion, the Hon. Member rose and you gave that Member the floor. There is no debate on this kind of motion, Mr. Speaker. One cannot even raise a point of order on an adjournment motion. It is not debatable.

Ms. Copps: He is right.

Mr. Kaplan: Mr. Speaker, on a question of privilege as well.

The Acting Speaker (Mr. Charest): The Hon. Member for York Centre (Mr. Kaplan), also on a question of privilege.

Mr. Kaplan: Mr. Speaker, I had the floor, and it was clear that you tried to give the floor to the Hon. Member for York East (Mr. Redway), to let him raise a point of order, but meanwhile, before you gave him the floor, I had the floor, and I presented the motion before the Hon. Member was given the floor.

Some Hon. Members: Right!

Mr. Kaplan: So I had the priority, my motion came first, but I was interrupted, which is a breach of my privileges—

The Acting Speaker (Mr. Charest): I hope that the matter can be settled once and for all after I have stated the facts as I, as Speaker, see them, and it is the Chair who will decide ultimately.

While you had the floor, the Hon. Member for York East (Mr. Redway) suddenly rose on a point of order. I tried to recognize him. You continued to speak. As far as I am concerned, you never moved a motion and I rose to interrupt you and bring to your attention the fact that—

An Hon. Member: Oh, oh!

The Acting Speaker (Mr. Charest): Just a moment please. Let me finish, because it is I, as Speaker, who has the final word and the Chair is stating the facts.

I then recognized the Hon. Member for York East. I have every intention . . . I will not change my decision—the Chair

will not change its decision—to hear him. After the Hon. Member has spoken, perhaps all Members of the House will have the patience to listen to him—

An Hon. Member: Oh, oh!

The Acting Speaker (Mr. Charest): Order, please! We will all have the opportunity to listen to him; then the Hon. Member for York Centre may have something else to add and will have the opportunity to continue his speech. Let us proceed in an orderly fashion.

The Hon. Member for York East has the floor.

[*English*]

Mr. Redway: Mr. Speaker, I rose to point out the fact that we are debating Bill C-70 and before the House are motions to amend Clause 5, namely Motions Nos. 4, 5, 6, 7 and 9. All of the remarks of the Hon. Member should be directed towards and be relevant to the issue before the House, which is Clause 5. In fact, the Hon. Member's remarks were all related to something apart from Bill C-70 and something apart from Clause 5 and the motions which have been moved to amend it.

I ask you to rule him out of order in that regard. However, I suspect that this is academic because I am sure that we are going to have some action on the part of the Hon. Member since he undoubtedly wants to go to his Christmas party.

The Acting Speaker (Mr. Charest): Order.

Mr. Gauthier: See what I mean?

The Acting Speaker (Mr. Charest): Let's try not to get into any more trouble than we already are.

Mr. Kaplan: Mr. Speaker, this is a repeat. I move that this House do now adjourn.

Some Hon. Members: No.

Ms. Copps: Table the de Havilland documents. Table the memorandum of agreement, the Tory rip-off, the Tory sell-out.

An Hon. Member: Table the noise over there.

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

Ms. Copps: You don't have the guts.

An Hon. Member: Just because you are wearing red doesn't mean you're a Santa Claus.

• (1620)

The Acting Speaker (Mr. Charest): That having been said, I have in hand the motion moved by the Hon. Member and I would draw to his attention the fact that he needs a seconder, who I presume will not be difficult to find. The Hon. Member for Ottawa-Vanier (Mr. Gauthier) is a volunteer to second this motion.

Therefore Mr. Kaplan, seconded by the Hon. Member for Ottawa-Vanier (Mr. Gauthier) moves:

That this House do now adjourn.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those against please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Call in the Members.

The House divided on the motion (Mr. Kaplan), which was negatived on the following division:

(Division No. 149)

YEAS

Members

Allmand	Finestone	McCurdy
Althouse	Frith	McDonald
Angus	Fulton	(Broadview-Greenwood)
Baker	Garneau	Mitchell
Blackburn	Gauthier	Murphy
(Brant)	Gray	Nunziata
Blaikie	(Windsor West)	Orlikow
Boudria	Guilbault	Parry
Caccia	(Saint-Jacques)	Penner
Copps	Hopkins	Prud'homme
Deans	Jewett	Robinson
de Jong	Kaplan	Rossi
Dingwall	Keeper	Tobin—37.
Epp	La Salle	
(Thunder Bay-Nipigon)		

NAYS

Members

Attewell	Collins	Friesen
Beatty	Cook	Gagnon
Belsher	Corbett	Gass
Bernier	Cossitt	Gormley
Binns	Côté	Gottselig
Bissonnette	(Lac-Saint-Jean)	Graham
Blais	Crombie	Gray
Blenkarn	Crouse	(Bonaventure-Îles-de-la-Madeleine)
Blouin	Darling	Greenaway
Boyer	Daubney	Guilbault
Bradley	Della Noce	(Drummond)
Brisco	Dick	Gurbin
Cadieux	Dorin	Halliday
Caldwell	Edwards	Hardey
Cardiff	Ellis	Hawkes
Carney	Elzinga	Hicks
Champagne	Epp	Hnatyshyn
(Saint-Hyacinthe-Bagot)	(Provencher)	Holtmann
Champagne	Fennell	Horner
(Champlain)	Ferland	Howie
Clark	Fontaine	Hudon
(Brandon-Souris)	Forrestall	Jacques
Clinch	Fraleigh	

Members

James
Jelinek
Jepson
Johnson
(Bonavista-Trinity-Conception)
Joncas
Kilgour
Lawrence
Layton
Lesick
Lewis
Lopez
MacDonald
(Kingston and the Islands)
MacDougall
(Timiskaming)
Mantha
Marin
Martin
Mazankowski
McCain
McDermid
McGrath
McInnes
McKenzie
McKinnon
McLean
McMillan
Merrithew
Minaker
Mitges
Moore
Mulroney
Nicholson
(Niagara Falls)
Nickerson
Nielsen
Oberle
Oostrom
Paproski
Pennock
Pietz
Plamondon
Plourde
Price
Ravis
Redway
Reid
Reimer
Ricard
St. Germain
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Hamilton-Wentworth)
Scowen
Sparrow
Stackhouse
Stewart
Taylor
Thacker
Towers
Tremblay
(Québec-Est)
Tupper
Valcourt
Vankoughnet
Vézina
Warner
Wenman
White
Wilson
(Swift Current-Maple Creek)
Wilson
(Etobicoke Centre)
Wise
Witer—130.

Mr. Speaker: Before the vote is recorded I must advise the Table that the vote by the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) may not be counted. He entered the Chamber late.

Mr. McDermid: Mr. Speaker, on a point of order. I noted that while the vote was being taken a number of Members left their seat and were wandering through the House. I noticed that all of them were new Members of the House. It may be apropos that the Chair explain our procedures.

Mr. Speaker: I think all Members know that if they leave their seats during a vote they nullify their vote. The Hon. Member is asking that all Members be reminded that they should remain in their seats throughout the calling of a vote.

I declare the motion lost.

Prior to resumption of debate may I advise the House that I intend to hear arguments, if there are any, or discussions with regard to procedural admissibility at the earliest possible moment, presumably at eleven o'clock tomorrow if the matter is called again tomorrow.

Resuming debate.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I want to respond to Motions Nos. 4, 5, 6, 7, 8 and 9 which you grouped for debate earlier today.

Mr. Speaker: I hesitate to interrupt the Minister but may I also advise him and others that I have received a representation with regard to that grouping. I propose that matters continue as they are but I gather that one or more Members wish to make a representation tomorrow concerning the grouping itself. I think it would be appropriate, when we are hearing procedural arguments, to hear what Members wish to say. So I will hear that tomorrow but at the moment we will resume debate on the group as I indicated.

Mr. Epp (Provencher): That is helpful, Mr. Speaker. I hope my comments will be equally helpful to the debate tomorrow. With the Chair's permission, to facilitate the work of the House, I intend to advise the Chair which clauses in that grouping the Government would be willing to accept.

The subject matter of these amendments has been a matter of intense discussion. Not only that, committee members tried to address an issue of growing concern, namely, how do parents best respond to a case of missing children. I want to emphasize to Members that the Billand our amendments relate only to any action concerning the payment of family allowances. With all due respect, the Hon. Member speaking for the NDP broadened the issue to one of provincial jurisdiction which is not at all at issue here. Let me give Members an explanation of the present legislation and then explain what the amendments we are willing to accept will do in future.

I want to set the framework very clearly on this basis. First, in no way are the changes in Clause 5 intended to reduce the amount of payment. That is the first point that has to be made. As well, we did not in any way look at those clauses as a cost-cutting exercise. That is the second point which has to be made. Finally, when we are dealing with a certificate of presumed death, it does not relate to provincial jurisdiction or any work which might be done by provincial coroners in any way. It deals only with the payment of family allowances. That is the third point that has to be made.

Let me explain the present situation. Under the present legislation a parent or guardian is eligible for family allowance payments if that parent or guardian is responsible for a dependent child below a certain age. When a child is missing the Minister of National Health and Welfare has one month before family allowances are no longer paid if it can be shown that those parents or guardians do not have expenses for and do not have direct care of that dependent child. What is happening, Mr. Speaker—Could we have some order?

• (1750)

Mr. Speaker: I think that is a fair request. Could the meetings that are going on be held somewhere else, please?

Mr. Dingwall: We are talking about the amendment.

Mr. Speaker: Well, only one person in the Chamber is supposed to be talking about the amendment at one time.

Mr. Dingwall: Oh, he was talking? I am sorry.

Mr. Epp (Provencher): With all respect, Mr. Speaker, this is a very serious issue. Members have approached this issue in a very serious way and I want to help the House.

The second point that must be made in terms of the present legislation is that the Minister, the Department, and the Government have no authority to extend payments to a family beyond the month. That is obviously not acceptable. Payments have been made for up to six months but not, in the true sense of the words, by legislative authority. I think most Members would understand that it was a humanitarian response. As we looked at the amendments to the family allowance legislation

we thought we had to go further, especially in view of the unfortunate increase in the number of missing children.

The theory behind the amendment was that when a child was missing and its body was found at a certain date the Minister of National Health and Welfare would have the discretionary power, for family allowance purposes only, to declare the presumption of death on the date the body was found. In that way the parents would not have to repay moneys for the period of time that the child was missing. I think that is a humanitarian response to a very difficult social issue.

That is the intention, Mr. Speaker. With all respect, I believe that the wording does that, but some people will argue that it is archaic. Therefore, in order to facilitate the work of the House and the committee, the argument is to use the words which are in the legislation because they are judicially parallel to legislation now on the books. The question is whether we can improve on it. We have looked at this very seriously. I hope that this may assist you, Mr. Speaker, and all Members in tomorrow's discussion.

The Member for York East (Mr. Redway) has indicated that he will not move Motion No. 8. That is acceptable to the Government. When we come to that point, we will accept Motion No. 9. The Member for York East has been very helpful on this issue.He has been working hard on it. I believe this helps in terms of clarification. I think there is a general understanding that the words of the amendment of the Hon. Member will resolve the issue more fully than would those in the original text. I want to convey to the House that that is what we intend to do at the appropriate time. I thank that Member and others for bringing this matter to our attention.

I stress again that this is for family allowance purposes only. I obviously cannot deal with provincial jurisdiction. I think this is helpful and I thank Hon. Members. I also thank those who appeared before the committee as witnesses who tried to convey to us how we could resolve a very difficult issue.

There are, however, different situations. One example is the tragic Air India crash. I think that most people would accept the presumption of death of all on that aircraft. That would enable us to close those accounts in consultation with the parents who experienced the tragic loss of a child. That is obviously a case in which children are missing for other reasons. I believe, Mr. Speaker, that Motion No. 9 meets those conditions. I thank the House for giving me the opportunity to explain it.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I would just like to say a few words with regard to this particular grouping of motions. As has been pointed out, the motions which have been grouped concern more than one clause. The Minister referred to one particular clause, but the motions which have been grouped deal with two separate clauses. In the debate on this particular grouping no one has yet referred to the main amendment moved to Clause 4. Perhaps I could refer to that for just a moment.

I see one basic thing which is wrong with the motion submitted by the NDP. I think it is the same error as that made by the Minister's Department in the wording of the Bill. It is not a major point but it certainly illustrates the faults of the Government. The word "remission" is used rather loosely. The word "remit" is used in the wording of this particular clause as meaning that the Minister would cancel the amount owing the Crown. As you know, Mr. Speaker, the word "remit" does mean "forgiveness", such as in the forgiveness of sins. Perhaps that is what the Minister was referring to in illustrating the point. Certainly the word "remittance" would mean that you are making a payment. Is there any other definition of "remittance"? Of course there is not.

Therefore, the word "remit" that is used in this particular clause is somewhat confusing. I wonder what a judge would say if he were presented with an argument based on the word "remit". "Remit the amount" would mean to pay the amount in one case and to forgive the amount in another. That is the standard wording used in other Bills to cancel amounts owing. For example, under the Unemployment Insurance Act "to forgive an amount" means to cancel that amount. There is certainly a major fault in this particular clause.

It is strange, Mr. Speaker, that the Government says in one section with regard to the Government's responsibility that there should be ministerial authority to forgive an amount of money owed the Crown because of an overpayment and then, in another branch of his Department, namely in the disabilities section, the Government creates a deal with provincial Governments whereby the amount owed by this Department for disability can be transferred to the treasury of a provincial Government because a person was paid welfare payments. As the Government took over we saw increased co-operation between the federal and provincial Governments in taking the majority of a man's cheque to which he was entitled. The disability which is owed to a gentleman under Canada Pension is being paid to a provincial welfare department because he just happened to be on his back, sick and had to collect social assistance in the meantime.

• (1800)

The Minister and Government then seek praise for bringing in this particular clause. No one disagrees with its general intent. But the Government forgets what it has also set in motion in other branches of his Department.

The clause which is used here states: "Repayment of the amount or excess of the amount which caused undue hardship to a person or institution". That clause is used in every regulation of the Government of Canada in order to forgive an amount of money owed the Crown because of hardship. I have not seen one case since the Government came to power when it used this wording to forgive amounts of money owed the Crown by a poor person who was obligated to repay as a result of a regulation of the Government. There has not been one case pursuant to any regulation in the Unemployment Insurance Act by which the Minister of Employment and Immigration (Miss MacDonald) or any other Minister of the Crown

have acted to forgive amounts owing because of undue hardship to that person or institution. The Minister only stepped in because a Member stated that the Minister could not allow this to happen because of a legal question.

Under the previous Government, Ministers acted on a weekly basis to forgive amounts of money owing to the Crown under this section. Not only did the previous Government have compassion, it listened to representations made not only by Liberal Members but Conservative and New Democratic Members as well. We were a compassionate Government.

Some Hon. Members: Hear, hear!

Mr. Baker: The Minister ought to stand in his place and explain what the word "remit" means in this clause. Is he asking us to forgive his sins in other parts of his administration? What is the meaning of "remit"?

While he is explaining that, he should tell Canadians why there is this double standard. Why is he allowing amounts of money owed with respect to disability pensions to be passed over to provincial Departments of Social Services? Why is there a sweatheart deal with the provinces?

The gentleman to whom I referred does not even get his disability cheque any more. It goes to the provincial Department of Social Services. Of course, this is called provincial-federal co-operation. We support the clause in the Bill but we wonder why the Government applies this double standard. Since this clause is in effect in regulations under other acts of Parliament, why has the Government refused to act in cases of undue hardship to Canadians? The answer is quite simple. It is not a compassionate Government.

Some Hon. Members: Hear, hear!

Some Hon. Members: More, more.

Mr. Tobin: Mr. Speaker, I rise on a point of order. In the spirit of generosity that pervades this place today, as we lead up to the Christmas season, and so that all Members from all Parties can continue to be—

Mr. Nunziata: Enlightened.

Mr. Tobin: Enlightened is too gentle. In order to broaden our vision and understanding, I ask unanimous consent that we hear more of the treasured words of the Hon. Member for Gander-Twillingate (Mr. Baker). Can we have unanimous consent?

Mr. Epp (Provencher): Mr. Speaker, the Government is here to work and I do not give unanimous consent.

Some Hon. Members: Shame.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, while I suspect that anyone attempting to follow the Member for Gander-Twillingate might not succeed at this time of the evening, I will attempt to make a few comments. I want to discuss the Minister's interjection which he made a few moments ago with regard to the possibilities for some changes to the Act. I want to do so from the point of view of the appropriateness—and the legality perhaps—of the Minister issuing a death certificate. According to my understanding of the existing legislation, the Minister has the authority to discontinue payment.

Mr. Epp (Provencher): Has to.

Mr. Deans: Has the authority.

Mr. Epp (Provencher): Must.

Mr. Deans: And has the authority to discontinue payment. The Minister nods his head in the affirmative. He now has the authority to discontinue payment in the existing legislation. I do not believe it is necessary for the Minister to enter into any kind of presumption of death. The Minister can discontinue payment because the child is no longer in the custody of whoever has that child's custody.

I suggest that there are two arguments with regard to the inappropriateness of a Minister taking it upon himself or herself to assume death. My opinion, which is backed up by certain legal opinion, is that the right to determine death and to note it in law is the right of the provinces because they have the sole jurisdiction over the registration of births, marriages, deaths and all vital statistics. Therefore, it is not necessary for the Minister to make any presumption or assumption of death and consequently it is not necessary for the Minister to make any reference in this Act to the authority to make that assumption.

For example, in the case of the Air India disaster, the Minister said that he would assume that everybody died. I suggest that it is not his assumption to make, as a matter of law. He can discontinue payment because anyone entitled to payment under this or any other Act could be assumed not to be in the custody of the person under whose custody they were intended to be. Legally, however, he should wait for the official notification of the determination of death from the appropriate jurisdiction before he draws that conclusion.

I admit that there is certain merit to the Minister's concern. I acknowledge that it could be assumed that a child could have died on the date the body was found. I appreciate the concern he has shown in that regard. However, I suggest that in order for the Minister to assume death he must wait for whatever documentation is issued from whatever jurisdiction, whether it is a province, a state or another country, to show that death has occurred before he can make that assumption. That is how the Bill before us is somewhat flawed and why I would ask him to consider this question overnight. I will have more to say about this tomorrow. The Hon. Government House Leader says that he would like to have a couple of words before we adjourn.

Mr. Hnatyshyn: A couple of words.

• (1810)

Mr. Deans: I want to assure the Government House Leader that it is my intention to spend an hour or even more with him

after we adjourn. If he has two words that he wants to whisper in my ear, he can do so. I know that he is saying how much he admires me. He has been saying that for a while. He must be after something.

Some Hon. Members: Oh, oh!

Mr. Deans: This is really a serious matter, Mr. Speaker. I want it to be dealt with seriously for just a moment. I do not mind the jocular nature of the exchange, but it is a very serious question. If we write into law that the Minsiter has the right to assume that death occurred without having the appropriate certification to prove it, then I suggest the Minister is acting improperly and illegally. I make that point to him. I suggest that that is the case. I suggest it is not necessary for him to be in that position.

I am satisfied that the Minister could achieve the goals that he has set out, many of which we do not disagree with, without making the assumption that this Bill would allow him to do that, and perhaps incorrectly. I make the point that in the case of a body being found, of course, the certificate of death would be immediate and, therefore, the decision could be taken forthwith.

I believe it is six o'clock. I would prefer to make the points after I have made my arguments on the grouping of the motions. Could I call it six o'clock and I will complete what I have to say tomorrow?

Mr. Deputy Speaker: It being 6.12 p.m., this House therefore stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.12 p.m.

HOUSE OF COMMONS

Thursday, December 12, 1985

The House met at 11 a.m.

[*English*]

BUSINESS OF THE HOUSE

DISPOSITION OF BILL C-70

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I rise on a point of order in hope of solving what I can see will become a problem. You indicated yesterday that you were going to hear procedural arguments on C-70 today. I would submit that the argument might be better if it could be heard now for the following reason. I think you will have to consider the argument once it has been made and then rule on it. Given that there can be only one debate because of the nature of the grouping, the whole argument will be redundant by the time we make it if the Speaker then requires time to consider it while the debate is going on. It sounds a little complicated, perhaps it is just a lack of sleep or something, but what I am trying to say is that I would like very much if the Speaker would consider hearing the arguments before we proceed to debate, and sufficiently in advance of the debate, in order that time be allowed for the Speaker perhaps to seek some advise and consider what he has heard. I make that point.

Mr. Speaker: I understand the point. I tried to indicate yesterday that I would hear the matter at eleven o'clock if it were called. I was trying to be very careful yesterday in my wording. It was late last night, I agree.

It would have been my intention to have thought about the arguments for a little bit and perhaps make some comment at three o'clock. In the context I think I can still hear the arguments at the beginning of the debate when it is called and make a decision as expeditiously as is appropriate for the Chamber. Another technical difficulty would be to hear argument on Bill C-70 when it is not called. However, I could not do that as it would not be in order.

GOVERNMENT ORDERS

[*English*]

REPRESENTATION ACT, 1985

ALLOCATION OF TIME TO CONSIDER THIRD READING STAGE OF BILL C-74

Hon. Ray Hnatyshyn (President of the Privy Council) moved:

That, in relation to Bill C-74, an Act to amend the Constitution Act, 1867 and the Electoral Boundaries Readjustment Act and to provide for certain matters in relation to the 1981 decennial census, one sitting day shall be allotted to the third reading stage of the said Bill; and

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

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am pleased to have this opportunity to debate our desire to place time allocation on Bill C-74. I first want to put some specific things on the record and then refer to the general question of time allocation.

The House will understand that the amendment presently before the House is a proposal to send the Bill back to committee. I will first review what has happened to this particular Bill. It received exhaustive study when the Government tabled a White Paper on redistribution prior to the Bill being introduced. It was, in effect, pre-studied. The Bill itself had intensive study in committee over the course of six weeks. Witnesses were called and their testimony was given careful consideration by both the committee and the Government.

As a result of those deliberations and the contributions of many expert witnesses, the Government proposed two amendments to the Bill, at report stage so that this Bill which goes to the very root of Parliament, that being representation, would be readily acceptable to all concerned. During the debate on second reading and in committee the members of the Official Opposition made the point that the Bill as written was a violation of the principle of representation by population. That matter was addressed and that aspect of the Bill was deleted. We made the changes necessary to correct that situation.

Therefore, I submit that in proceeding to amend the Bill to coincide with the views expressed by the members of the committee and the witnesses who gave evidence, the Government has now responded to the concerns that were expressed. It is our position that it is not necessary to send this Bill back to committee for further study for the reasons I have already listed. We are now trying to wrap it up.

It is important for the House to understand that if the issue of representation goes to the very heart of Parliament, we have to approach that issue properly. That means putting this Bill in place so the various electoral commissions can fan out across the land and construct the boundaries of our ridings in such a way as to be as fair as possible to all Canadians. That process can only start if we get this Bill through. Therefore, I find the disarray among the opposition benches to be unfortunate for the people of Canada. I find that this filibuster which is under way is harmful to the issue of representation which is, as I say, the very essence of Parliament.

I now want to deal, if I may, with the question of time allocation. It is quite obvious to everyone in this House that there is a difference between debate for the purpose of examining an issue and the filibustering which is going on now. There is a difference between debate to allow public opinion to formulate—which is what we did with the White Paper, second reading debate and committee study—and pure delay and filibuster. We put this motion forward with the feeling that this particular Bill has had all of the discussion necessary. I feel that it has had all the discussion necessary and that it is very, very vital to representation.

• (1110)

If I may, Mr. Speaker, I would like to predict what we will hear from the Opposition in the next hour and 50 minutes. I would like to remind the House of what happened when we moved time allocation on the employment equity Act and of some of the things that were said by the Opposition during that debate with regard to what the Government was doing. Opposition Members used inflammatory terms such as "howls of outrage" and "guillotine". They said that they had only had a few days to debate the Bill. They said: "Our Party has had only 14 Members speaking on this Bill". There were many other words of the same character used.

It is important to realize that on the day allocated for the final debate on the Bill, debate was to close at 4.45 p.m. and *Hansard* of November 21, 1985, shows that debate closed at 4.30 p.m. because the Opposition did not put up any more Members to speak. After having complained about time allocation, the Opposition could not fill its roster of speakers for a full day of debate. That is important to remember because we are going to hear a lot of complaints about how we are choking off debate, but when it comes to debate they do not have the bodies here.

Lest you think this does not happen often, let me refer you back to December 5 when the Government introduced time allocation on the Income Tax Act. I would like to read from *Hansard* of December 5 some of the comments made by members of the Opposition. The Member for Saint-Henri-Westmount (Mr. Johnston) said:

> Frankly, Mr. Speaker, I and my colleagues in the House are amazed that the Government would seek to terminate the discussion in this House on the principles of this legislation.

He said that they wished to debate the changes in the House. The Hon. Member for Hamilton Mountain (Mr. Deans) said that they wanted to debate whether or not it is necessary for the Government to bring in time allocation. All of the Members complained about time allocation. Referring to the Minister of National Revenue (Mr. MacKay), the Member for Hamilton East (Ms. Copps) said that the Minister "wants to cut, cease, abort the debate after only 50 Members have had a chance to speak". The Member took issue with the figures of our Whip and said that only 11 per cent of all MPs had spoken on the issue.

The Member for Winnipeg North (Mr. Orlikow) spoke and said that he considered that the Government had phenomenal gall to do this. The Member for Laval-des-Rapides (Mr. Garneau) said:

> Mr. Speaker, for a sixth time since the Government came to power, it is using its overwhelming majority in this House to gag opposition Members.

He said that that is truly a shame for democracy. He spoke about having had only nine hours of debate.

I want to refer you back to eleven o'clock on Monday morning of this week, Mr. Speaker. At that time the final day of debate on this Bill on which everyone claimed we were choking off debate, was called. What happened at that time, Mr. Speaker? At 11 a.m. the Income Tax Act was called under Orders of the Day. What happened as reported in *Hansard* is as follows:

> MR. SPEAKER: Is the House ready for the question?
>
> SOME HON. MEMBERS: Question.
>
> MR. SPEAKER: The question is on the amendment.

Since not everyone was here at that time I will explain what happened. The Opposition voted against the amendment, but did not even have five Members in the House to call for a recorded vote. We then moved to the main motion which everyone wanted to debate. We called for the question on this important Bill which the Opposition had not had enough time to read and review. Once again, Mr. Speaker, no one rose to debate, so the question was called at eleven o'clock in the morning when the day's business began. During the previous week the Opposition members had complained that the Government was cutting off its chance to debate this Bill. Having had lots of notice of their opportunity to debate it on Monday morning, they were not here.

I caution the people in the House today and those watching it on television to remember that the Opposition will howl about the Government allocating a certain amount of time to debate. However, on the last two occasions that we moved allocation because the Opposition was filibustering, it did not have its members in the House to debate the question. I, therefore, pre-empt that argument right now, Mr. Speaker. I would like to announce that we will be voting to allocate an appropriate amount of time for debate on a Bill which has a great deal of study through a White Paper, committee, and at second reading stage. It is about time we got on with the business of the House.

Mr. Maurice Foster (Algoma): It is obvious, Mr. Speaker, that the Parliamentary Secretary to the House Leader (Mr. Lewis) is hell-bent on closing debate on the redistribution Bill. I would like to point out that this is the first time in history that a Government has moved to bring in redistribution so rapidly and without concurrence from both sides of the House. With 211 Members of Parliament, the Government feels that it can do anything, regardless of whether it is fair and equitable and regardless of whether the Opposition supports the Bill. This is the final nail in the coffin of the consensus approach to redistribution. This is a bad day for Parliament and for the consensus approach which the Prime Minister (Mr. Mulroney) talked about during the election campaign. He talked about reforming Parliament and about a new civility.

I have here the 338 Tory promises which were made during the election campaign. If you look through this directory of campaign promises you will not see anything about redistribution. You will not see anywhere in that directory of campaign promises that the Government planned to move away from the amalgam formula or that it was going to reduce the amount of representation in the House of Commons. However, today there is a motion before the House to close this debate.

The Parliamentary Secretary talked about having this Bill passed and having the redistribution commissions fan out across the country. This Bill was supposedly introduced to save money. However, a redistribution commission has already fanned out across the country. It has held public hearings, gone through a massive advertising process, and heard objections by Members of Parliament. Those debates have commenced. Only another two or three hours of debate is required in the House of Commons and redistribution can go ahead immediately. Within a year redistribution would come into effect. Riding boundaries would be newly proclaimed and local riding associations could be established.

With this Bill the House of Commons will be chopped down in size by 10 Members of Parliament. Outlying areas of the country will lose representation because of the reduction in the number of Members of Parliament that will be provided through the new redistribution. It will cost at least $5 million or $6 million to establish those new commissions. We will have to come back to the House of Commons for further debate, but rather than debating this matter in the Chamber itself, it will take place in a parliamentary committee.

• (1120)

We must question why the Government is in such a hurry to carry out this change and reduce the representation in the House of Commons. The Hon. Member opposite talked about the Opposition not being able to have enough members here. That is true. Sometimes we do not have enough members to cover every parliamentary committee. There are only 70 members on this side of the House. However, the Government Party, with 211 Members of Parliament, sometimes had only one or two members in the Standing Committee on Privileges and Elections when this Bill was being discussed. It is rather interesting to note that even with its massive majority, which it is using to impose closure, it is unable to provide a quorum at parliamentary committees. We should keep that in mind when we are considering this matter.

I am also concerned about the power of the Government as it relates to this proposed new formula for representation. In the report stage we were able to suggest certain amendments which would have provided additional floor representation for areas like northern Ontario, which has been an issue for many years. When the Bill was first introduced I made representations and wrote to Tory members on that committee, asking them if they would support an amendment to give us a floor of 11 seats for northern Ontario. While I received support from members of the New Democratic Party and members of the Liberal caucus, I certainly did not receive support from the Government caucus. One can see from the vote taken on that day a couple of weeks ago that all the Tory members opposed that floor.

The President of the Privy Council (Mr. Hnatyshyn) said that this Bill would be a great move forward and it would provide a floor under the representation for provinces like Manitoba and Saskatchewan, based on the present representation in the House of Commons. While the principle was acceptable and desirable in some cases, it was not in others.

According to this current redistribution, which will almost certainly take place, we will lose representation because Ontario will lose six seats from the present redistribution which is going ahead. Tory members from northern Ontario will have to explain not only to their own constituents but to others throughout the North why they spoke and voted against that representation. It will not only affect representation in this redistribution but will continue to do so in each succeeding redistribution. The average number per constituency will be 87,000 people. After 1991 it will be 95,000, and then 99,000 people. Under this scenario, unless there is some magnificent new resource development, we will likely lose representation from an area that encompasses 88 per cent of the land mass of Ontario.

The Government's closure motion is unacceptable. The Bill, rather than being forced on the House of Commons, should go back to the committee because it is ill-conceived. If it passes, we will see new redistribution commissions being formed across the country costing another $6 million. This redistribution will come into effect during the summer of 1988. There will be massive confusion regardless of whether we are with the old boundaries or the new boundaries because that will most likely be the year of a general election.

I hope the Government will not force this resolution on the House of Commons through this closure motion today.

Mr. Rod Murphy (Churchill): Mr. Speaker, this is the sixth time that the Government has moved a time allocation motion in this Parliament. Most of this has occurred recently. At a time when we are supposed to be discussing parliamentary reform and recognizing the rights of individual Members of Parliament to state their opinions and change legislation, the Government has a secret agenda which is to ensure that it can use its majority in the House to prevent any adequate discussion of legislation. This has become increasingly evident.

We only have 10 minutes each to speak on a time allocation motion but if time permits I will quote what Conservative back-benchers in opposition said about time allocation when it was introduced in the House by the previous Liberal administration. It is very ironic to see that same Party using time allocation on a regular basis.

The Parliamentary Secretary to the President of the Privy Council (Mr. Lewis) listed occasions when the Government had brought in time allocation and the Opposition was unable to continue debate even though there was approximately a day left for debate in the House of Commons. I do not believe that

represents any lack of interest by the Opposition but, rather, explains the real situation in the House of Commons.

There are 211 Government members and an Opposition, divided between two Parties, with 40 members and 30 members. Not only must those Opposition members serve on the old standing committees of the House of Commons, under the new rules they are serving on the numerous legislative committees as well. This creates a problem.

While I would criticize Liberal members for their initial lack of participation with respect to Bill C-74, we must recognize that when there are only 70 Opposition members divided between two Parties who must have representation on the various committees of the House, there will be times when the Government is in a position to use its majority to exhaust the number of our speakers on a particular Bill. The Government could have us sitting on so many committees at a particular time that it would be almost impossible for us to have a Member in the House who has not already spoken to a piece of legislation.

● (1130)

That is part of the reality of the situation. Instead of continually using time allocation when the Opposition in the House of Commons is so small, the Government, if it believed in democracy and the parliamentary reform package about which we have talked so much lately, would not be using the manœuvre that it uses so often.

Earlier I said that I would be quoting comments of Conservative Members of Parliament about time allocation. The first person I should like to quote is the new Government Whip, the Hon. Member for Ontario (Mr. Fennell). He said:

> Closure is the mechanism put in place by the Liberal Party to shut us up. It is a disgrace to Parliament . . . to my constituents and to Canadian citizens at large . . . It should not be permitted in the House.

I should like to turn to the Hon. Member for Bow River (Mr. Taylor), one of the more eloquent Members. When he was in Opposition, what did he say when the Government brought in time allocation?

Mr. Rodriguez: What did he say?

Mr. Murphy: He said that it was "a sneaky, dirty trick", and referring to the Minister who brought in the motion, he said: "You are a snake". Those quotations indicate the hypocricy of Conservative Members who spoke against time allocation when in Opposition but use it now that they are in Government on a continuing basis.

A lot of time was spent in committee looking at this piece of legislation. Witnesses appeared before us. Amendments were accepted by the Government. We, as a House, passed some amendments and defeated others. All that happened. As I have done on other occasions, one can lay blame on the Liberal Party for not attending at committee when it is necessary. One could lay blame on certain members of the Liberal caucus for not understanding what was being debated in the House at report stage. I have done that in the past. They should have been aware of what was happening when the legislation was brought back to the House. However, we are now in third reading and have to recognize the right of the Liberal Party—and I am certainly not a defender of that Party—to change its mind and to discover things in the Bill which affect the Province of Quebec. They want an opportunity in the House to make their points. Also, those of us who think the Liberals are wrong in what they are saying should have an opportunity to make our points.

We are speaking out about a Bill which affects a very fundamental issue—how we determine representation in the House of Commons. It is an important piece of legislation. It not only affects how many seats each province has, but it effects how power is distributed in the House of Commons. The more seats we have and the more seats we are guaranteed in the future will have some influence on power in the House. Just as important is that we consider how a Member of Parliament is able to represent his constituents. That is reflected in the rules affecting the redistribution of seats in Bill C-74. It is important that we understand what we are doing and that the public understands it without any misconceptions.

As I have said, I am very happy with the amendments to which the Government agreed which were made at the request of the Opposition. I support those two amendments, but I cannot support the legislation because, although it is sound legislation for the next redistribution based upon the 1984 census, there is no guarantee that it will be sound in the long term. The Government has created a flaw by dividing the population of Canada by the number 279. That is based upon a formula which knocks off two seats for the Northwest Territories and the seat in Yukon. Those seats are guaranteed, but the present population of Canada, based upon the latest census, is divided by 279 to determine theoretically the average seat size in Canada. That sounds good on paper, but it does not recognize that when the House has 293 or 296 seats in the future, there is no rationale in the world for using 279 as the denominator. The House would already be 16 or 19 seats larger than that particular figure. Since it has been guaranteed that no provinces will lose any seats, a strain or artificial limit, in terms of numbers of seats, is placed upon provinces with growing populations.

We should have a chance to express that concern in the House, and we should look at some way of resolving it. The only reason I have accepted the legislation, even though I intend to vote against it, is that it is okay for the next 10 years and it might be okay in the future depending upon what happens with population. However, it is a flawed piece of legislation. If the Government were wise, it would look at ways of removing those flaws rather than depending on the fact that 10 years from now some future Government could change the legislation, which has been the argument of the President of the Privy Council (Mr. Hnatyshyn).

In closing, I should like to say that time allocation has been introduced six times. The Finance Committee, which is considering Bill C-84 containing 235 pages, is choking off debate after three days of study. What are we doing? Why do we even talk about representation in the House of Commons if the

Government is to continue to use its massive majority to choke off any legitimate chance to study important legislation such as the changes to the Income Tax Act in Bill C-84? It is a massive piece of legislation. It contains 235 pages and hundreds of amendments. The Government will not let a committee of the House do a thorough job of looking at government expenditures and the raising of taxes, the very things which Parliament was set up to deal with in the first place. Parliament was set up to deal with these matters, and the massive Conservative majority is being intolerant of the rights of the minority.

[*Translation*]

Mr. Gilles Bernier (Beauce): Mr. Speaker, thank you for giving me this opportunity to speak to the motion for time allocation on consideration of Bill C-74. The amendment presently before the House is a proposal to send the Bill back to committee.

Mr. Speaker, this Bill received exhaustive study when the Standing Committee on Privileges and Elections examined the Government's White Paper on redistribution. We spent hours and even days on this exercise, Mr. Speaker. You know, the people on this committee are sensible and practical, with a few very rare exceptions. If the people of this country, if business people were to see and try to analyze the behaviour of certain Liberal Opposition Members in certain committees, they would be flabbergasted and absolutely speechless. These people on the other side of the House have become experts in wasting the precious time of Hon. Members of this Parliament. They make a habit of indulging in useless verbiage.

Mr. Speaker, the Committee on Privileges and Elections also studied the Bill for a period of six weeks, I repeat, six weeks, during which a number of witnesses were called and heard. Testimony was given careful consideration by both the committee and the Government. Following the deliberations of the committee and testimony by expert witnesses, the Government proposed two amendments to the Bill at the report stage, to ensure that the legislation would be readily acceptable. Very serious testimony was given. The witnesses who appeared before us were reliable. They adduced a number of useful elements that gave us a broader view of the Bill and helped us form an opinion.

During the debate on second reading and in committee, the Liberal Opposition, and I repeat the Liberal Opposition, made the point that the Bill as written was a violation of the principle of representation by population. All witnesses who appeared before the committee indicated that the root of the problem was a section of the Bill which subsequently was removed. I think you follow me. I think you understand.

Then the Liberal Party critic—

An Hon. Member: It isn't easy.

Mr. Bernier: It may not be easy to follow, but in any case, that is what happened. I am referring to the sequence of events.

The Liberal Party critic proposed exactly the same amendment which is now being openly criticized by his colleague, the Hon. Member for Saint-Denis (Mr. Prud'homme). That same Member is now proposing that the Bill be sent back to committee. It is all quite confusing! Clearly, Mr. Speaker, we have here another example of a party that is disorganized, in complete disarray, and poorly led. The people in the Liberal Opposition are incapable of agreeing on the right orientation for their policies. It is obvious that confusion reigns. There must be a lot of unhappy people in that caucus, and if they aren't unhappy, they don't realize what is going on. Either one or the other.

Mr. Robichaud: Certainly not!

Mr. Bernier: Mr. Speaker, by trying to adjust the Bill to reflect the views expressed by members of the committee, the Government, and I am very happy to be sitting on the Government side, the Government responded to concerns that have been clearly explained. It is unnecessary to send the Bill back to committee for further study. It is a waste of time and energy.

The only reason it was necessary to move time allocation for this Bill is the fact that the Liberal Opposition—in disarray as usual, as we see here today—decided to continue an obstructionist policy that is both unjustifiable and foolish, as you will agree, Mr. Speaker. They are doing this to the detriment of a large majority of the population that supports the Bill as amended.

While it must remain neutral, the Chair can see that you are ridiculous. I trust it is a mental comment he can make. And I hope that the people watching us on television or listening here in the gallery, and there may not be enough of them this morning to witness how ridiculous the Opposition is, I hope they realize, Mr. Speaker, that the useless verbiage of the Liberals contributes nothing to this country. In my opinion, we should proceed without paying any attention to their insinuations.

● (1140)

[*English*]

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, when the Government House Leader brought in time allocation, or closure, on Bill C-74 earlier this week, I cannot deny to the House that I was highly agitated, irritated and quite hot under the collar. I want to say that I am more calm and collected now, but in exactly the same frame of mind. I am strongly opposed to what the Government is doing in forcing Bill C-74 upon us without allowing the full and adequate debate which this Bill deserves. I want to say again that we have not had adequate opportunity to present the case referred to by my colleague, the Hon. Member for Algoma (Mr. Foster),

namely, that in the Province of Ontario more than 80 per cent of the land mass constitutes northern Ontario and the more than 800,000 people who live there ought to be guaranteed a floor in the same way as provinces which are smaller in size but of approximate population. We still want to make that argument. We in Parliament still believe we can convince enough Hon. Members in this House that that argument is sound and ought to be considered.

At one point a Government Bill was brought in by a previous administration that almost became the law of the land which would have done that for northern Ontario. It failed. In the dying days of that Parliament—which lasted from 1974 to 1979—when unanimous consent was required, it was withheld by one Hon. Member and that Bill failed to become law. We would not have this problem now if that Bill had been accepted.

Members of Parliament from northern Ontario still want to make their case in this House. I believe we have allies on the opposite side of the House as well as on this side. We would like to hear those supporters make their case and we would like to convince the Government that it should change its mind.

I want to be very clear that when we talk about closure or time allocation, I do not want to be a ranter or a raver, as has happened in some speeches in the past with respect to time allocation. I am not unalterably opposed to the use of this parliamentary device to bring the House of Commons to a moment of decision. I am not at all opposed to that. After all, it was a Liberal Government which brought in the change in the parliamentary rules to allow for the use of what was then Standing Order 75(C). But when did we use Standing Order 75(C)? We used it when all of the arguments had been made and remade, argued and reargued.

Mr. Nickerson: Just like this time.

Mr. Penner: Not like this time at all. We used time allocation when we had a Government which did not have a huge, vast majority. When we have a large number of Members of Parliament in the two opposition Parties—or three opposition Parties as the case has sometimes been—and arguments are being repeated, that is the time when closure or time allocation can be introduced. For example, if both sides of the House were almost even, if there was a majority of seven or eight Hon. Members, and debate on an important Bill had been going on for several weeks, perhaps then the Government could bring in time allocation. While there may be some perfunctory protest, we could understand that there comes a time when a decision can be made. But when there are 70 Members of Parliament on this side of the House—30 members of the New Democratic Party and 40 members of the Liberal Party—and time allocation is used excessively, as has been done in recent months by this Government, then we have to start to ask the question, why is time allocation being used excessively?

When the voters of Canada gave the Conservatives such a massive majority, why, then, would they not, in the parliamentary tradition, allow a smaller Opposition the opportunity to express its views on very important Bills? I want to illustrate that we have not had that opportunity. Let us take a Bill which is so important to the taxpayers of this country as the bank depositors Bill. I am sure you followed that closely, Mr. Speaker, but did you know that we did not, even at second reading stage, debate the main motion? Time allocation was imposed before we had finished debating the amendment which was introduced by my Leader. The main motion had not even come to the House for debate and time allocation was brought in. Does that not bother Hon. Members opposite? Are they not wondering what the Government they support is doing?

Let me give another example. There was a wimpy little Bill brought into this House. It was hollow and a sham. There was no substance to it at all. It was the employment equity Bill. Members on this side of the House were beginning to get the message to the country and to all Hon. Members that there was no employment equity in that piece of legislation at all. Time allocation was imposed on it. Why was time allocation imposed on it? Because the Minister of Employment and Immigration (Miss MacDonald) was becoming embarrassed by the truth.

• (1150)

Again, I am not always opposed to time allocation. When the Government brought in time allocation on Investment Canada, I think it was right to do so because to do away with FIRA and substitute it with Investment Canada was something Government members said they would do during the election campaign. They said that they did not believe in protecting the economy of Canada from foreign ownership and control. That was their policy. I do not agree with it. In fact, I am opposed to it. However, they brought in time allocation because that legislation was central to what the Conservative Government stands for. They said that they believed in opening up Canada and that if something looks good and is for sale, they should let anyone in the world buy it. I do not agree that they should sell things at fire sale prices. However, the Government decided to move closure because that policy was absolutely central to its program. It was part of its manifesto, as much as manifestos exist in this country.

By the way, I hope someday someone will bring in a law that provides that when a Party runs in an election, it would have to have something resembling a manifesto, not just 380 loosely strung out promises. There ought to be some central policy for which a Party stands. The only policy I was able to detect during the last election campaign was that government Members wanted to open up Canada. They brought in Investment Canada and they brought in time allocation on its legislation.

How can Government members justify bringing in time allocation on Bill C-74? It is not a Bill that is in any way central to the executive branch of Government. It is not part of a Conservative Government program or platform that was introduced to the country. It is not even a matter for the

executive branch of Government to decide. It is a parliamentary question.

When have we ever proceeded with the question of redistribution without seeking agreement among the Parties in the House? That agreement is central to the parliamentary process. We do not use such a heavy, powerful weapon as closure on a measure that is parliamentary in nature and not related to the program of the Government.

I would tell Hon. Members opposite that they should call a halt to this because they are doing themselves great damage. Do Hon. Members know that there are now suspicions that the reason they are bringing in time allocation on this redistribution Bill which they want so badly is that they want to do some gerrymandering? Yes, I have heard it said that they want to appoint these commissions and have them re-arrange the ridings in such a way that it will somehow be to the advantage of the Conservative Party. I am not making that allegation right now. However, I am telling Members opposite that I have heard it. It has come to my attention, and people have asked if that is what the Government is up to. People have asked why the Government is not allowing Members of Parliament to speak their minds on something that is as important to every Member and every constituency as is redistribution. They are asking why the Government would bring in time allocation on a Bill like that.

There are suspicions that what the Government really wants to do is to remove all of the returning officers in all of the ridings so it can extend the patronage system into every constituency with the appointment of new returning officers. I have heard that allegation. I am not making it but I am telling Hon. Members that it has been brought to my attention. People are asking if that is what the Government is up to. I mention these allegations simply because I appeal to Hon. Members opposite to get some control over their front bench.

Let time allocation be used responsibly. The Standing Orders exist for a purpose. There are Bills on which the Government has every right and justification to use time allocation, and I will say so when I believe that it is right. However, in the case of Bill C-74, a very serious mistake is being made. The people of the country will not like it. We in the Opposition say it is wrong, and I ask if there is some way that this can be reconsidered. Is there some parliamentary tactic whereby we can withdraw this time allocation measure and have a full and complete debate so we can reach an agreement as to how the electoral boundaries could be redistributed? We must move by consensus and not by having a decision forced upon us.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I rise to spend a few moments speaking on time allocation. In the process, I must remind Government members that many times in the past, they were riled at the sitting Government because of this measure. In fact, I believe a Liberal Government once lost power because of time allocation.

My predecessor, the Member who represented Prince Albert before me, was a very great parliamentarian and had a very great deal of respect for Parliament and what it stood for. He made hundreds of statements about the strength of Parliament, and I believe it behooves us all to spend some time reading what he said before Parliament, what this Government is denying. On May 17, 1956, the Right Hon. John Diefenbaker made a speech before Parliament regarding the process of closure. I would like to put on the record some of the things Mr. Diefenbaker said at that time because they were right at that time and they are right now. The Party that put those statements before the House at that time is denying them now. He suggested the following:

—by the application of closure in the way in which it was effected, not for the purpose of interfering with unnecesary debate but rather designed to secure silence—

He went on to say:

—and to use Parliament as an institution in which the government may produce what it will, is able to propound any proposition it likes and, because of its majority here to know that, regardless of whether or not there is any support for it, the majority will carry it through.

That is exactly what we are facing with this Government. Regardless of whether or not it has the support of the country in bringing something before Parliament and forcing it through, it will use its majority to force it through.

I wish Government members would remember that even if they do hold 211 seats, only 50 per cent of the people voted for them. A good portion of those people voted for the Conservative Party not because they wanted Conservative policies but because they wanted the Liberals out. They should remember when they are putting things before the House, passing Bills and using closure that they do not have the support of the majority of the people. The majority of the people did not vote for their policies and in many cases did not vote for the policies which they are forcing through the House by using closure.

I go on to quote from the words of Mr. Diefenbaker who was speaking of Mr. St. Laurent at that time, but what was right and proper then is right and proper now. He said:

—that the Prime Minister (Mr. St. Laurent) should abdicate his belief in democratic principles and deny those in opposition the right to advance their arguments and to educate public opinion or to find out why there is such solicitude on the part of the members of this government.

Mr. Diefenbaker recognized the responsibility of the Opposition to educate the public. The only way that the 70 members of the Opposition can educate the public is to have the opportunity to debate the Bills which come before the House in order to show the people of Canada that the Government is using its massive majority to stifle knowledge—to stifle the flow of information to them. We abhor this type of approach to legislation, that is, the closing off of debate and the withholding of information from the people of Canada just so that the Government can get its particular ideology through the House, an ideology for which 50 per cent of the people of Canada did not vote.

● (1200)

I would like again to quote Mr. Diefenbaker who said:

I ask the Prime Minister today to tell this House why he is so fearful of the facts; why he was afraid to allow the true facts of this nefarious scheme to be

elucidated? I ask why he found it necessary, and the members of his Government found it necessary, to muzzle the representatives of the people in advance of anything in the nature of a filibuster or an interference on the part of the opposition with the policy and program of the government. I ask him to explain that today, for certainly the day of silence is past. Are they afraid of the truth over there? Is that why they hide behind the caricature of Parliament which they have substituted by the adoption of the parliamentary form of closure in a way that it has never been adopted before?

Those were the terms Mr. Diefenbaker used in castigating the St. Laurent Government. What he said then is true today. The Government has not given the Opposition the opportunity to put before Parliament and the people of Canada the truth about situations with which it is dealing within these Bills, this in light of the fact that 50 per cent of the people of Canada did not vote for the policies which this Government is putting forward.

I go on to quote the words of Mr. Diefenbaker as follows:

Only once in history was it ever adopted in our country during the progress of a resolution, and then only after more than 10 days of debate.

What do we see with respect to the closure motion which is before us? Debate with respect to the Bill went on for eight hours—a mere eight hours. The Government then decided it should put forward its closure motion. What I am speaking about today is not the decision of the Government to use closure once but to use it six times in a matter of a couple of months. It uses it to force through legislation for which 50 per cent of the people of Canada did not vote. As 70 members of the Opposition here it is our duty to ensure that the people know that this type of legislation is being put before the House of Commons. They should know enough about it to put the type of pressure in place so that these measures will not be forced through Parliament.

In Mr. Diefenbaker's speech on the closure motion he finally made this statement:

Why not throw the key of parliament away? . . . Lock it up and throw the key of parliament away.

Those are the words of the Right Hon. John Diefenbaker with respect to what the Government of the day was doing. It is what this Government is doing today—what it has done six times in the last couple of months. This Government is muzzling Parliament. We might as well take the key and throw it away. The Government is locking the opportunity of Parliament with respect to placing information before the country and it is throwing away the key.

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I am really pleased today to rise to speak against the motion to refer this subject back to committee. I am glad to see that there are so many members of the Opposition here, in fact, more than were here to vote yesterday. There has to be a reason for that.

An Hon. Member: We are always here!

Mr. Thacker: I cannot be sure whether they are here to—

Mr. de Jong: Have you anything instructive to say?

[*Translation*]

Mr. Rossi: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Bourassa (Mr. Rossi), on a point of order.

Mr. Rossi: On the other side of the House, a reference was made to the presence of Members in the House today, but let me tell you, we always have three times the attendance of the Conservatives, in spite of their large numbers.

Mr. Deputy Speaker: I do not think that is a valid point of order.

[*English*]

Mr. Thacker: I assume they are here because they do not want to work until 1.04 p.m. Perhaps that is the reason. If so, we would like to ask them to change their minds—

Some Hon. Members: Order.

Mr. Thacker: Why do we not work those extra four minutes so that the House can go on to the regular business at three o'clock? Are Members opposite here because they want to extend the day into the afternoon in order to pull a trick such as they did yesterday and waste the valuable time of the House and in so doing insult every Canadian who sent us here to work?

Mr. Angus: It's your closure motion.

Ms. Copps: You are on closure!

Some Hon. Members: Shush.

Mr. Thacker: I wish to address the comments of the Hon. Member for Cochrane-Superior (Mr. Penner) since he made some severe allegations. While he denied he was personally pressing the argument, he stated he has heard that the reason for pressing this Bill forward is so that the commissioners can conduct a gerrymander in the country. The Hon. Member for Cochrane-Superior acknowledged that he knows far better than that because the commissioners in this land are often judges, men and women of impeccable quality. What they did in my province before the last election was to start in the southeast corner and move through it township-by-township until they reached the average size of the riding. In this way they worked their way through the province. To make any allegation that the commissioners are doing a gerrymander does a severe disservice to the country.

Why are members of the Opposition opposing the passage of this Bill? It is hard to imagine that here we are in 1985 and the Constitution of the land declares that after each ten-year census, which was completed in 1980, there has to be a redistribution. After the census of 1980 the commissioners spread out across the country and returned with a proposal which would have given many more seats to western Canada. When one talks about raw, ugly politics, one will find it there. The Liberal Party did not want the redistribution after the 1980 census because it would have given more political power

to western Canada, that is, Manitoba, Saskatchewan, Alberta and British Columbia. The Liberals stalled that Bill. Indeed, they refused to pass it in order for it to be put in place for the 1984 election. They committed a gross insult to every single western Canadian.

Some Hon. Members: Hear, hear!

Mr. Thacker: I appreciate that there are only 40 Liberals who sit in this place today. One of the reasons that there are only 40 and none of any consequence from the West is this great insult. Thus, here we are in 1985, a new Bill has been presented to the House but only after a White Paper has been produced. The White Paper had enormous coverage and input. A Bill was then drafted which went to committee. Witnesses came before the committee and explained how they felt the Bill should be changed. The Government House Leader incorporated those changes and the Bill was then brought for debate. Now we see this mindless ringing of bells and the opposition Members not being prepared to make their arguments and then vote on the Bill.

Mr. de Jong: Look who's talking! Boy, a Tory concerned about ringing bells!

Mr. Benjamin: You should know.

Mr. Deputy Speaker: Order, please.

Mr. Thacker: I can tell all Members that those bells would ring another 15 days if the Liberal Party ever came to power and put in place a national energy program which robbed and raped one region of the country. It was absolutely against all Liberal principles, and many Liberal Members, some of whom survived the last election, agreed with that again and again.

• (1210)

I agree with time allocation. It is important to get this Bill through. The commissioners will have to fan out across the country to do their work. After they have done their work it has to be put into legislation. A Bill has to be presented in the House and there will then be all sorts of consideration and debate. We need to have this legislation so that new riding associations can be created, the boundaries can be changed, and the moneys can be adjusted and allocated between the various associations so that Canadians can get used to the new ridings in order to cast their votes properly in 1988 or 1989. Therefore, I stand in favour of this motion and make no apologies.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, perhaps the first sign when someone knows he is in trouble is when he starts using bullying tactics.

Mr. de Jong: The Liberals know. This man speaks from experience.

Mr. Axworthy: Over the past few weeks we had closure on the income tax Bill. That Bill was of incredibly vital concern for every Canadian citizen. It had hundreds and hundreds of tax measures which needed careful examination by Members of Parliament. However, this Government ordained that closure be applied before anyone has had a chance to make his or her voice heard and before a committee of parliamentarians could exercise their duties as elected representatives to examine public expenditures on behalf of their constituents. We have closure being applied, as my friend from Cochrane-Superior pointed out, to Bills which were not of urgent necessity. This is becoming a bad habit. The Government is doing this because it has lost its ability to manage the House. The Conservatives have lost their ability to organize their own caucus in such a way as to put together properly a parliamentary agenda. As a result, they are exercising this kind of defensive bullying tactic. In the meantime they are doing something very serious to this Chamber.

You realize, Mr. Speaker, that every time a Government makes a decision like this it sets a precedent. Do you remember those brave words in the election campaign when the now Prime Minister (Mr. Mulroney) said he was going to return civility to Parliament? He used the wrong word. He has returned buffoonery to Parliament. He was going to make Parliament the chief decision-making body of the land. He was going to restore its dignity. He was going to give individual Members of Parliament a new sense of responsibility in exercising independent judgment. What has been the result? Four closure motions in the last two weeks. Is that not an interesting exercise of giving this body a new sense of dignity and responsibility? What an incredible travesty. What hypocrisy. Members opposite have the nerve to make those kinds of claims and then walk into this House and exercise the guillotine without even having the honesty to blush when they do it.

The Conservative Member who just spoke tried to put the best face on this thing. We have to let the electoral commissioners go to work, he said. However, there was a well-constructed and well-debated distribution plan which had already gone through all the parliamentary steps and which would have ensured that there would not be uncertainty in the next election. However, this Government threw it out. Members opposite changed their minds.

That Member said the Opposition was responsible for stalling measures which would have given more representation to western Canada. However, he forgets that the Bill which had been debated and was in its final stages gave far more seats to western Canada than the Bill we are now debating. Where has he been? If he really was interested in his own Province of Alberta, or the other provinces, he would know they had more seats under the 1984 Bill than they have under this Bill. Instead, they have gone through a number of variations on this theme. They brought in something first involving 287 seats and now 295. What is more, Members opposite have not given Canadians in the different regions the opportunity to understand their shenanigans, to find out what they are about. They are denying the fundamental right of this House to be the crucible in which that kind of information is properly discussed and communicated to people across this country. They are

afraid. They really are afraid that they cannot control the power of public opinion.

As we pointed out, Members opposite brought in a wonderful Bill dealing with employment equity with a lot of glitz and glamour. In fact, it was a mere piece of cosmetics which had nothing to do with the recommendations of Judge Abella. When they found that the cosmetics were quickly wiped away, they brought in closure. They were not prepared to accept the judgment of the Canadian people as it was expressed in this House. They could not take the heat. In so doing they are denying once again the responsibilities of this Chamber.

Perhaps the most important break with precedent, the one that will haunt this Chamber for many years to come, is the fact that they have taken something which has for decades been a matter of all-Party judgment and agreement and are turning it into a partisan division. This is something which affects every Member of Parliament regardless of Party, platform or attachment. It goes to the fundamental rights of representation with which we are deeply concerned. By doing this they will produce a spectre which will hang like a shadow over Parliaments to come. They are politicizing something which should not be political because it goes to the basis of our Constitution and the fundamentals on which our country is based, how people are heard and represented. With this closure motion they are not giving the proper opportunity for the dialogue and dynamics which take place in this House where a proper agreement can be reached between Members of all Parties.

Why is this Government so willing, indeed anxious, to tamper with a tradition and convention which has been one of the touchstones of parliamentary democracy for so many years? Is it because the Government does not care? I do not think that is the case because many Members in the Conservative caucus, Members such as the Hon. Member for St. John's East (Mr. McGrath), have exemplified over their parliamentary careers a dedication to this House. I think they are once again responding out of a sense of fear. The Government has gone through a period of total unravelling, total and complete disarray, and it now wants to get its house in order. It must show that it is being decisive and get all this legislation passed by the Christmas break. In other words, in serving its own political expedient ends of trying to get back some control of its agenda, it will victimize this Chamber. It will put this Chamber and its traditions on the altar of its own communications strategists. That is a terrible way to try to govern the country.

• (1220)

The Member for Cochrane-Superior (Mr. Penner) suggested that the backroom strategists who run the computers and public opinion surveys are saying that the Government is going to be in deep trouble in the next election and that it can save its skin by altering boundaries. The Members opposite cry: "Oh, no, it is not possible". If that is the case, why did they introduce an amendment to Section 13.1(*b*) to change the formula by which those alterations can be made, to break away from the formula which said that boundaries must be fixed as closely as possible to representation, and to say that we are going to have more flexibility? That is a terrifying word.

It is not unknown in the history of this country or of other democracies for that to be the ultimate power of an executive in trouble and fearful for its life. The last resort of scoundrels is the gerrymander. The last way that they can protect themselves is by trying to rearrange and reorganize boundaries to suit their political interests. That is the problem. Mr. Speaker, that suspicion will remain because of this closure motion. They have set that motive in place and their actions speak louder than their words. Moving this motion and imposing closure on something which they know, deep in their hearts, they have no business imposing closure on, is going to haunt deliberations of those commissions and will create a suspicion across the country as to what is really afoot.

We are going to be very careful, Mr. Speaker, to watch that they do not do it. We hope that in these last moments some sense of the tradition of this House will prevail and members of the caucus will realize that if there is any motion on which closure should be withdrawn, it is on this Bill.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have never seen more disreputable behaviour by a Government than that which we are witnessing today. This is the sixth time since the Government has been in office that it has introduced closure. There are 211 government Members and 70 opposition Members, yet the Government has to use closure to crush the Opposition. I could be very flattered by the fact that the Government has to use this sledgehammer to crack the Opposition. I could be very flattered that we are doing such an effective job. However, what is the Government afraid of? It is afraid of democracy.

The government Members ran around through the summer of 1984 saying that they would find a new way. Is this the new way? This is the way the Liberals did it and the present Government criticized them at that time. This is not the new way, but the Liberal way. They are a bunch of retread Liberals over there.

Some Hon. Members: Hear, hear!

Mr. Rodriguez: Mr. Speaker, can you imagine a responsible Government bringing in closure on a redistribution Bill which denies representation by population? That is what Bill C-74 really does. It flies in the face of "rep by pop". The Government is bringing in closure to snuff out what some might consider the ultimate in a democratic system. Members of Parliament come to this place to represent the population of the country.

The Conservative Member who spoke talked about the bells, Mr. Speaker.

An Hon. Member: He's a ding-a-ling.

Mr. Rodriguez: The Hon. Member says he is a ding-a-ling. I cannot say that, Mr. Speaker, and I would not countenance

that remark. Another Member over here said that he has the "clapper". Well, I do not know that, Mr. Speaker. I cannot countenance that remark either. Members of the Government are the worst examples of the abuse of Parliament. I was not in the House at the time, but the way in which they caused the bells to ring some years ago was a good example. Members of the Conservative Opposition at that time ran up and challenged the Speaker, shaking their fists at him. And now, in their puffed up hypocrisy, they are saying that they are the defenders of democracy. Mr. Speaker, they have abused democracy six times. They have taken closure to new heights and have abused it to the lowest depths. They are now bringing closure into the committees.

Mr. Manly: Shameful.

Mr. Rodriguez: Bill C-84, comprised of 235 pages, hands out the greatest amount of taxpayers' money to Tory hacks and flacks and friends. The Government introduced closure on that Bill even though it had been brought into the House only on November 27. The Government wants that Bill to be out of committee and into the House by next Monday. Government Members should hang their heads in shame that they have to resort to these undemocratic processes to get Bill C-74, a measly seven-page Bill, passed. Why do they have to do that?

Ms. Mitchell: They're afraid.

Mr. Rodriguez: Parliament resumed in September of 1985 and it took the Government six months to bring Bill C-84 to amend the Income Tax Act before the House. They are now saying that they must get it passed before the end of the year. They are saying the same with respect to Bill C-74 after having frittered and dithered away the time of Parliament.

Now the Prime Minister (Mr. Mulroney) says he wants to prorogue the House so that he can start with a clean slate, a *tabula rasa*, so that he can give a new direction. Is this part of a machiavellian plot by the Prime Minister to show Canadian people how decisive he is? Is he really hurting because all those who watch Parliament see how indecisive he is? He wants to clear the desk. He wants to get rid of the tuna and the buffalo. One would have thought they had done a good job of getting rid of the buffalo some years ago. Now he wants to clear the table of the bungling on the deindexation of old age pensions. He wants the people to forget that. He wants to clear the Opposition off the table, but he is not going to do that, Mr. Speaker. We will not let him.

Some Hon. Members: Hear, hear!

Mr. Rodriguez: I call upon members of the Opposition in the House to band together to prevent this juggernaut from destroying democracy in Canada through the use of the closure procedure which has been embarked upon.

• (1230)

I have been asked why the Conservatives have dropped to 40 per cent in the polls. It is a very good question. The reason is that they do not know how to govern.

Mr. Manly: Why do they still have 40 per cent?

Mr. Rodriguez: I see, Mr. Speaker, that you are giving me two fingers again.

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Paproski): If the Hon. Member wishes, I will give him a whole hand. The Hon. Member has the floor.

Mr. Rodriguez: I know that it means two minutes, Mr. Speaker, but I am glad I was not getting one.

The reason the Conservatives have dropped to 40 per cent in the polls is that they have substituted the skill of governing with the use of closure. It is that simple. Even with 211 Members in the Government, they have not honed the skills of governing. They have not understood that the Canadian way is the way of compromise, taking a little bit and combining it with what they want. Instead, the Conservatives bulldoze their way through Parliament. That reflects a lack of confidence on the part of the Prime Minister. He lacks confidence in his ability to govern. Therefore, his gang who sit behind him and around him—

Mr. Lewis: And around you.

Mr. Rodriguez: —decide to ram through Parliament legislation like Bill C-74, Bill C-84—give me another Bill.

Ms. Mitchell: Bill C-70.

Mr. Rodriguez: And Bill C-70. They just ram those Bills through. The Government knows that it should not proceed in this fashion. Members opposite are laughing because they think it is a big joke. However, 1988 will be here soon and I predict that they will be sitting on the Opposition benches again. If they continue in this way they will be punished by the people of Canada.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): The Hon. Member's time has expired.

Some Hon. Members: More, more.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, that is well deserved applause for great oratory. At least, on the face of it one would think it was great oratory. However, when one realizes what was actually said, it does not really amount to very much.

Most of what we heard this morning was wind and puffery, to use the words of the Hon. Member himself when making reference to other people. Last Monday, when the vote came up on Bill C-84, he had an opportunity to display his commitment to what he is saying. He mentioned Bill C-84 in his presentation and said that the Government used time allocation on Bill C-84 in order to cut off debate. He used his great oratorical skills to say that the Government would not let the

Opposition represent the people of Canada and their constituents. However, what happened on Monday morning? A whole day was set aside for further debate on Bill C-84, an important matter of income taxation. Where was the Hon. Member for Nickel Belt (Mr. Rodriguez)? Where were his colleagues from the New Democratic Party and his side-kicks from the Liberals Party? They were not to be seen. There was not one Member from that side of the House who wished to rise in his or her place.

Furthermore, when the vote was called, where was the Hon. Member for Nickel Belt? He must have been asleep somewhere at 11.30 on Monday morning. It is clear in *Hansard*, in the record of those who voted, that only 40 out of a possible 70 Opposition members voted. The name of the Hon. Member for Nickel Belt is nowhere to be found in that list. That is what we are facing.

It is great oratory to be sure and makes a great impression on television. However, when the time comes for substance, that substance is lacking in the extreme.

Returning to the matter under discussion, the issue on which parliamentarians are being asked to vote is whether we want the question to be put. I believe that I have a rather easy task before me in persuading Members of the House of Commons to vote in the affirmative. I believe that when the vote is counted we will see that all those thinking Members of Parliament will have voted in the affirmative. I am even confident that we will see some Members opposite vote in the affirmative.

When one looks at the Members opposite, one can see that quite a few of them are perhaps too far gone to see any reason. I see the Hon. Member for Windsor West (Mr. Gray) and the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). We dealt with the Member for Nickel Belt previously. There is not much hope for them. The Hon. Member for Windsor West and the Hon. Member for Winnipeg-Fort Garry have been here too long associated with the Liberal Party. They have become contaminated.

However, there are one or two Members opposite with a vestige of intelligence left, I am sure. They will be voting with Members on this side of the House on this question. We know why there are so many Members opposite in the House in these last few minutes of this debate. We know why they came here. They do not want to sit here until four minutes after 1 p.m. in order that Parliament can do its work, get on with the business and do a good job for the people of Canada. The only reason there are so many of them here is to prevent us from doing that. However, in the process they must sit there and listen. The Hon. Member for Windsor West is not listening, but those who do will learn something.

They will regret having done this dirty work of sitting there and preventing the vote from taking place at four minutes past 1 p.m. When the vote is called, they will realize their mistake.

Ms. Copps: Mr. Speaker, I rise on a point of order. The venerable Member with all his years in the House should no doubt be aware of the fact that it is against the rules to comment on the presence or absence of other Members in the House. I hope he will return to the relevant issue, which is the question of the Government's attempt to cut off debate with its massive majority.

The Acting Speaker (Mr. Paproski): I appreciate what the Hon. Member is saying and I agree with her. We will carry on with debate.

Mr. Nickerson: Of course, the Hon. Member is quite right. It is not necessary to comment on her presence or absence because people can usually hear whether or not she is present.

The eminent Parliamentary Secretary to the President of the Privy Council (Mr. Lewis) gave a very lucid explanation earlier today of the debate that has taken place so far. He explained in great detail the opportunities that were afforded to parliamentarians from all sides, particularly in the Opposition. In fact, Members on this side went out of their way and actually sat down and kept quiet from time to time simply to allow members opposite an opportunity to speak. We have a great respect for the institution of Parliament and we went out of our way to give them ample time to express their views.

We have heard members of the general public speak on this issue. There have been commissions travelling around the country. It has been a matter of continuing debate, practically year after year. Everyone has had an opportunity to make his views known and has been sucessful in doing so. The Bill was initially formulated after wide consultation. It had the tacit agreement of almost everyone in Canada even before it was introduced. When it was introduced, arguments were made, and it was shown that technical improvements could be made here and there. Then what did the Government do? It brought in amendments to reflect those concerns. The Government has been listening to people. We have been doing precisely what we have been accused of not doing by the Opposition.

• (1240)

The Bill does for representation in the House of Commons exactly what Canadians want. The objective is to keep the number of Members within reason. Surely that is what most Canadians want. They did not want the House to grow, over a period of years, into a House of 500 or 600 Members. They wanted a reasonable lid kept on that. That is precisely what has happened. They wanted, in general, representation by population with each Member representing more or less the same number of constituents. They wanted exceptions made in special circumstances, for example, Prince Edward Island and its historic right to four Members. They wanted special considerations for the very large northern ridings. That is precisely what is contained in the Bill. We can never get it absolutely perfect. We cannot expect everybody to agree on it. However, the Bill is surely the best fit and should be voted on as soon as possible, so that people will be able to get their affairs in order and start arranging for the next election. These things come upon us from time to time. There will be no necessity for one for the next 3.5 years, but at least we will know where we stand.

I see you, Mr. Speaker, signalling that my time has come to an end. I had much more to say of great interest and importance. Perhaps the next time we have a debate on time allocation, which I am sure will happen because of the mindless opposition of hon. gentlemen and ladies opposite, I will continue with my additional important observations.

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired. The Hon. Member for York West (Mr. Marchi).

Some Hon. Members: Hear, hear!

Mr. Boudria: Now let us hear a real speech.

Mr. Sergio Marchi (York West): Mr. Speaker, the Hon. Member who spoke before me tried to speak quietly and passionately and tried to speak about parliamentary reform in the Chamber. However, those words will not hide what the Government is attempting to do. The Government is attempting to crush parliamentary debate in this Chamber. I feel a responsibility, before the Tory closure axe falls once again on this Chamber, to rise in my place and to speak, not necessarily to Bill C-74, but to why the Government is once again introducing closure.

In September, 1984, Canadians elected a Government. Notwithstanding the fact that I felt Canadians certainly understood what they elected, the fact was that they had an absolute majority in the House and that it was inconceivable for any opposition Party to win any votes. We accepted that because we accepted the verdict of Canadians that September. What we do accept and what Canadians did expect, even though we might not be able to win a vote, is that we should have the opportunity, the obligation and the right to be able to speak. We should have the right to be able to debate. We should be able to articulate the aspirations, the problems, the difficulties and the feelings of Canadians from coast to coast.

Some Hon. Members: Hear, hear!

Mr. Marchi: That is why we are here. Each of us, all 282 Members of Parliament, represent a constituency. Everyone, whether he or she is in Cabinet or not, is on an equal footing because we each represent constituents. When the Government says that it has had enough and that it will move closure, it is in fact telling Canadians that we do not want to hear any more, that somehow we have made up our minds, that somehow we have conducted a poll and we know what is best. That is not parliamentary democracy. We in this Chamber are a vehicle for Canada. We are not here in isolation. That is the problem with the Government—isolation, isolation from the people who live on the streets of the country. They are isolated from those aspirations. That is why the polls are going down. They have seen nothing yet because it is a bottomless pit. We will see in 1987 and 1988 the bottom of that pit.

It goes to the heart of parliamentary democracy. Closure, very vividly and very boldly, once again shows Canadians another broken promise of the Government. It was the Prime Minister (Mr. Mulroney), the Leader of the Conservative Government, who went from coast to coast and said: "You elect us, and you elect an accessible Government. You elect us, and we will give you an open Government. You elect us, and we will give you a Parliament which will work on behalf of you, on behalf of every single Canadian. You elect us, and we will be able to reform Parliament to meet your aspirations". Canadians are asking: "What happened on the way to Parliament Hill? What happened to those promises? What happened to those commitments which he made across the country?" Then he has the audacity to stand in his place and say that the Hon. Member from his Party did such a great job in trying to introduce parliamentary reform, on the one hand, and introduces closure, on the other hand, for the sixth or seventh time. If that is not the height of hypocrisy, then I do not know the definition of the word "hypocrisy".

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Parliamentary Secretary on a point of order.

Mr. Lewis: Mr. Speaker, the definition of hypocrisy, even from a hypocritical Member of Parliament—

Some Hon. Members: Sit down!

Mr. Lewis: I am not—

Some Hon. Members: Sit down!

Mr. Lewis: No—

Ms. Copps: Retract.

The Acting Speaker (Mr. Paproski): Order, please. I would like to hear the point of order, please.

Ms. Jewett: It is not a point of order, I am sure of that.

Ms. Copps: Withdraw.

Mr. Lewis: Mr. Speaker, the Hon. Member, using a moment when you were distracted, unfairly and improperly accused the Prime Minister (Mr. Mulroney) of hypocrisy. The Hon. Member is making a good speech, but he got carried away. He should be forced to withdraw.

The Acting Speaker (Mr. Paproski): Order, please. I will check the "blues". The Hon. Member has the floor. If there is a problem, I am sure the Speaker or the occupant of the chair will look after it.

Mr. Gray (Windsor West): Mr. Speaker, I rise on a point of order. The Deputy Government House Leader, in raising his point of order, made what I consider to be a totally unwarranted and improper reflection on the Chair. He spoke of the Chair being distracted while something was said. The Chair is always vigilant, especially yourself, Sir.

Some Hon. Members: Hear, hear!

Mr. Gray (Windsor West): I submit that far worse than an unwarranted allegation of hypocricy is the reflection the Deputy Government House Leader and Parliamentary Secretary to the Government House Leader made about the occupant of the chair by talking about the occupant of the chair being distracted. I repeat, Sir, that the Chair is always on duty, it is always vigilant, and certainly when it comes to yourself, Sir, you are never distracted.

The Acting Speaker (Mr. Paproski): I think enough has been said. The Hon. Member for York West.

Mr. Marchi: Thank you, Mr. Speaker. I have a great deal of respect for the Hon. Parliamentary Secretary, but I am surprised that he would rise in his place. That, too, is simply another form of parliamentary closure and harassment.

Mr. Speaker, you know, as well as I do and as well as Canadians do, when you are promised something, when a Government makes a commitment, or when a Government goes across the country and says to each and every constituent, You have a sacred trust with me, don't you worry", and then comes into Parliament and delivers another bag of goods, what that is called. If you do not like "hypocrisy", you can call it what you will, but Canadians know what the colour of this Government is.

• (1250)

The Acting Speaker (Mr. Paproski): Order, please. I see nothing wrong with "hyprocrisy" as far as Beauchesne is concerned. Will the Hon. Member for York West (Mr. Marchi) remain in his seat, please? I see nothing wrong with the use of the word "hypocrisy" in Beauchesne's parliamentary rules, in the fifth edition.

An Hon. Member: Especially when it's true.

The Acting Speaker (Mr. Paproski): Especially the way it was used. I do not see a problem with the word "hyprocrisy" at this time.

Some Hon. Members: Hear, hear!

Mr. Marchi: Thank you, Mr. Speaker, and Merry Christmas to you as well. What we fail to see is that the only people who do have a problem with hyprocrisy are Canadians because they were misled about the change which was promised by the Conservative Government. Hon. Members opposite can smile, but they will not be smiling for long.

We can also talk about closure. When the Government invokes closure on Bill C-74, a Bill which is to determine how Canadians elect representatives, it is really going a bit too far. We heard from previous speakers that this Government has invoked closure before, whether it be a bank Bill, a Bill dealing with senior citizens' pensions or a Bill on family allowances. The Government has tried to stifle debate. We have stood in our places and argued against that on behalf of Canadians. But when the Government comes to Parliament and tries to invoke closure on a Bill which is to determine the men and women who are going to represent Canadians in this institution, then I tell Hon. Members on the Government side that Canadians will not tolerate it. Canadians will not accept it.

Canadians have experienced better Government. They have experienced broad liberal Government.

Some Hon. Members: Hear, hear!

Mr. Althouse: When?

Mr. Angus: Not in my lifetime they haven't.

Mr. Marchi: Canadians have experienced a Government which has delivered what it said it would deliver, nothing more and nothing less. Previous Governments had the responsibility and the vision to take this country exactly where it told Canadians the country would be taken. That is why—

Mr. Lewis: That is why you have 40 Members.

Mr. Marchi: —successive Liberal Parties have formed Liberal Governments on a national basis. That is why the Conservative Party has surely been a footnote or hiccup in the history of the political landscape of this country. That is the destiny of this Government.

Canadians will not tolerate or trust a leader, a Party, or a Government which invokes closure on Bills which cuts pensions when they said they would not, on Bills which affect taxes—

An Hon. Member: And family allowances.

Mr. Marchi: —and on Bills which cut family allowances, when they said they would not. The Government talks about free trade and puts everything on the table, and who knows what is under the table.

Mr. Lapierre: Right.

An Hon. Member: Call in the Prime Minister (Mr. Mulroney).

Mr. Marchi: Christmas is a time which we enjoy with our friends and families, but I would submit that in this Chamber, Christmas is also a time for Governments to reassess their position. The Government started off badly and is finishing badly. The Government is going from bad to worse, and Canadians will not tolerate this Government in office for much longer.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): I would like the Hon. Member to know—if I may have a word—that I was very vigilant. I have given him an extra minute and 15 seconds in order to make up for the lost time.

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, it is my pleasure to join in this closure debate as we come towards the hour of one o'clock, which gives me the opportunity to continue the debate following the statements at 3.30 p.m.

The question of closure is a very important one in this House and across this land. It is important because it means the shutting off of debate by Members of Parliament who are here to represent the views of all their constituents—not just those who happen to have cast a vote in their favour in the last election, but every man, woman and child in their individual ridings. It is ironic that this Government has put closure on a Bill which decides how those people will be represented, how many people will have to come together in a riding to elect a member and to be served by him or her. That is what Bill C-74 is all about.

The Government has seen fit to bring forth closure to reduce the amount of time we have to debate this Bill, which I believe is not of sufficient urgency that it must be passed by Christmas. I think, in fairness, we could have had further debate, we could have talked more about the question of representation in northern Ontario, as well as representation in the northern parts of all the provinces, so that we could ensure that all Canadians have the same value of service whether they live within a mile of the constituency office of their Member of Parliament or whether they live a thousand miles away. So I believe it is important that this Government should allow the debate to continue. It is very inappropriate that it has cut off the discussion.

I listened with interest to the comments made by the Hon. Member for York West (Mr. Marchi) in contributing to this debate and in the discussion on the point of order regarding the word "hypocrisy". He made the argument that the people of Canada no longer trust a Government that uses closure. I think he might want to reflect on his own comments. As we see by the number of Liberals who were returned to this House after his Party formed the Government, it is true that Canadians do not trust a Party which uses closure. But the Government opposite is using closure far more often than did the previous Government. It uses closure far more often than is necessary.

We have three years to go in our legislative timetable. We know that Governments cannot change the world during their term, but what we do ask is for a process which allows us to think matters through, to have an exchange in this House which allows us to share points of view, to question proposals by the Government and to offer alternative approaches. That is how the people of Canada want to see this Parliament work. They do not see us as three Parties in a particular room. They see us as a group which has been elected collectively to make laws for this country and to ensure that these laws not only reflect the wishes of the marority while protecting the interests of the minority, but that they are workable and make common sense. By bringing in closure on this Bill, the people of Canada have been told by the Government that that is not how this Parliament works. They are telling the Canadian people: "The Conservative Party is the Government and we are going to darn well do what we please regardless of how the Opposition feels and regardless of the long-term impact".

When the commissioners have gone out and drawn the boundaries, the hearings have been held and Bill C-74 comes back to Parliament, it will be in place for quite some time. So it is extremely important that we have the opportunity for a full debate in order to ensure that all of our concerns, not just the concerns of those on the opposition benches, but the concerns of Government members who represent some far-flung areas of the country, are properly debated and considered. We should have some flexibility so that we can come up with a Bill which works for all of Canada and which will protect the interests of all Canadians, no matter where they live in this country.

I see you are about to rise, Mr. Speaker, and I will complete my speech after the statements this afternoon.

The Acting Speaker (Mr. Paproski): As vigilant as I am, I notice that it is getting awfully close to one o'clock. The Hon. Member will have six minutes and perhaps 15 seconds remaining—the Table Officer informs me it is four minutes and about 12 seconds.

It being one o'clock, I do now leave the Chair until two o'clock today.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

BUSINESS OF THE HOUSE

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I rise on a point of order. There has been consultation between the Parties and it has been agreed that the Minister of Transport (Mr. Mazankowski) will make a statement at this time. I believe if you ask for unanimous consent, it will be given.

Mr. Speaker: Shall I take it, therefore, that there is a request for unanimous consent to go to Statements by Ministers at this time?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I rise on the same point of order. I have discussed this with the House Leaders of the opposition Parties and the agreement which we have made is that, by unanimous consent, a statement will be made by the Minister of Transport (Mr. Mazankowski) which will be responded to by representatives from each of the Parties. The time used by these statements will not affect the full time allowed for Statements Pursuant to Standing Order 22. In the way in which we have in the past, we will move everything back and have a full Question Period. This will be at the expense of government time, Mr. Speaker.

Mr. Speaker: This is understood?

Some Hon. Members: Agreed.

Mr. Speaker: Therefore, by unanimous consent, I recognize the Minister of Transport (Mr. Mazankowski).

Newfoundland Air Disaster

DISASTERS

CRASH OF CHARTER AIRCRAFT CARRYING UNITED STATES MILITARY PERSONNEL, AT GANDER, NFLD.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, it is with great sorrow that I rise to inform the House of the tragic loss of life as a result of the crash of a U.S. military charter DC-8 aircraft at Gander, Newfoundland, this morning. On behalf of the Government of Canada, and I am sure of the entire House and all Canadians, I offer deep and heartfelt condolences to those families which have been so tragically touched by this accident.

This morning the Prime Minister (Mr. Mulroney) sent a personal message of condolence to the President of the United States. The Prime Minister also spoke directly with Ambassador Niles to express his sorrow on behalf of the Canadian people.

Earlier today the Minister of National Defence (Mr. Nielsen) called his counterpart in Washington, Mr. Weinberger, to assure Mr. Weinberger of Canada's complete co-operation in the investigation now under way. The Secretary of State for External Affairs (Mr. Clark) also discussed today's tragedy with Mr. Schultz, the U.S. Secretary of State, this morning in Brussels.

The aircraft involved was an Arrow Airlines DC-8 on charter to the U.S. military. On board were 250 U.S. military personnel returning from peacekeeping activities in the Sinai, along with eight crew members. The aircraft was en route from Cairo to Fort Campbell, Kentucky, with refuelling stops at Cologne, Germany, and Gander.

Preliminary information indicates that, after refuelling, the aircraft took off from Gander at approximately 6.45 a.m. local time. After clearing Runway 22, the aircraft crashed in dense bush on the shores of Gander Lake approximately one-quarter of a mile from the airport.

The crash fire rescue units at Gander responded immediately and were at the scene eight minutes from receipt of the alarm. The response consisted of six firefighters, one first response truck, two large foam trucks, one water truck, and one structural fire pumper. Further airport emergency procedures were implemented according to plan, and municipal fire-fighting assistance reported to the scene.

An intensive, all-encompassing independent investigation is now under way to determine the cause of this tragedy. A preliminary Canadian Aviation Safety Board response team is at the scene. A follow-up support team is scheduled to be in Gander later today. The U.S. National Transportation Safety Board and the Federal Aviation Administration have also dispatched officials to the scene. Transport Canada's Emergency Air Operations Centre has been in operation since 7 a.m. this morning. Pending fuel analysis, Pit No. 8, the refuelling station used by the aircraft at Gander, has been closed.

• (1405)

In conclusion, I repeat our expression of sorrow and sympathy to all those who have been touched by this tragedy. During this season, when family is of such importance, we mourn with them over the loss of their loved ones.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I wish to thank the Hon. Minister of Transport (Mr. Mazankowski) on behalf of all Canadians for his prompt response and reporting to the House of Commons on the tragic accident which took place in Gander, Newfoundland, this morning. On behalf of the Official Opposition I wish to join with the Minister and all Members of Parliament in expressing our condolences to the people of the United States and, in particular, to those families who lost loved ones this morning.

I note, as the Minister has noted, the response and the efforts made this morning by the Ministry of Transport firefighters in Gander in very difficult circumstances, and also the co-operation which existed with municipal officials in attempting to save the lives. Unfortunately, that was not possible. I thank the Minister for the briefings which his officials and his Department provided this morning. We look forward to receiving continued updates on this sad and tragic event.

I simply say that the Province of Newfoundland has had a long history of association with the U.S. military, with air bases in Goose Bay, Labrador, Stephenville, Saint John's, and the military presence in Gander as well. I say on behalf of all Newfoundlanders that we regret this tragic accident very much. We express on behalf of all Canadians, but in particular the people of our province who have had a close association with the people of the United States, our condolences today.

Mr. Les Benjamin (Regina West): Mr. Speaker, we too wish to thank the Minister of Transport (Mr. Mazankowski) for his statement, and echo his expressions of sorrow to the people of the United States and to the families and relatives of those who perished. Our Leader has personally conveyed our condolences to the American Ambassador.

At this point I wish to pay tribute to something accomplished by the 101st Airborne Division with respect to its role as peacekeepers as a result of the Camp David agreement. Canada has had many years of experience in peacekeeping under the United Nations and knows what it is like to earn recognition throughout the world for being not only a peacemaker but a peacekeeper. That type of accolade is deserved by the 101st Airborne Division peacekeepers who served in the Sinai over the past number of years.

I wish to say to the Minister that we support him in a full investigation and inquiry which will have to result from this accident. We hope that the results will be made public so that we can make greater efforts to ensure that this type of tragedy, no matter what the cause, does not happen again.

Again, on behalf of my colleagues, we express our sincere regrets and condolences to the people of the United States and to the families and friends of those who perished.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, would it be appropriate for all Members of the House to rise for a moment's silence?

[*Whereupon the House stood in silence.*]

• (1410)

STATEMENTS PURSUANT TO S.O. 22

[*English*]

UNITED NATIONS

NUCLEAR FREEZE RESOLUTION—CALL FOR CANADIAN SUPPORT

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, this week at the UN delegates will be asked to vote on the Sweden-Mexico nuclear freeze proposal. This resolution will urge the United States and the Soviet Union, as the two major nuclear weapons states, to proclaim an immediate nuclear arms freeze as a first step towards a comprehensive program of disarmament. At the First Committee of the UN vote held this year on November 20, 113 countries voted in favour of this significant resolution. Unfortunately Canada was one of 11 countries which voted against.

I would like to take this opportunity to call on the Government of Canada to direct our representative at the UN to join with the vast majority of other delegates around the world in voting for the freeze resolution. Only by taking this important step will Canada be recognized as a nation committed to world disarmament and peace.

* * *

REFUGEES

GUATEMALA—KIDNAPPING OF WOMAN HOLDER OF REFUGEE VISA

Mr. Dan Heap (Spadina): Mr. Speaker, Beatriz Barrios Marroquin, mother of two young children, was kidnapped yesterday by four armed men some hours before she would have left her home in Guatemala City to enter Canada with her visa as a refugee. Ms. Barrios had already been politically kidnapped a month ago, tortured, then released through her family's influence. Wishing to become a refugee in Canada, she was barred because the Minister of Employment and Immigration (Ms. MacDonald) decreed early this year that all Guatemalans must obtain visas before arriving in Canada.

Although Canada votes for the annual UN resolutions condemning Guatemala's brutal repression, although Guatemalans have not abused visitors' rights entering Canada, although thousands of Canadians warned and petitioned the Minister that imposing visa requirements would endanger

genuine Guatemalan refugees by exposing them to observation by the death squads when they arrange for their visas, the Minister nevertheless imposed the visa requirement endangering refugees like Ms. Barrios. Therefore the Minister now shares responsibility for the fate of Ms. Barrios and ought now, in all conscience, to withdraw that visa requirement for the protection of other refugees.

* * *

AUTOMOTIVE INDUSTRY

ANNOUNCED ESTABLISHMENT OF TOYOTA ASSEMBLY PLANT IN CAMBRIDGE, ONT.

Mr. John Reimer (Kitchener): Mr. Speaker, today the Toyota Motor Corporation announced it will build an automobile assembly plant in Cambridge, Ontario. This $400 million investment will provide employment for 1,000 workers producing 50,000 passenger cars per year, and will commence operation in 1988. This is great news for Cambridge and the adjacent Kitchener-Waterloo area, and indeed for Canada as a whole.

Since taking office last year, and with the cancellation of FIRA and the immediate creation of Investment Canada, the federal Government has been working hard to ensure that Canada offers a healthy investment climate, thereby encouraging companies from other countries to locate here. One by one we are seeing this effort produce results.

Today's announcement by Toyota is the latest evidence that Canada is indeed an ideal country in which to invest. This will mean jobs, jobs for construction workers, plant employees, car dealerships and the many auto parts suppliers of Waterloo County. In fact the economic spin-offs will have an enormous impact upon all areas of Cambridge and Kitchener-Waterloo economic life, including small business, housing, retail outlets, schools, hospitals and so on.

Toyota is to be congratulated. Its decision is a tremendous vote of confidence in the Canadian economy in general, and in the skill and hard work of the people of Cambridge and Kitchener-Waterloo in particular.

* * *

[*Translation*]

AUTOMOTIVE INDUSTRY

ECONOMIC SITUATION

Mr. Gilles Bernier (Beauce): Mr. Speaker, we recently saw how once again, Canadians recovered their confidence in Canada's economy and in the future. Another series of figures published by Statistics Canada confirms that our economic situation is very encouraging. I am referring to the data on automobile sales for October. These figures indicate a 14 per cent increase over the same month in 1984. This considerable growth in new car sales is a clear sign that Canadians have

once again become confident in the future and are willing to make substantial purchases. This renewed confidence will be an additional boost to the economic recovery now underway.

In fact, this renewed confidence in the Canadian economy has a positive impact on the small- and medium-sized businesses that work as sub-contractors for the big car manufacturers.

Mr. Speaker, in my riding, I have two businesses that specialize in this sector and are expanding at a tremendous rate.

This is something to be proud of and emphasizes the positive aspects of our improved economic situation here in Canada.

It has been a long time since the people of this country saw such a good performance by their federal Government. Everywhere people are saying the Conservatives are doing a good job. Of course, there are still a few problems here and there, but our Government has an attentive ear, and with the co-operation of labour and management, we shall find solutions to those problems.

* * *

• (1415)

[*English*]

TRADE

FOOTWEAR IMPORT QUOTAS—CORRESPONDENCE OF MEMBER FOR LANARK-RENFREW-CARLETON

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I rise today to bring to your attention a letter that was sent to the Hon. Minister for International Trade (Mr. Kelleher) by the Member for Lanark-Renfrew-Carleton (Mr. Dick). This is what he had to say about the shoe industry in this letter dated September 18:

> On October 23rd, 1984, I wrote to you, Sir, as our new Minister for International Trade, and asked that if we are really serious about maintaining employment in this country, and if we are serious in ensuring that our domestic footwear manufacturing industry is competitive, then rather than a 2 year, 3 year, or 5 year quota period, I believed we should have a 10 year quota period in order to encourage the appropriate investors.

I wonder what happened to that Member, Mr. Speaker. The letter continues:

> Further, on May 2nd, 1985, I wrote once again supporting a letter from our colleague, Roch LaSalle, on this matter, and again pointed out that I believed 10 years was necessary if we were seriously going to approach this problem, and try to give the appropriate lead time necessary for proper investment to bring the Canadian industry into line with the competition.

Mr. Speaker, 10 years was shortened to roughly 10 weeks after this letter was sent because of what happened to the shoe industry.

SOCIAL SECURITY

FAMILY ALLOWANCES—PROTEST AGAINST GOVERNMENT LEGISLATION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, many social policy groups, women, poverty groups, unions, and churches have joined forces again to protest the treatment of children and families by the Government and the cynical myth of its consultation. Their anger is repeated by over 40,000 citizens who have petitioned the Government and the Prime Minister (Mr. Mulroney) to restore full benefits to families. The Government ignores this unanimous consensus as it proceeds with legislation to deindex family allowances.

Women's groups protest the deindexing because it attacks women, especially homemakers and those raising families on their own. Poverty groups and social reformers deplore the additional hardship this puts on poor families. Catholic Bishops condemn deficit reduction policies that put restraint before human needs.

By proceeding with Bill C-70 the Government has given its message to Canadians that children are not important and parenting deserves decreased support. Canadians will long remember Christmas of 1985 when the Conservatives took benefits from children. The silent victims are kids.

* * *

CROWN CORPORATIONS

SALE OF DE HAVILLAND—SUPPORT FOR GOVERNMENT ACTION

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, for the last few days this House has been subjected to both Liberal and NDP rhetoric concerning the Government's sale of de Havilland to Boeing. Through their usual manipulation of the facts they give the Canadian public the impression that the Government is selling off one of our most prized possessions for a ridiculously low price. The Opposition has made de Havilland appear to be Canada's "Jewel in the Crown". Nothing could be further from the truth.

What the opposition Parties neglected to tell the Canadian public was that over the last 11 years the Canadian taxpayer has poured over $800 million into de Havilland and it is still losing money. Last year this company lost $40.3 million, and in the first nine months of this year it lost another $55 million. How long do Canadian taxpayers have to pump their hard-earned tax dollars into such a venture?

As reported in *The Globe and Mail* today, even the Liberal Premier of Ontario recognizes the necessity of selling Crown corporations, such as its Urban Transportation Development Corporation, which no longer fulfil a public policy purpose. It is interesting to note that in an edition of *The Toronto Star* this week it is mentioned that as far back as 1974 the federal Liberals pledged that they would sell de Havilland back to the private sector. Now the federal Liberals are crying about de Havilland's sale. What a bunch of hypocrites.

Unlike the Liberal and New Democratic Parties, which are both well known for incompetence in fiscal matters, we in the Progressive Conservative Party believe that Canadian taxpayers should get value for their money.

Some Hon. Members: Hear, hear!

* * *

● (1420)

[*Translation*]

NATIVE PEOPLES

JAMES BAY-NORTHERN QUEBEC AND NORTH-EASTERN QUEBEC AGREEMENTS

Mr. Guy St-Julien (Abitibi): Mr. Speaker, I would like to take this opportunity to talk about the James Bay and Northern Quebec Agreement, the Northeastern Quebec Agreement, and political autonomy. As you may know, the James Bay Agreement and the Northeastern Quebec Agreement are the first two over-all settlements of territorial disputes in Canada. They were signed in 1975 and 1978. These agreements are still the most wide-ranging settlements ever concluded with native peoples. They deal with all aspects of Northeastern Quebec economic, social and political development.

The agreements define the structure within which Northeastern Quebec is to develop so as to enable Indian communities and interests to develop and progress in accordance with their own plans. Canada and Quebec also benefit from the agreements as a result of the economic fall-out which Canadians reap from Northeastern Quebec hydroelectric projects in Abitibi.

As to political development, the agreements provide for the establishment of a public administration over Inuit territory and political autonomy over Cree and Naskapi territory.

The Cree-Naskapi Act was adopted in 1984, and it applies exclusively to Northeastern Quebec. Cree and Naskapi bands already enjoy legal autonomy status, more decision-making authority, grants and other benefits.

Other bands will soon be entitled to similar benefits as political autonomy becomes reality elsewhere in Canada, in keeping with the policies announced by the Department of Indian Affairs and Northern Development.

* * *

[*English*]

AIRPORTS

HAMILTON CIVIC AIRPORT—INVITATION TO MINISTER

Ms. Sheila Copps (Hamilton East): Mr. Speaker, there is no Minister who has the responsibility or speaks for Hamilton. The local Progressive Conservative Members are either being ignored or saying nothing. Therefore, I want to issue a personal invitation to the Minister of Transport (Mr. Mazankowski) to visit the Hamilton Civil Airport with myself and members of Hamilton City Council.

The Minister will no doubt be aware that at the moment only 34,000 people per year are travelling through this airport. It is an absolute white elephant and unless the federal Government comes in with a program for a free-trade zone, or for the use of the Hamilton airport as the third expanded airport to cover the Toronto International Airport, the airport will be a disaster.

The Minister is also aware the Purolator has attempted, through negotiations with the Minister, to establish its eastern operation there. Unless it is given a positive answer within the next two weeks we will see several hundred jobs leaving Hamilton.

Since the so-called political Minister for Hamilton has done nothing in this effort, I urge the Minister of Transport to intervene personally and come to Hamilton airport to save those jobs and give Hamilton airport a chance to become the full-fledged international airport it should be and should have been when the $50 million expansion investment was approved.

Government Members have done nothing on this issue. Perhaps the Minister could personally intervene. I am issuing him this invitation to come to Hamilton before Christmas to see the very desperate situation in Hamilton.

Mr. Speaker: Order, please. The Hon. Member's time has expired.

* * *

DEPARTMENT OF EXTERNAL AFFAIRS

REPORTED DELIVERY OF CHRISTMAS FARE TO EMBASSIES IN LATIN AMERICA

Mr. Simon de Jong (Regina East): Mr. Speaker, over the past couple of days a very strange and unusual story has come to my attention. It would appear that the humanitarian efforts of a woman in Regina have been caught up in the delivery of External Affairs Christmas treats to our embassies in Latin America.

According to a source, 1.5 tonnes of wine, cheese, fruit and Christmas trees are being flown by a National Defence aircraft on a navigational training exercise to such capitals as Guatemala City, Georgetown, Brasilia, Ecuador, and Bogota.

When my office attempted to contact officials from the Departments of National Defence and External Affairs, we were given various different stories. At first they told us they did not know what was on the flight. Then we were told that at times they have carried personal packages of embassy personnel but only if they are packed in small boxes and weighed a specific amount. Another person from the Department of National Defence stated: "Goods which could not be purchased locally" would be on that flight and: "Yes, if there are no Christmas trees in Bogota, that might qualify".

Presence in Gallery

Meanwhile, only some of the relief aid that had been gathered for the victims of the Columbia volcano will be on that flight. I would like to know if it is the policy of the Government to fly wine, nuts, cheese and Christmas trees to our embassies while relief aid takes a back seat. It should become Government policy to co-ordinate training missions with relief agencies that have aid to be shipped to disaster affected areas.

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

* * *

ENVIRONMENTAL AFFAIRS

SARNIA-LAMBTON DRINKING WATER—TEST RESULTS

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, I am absolutely delighted to report to the House very positive news from Sarnia-Lambton. Results of exhaustive and detailed tests of water samples from eight water treatment plants from Lambton to Windsor confirm that area drinking water is absolutely safe.

● (1425)

The Ministry of the Environment tested samples at treatment plants at Windsor, Sarnia, Walpole Island, Wallaceburg, Amherstburg, Stony Point, Mitchells Bay, and Stag Island. The tests all showed absolutely no traces of dioxins and no hazardous levels of the other 109 chemicals and organic compounds for which tests and analyses were made.

Finally, we have solid factual evidence which defeats the negative hyperbole and speculation of those relatively uninformed people who made short visits to our area for press conferences, merely to cast aspersions on our area. Their comments never appeared to be backed by any factual information. Perhaps they will now take note of this scientific information.

Few people have been told that the quality of water in the St. Clair River has actually improved over the last several years. Many enjoy sport fishing, and hundreds participate in our salmon derby. We are known as the beautiful "blue water land", and we are working hard to develop it as a tourist area.

I will continue to make every effort to maintain the good name of Sarnia-Lambton, because I know that we have earned such a reputation. I will not stand by as others smear it.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF PUBLIC WORKS OF NEWFOUNDLAND AND LABRADOR

Mr. Speaker: May I draw the attention of Hon. Members today to the presence in our gallery of the Hon. Haig Young, Minister of Public Works for the Government of Newfoundland and Labrador.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

CROWN CORPORATIONS

SALE OF DE HAVILLAND—REQUEST FOR REVIEW BY INVESTMENT CANADA

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I join with other Members of Parliament and all Canadians in saying that our hearts go out to the families of the American servicemen and women who lost their lives this morning in Newfoundland. I echo the very eloquent words of the Minister of Transport, the Hon. Member for Humber-Port-au-Port-St. Barbe who replied on our behalf, and the representative of the NDP.

My question is directed to the President of the Treasury Board. I think he will have recognized by now that the opinion of his colleague, the Minister of Regional Industrial Expansion, to the effect that the de Havilland transaction is not subject to review by Investment Canada, is wrong. Will he ensure or guarantee to the House that the transaction will indeed be reviewed by Investment Canada and that Investment Canada will render public its report, particularly in respect of the other bidders who tried to enter a bid for the purchase of de Havilland and were unsuccessful because they were not given a fair hearing?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, to the best of my knowledge the transaction is reviewable by Investment Canada. As to the results of the review under the Investment Canada Act, normal procedures will be followed, and they are not made public as a matter of course.

Mr. Wilson (Etobicoke Centre): Check with your seat-mate.

Mr. Turner (Vancouver Quadra): The Minister of Finance asks me to check with my seat-mate. I want the President of the Treasury Board to check what his colleague, the Minister of Regional Industrial Expansion, said in the House on December 11.

[*Translation*]

REQUEST THAT ALL OPTIONS BE EXAMINED BEFORE CANADAIR IS SOLD

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I want to make sure the Government of Canada is

going to act more sensibly in the case of an eventual sale of Canadair.

Would the Minister allow Parliament, the Government of Quebec and Canadair workers to examine all possible options before a decision is made on selling Canadair?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I can assure my hon. colleague that all representations by other levels of government, other countries or other groups interested in the eventual privatisation of Canadair will be welcome, and we will certainly give them our undivided attention.

POSSIBILITY FOREIGNERS BETTER INFORMED THAN CANADIAN BIDDERS

Right Hon. John N. Turner (Leader of the Opposition): I have a supplementary, Mr. Speaker. The Government has provided no information, either to the Government of Ontario or to the workers at de Havilland, and we want to avoid this kind of situation in the case of an eventual sale of Canadair. My question is as follows: Why are the big multinationals like Boeing better informed about the facts and events than Canadian citizens and Canadian companies? Why are foreigners better informed than we are?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the Hon. Member's premise is totally false. I have said in this House, and I say it again today, that during the past year, we have been in touch with more than 130 potential buyers, both Canadian and foreign. Those who showed an interest had access to the information required to enable them to tender an offer to the board of directors of the CDIC, as required.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

GREAT LAKES CHEMICAL TOXICITY

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of the Environment. The gravity of the situation is pointed out in the report just released by the Royal Society of Canada and the U.S. National Research Council. It points to the chemical toxicity of the Great Lakes as being the worst on the continent. Would the Minister admit the mistake his Government has made so far in cutting toxic research programs and reinstate the programs, and the people affected by these cuts, in this very vital area of public health?

● (1430)

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I think if the Hon. Member has had a chance to read the report he will know that the authors of the report stressed that the problems with which we are dealing go back many years. It does not have to do only with decisions made by this Government or, for that matter, by the previous Government.

Because of the urgency of the situation—and it is a sense of urgency we shared even before the publication of the report—this Government has begun to put in motion the plans which we hope to bring to Parliament early in the new year which will be the most progressive, cradle-to-grave management of toxic chemicals in the western hemisphere.

Mr. Caccia: I want to remind the Minister that we did not cut the toxic research programs whereas his Government did. Therefore he has an obligation.

GOVERNMENT ACTIONS

Hon. Chas. L. Caccia (Davenport): Since the report was published yesterday by prominent scientists on both sides of the border indicating the gravity of the situation, would the Minister tell us what action he intends to take?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, it is not a matter of what action I intend to take. It is a matter of what actions I am already taking. I have met with the top representatives of all the chemical industries in the country. I have mobilized a team of people from labour, industry, and provincial officials from across the country for the purpose of putting together a regime which I think will be a credit to the Government and to the people of Canada.

We are going to revamp all of the laws within the federal Government having to do with toxic chemicals, focusing in particular on the Environmental Contaminants Act. Those amendments will be brought forward in the House before too long. I urge the Hon. Member who raised the question to get the support of his Party behind those worth-while reforms.

* * *

CROWN CORPORATIONS

SALE OF DE HAVILLAND—WORKERS' TELEGRAM OF PROTEST

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the President of the Treasury Board. I have just learned that in Toronto, just before noon, over 2,000 de Havilland workers, representing one shift only, have signed a telegram addressed to the Prime Minister expressing their opposition to the Government's negotiated deal with Boeing. What this means, since it is only one shift, is that the vast majority of de Havilland workers are opposing what the Government plans to do in terms of their employment.

Given the opposition now of those workers, clearly expressed, which adds to the questions the deal, will the Minister commit himself, and the Government, to bring all the aspects of which have been raised about the financial aspects of this deal before Parliament before it signs a final agreement?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, why does the Hon. Member try to create insecurity in the minds of the workers?

Mr. Broadbent: Insecurity?

Mr. de Cotret: Why is he out there all the time spreading information which will make the workers less secure? Under Crown ownership, in Canadair more than 2,000 jobs were lost between 1981 and 1983. Let the Hon. Member talk to those people. Let him talk to those people from de Havilland who lost jobs on what they think about job security under Crown ownership. And then let the Hon. Member tell those employees that with the Boeing deal, with the world product mandate, with its access to foreign markets, they are getting more job security than they ever had before.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, I want to say to the Minister that he is the one who is insecure in this situation.

REQUEST THAT MINISTER TALK TO WORKERS

Hon. Edward Broadbent (Oshawa): Considering the Government talked a lot about consultation before the election, and talked a lot about it since the election, and the men and women whose lives are going to be directly affected by this decision are in opposition to the Government, will the Government—and the Minister, specifically—at least have the integrity to go to de Havilland and explain its case to the workers? Will he do that?

Hon. Robert de Cotret (President of the Treasury Board): The case, Mr. Speaker, was explained to the workers in a number of working sessions, and all available information will also be made available to the workers. They are going to be fully briefed. They have been fully briefed.

Mr. Blackburn (Brant): They have?

Mr. de Cotret: Yes, they have been fully briefed. We have maintained our commitment to keep the workers abreast of what we were doing and why this deal was good for them, good for the company, and good for Canada.

Mr. Broadbent: Mr. Speaker, maybe the workers at de Havilland know a little better than the Minister about the facts of the case. The fact is that Boeing in the United States just in the last four years laid off 20,000 employees. That is 20,000 Boeing lay-offs in the United States. Maybe the Canadian workers have a right to be concerned about what this Government is doing now.

Mr. Deans: It has a world product mandate.

CLOSING DATE FOR SALE CONTRACT

Hon. Edward Broadbent (Oshawa): Will the Minister confirm that the termination date, the date beyond which the Government cannot go to extricate itself from this deal, is March 3, 1986? Will he also confirm that if the Government comes to its senses, in our view, and wants to get out of the deal—in terms of the contract which has been signed—it in fact can do so with a minimal cost, paying the cost only which would cover incidental fees like legal costs and public relations? Will the Minister answer both of those questions now?

Hon. Robert de Cotret (President of the Treasury Board): Yes, Mr. Speaker, I will answer both questions. First, it is interesting to see the Hon. Member following so closely the progress of a corporation outside the country. I would like to point out that in Canada Boeing created new jobs.

An Hon. Member: In Winnipeg.

Mr. de Cotret: In Winnipeg. The Hon. Member should talk to the people in Winnipeg and ask them if they are happy.

An Hon. Member: Right on.

Mr. de Cotret: In answer to the Hon. Member's second question, we have no intention whatsoever of extricating ourselves from this deal. It is a good deal for Canada and we are going to go ahead with it.

Some Hon. Members: Hear, hear!

RESEARCH AND DEVELOPMENT OPERATIONS

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the President of the Treasury Board. He should know that the Boeing Corporation has a very strict research and development policy under which all research and development operations are based in the United States. Has the Government of Canada ensured that this policy will change vis-à-vis de Havilland? And what are the conditions in the Government's agreement with Boeing that guarantee that de Havilland's research and development operations will remain and be developed here in Canada?

Hon. Robert de Cotret (President of the Treasury Board): First, Mr. Speaker, the understanding with Boeing clearly indicates that the research and development which is done by de Havilland Canada will stay in Canada by virtue of the fact that it is incorporated into the Dash-7 and Dash-8, which will continue to be produced with a world product mandate at Downsview.

Mr. Broadbent: There are no guarantees for R and D.

Mr. de Cotret: In the case of augmentor wing technology, the rights to that technology belong to the Crown.

Mr. Deans: It already has a world product mandate.

REQUEST FOR TABLING OF GUARANTEES

Mr. David Berger (Laurier): Mr. Speaker, Canadians are concerned about the next generation of technology. We want

to know what is going to happen with the planes after the Dash-7 and Dash-8. If the Minister has assurances that research will continue and expand in Canada, will he do the right thing and let Canadians know the nature of those guarantees before signing a final agreement with Boeing? Let us know what those guarantees are. Will the Minister table them in the House?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, we have the guarantee of the world product mandate. We have the guarantee of retaining our technology in this country. We have the guarantee of increased R and D in de Havilland in Canada and that, from a high tech point of view, is a very good deal.

Mr. Broadbent: There isn't a guarantee.

DATE OF DECISION TO SELL

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is also directed to the President of the Treasury Board. I am going to give him a little respite from the questioning. I just want some information. At what date was the decision made to see de Havilland, and when was de Havilland given the directive to open its books to the corporate planners and accountants of the—

Some Hon. Members: Order.

Mr. Hovdebo: —bidding corporations?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, with respect to the exact dates, I will be happy to take that under advisement and give the Hon. Member the specifics. In terms of the decision to privatize de Havilland, it was a decision taken by this Party. It was discussed at great length during the election campaign—

Mr. Broadbent: Right, at whatever cost.

Mr. de Cotret: —and announced very shortly after we took office.

• (1440)

FINANCIAL ADMINISTRATION ACT PROVISIONS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, since Section 99 of the Financial Administration Act requires that directives to Crown corporations be tabled before the House, would the Minister please tell us why those directives regarding the sale of de Havilland have not been tabled before the House?

Hon. Robert de Cotret (President of the Treasury Board): First, Mr. Speaker, it is not a directive to de Havilland. It is the shares in de Havilland that were held by the Crown through CDIC which are being sold.

Oral Questions

GOVERNMENT APPOINTMENTS

ROLE OF PRIME MINISTER

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Prime Minister. Last September in his deathbed repentance on patronage, the Prime Minister said:

Many of these steps are long overdue, and heaven knows this Government—

Some Hon. Members: Shush.

Ms. Copps: Believe me, if you shush me you're not going to shut me up so you might as well quit it right now.

Some Hon. Members: Oh, oh!

Ms. Copps: It's about the only thing that the surfers in this Parliament can do.

The Prime Minister stated in September that the Government has had cause to regret the absence of those steps. Is it not in fact true that, according to leaked documents that came from the Prime Minister's Office today, the Prime Minister himself was in control of the patronage monster to the point where he approved, not once but twice, every single patronage appointment that crossed the Government's desk?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I want to say for the record that I would not dream of shushing the Hon. Member, at any time. In regard to the question she raises, as my right hon. friend, the Leader of the Opposition, knows full well, custom requires that the Prime Minister sign all Orders in Council and that is the only reason for the involvement. All Orders in Council in this regard are submitted by the Ministers. They represent the very best people available in the country, and we are honoured that so many have accepted our invitations.

REPORTED LEAKING OF DOCUMENT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, in his former incarnation as a member of the Opposition, the Prime Minister said: "There's no whore like an old whore". Is it not true—

Some Hon. Members: Shame, shame!

An Hon. Member: He said it.

Ms. Copps: Is it not true that the Prime Minister—

Mr. Hnatyshyn: That's a sexist statement.

Mr. Gauthier: Why did he make it then if it's sexist?

Ms. Copps: Is it not true that he has personally had a hand, not once but twice, in every single patronage appointment that has been put forward by the Government at least since last January when that memo was written, or does the Prime Minister deny the existence of the secret memo from his office?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the preface was inelegant and tasteless and the question was false.

Some Hon. Members: Hear, hear!

Ms. Copps: You'd love to rewrite this one, wouldn't you?

Some Hon. Members: Shush.

* * *

ENVIRONMENTAL AFFAIRS

REQUEST FOR REINSTATEMENT OF PROGRAMS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is for the Minister of the Environment and it deals with the report released yesterday by the Royal Society and the U.S. National Research Council. I would like to ask the Minister more specific questions than those that were asked by the Hon. Member for Davenport.

Will the Minister fully reinstate the research that was associated with the herring gull program, and will he fully reinstate the proposal having to do with the Toxicology Research Centre in Guelph? Both those programs are in keeping with the recommendations for expanded support for research made by that report. It seems to me that the least the Government could do at this point is to announce the restoration of those programs.

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I share the Hon. Member's high regard for both those programs. Regarding the first one, the Government has already restored much of the funding but I am looking very carefully at ways in which our limited budget can be applied to that area and related areas. I would like to stress, however, that those two programs, though worthy in themselves, would not deal with more than a small part of the total problem that was addressed by the report to which the Hon. Member made reference. We are looking at a broadly based approach to the total problem of toxic chemicals both in the Great Lakes and in other bodies of water.

Mr. Speaker: Order, please.

REQUEST FOR MINISTERIAL COMMITMENT

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, a broadly based approach is a good thing, but part of a broadly based approach is not only a legal approach in terms of amendments to the Environmental Contaminants Act but also a research based approach. I noticed that the Minister of Finance turned around to say no to the Minister of the Environment. I want to say to the Minister of the Environment—

Mr. Speaker: Order, please.

Mr. Blaikie: I want to ask the Minister of the Environment—

Mr. Speaker: Thank you.

Mr. Blaikie: Will he make a commitment now to restore those two programs? In particular, with respect to what he said about the herring gull program, he knows that only one out of the six people employed there has been rehired. That is the least he could do in response to this report—

Mr. Speaker: Order, please.

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I have caused a complete review to be made of all programs and policies within my Department in connection with various restraints including those presented by the Deputy Prime Ministerial task force on program review. I am assessing the two programs to which the Hon. Member has made reference in connection with that total review which I expect to be completed within the next six weeks.

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[*Translation*]

TEXTILE INDUSTRY

REQUEST THAT GOVERNMENT FOLLOW EXAMPLE OF EEC BILATERAL AGREEMENTS

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the Minister for International Trade.

Last November, two textile plants, Doric and Celanese, some of whose executives are here in the House today, merged to form the Monterey textile plant, their main purpose being to compete with cheap imports from Asia.

Has the Minister considered following the example of certain Common Market countries who have concluded bilateral agreements with Eastern European countries in the textile and clothing sector, for instance, West Germany has an agreement with Bulgaria, and there is also Turkey which subsidizes shipping costs. Does the Minister intend to follow that example or take other appropriate measures in order to enable Canadian companies . . .

Mr. Speaker: I am sorry to interrupt the Hon. Member, but his question was long enough.

[*English*]

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I am certainly aware that the Canadian Textile Institute is meeting here today and that it is its 50th anniversary. I congratulate the Institute on that.

Certainly we have every desire to assist the industry. We are doing this through the renegotiation of the multifibre agreement and entering into restraint agreements with individual countries with low-cost exports. In addition to that, we are prepared to assist the institute with its exports through our

PEMD Program and our Fairs and Missions Program, as well as through our trade offices abroad.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—ROLE OF PROVINCES

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I have a question for the Minister for International Trade as well. Once again a Government Minister has made a speech on trade in the United States while we cannot get answers or information in the House. Once again that statement contradicts previous positions.

Does the unilateral assertion made by the Minister for International Trade yesterday that there is recognition by all provinces that there will be only one negotiator at the table not fly in the face of the commitment made by the Secretary of State that the negotiating process would be worked out with the provinces over the next three months, and does it not abrogate the fundamental principle of the Halifax agreement that the provinces would have full partnership in the negotiating process?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, not at all. Unfortunately, and I do not blame the Hon. Member for this, *The Globe and Mail* only quoted the last half of my sentence. First, I was asked whether or not the United States had made any representations to me about provincial involvement in the negotiations. I replied no, and went on to say that we have reached an agreement in Halifax at the First Ministers' Conference, I believe two weeks ago now, that the provinces would have full participation but there is a recognition by all of the provinces that there will only be one negotiator at the table and that will be the federal Government. There is no departure whatsoever from what we agreed on in Halifax.

• (1450)

CONSULTATION WITH PREMIERS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I thank the Minister for giving us the full benefit of the entire statement. It still does not answer the question of whether or not this interpretation by the Minister is, in fact, agreed to by the provinces. Before the Minister gave the statement that it is recognized that there will be only one negotiator, did he take the trouble to consult with provincial Ministers to gain their approval for this type of statement or, in fact, did he once again ignore their interests and concerns?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I would again advise my hon. colleague that there has been no departure whatsoever. We agree and will fully participate with the provinces in these negotiations, as we have said. We have agreed that there will be a 90-day period within which to do this. I am pleased to advise the Hon. Member that I had lunch today with Mr. Reisman—

Mr. Broadbent: That's nice!

Some Hon. Members: Oh, oh!

Mr. Kelleher: I am sorry the Hon. Member was not invited. I obviously forgot.

Mr. Axworthy: Maybe next time.

Mr. Blackburn (Brant): Who paid?

Mr. Kelleher: Since he was not at the lunch, I want him to know that Mr. Reisman has already sent out letters to the provinces inviting them to meet with him prior to Christmas to commence the 90-day participation period.

Some Hon. Members: Hear, hear!

FEDERAL-PROVINCIAL AGREEMENT

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is for the same Minister. I do not have a copy of *The Globe and Mail* article. I have a copy of the Minister's speech—

Some Hon. Members: Oh, oh!

Mr. Langdon: —in which he says that this agreement in no way diminishes the primacy of the federal Government in leading the negotiations.

Some Hon. Members: Hear, hear!

Some Hon. Members: More, more!

Mr. Speaker: Order, please.

Mr. McDermid: Read the whole thing!

Mr. Langdon: Where in the Halifax statement, which was agreed to by the provinces, is there any reflection of this type of primary role for the Government being laid out? Did the Minister not in fact mislead his audience in New York?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, not at all. I would like to read from the paragraph which precedes the paragraph read by the Hon. Member.

Some Hon. Members: Hear, hear!

Some Hon. Members: More, more!

Mr. McDermid: We're going to get the whole thing out yet!

Mr. Kelleher: I can start right from the beginning, Mr. Speaker.

Mr. Broadbent: Just table it.

Mr. Kelleher: It's a great speech, Mr. Speaker.

Some Hon. Members: Hear, hear!

Some Hon. Members: More, more!

Mr. Kelleher: I will read just one sentence. "The Prime Minister and all of the provincial Premiers met recently in Halifax and agreed to work very closely together on all aspects of the negotiations".

Some Hon. Members: Hear, hear!

PARTICIPATION OF PROVINCES

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, it is precisely at that point that the Minister went on to say that that represents the primacy of the federal Government. In addition to that contradiction, why has the Minister contradicted the Secretary of State for External Affairs who told me on December 2 that this principle of full provincial participation would be worked out over the next 90 days? Why did the Minister unilaterally decide to set out its terms in New York just 15 days later?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, in case no one has noticed, the Secretary of State for External Affairs and I do not have any disagreement. We agree with one another completely on all matters of Government policy. I agree that we will work out this deal with the provinces during the next 90 days. As I have pointed out, we commenced that process yesterday.

Some Hon. Members: Hear, hear!

* * *

FOOD AND DRUGS

ALCOHOLIC BEVERAGES—LEVEL OF ETHYL CARBAMATES

Mr. Joe Reid (St. Catharines): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. The Minister recently released a press statement having to do with ethyl carbamates in alcoholic beverages. What consultations did the Minister have with respect to the wine-making industry and with the Province of Ontario before he established the levels which were set out in his statement? Will these guidelines apply to the sale of all wines in Canada?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, as I am sure Hon. Members know, the Hon. Member for St. Catharines has been a strong representative of the interests in his riding.

Some Hon. Members: Oh, oh!

Mr. Epp (Provencher): I commend him for it.

I wish to tell him that the federal Government has guidelines. That is our responsibility. It is not a matter of consensus. We have presented that before the judicial inquiry in the Province of Ontario. Additionally, there were meetings yesterday between my own officials and the LCBO. I believe this afternoon the Minister of Consumer and Corporate Affairs will be making a statement at Queens Park with respect to the same issue in order to present it from a federal point of view. I think we are okay.

* * *

UNEMPLOYMENT INSURANCE ACT

EFFECT OF CHANGES COVERING EARLY RETIREMENT PENSIONS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is for the Minister of Employment and Immigration. On January 1 the Minister will implement changes to the Unemployment Insurance Act which will count early retirement pensions as income, thereby robbing thousands of Canadians of their paid-up unemployment insurance even though these Canadians are ready and willing to work. Considering that many groups and individuals have continually protested these changes, will the Minister withdraw these measures scheduled for January 1 now and refer them to the Forget Commission, which she has appointed to study the Unemployment Insurance Program?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, as the Hon. Member will remember, this change was first announced on November 4, 1984. However, in order that it be implemented fairly across the country, we have delayed the implementation until January 1, 1986, to ensure that people have adequate lead time to deal with this matter.

As far as the Forget Commission is concerned, I have asked it to review all aspects of the Unemployment Insurance Program. If the Commission wishes to deal with this matter as well, then it will certainly be entitled to do so.

INCREASE IN NUMBERS OF OLDER UNEMPLOYED

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, Canadians have continued to protest against these changes since last year. Does the Minister not realize that in the last two years the rate of unemployed older Canadians between the ages of 45 years and 64 years has gone from 7.5 per cent to 9.4 per cent and that another 77,000 older workers have been classified as unofficially unemployed? If she will not listen to me, will she at least listen to these older Canadians who need their pensions and unemployment insurance benefits to survive until they get new jobs?

Some Hon. Members: Hear, hear!

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I have heard from many Canadians, including many Members of the House of Commons, about the inequities which exist in the Unemployment Insurance Program. We have moved to try to redress some of those inequities. We hope that the results of the Forget Commission and its recommendations to Government will further that cause and, in fact, reduce and eliminate some of the inequities which continue to exist.

Mr. Allmand: That does not make sense at all.

LABOUR RELATIONS

PACIFIC WESTERN AIRLINES DISPUTE—ADVERTISEMENTS SEEKING WORKERS IN UNITED STATES

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is also for the Minister of Employment and Immigration. The Minister is aware that employees of Pacific Western Airlines is in a strike situation with its workers. Is the Minister also aware that this company is advertising in Seattle, Los Angeles, Portland and San Francisco for sheet metal workers and aircraft and avionic technicians, in spite of the fact that Manpower Directive, Chapter 17, specifically states that temporary work authorizations cannot be issued to people from outside of Canada to take the jobs of striking workers?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, my colleague, the Minister of Labour, may have more specific details on this subject. I am certainly not aware of individual advertisements which are placed in papers either domestically or internationally by individual firms. However, it is not the mandate of the Department of Employment and Immigration to interfere where there are labour negotiations ongoing or where there are strikes or lock-outs.

● (1500)

ENTRY OF BOEING TECHNICIANS

Mr. Rod Murphy (Churchill): Mr. Speaker, Chapter 17 of the Manpower Directive says that you may not issue temporary work authorizations to people from outside the country. That being the case, why was Boeing allowed to send eight Americans to Canada to work on PWA planes during this work stoppage?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I am sure that if the Hon. Member knew that negotiations are resuming between the parties to this dispute he would not be asking these questions at this time in a very difficult manner.

Some Hon. Members: Oh, oh!

Mr. Deans: You mean when they negotiate you can break the law?

* * *

AGRICULTURE

STABILIZATION PROGRAMS—REQUEST FOR CHANGES

Mr. Arnold Malone (Crowfoot): Mr. Speaker, my question is directed to the Minister of Agriculture. He will know that from time to time provincial and federal Governments put in place agricultural stabilization programs because of climatic or economic conditions. In such cases arbitrary lines necessarily need to be drawn. Will the Minister ask his officials to start the process of putting in place individual personal data so that stabilization programs can relate to specific conditions rather than regional conditions which, by their nature, tend to be unfair?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I can tell by the nature of the question that the Hon. Member knows exactly what he is talking about. I can assure him that that information is partially available to us now. Our work in designing the amendments to the Crop Insurance Program to provide additional coverage will give us an opportunity to complete exactly what the Hon. Member has requested.

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SOCIAL SECURITY

JANUARY FAMILY ALLOWANCE CHEQUES

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. With increasingly arrogant regularity the Government is using its large majority to run roughshod over the rights of opposition MPs, not only on the floor of the House but in committee, to force closure on Bills dealing with deindexation of family allowances, complex tax laws, and redistribution.

Will the Minister confirm what his officials have told me, that the rates being used for the January family allowance cheques have been set at $31.58 which reflects the Government's intention to deindex family allowances? In other words, the Government will pass that legislation without worrying about what Parliament and coalition groups have to say. Come hell or high water the Government is going to do what it pleases.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member knows that the legislation he refers to was announced in the Budget of the Minister of Finance. There was a six-day debate and this House ruled on the Budget through a number of votes. We then had first and second reading of Bill C-70 and the House availed itself of that opportunity for debate. That Bill went to committee where there was an extension of the time originally agreed to in order to deal with the Bill.

Mr. Turner (Vancouver Quadra): Contempt of Parliament.

Mr. Epp (Provencher): The Bill then came back to the House and we were willing to debate it yesterday, but the Liberals moved adjournment of the House. They did not even want to meet and talk.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): Then the Hon. Member has the audacity to say we should not pass it. They do not want to work, and they do not want Parliament to meet.

[*Translation*]

DEINDEXATION OF FAMILY ALLOWANCES—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the same Minister. The Minister's failure to reply to my hon. friend's question confirms that his Government has already decided that as of January 1—

Oh, come on, that is the question! Right!

Mr. Speaker: The question please, and right now!

Mr. Malépart: I will repeat what I said to wake up the Progressive Conservatives. My question, Mr. Speaker—

Mr. Speaker: Now!

Mr. Malépart: My question: The Minister confirmed that your Government decided to increase by 31 cents—

Mr. La Salle: Is it a question, or isn't it?

Mr. Malépart: My question, Mr. Speaker—

[*English*]

Mr. Speaker: Order, please. The Hon. Member for Nickel Belt.

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GOVERNMENT APPOINTMENTS

SYSTEM OF MAKING APPOINTMENTS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Prime Minister. A classified document dated January, 1985, has surfaced from the Prime Minister's Office. It outlines the PET system—Patronage for Every Tory. Can the Prime Minister confirm the existence of this document and tell us how different this system is from the Pierre Elliott Trudeau system of patronage?

Mr. McDermid: Better people.

Right Hon. Brian Mulroney (Prime Minister): First of all, the Pierre Elliott Trudeau system of patronage was kept alive by a coalition with the NDP.

Some Hon. Members: Hear, hear!

Mr. Deans: He did not appoint any New Democrats.

Mr. Mulroney: It was sweethearts on parade. There they were.

The Liberal system was historic, overwhelming, and debilitating, as exemplified by the Right Hon. Leader of the Opposition, and massively repudiated in the last election campaign. This Government has done infinitely better.

REQUEST FOR REFORM

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, it is pretty damn obvious that there is no difference between Tory pork-barrelling and Liberal pork-barrelling.

Mr. Speaker: Language, please. Just a question, please.

Mr. Rodriguez: Can the Prime Minister give this House and the Canadian people the assurance that he will keep his campaign promise and reform the patronage system so that we do not have to wait until every living Tory has been appointed?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I want to tell the Hon. Member that no amount of sweet-talk from him is going to get him an ambassadorship.

An Hon. Member: Unless we want to start a war.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: Even if Ed asks us to give him one.

Mr. Mulroney: There is an opening in Fort Chimo I want to talk to him about.

It is widely known, Mr. Speaker, and generally accepted across the country, that this Government, through the efforts of the Hon. Member for St. John's East, in co-operation with other Members, has brought together—

Mr. Blaikie: Don't pretend that you accepted our recommendations because you didn't!

Mr. Speaker: Order, please.

Mr. Mulroney: The last thing this country needs is a socialist having a cardiac arrest in this House. That would be one of the most unpleasant sights of all.

Mr. Speaker: Order, please.

Mr. Rodriguez: There goes my ambassadorship!

* * *

ENERGY

SASKATCHEWAN HEAVY OIL UPGRADER PROJECT

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. She will know that Alberta and Saskatchewan are not happy with the federal Government's decision to review the support package for the Husky Bi-Provincial oil upgrader. The Minister said she would have a decision on this package by early December. When is the Government going to come forward with a decision and live up to the commitment by the former Liberal Government so this project can get under way?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the allegation that anyone is unhap-

py with our energy policy I can refute by referring to an editorial in the United States *Oil & Gas Journal* which says:

The engine of energy security—petroleum exploration—is humming in Canada and sputtering in the U.S.

It goes on to say:

The administration of Brian Mulroney is living up to its promise. Canada is better for it.

TIMING OF GOVERNMENT DECISION

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, the Government is stalling. It is sloughing off a decision on this upgrader. Alberta and Saskatchewan are not happy because of that. The people in Lloydminster are suffering. When is the Government going to approve this package so this project can start and these much needed jobs can be put in place?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member has been continually told about the report on the risk assessment of this project which was signed days before the Liberal leadership convention and could have consequences for the country which involve a very high risk. We have already explained to the House that it was only prudent to look at the terms of this agreement which was signed in a highly political environment by the former Government. We have also advised that the risk assessment has been completed and is being studied by our Department. Meetings are scheduled to take place shortly.

* * *

• (1510)

CANADA MORTGAGE AND HOUSING CORPORATION

HOUSING PROJECT IN SACKVILLE, N.S.

Mr. Dan Heap (Spadina): Mr. Speaker, my question is for the Hon. Minister of Labour who is responsible for the Canada Mortgage and Housing Corporation. CMHC contracted for the building of at least 23 shell houses on Howland Crescent in Sackville, Nova Scotia, in about 1972. Due to the faulty and poorly inspected construction permitted by CMHC, these roofs are now so rotten that the present owners must replace them.

Will the Minister tell the House why CMHC and he have declined to bear the cost of replacing these roofs and why he has declined to send a report to the local member of the legislature which he promised to do half a year ago?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, to correct the Hon. Member, CMHC did not contract to build the houses, but provided loans to the shell housing program. CMHC did an inspection for value because of the mortgages ensured by the mortgage insurance fund. The builder built the buildings.

That being the case, Mr. Speaker, CMHC has contacted half of the individuals, has inspected the homes, has offered to provide additional RRAP money, and has offered to assist in refinancing the mortgages even to the point where CHMC will attempt to capitalize the interest so that there is not an undue burden on those homeowners.

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CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of 35, presented by Hon. Members on Wednesday, December 11, 1985, meet the requirements of the Standing Orders as to form.

Certain petitions presented by Hon. Members for York West (Mr. Marchi), Laval (Mr. Ricard), Saint-Léonard-Anjou (Mr. Gagliano), Skeena (Mr. Fulton), Kenora-Rainy River (Mr. Parry), Broadview-Greenwood (Ms. McDonald), Kamloops-Shuswap (Mr. Riis), Ottawa Centre (Mr. Cassidy), and Vancouver East (Ms. Mitchell) do not meet the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for Rimouski-Témiscouata (Mrs. Vézina) by filing with the Clerk of the House also meets the requirements of the Standing Orders as to form.

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POINT OF ORDER

REQUEST FOR CORRECTION OF STATEMENT BY MR. DE COTRET

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I rise on a point of order arising out of Question Period. Perhaps the President of the Treasury Board (Mr. de Cotret) would like to correct a statement made while giving an answer rather than mislead the House. The Financial Administration Act specifically states that if a directive is given to the Crown corporation the House must table that—

Mr. Speaker: Order, please. Order, please. This is not a question of order, this is a matter for debate or opinion.

Mr. Deans: No.

Mr. Speaker: It is not a question of order. I take it the Hon. Member disagrees with the validity of the answer of the Minister. He has the right to use the "Late Show" for that, as he knows. This is not a question of order.

Mr. Hovdebo: Mr. Speaker, I then rise on a question of privilege. He did mislead the House. Perhaps he would like to correct it.

Mr. Speaker: Order, please. I remind the Hon. Member that he does have the option of using the "Late Show" if he does not like the answer he got. If he is now raising a question of privilege in an attempt to make a comment about another Member, I would remind him that I cannot hear that as a

matter of privilege. I, therefore, suggest he avail himself of the procedures of the "Late Show".

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to ask the Government House Leader what business he proposes for the coming week.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I thank the Hon. House Leader of the Official Opposition (Mr. Gray) for asking that question. As Hon. Members know, we are approaching the time when the House would normally adjourn for the Christmas recess. Therefore, we have a very ambitious legislative program, with which I know Hon. Members will want to co-operate. As Hon. Members know, we are now dealing with a motion with respect to Bill C-74, the Representation Act, 1985. Following that we will continue with report stage of Bill C-70, the family allowance Bill. That will be followed by Bill C-79, an Act respecting the provision of compensation to depositors in the CCB.

There are also other budget related Bills in committee and, in the interest of the taxpayers of Canada, I am anxious to have progress made on these items of legislation, which include Bill C-82, with respect to the Petroleum and Gas Revenue Tax Act, Bill C-80, an Act to amend the Excise Tax Act, and Bill C-84 with respect to the Income Tax Act. I think it is in the interest of the people of Canada that we make progress on those Bills before Christmas.

We must also deal with Bill C-83, which we have debated at second reading, which deals with the tax rebate discounting legislation and legislates charges to be made by tax discounters to taxpayers who use their services. That Bill should be in place from the beginning of the year to protect the people of Canada.

There are also items of very considerable social significance which I think the people of Canada would like us to complete before we adjourn for the Christmas recess. I refer to the legislation to amend the Divorce Act, the Divorce Corollory Relief Act, and the Family Order Enforcement Assistance Act. On each of these Bills there has been substantial and good input in committee and on the floor of the House. This is very important legislation which is being awaited.

There is also legislation in committee which is to be reported out. I commend to the House and to the Opposition House Leaders legislation with respect to the Parole Act and the Penitentiary Act to do away with the problems with respect to gating and keeping dangerous convicts out of society. There is also important legislation with respect to the RCMP which is to modernize and make more effective and more in the interests of the Canadian public the procedures and provisions with respect to the operation of that very distinguished national police force.

Perhaps we can complete this business by the end of this week.

Mr. Blaikie: We will never get it done if you keep talking.

Mr. Hnatyshyn: I would like to point out as well, Mr. Speaker, that I would like to have the reform package put into effect for the time when the House resumes sitting. There is also, Mr. Speaker, item No. 59 on the Order Paper which is in my name. If there are any additional items which we think we can accomplish before Christmas, I will certainly advise the House and the House Leaders of the opposition Parties.

Mr. Gray (Windsor West): Mr. Speaker, I would like the Government House Leader to give us his priorities. If he has any sense of realism about the operation of the House, surely he will set forth a clear-cut realistic set of priorities which we can consider.

In that connection I would like to ask the Government House Leader whether he realizes that the current excessive and abusive use of closure and time allocation is poisoning the atmosphere of the House, is undermining the role of Parliament, and is not making it easy for progress to be made.

I also want to ask him if he will tell the Minister of National Health and Welfare (Mr. Epp) that to prepare family allowance cheques on the basis of a law that has not passed, and may not pass by the time the House adjourns, is an abuse of Parliament and is contemptuous of Parliament. Finally—

Mr. Speaker: Order, please. Order, please. I am sure all these matters are important to all the House Leaders, but it seems to me that this is beginning to be a meeting of House Leaders on the floor of the House as opposed to a discussion of the business that is actually scheduled, which is what we are supposed to do at this time. I, therefore, recognize, for the moment, the Hon. Member for Hamilton Mountain (Mr. Deans).

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I do not want to take too much time. I would acknowledge that the package of the Government House Leader is ambitious, but manageable in certain circumstances within a reasonable period of time. I would like to ask him, however, if, in an effort to try to accommodate his desire to see progress made on all of those matters, he might be prepared to respond to two questions. First, he knows that there have been some requests from this side of the House for certain changes to legislation which he has already mentioned. Does he know whether the Government is prepared to accept changes, for example, to the Family Allowances Act along the lines of what was requested?

• (1520)

The second question is of equal importance and can be dealt with immediately, I believe. He will recall that approximately a week and a half ago I wrote to him with regard to the problems of the sale of de Havilland to Boeing Corporation. I asked if he would consult with his cabinet colleagues and perhaps respond to me. The request that I made on behalf of

my colleagues was that a committee be structured now to review all of the relevant documents pertaining to that sale.

Mr. Speaker: Order. With great respect to the Hon. Member for Hamilton Mountain (Mr. Deans), I must call him to order as I did with the Hon. Member for Windsor West (Mr. Gray). It seems to me that these are not questions about business scheduled for debate but in fact a House Leaders meeting on the floor of the House of Commons. May I suggest that these matters should be discussed by the House Leaders somewhere else?

Mr. Deans: If I may, Mr. Speaker, I would be delighted to discuss them somewhere else. Do you have any place in mind?

I asked the same question last week. We are near the end of this session. All I want to know is if the committee will be struck and, if we have an answer to that, will the documents be forthcoming? If they are, I am sure that we could deal quickly with much of the legislative package.

Mr. Hnatyshyn: Mr. Speaker, since we are entering the festive season I will not respond in the way I might at another time. I simply say to the Hon. Member that he must have been listening to questions and answers during the course of Question Period over the last week and a half when he has asked precisely those questions. I think those questions have had adequate response.

I find it difficult, when the Hon. Member writes me a letter and then stands up the same day on the floor of the House of Commons to ask one of my colleagues the same question, whether I am supposed to respond or—

Mr. Speaker: Order. I must also interrupt the Hon. President of the Privy Council (Mr. Hnatyshyn) as I did the other two House Leaders. It seems very clear to me that it is not a discussion about what is scheduled but a discussion about what might be scheduled, which is more appropriate for a House Leaders meeting.

Mr. Hnatyshyn: Mr. Speaker, I just want to conclude by saying to the Hon. House Leader of the Official Opposition that we have attempted in all instances to have a very full and long debate. We have provided ample opportunity for virtually every Member of the Opposition to participate in legislation.

When I listed the items I did, I would like to say to him that naturally we would like to pass the legislation I listed, but I am prepared to discuss the matter with him in order to see whether we can make progress before December 20 or to see what steps will have to be taken if we do not reach December 20 without making good progress on these pieces of legislation. Those questions are in the hands of the Opposition and we are prepared to be as co-operative as ever.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, since Bill C-74, the redistribution Bill, is primarily a parliamentary matter and it is parliamentary tradition to proceed by way of agreement on these matters, would the House Leader take this opportunity now to seek unanimous consent to withdraw the time allocation motion?

Mr. Hnatyshyn: Mr. Speaker, this tradition was not followed by the previous Government. All I can say with respect to this legislation is that I have taken more steps by allowing pre-consideration before I even introduced the Bill last spring. This fall, I allowed additional witnesses and an extension of time.

The strange thing about this Bill is that I responded to the request of the Liberal Party and made the amendments that were requested by their spokesperson, the Member for Algoma (Mr. Foster). Now they have the audacity to stand up and say that those amendments which I brought in because of their request are the reason they want this Bill to go back for further consideration. What hypocrisy.

* * *

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-6, an Act to implement an agreement between Canada and the Union of Soviet Socialist Republics, a Convention between Canada and the Co-operative Republic of Guyana, and an agreement between Canada and India for the avoidance of double taxation with respect to income tax, to which the concurrence of this House is desired.

* * *

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the House that a communication has been received as follows:

Government House,
Ottawa,

December 12, 1985

Sir:

I have the honour to inform you that the Honourable Gérard V. J. La Forest, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber to-day, the 12th day of December, 1985, at 4.30 p.m., for the purpose of giving Royal Assent to certain Bills.

I have the honour to be
Sir,
Your obedient servant,
Leopold H. Amyot,
Secretary to the
Governor General.

Statements by Ministers

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

ROYAL CANADIAN MOUNTED POLICE ACT—REPORT OF LEGISLATIVE COMMITTEE

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I have the honour to present the report, in Canada's two official languages, of the Legislative Committee on Bill C-65, an Act to amend the Royal Canadian Mounted Police Act and other Acts in consequence thereof.

STRIKING COMMITTEE—FIFTEENTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour to table the fifteenth report of the Striking Committee in both official languages.

[*Translation*]

PETROLEUM AND GAS REVENUE TAX ACT, INCOME TAX ACT—REPORT OF LEGISLATIVE COMMITTEE

Mr. Richard Grisé (Chambly): Mr. Speaker, as chairman of the legislative committee, I have the honour to present our report on Bill C-82, an Act to amend the Petroleum and Gas Revenue Tax Act and the Income Tax Act, without amendment, in both official languages.

[*Editor's Note: For text of above reports, see today's Votes and Proceedings.*]

* * *

[*English*]

CANADA MORTGAGE AND HOUSING CORPORATION

REVIEW OF HOUSING PROGRAMS—STATEMENT OF MINISTER OF LABOUR

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I am pleased to be able to describe to the House this afternoon new initiatives resulting from a review of the housing policies of the Canada Mortgage and Housing Corporation which represent a national direction for housing solutions. These changes in direction are the result of an extensive process of policy review and consultation with interested groups, the private sector and the provinces.

Shifting needs and priorities require that Governments re-examine their policies, however comfortable it may be to continue with the *status quo*.

The housing programs now in place have succeeded in adding considerably to the stock of housing available to Canadians in almost all income groups. At the same time, many of these programs have become enormously expensive and, while expanding the housing options of middle-income Canadians, have had an unacceptably modest success in helping those lower income Canadians who must look to Government for affordable housing.

On assuming responsibility for CMHC, I asked that current policies be reviewed to determine their effectiveness in dealing with the major areas of need. I wanted this re-examination to draw on the experience of all Canadians who work with CMHC to deliver housing, build and market the housing, and receive housing, and all those who have acquired an expertise in the field of social housing policy.

In January of this year I released a consultation paper setting out what were seen as the three main challenges facing us. Those challenges were: the need to establish clear objectives for federal housing policies and programs; the establishment of clear priorities for federal housing expenditures; and the requirement that programs achieve our objectives in a cost efficient manner.

I met extensively with social housing and rehabilitation groups, industry and mortgage lending associations and organizations representing the poor, the elderly, the disabled and aboriginal peoples. They all participated in the consultations. The consultation process was open to any group or individual who wished to participate. We have had the benefit of many views and perspectives. I thank and acknowledge those groups for their contributions, for their dedication to the Government and to providing social housing, and the time and effort they spent during the consultation process.

• (1530)

At the same time we were engaged in intensive discussions with the provinces. If the provinces and the federal Government work together and pool resources, we will be able to eliminate areas of duplication and a greater proportion of Canadians will benefit from the programs established.

My Parliamentary Secretary and I met personally with some 21 groups active in housing. In October, my staff and senior federal housing officials met with some 15 groups. I received over 300 written responses, including 50 briefs and 250 letters. Furthermore, over the past year, over 70 federal-provincial meetings on housing have been held. This includes two conferences of federal, provincial and territorial housing Ministers. I also meet bilaterally with each of my provincial and territorial counterparts.

As well, I benefited from a review of federal housing programs carried out by a task force set up by my colleague, the Deputy Prime Minister (Mr. Nielsen). Many of its conclusions were similar to ours and are reflected in the new policies. The social housing directions I will now describe are based upon the points of consensus which emerged from these consultations. The major changes relate to the mix of social housing programs and those assisted under them, to the participation of the provinces, and to the role of co-operative housing.

First, the federal Government will provide a new package of social housing programs with all assistance directed to households in need, that is, all those who are unable to obtain affordable, suitable and adequate accommodation in the pri-

vate market. This represents a significant improvement over previous programs, under which only a third of the total units provided went to households in need. This will enable us to reduce the level of outstanding need by less than 2 per cent per year.

There will be two packages of social housing programs—one for urban areas and one for rural areas. The package for urban areas will include three programs—a new non-profit housing program, a rent supplement program and improved renovation assistance.

The new non-profit housing program will be used to increase the supply of affordable units. Unlike the Section 56.1 program, which is funded through a reduction in the mortgage interest rate to 2 per cent, assistance under the new program will be based upon the difference between project costs and revenues generated by the application of the rent to income scale. Assistance will be directed to households in need.

The rent to income scale will provide, as it does now, that tenants will not pay more than 25 per cent of their income for rent. A rent supplement program will be provided to subsidize rents in regions where an adequate supply of accommodation is available, but it will be targeted to households which cannot afford that accommodation. The current program, which has proved cost effective where used, is being substantially expanded. We are making a number of significant changes in federal renovation assistance. The assistance is designed to bring substandard housing up to minimum health and safety standards. The present approach in designating areas under the urban program is being eliminated, and assistance will be available and targeted to households in need, without geographic limit.

There are significant alterations to the rental RRAP program. To prevent excessive rate increases and the displacement of people who need help, as has often happened under the present program design, assistance will be increased from an average of $3,500 to $12,000 per unit. Assistance levels will depend on the relationship between the rents of the property involved and the local market rent. Assistance will be directed to the older, lower-cost housing stock occupied largely by low-income households. A new renovation plan to assist the disabled will raise maximum funding from $1,500 to $5,000. RRAP in rural areas will remain unchanged, as will the home ownership-rental component of the rural and native housing program. We will also be undertaking a demonstration program in rural Canada to provide up-front funding for materials, with the clients or communities providing the labour.

The particular mix of these programs to be used in various areas of the country will be based upon an assessment of the housing needs which must be addressed, the availability of accommodation in the private market and the specific requirements of groups with special housing needs. This will ensure that the strategies followed will be cost effective and flexible.

In my consultations I received strong representations calling for the continuation of some income mixing to avoid low-income ghettoes and the community resistance they may generate. I want to make clear that directing assistance to households in need does not mean a return to the discredited versions of public housing. The definition of those in need is broad enough to allow for a considerable range of income groups to be served. It allows us to continue to assist the working poor, as well as senior citizens and families on welfare.

Also, under the new arrangements with the provinces which I will be outlining, there is the possibility of income mixing beyond those in need, although in such cases federal subsidies would not apply. An emphasis on smaller projects, plus the income mixing features of the new co-op and rent supplement programs, will continue to facilitate the integration of assisted households into the community.

The second major departure in social housing strategy relates to the participation of the provinces. To increase the resources available and to reduce duplication, we are prepared to negotiate a package with any interested province which would allow the provinces and the federal Government to work in a closer partnership. I must emphasize that this does not represent a transfer of federal responsibility for social housing to the provinces. To improve efficiency, we are prepared to agree to provincial delivery under certain specific conditions.

Increased provincial financial contributions, ranging from 25 per cent to 50 per cent, will be required. In addition, a joint three-year planning of social housing strategies will be undertaken to ensure that federal housing objectives and accountability requirements are met. Present delivery groups such as private non-profits, co-ops and native groups will continue to be involved. I expect some provinces to participate in this arrangement. Where provinces wish *status quo*, the federal Government will continue to be responsible for delivery.

The third significant change from the current social housing strategy is in the area of co-operative housing. The federal Government has been instrumental in fostering the co-operative housing sector. However, while co-operative housing provides security of tenure for some low-income households, its main objective has been to provide security of tenure for moderate and middle-income households as an alternative to home ownership. The measures we are introducing, which are being developed in close consultation with the co-operative housing foundation, recognize these two objectives and provide a level of assistance intended to help that group of people with incomes above those in core need that are unable, through no fault of their own, to afford home ownership. This will be achieved through a new co-operative housing program based on index-linked mortgages and subsidies. Some units will also be eligible for rent supplements to enable low-income Canadians to enjoy the benefits of co-operative living.

I should like to talk about two other areas in which we are taking new directions—market housing and housing quality. The objective of the federal market housing policy will be to assist in developing a climate of stability to allow builders to respond to the demand for family homes for ownership. We will not be introducing programs to stimulate home ownership artificially or the private rental housing market. Should future circumstances compel us to consider such measures, the Gov-

ernment would act only after consultations with industry and the provinces. We will be working to assist Canadians to finance their homes by promoting the availability of stable, long-term mortgages and access to high ratio mortgage financing. We expect mortgage-backed securities to permit longer-term mortgages, and we will continue to provide public mortgage insurance as a means of providing high ratio loans.

• (1540)

I believe there is a clear need to continue federal leadership in the role of housing research and development while improving co-ordination of research initiatives with the provinces and the industry. I propose to set up a housing research committee to co-ordinate federal, provincial and industry involvement in housing research. Also, options for improving CMHC's inspection service and the materials evaluation service will be reviewed.

These and other initiatives will enable the federal Government to use the present level of funding to concentrate on helping the one million Canadian households which do not enjoy acceptable affordable housing. While the private market, if permitted, can provide most Canadians with comfortable, quality housing, all levels of Government must be prepared to work together and join their resources to assist those Canadians who do not have the income to secure that type of housing.

I think the process just concluded has been useful and effective. It is important that our housing policies be based on a genuine and realistic consensus as to what can be provided with the resources available through Government. I am willing to meet again, after an appropriate period, with the groups and individuals involved in the consultations to discuss and evaluate the success of the new direction we have taken.

I believe these changes are necessary and represent a fair allocation of housing dollars among competing interests. I look forward to continued contact with all of those who, by providing me with their ideas, have contributed to this national direction for housing solutions. I thank you, Mr. Speaker, and I thank those individuals who have assisted me greatly over this period of time.

[*Translation*]

Ms. Sheila Copps (Hamilton East): In my opinion, Mr. Speaker, we have just found out today that a Minister is quite prepared, like Pontius Pilate, to wash his hands of the whole issue of social housing for Canadians.

Mr. Speaker, I was rather surprised that the Minister would say he did hold consultations. He even claimed he was party to such consultations—

[*English*]

"My Parliamentary Secretary and I met personally with some 21 groups active in housing." When I was in British Columbia about three weeks ago, I met with nine groups in a day. The Minister is presenting an extremely major document which will change the face of housing policy across this country after meeting with only 21 groups?

Mr. McDermid: How many were national groups?

Ms. Copps: Let us hear about the kind of consultation the Minister had with the handicapped. What kind of consultation did he have with those people? Even though our phones were down for one of the two hours I was trying to prepare my response, I managed to contact a representative from COPO, with which I am sure the Minister is familiar because it is a coalition which represents provincial disabled organizations across this country. Was Mr. Lorrie Beachill contacted by the Government? Yes, officials got in touch with him in November asking him to consult with them the next day. When he was unavailable that particular day, they never met with him.

Mr. McKnight: Not true.

Ms. Copps: The Minister states that is not true. In fact, I spoke today with Mr. Lorrie Beachill and he told me he was not contacted.

Mr. McKnight: On October 24 we met with the coalition of provincial organizations of the handicapped.

Ms. Copps: In fact, he was in Toronto and unable to meet with the officials and was never contacted again. Susan Kitchener, of government relations with the Ontario March of Dimes was not contacted even though the Government trumpets its actions in the area of changes in housing for the handicapped. What the Minister did not tell the House was that it was this self same Government which cut back the CMHC funds which had been available by regulation to the handicapped when they used to be treated like every other citizen. They had the capacity under past Liberal Governments to qualify for funds in the same way as any other housing organization but they were gutted by the Minister and Canada Mortgage and Housing Corporation and the current and past program was replaced with a $1,500 subsidy which they are now talking about increasing to $5,000.

We know at this point in time from the figures which came out today that we are at a four-year low in terms of vacancy rates. What the Minister has produced is essentially a housing policy for developers. Let us look at the increase for RRAP funding on a unit basis. What the Minister did not tell the people was that as a result of the Budget of the Minister of Finance (Mr. Wilson) and the Deputy Ministers' cut-backs, the RRAP funding was gutted by 25 per cent by this Government. Now the Minister is suggesting that on rental units, the amount of money available will be increased to $12,000 per unit, which presumably will go to benefit the landlords. Pure and simple mathematics will tell you, Mr. Speaker, that if we are going to have $12,000 allocated per unit and the Budget is cut by 25 per cent, thousands fewer Canadians will be able to take advantage of the RRAP program as a direct result not only of the Minister's announcement today but because of the other housing cut-backs.

The Minister talks about the new relationship with provincial Governments. We know that the Government is on the verge of signing an agreement with the Province of British Columbia in the area of social housing. Let us take a look at the record, and what this Minister is prepared to do in terms of

passing the buck to provincial Governments. In 1979 the federal Government gave British Columbia control of senior citizens' housing. The track record of the Government of the Province of British Columbia in 1974 was that 1,300 units were put on the market. In 1978, 1,700 units were put on the market. In 1979, it shrunk to 600 units. In 1980 it was 250 units. In 1983 it was 350 units. If we look at the records of the provinces, and at the amount of money spent in 1984 on a province-by-province basis per capita for housing, we find the two worst producers at that time were the Province of British Columbia and the former Conservative Government of Ontario. That was at a time when the soon-to-be-appointed President of Canada Mortgage and Housing Corporation was the Minister of Housing. We saw the social credit Government in British Columbia spend an abysmal $13 per person on housing in 1984. The Government of Ontario spent a paltry $19 per person.

I understand the Minister did not want to announce the appointment of the new president of CMHC this week and that it may be coming next week, but the very same person who had the power to reduce the expenditure to $19 per capita in the Province of Ontario is going to now head the corporation which will be negotiating with the provinces the transfer of responsibility. That will mean places like British Columbia, which has no commitment to social housing, which does not believe in social housing, which is against it, will be able to negotiate the transfer of those responsibilities.

The Minister attempts to pass this as a sop by saying that for the first three years there will be a conditional agreement and there will be discussion between the provinces and the federal Government. I want to tell you, Mr. Speaker, that when I was in British Columbia, the message was loud and clear from the provincial Government of British Columbia: "Hands off social housing". There was a time in this country under previous Liberal Governments when the development of social housing stock was a responsibility. But with this document, in one fell swoop the Minister is saying that we will attack the problems of the market-place by rent supplements and by hand-overs based on the difference between the cost of a project and the income of a project.

The Minister suggested that is not going to lead to ghettoization but if you were a project manager, Mr. Speaker, and the amount of money you will get from the Government is directly dependent upon the income levels of those people in the units, obviously, the lower income you can find for the unit, the more Government subsidy you will see. We will see a return to the kind of ghettoization which resulted from a national housing policy put in place in the 1960s which saw all low-income people lumped together in one building, in one subsidy, in one development. We can look at Regent Park in Toronto. We will be creating more and more Regent Parks at a time when non-profit organizations and social housing organizations will not have the capacity to develop the kind of base budgets which have allowed this country to accrue a certain level of housing stock over the last 25 years.

• (1550)

If there is one thing of which this country can be proud and has been proud it is that we have been world leaders in the development of new approaches to housing. We have not wanted to stick all the poor people on the same block. We have believed in a mix of people and we have funded mortgages which have allowed church organizations, municipalities and non-profit groups to develop projects which can integrate into the community those people of low, medium and higher incomes. We have done this because we believe it is important to have that kind of integratioin. With this policy, we will see in one fell swoop the kind of ghettoization about which even the Minister made reference in his speech.

The Minister said that a number of organizations spoke to him about the difficulties inherent in the kind of policy that he is now attempting to introduce. He suggests that he received strong representations calling for the continuation of some income mixing to avoid low-income ghettos and the community resistance they might generate. However, he provides a caveat to that. He says that the definition of those in need is broad enough to allow for a considerable range of income groups to be considered. The Minister is an intelligent man and he recognizes that this policy will lead to ghettoization. The Minister suggests that provinces will have the opportunity of allowing other people to get involved in projects, people who may not specifically meet the Government's income-mix requirements. However, he also says that in such cases, federal subsidies will not apply. In other words, unless every future housing program across the country is directed specifically toward the ghettoized kind of Regent Park mentality on which we gave up a decade ago, it will not be eligible for federal subsidies.

I would like to know from the Minister the definition of need. When he dealt with the definition of need in the RRAP program, he said that anyone earning over $13,000 was no longer eligible for RRAP funding. That was his definition of need six months ago. In fact, I believe the Minister should have tabled those requirements with the statement he has made.

The Minister also talked about making different determinations in different areas of the country depending upon the vacancy rate. According to the most recent, hot-off-the-wire story from November 20, 1985, vacancy rates have dropped to a four-year low across the country. In the Chicoutimi-Jonquière region, the vacancy rate is 3.2 per cent. In Edmonton, it is 4.4 per cent; in Windsor, it is .7 per cent, in Ottawa, it is .9 per cent; in St. Catharines, it is .3 per cent. I would like the Minister to table in the House a list of the areas across the country in which he believes there is an adequate housing supply because those particular designations have not been made in his statement.

What most frightens me is the suggestion made by the Minister that this program will now be targeted only to those who need it most and that the passing over of responsibility from the federal to the provincial Governments is a positive thing. In some provinces, this will be the case. In the Province

of Ontario, I know the Liberal Government will use its housing money in a wise fashion but I also know that for the last 43 years, there was a Conservative Government in Ontario that did not believe in social housing and wanted to direct all subsidies toward developers. With the introduction of this document which is clearly focused on rent subsidies and specific income unit supplements, the Minister is saying to the developers that they will have a heyday because the Government will give them hundreds of dollars per unit in rent supplements for those people who cannot afford to pay.

There are groups and organizations which have developed a policy for national housing. They have created projects with perhaps only 25 per cent low-income residents. I can think of First Place and St. John's Place in my own riding, the kind of housing organizations which deliberately decided to have a mix of those people who were needy, those who were less needy and those who could afford to pay market rents. Those projects will no longer be viable as a result of this program because the funding from the Ministry will be directed only toward those occupants who are in the low-income category. Quite clearly, that spells the death of social housing and the development of a national housing stock, something which has been a hallmark for Canada.

Over the last six months, the Minister has denied that he was meeting with the provincial Governments in an attempt to pass off responsibility. We have seen that that is exactly what he intended to do as he indicates right here in this document. We know that British Columbia is about to sign an agreement. Further, we know that there are other provinces across the country that are looking at signing agreements in the very near future, agreements which will spell the end of a national housing policy.

The Minister has made a differentiation between the funding available for rural and urban Canadians and for that I applaud him. However, I think the Minister should further recognize that there are provinces in this country that cannot, on their own, afford to develop the kind of housing policy that was made available because successive Liberal Governments believed that the national Government had a responsibility to balance inequities from coast to coast. Does the Minister really believe that the Province of Newfoundland has the financial resources to carry on the kind of housing program that would have occurred under federal jurisdiction? That is simply not the case, and I say that this document is a sell-out of 25 years of housing policy which has created not great housing, not even good housing but better housing for thousands of Canadians who could not afford housing and who will not be able to afford it now because the money will be going to the developers and to those people who least need the help.

Mr. Dan Heap (Spadina): Mr. Speaker, over the past year and a bit, we have been able to observe that the Hon. Minister has indeed worked very hard on the housing end of his portfolio. I do credit him with taking his responsibility very seriously. There are some good things in this report and I will note some of them later. However, I am disappointed in the report as a whole.

The Minister gives no estimate of cost except by indicating in one line that there will be no more money provided than there was in this past Budget, the low point for housing efforts on the part of the federal Government for many, many years. He gives no indication of the number of units that will be provided. He talks about the million people for whom the private market does not provide but does not at all ensure that his program is intended to provide for all of them. In fact, his presentation appears to be an attempt to defend the private market with its great boondoggles over the past 30 or so years in which not only the federal Government but the Ontario Conservative Government participated heavily. Things like the MURBs, the assisted rental projects and the limited dividend projects were all programs for impoverished developers like Trizec, Cadillac Fairview and Meridian.

The tenants know where the money went. The billions of dollars went for housing subsidies and it did not go to the co-operative movement, the non-profit housing or low-income tenants. At a time like this when it is reported that the poor as a proportion of the Canadian population have increased to one-sixth of our population, there is to be no increase in the money supplied for housing, no assurance that there will be more social housing provided and no program for indicating which portion of what the Minister calls the core poor will be helped. He will use the poor, though, as an excuse for cutting back on certain aspects of the social housing program which have been extremely valuable to the life of cities like Toronto which I know and other cities which I have visited.

• (1600)

He pats himself on the back for his consultative approach. Although it was an energetic approach involving a good deal of hard work, it was not consultative. It was elitist; it was secretive. It may have been clever market research reaching out to find out which individuals or which leaders of which groups might agree with the things that he chose to do, but he carefully prevented the groups from being able to consult effectively with them. He would say: "Now, I might do this for you but don't tell anybody about it".

When my office tried to get some of the studies, some of the briefs which were presented, his office presented so-called legal objections. Somehow or another they were not able to send us those briefs. He has bragged about the confirming study that was done by his colleague, the Deputy Prime Minister (Mr. Nielsen). My office has been trying since the summer to obtain a copy of that study from the Deputy Prime Minister's office and has been told that the study was not yet complete. Perhaps it was completed last night.

The program consists of doling out small amounts of help to some of the most obvious needy groups as an excuse for turning the very major part of responsibility for housing back to the private market, which has already failed in the matter. It is misleading to say that all the money spent in the past many years did not increase the housing stock and reduce the need very much when he knows full well that the reason was

that it was not spent for the purpose of meeting need but for the purpose of increasing profits.

I am relieved to hear the Minister assure us at last that rent geared to income contributions of low income tenants will not be required to exceed 25 per cent. I hope he will be firm with the Minister responsible for housing in British Columbia who does not agree with that. However, he has not indicated what the areas will be which are adequate where there will be no social housing built or what the areas will be that are inadequate where there should be social housing built. He has not even indicated the criterion for that. He has not defined the areas. He has not said how long the supplements will last.

It is also good that he has decided to remove the limitation of urban RRAP so that the rehabilitation programs are no longer confined arbitrarily to certain city areas but can be extended as needed in the regions around the cities. However, there is the question of how he will control the use of the increased per unit allowance for rehabilitation. Who is going to get the money? Will it be non-profit groups, co-op groups or will it be speculative builders and renovators for profit? How is he going to carry out his intent of making sure that the low income tenants benefit by that program or, indeed, that the low income tenants are allowed to remain in the buildings once they have been upgraded?

The biggest disappointment in the Minister's statement is his blind and unexplained reliance on rent supplements. There is plenty of evidence which I would have thought the Minister would have reviewed to show that rent supplements are a failure as a way of providing social housing or as a way of providing for those who cannot, at present, afford decent housing. I want to refer not to a study by a New Democratic Government, not even to a study by a Liberal Government, but I want to refer to a study by a Conservative Government, the Government of Ontario, in 1981, whose Standing Committee on the Administration of Justice published the results of an exhaustive review of the programs in operation of the Ontario Housing Corporation. In this study they state, and I quote:

> The Ministry of Housing support a variety of public-assisted housing programs, but give preference to non-profit, co-operative housing and OHC owned and operated public housing. The current rent supplement program should be phased out gradually and the units should be replaced by others provided under alternative programs.

Their principal objection to rent supplements goes directly contrary, on the basis of their study, to the principal argument commonly used by the Minister and his associates in the building industry. Their principal objection is that it is not cost-effective. Their further objection is that there was no long-term investment achieved and no increase of housing stock. They do acknowledge that in the early 1970s with high vacancy rates and lower housing costs the increasing real incomes and relatively low inflation rates made this assumption seem not unreasonable. However, under present conditions, and likely future conditions, low income households are generally not experiencing real increases in income but their housing costs are rising in real terms.

The same finding is made by another Government which is not considered left-wing, that is, the Congress of the United States. In their study of rent supplement programs they came to the conclusion that the rent supplement programs resulted in higher rents than would have been charged without rent supplement. The premium, they said, averaged 24 per cent higher than comparable, unsubsidized housing in the market leading to an estimated $213 million extra cost to the public for the approximately 250,000 units provided in 1980.

Two Governments have done careful studies of rent supplements and found that they are a failure. Yet, the Minister is moving to use rent supplements, in part, as a substitute for what these other Governments have found worked better. It is very disappointing.

In regard to RRAP, one question that the Minister teases but does not answer, as I said before, is: Who will get the $3,500 to $12,000 per unit? There are in Ontario alone tens of thousands of rental apartment units jerry-built during the 1950s and 1960s with the get-rich-quick programs provided by the then federal Governments which now need rehabilitation. The question is: Will RRAP be used to rehabilitate those and so increase the equity of the landlords, or will the rehabilitation funds be used to enable the residents of those buildings to buy those buildings and operate them as non-profit or as co-operative corporations, which has been found to be the most efficient way to ensure maintenance?

The Minister has not explained what he means when he says that assistance level would depend on the relationship between the rents on the property involved and the local rent. In other words, is he saying that if the rents and the maintenance are low there will be no rehabilitation grant?

On the matter of the disabled, it is good that he has again raised the grants for disabled housing to compensate for the previous cut. However, the aid he gives should be directed to the needs of the disabled, and not, as in the case of COPOH, the needs of the non-disabled. That is to say there are things that are needed in houses of the disabled that are not needed in ordinary houses, such as paved driveways. The Minister should have some regard for how that money should be used.

The Minister has claimed that co-op housing has not met the low income target. In fact, co-op housing as designed by the several Governments, including provincial Conservative Governments, has provided, on average, for 40 per cent to 50 per cent of its units being rent geared to income, which is meeting the target group. They did not put them into ghettos of 100 per cent rent geared to income units. However, the terms the Minister tosses about with respect to moderate and middle income are so undefined that even when he talks about the working poor we do not know which groups he intends to benefit beyond the absolutely rock-bottom core welfare poor.

● (1610)

It is also disappointing that the Minister talks about consultation with the provinces and the industry but never about consultation with the tenants who have organized in many parts of this country, or non-profit and co-operative societies. In other words, he will sit in a back room with the builders, bankers and provincial colleagues and not seriously listen to

those in the community who are making an effort to produce a great deal of low-cost housing.

This is a very disappointing report. The Minister says these initiatives are going to provide housing for the people who need it. However, he has not explained how it will meet the needs of one million people, which he admitted to. He also has not explained how his programs will in any way meet the need of the people in the Atlantic provinces where 80 per cent of the economy is dependent on Government expenditures. Housing is in desperately short supply there. This is an admission of failure by the Minister.

* * *

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-59, an Act respecting Customs, with amendments, to which the concurrence of this House is desired.

* * *

PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I have a petition from a number of residents of Vancouver, New Westminster and once again a large number from Surrey. They feel that the cut-back in family allowances and the tax increases are inequitable and unbearable in the face of budget hand-outs such as $500,000 in tax-free capital gains, greater RRSP deductions for high-income recipients, billions for the oil companies and the $1 billion bail-out of the banks. They ask and pray that we reinstate full indexation of universal family allowances and rescind unfair tax increases.

Mr. Derek Blackburn (Brant): Mr. Speaker, my first petition is signed by residents of Niagara Falls and they call upon the Government to rescind the Bill to partially deindex family allowances. It is a regressive step.

I have a similar petition signed by people from various parts of southern Ontario. I have as well a third petition whose operative clause is: "Wherefore the undersigned your petitioners humbly pray and call upon the House of Commons to reinstate full indexation of universal family allowances and rescind the unfair tax increases." These citizens of Canada reside in the City of Woodstock.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I have the honour to present even more petitions calling for the reinstatement of full indexation of family allowance payments and rescinding of unfair tax increases.

CONCERN FOR FUTURE OF CN MONCTON SHOPS

Mr. George Henderson (Egmont): Mr. Speaker, I have the honour and duty to present a petition on behalf of 26 residents of Moncton, New Brunswick. They call upon Parliament to stop any moves to downgrade in any way the CN shops in Moncton, New Brunswick.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I have some petitions from the Wynyard-Mozart area in my constituency which call upon the House of Commons to note that family allowance deindexation will not be offset by changes to the child tax credit. Even the poorest families will be worse off by 1990. As well, changes to the tax system will reduce by $600 million annually the amount of money families have to spend on their children. They call on the Parliament of Canada to therefore reinstate full indexation of universal family allowances and rescind unfair tax increases proposed in the last Budget.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have a number of different petitions. The first one is headed: "Please help save baby bonus indexing". It calls upon the House of Commons to save Canada's family allowance program. It also voices displeasure at the federal Government's unfair taxation of ordinary Canadians while providing billions in hand-outs and loopholes to the rich. Quite a number of people from Edmonton and other points in Alberta have signed this.

The second petition is from the community of Hastings-Sunrise in my riding. It also calls on Members of the House of Commons to reinstate full indexation of universal family allowances and rescind unfair tax increases.

The next petition comes from Downsview, Ontario, Ward 5. They ask that the House of Commons restore full indexation to the family allowance and child tax credit. This budget measure will take away $55 million in family benefits by 1987.

I have a further petition, if you will just bear with me on this, from Quebec and it says that—

[*Translation*]

Wherefore the undersigned humbly ask for the restoration of full indexation of family allowances and the repeal of unfair tax increases.

[*English*]

There is another one from Dorval, Quebec, which is similar and I will not—

Mr. Murphy: Read it for us, please.

Ms. Mitchell: —torture you with my French.

Finally, I have another petition from the Grandview community in Vancouver East which calls on the House of Commons to reinstate full indexation and deplores the other budget

measures which are so hard on families, particularly on children.

Mr. Rod Murphy (Churchill): Mr. Speaker, I also have a number of petitions on the issue of the Government reneging on its election promise when it decided to deindex family allowances. It is interesting that the petition, from the City of Thompson, Manitoba, was circulated by the senior citizens of that city, indicating the appreciation they had for the people of that city who helped them to protect their pensions. They wish that Canadians would do the same.

Mr. Speaker: Order, please. Further petitions without speeches.

Mr. Murphy: I also have a petition signed by residents of the City of Flin Flon who ask that the Government reinstate full indexation of universal family allowances and rescind unfair tax increases in the May 23 Budget.

UNEMPLOYMENT INSURANCE—PENSION INCOME DEDUCTIONS

Mr. Rod Murphy (Churchill): On a different matter I have a petition signed by a number of workers in Manitoba who protest the Government's decision to calculate pension benefits and severance pay in determining UIC payments. It is very hard, especially for older Canadians, to get jobs and they need to keep their pensions and severance pay without being penalized.

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I want to present a petition on behalf of a number of residents of the City of Moncton who protest the Government's partial deindexation of family allowances. They ask that these allowances be fully indexed to the cost of living. They point out that 16.2 per cent of families in New Brunswick live below the low-income cut-off line and that all low and middle-income families will be hard hit by this deindexation. As in duty-bound your petitioners will ever pray that this Government will come to its senses.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is my honour and duty to present two series of petitions from a group of senior citizens in Prince Albert, as well as people from Dartmouth, Windsor, Halifax and Liverpool, Nova Scotia. Both petitions call upon the House to reinstate full indexation of universal family allowances and rescind unfair tax increases.

The other series of petitions come from Downsview, Ontario, as well as from New Brunswick, mostly from Fredericton. They call upon the House of Commons to restore full indexation of family allowances and child tax credits. They suggest that $55 million will be taken from family benefits by 1987.

• (1620)

CALL FOR INQUIRY INTO USE OF NANOOSE BAY TEST RANGE

Mr. Dan Heap (Spadina): Mr. Speaker, it is my honour to present a petition on behalf of a number of residents of British Columbia who are very troubled about the procedures regarding radiation monitoring in the waters adjacent to the Canadian Forces Maritime Experimental and Test Range at Nanoose Bay, British Columbia. They wish that the results of these radiation monitorings would be made public. They, therefore, after outlining their concern in much more detail, request the House to hold a public inquiry, before the present agreement is renegotiated, with power to investigate the above concerns about the said test range at Nanoose Bay and to make recommendations thereon. As in duty bound, your petitioners will ever pray.

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Dan Heap (Spadina): Mr. Speaker, I have several petitions on the matter of family allowances. One is from residents of Calgary who argue that the proposed cuts in the family allowance unfairly bear on women and children and are particularly unfair in view of the increased tax benefits being given to the rich such as through the—

Mr. Speaker: Order, please. This is becoming a speech instead of a summary.

Mr. Heap: They therefore pray, Mr. Speaker, that the House rescind these laws.

I have another petition to the same effect, which I will not read, from citizens of Nova Scotia.

I have another petition which is in a different language, Mr. Speaker. It says that the undersigned ask the Prime Minister (Mr. Mulroney) to restore full indexation to the family allowance and child tax credit as this Budget matter will take away $55 million from family benefits by 1987.

Mr. Speaker: Order, please. This is a speech. Does the Hon. Member wish to conclude with a summary of the petition as opposed to reading it?

Mr. Heap: Mr. Speaker, I was only reading the actual petition, not the "whereases". It is simply the request of the petitioners—

Mr. Speaker: The Hon. Member knows that what is permitted is a brief, brief summary and perhaps a short recitation of the petition actually prayed for, not the "whereases", the concerns, or the comments.

Mr. Heap: The "whereases" were not in it, Mr. Speaker, only the petition. Could I say, on a personal note that this is very important to me since I have just had my eleventh grandchild.

Mr. Speaker: With great respect, would the Hon. Member please resume his seat?

Ms. Copps: Seek the unanimous consent of the House. It is his eleventh grandchild.

Mr. Speaker: Did I understand that the Hon. Member for Spadina was trying to seek unanimous consent to wish his grandchild well? Consider it done.

[*Translation*]

CONCERN FOR FUTURE OF CN MONCTON SHOPS

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I rise to support the action taken by Moncton residents who are very concerned about the current situation at the Moncton CN shops. The petitioners decry the inertia of the Government and request that the Minister do something to protect the jobs of the shop workers.

[*English*]

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, it is my duty to present a number of petitions which I have received on the issue of family allowances. The first one is from citizens of Toronto and ridings which include Don Mills, Willowdale and Rexdale. These petitioners point out that the deindexing of the universal family allowance and massive cut-backs in public commitment to child benefits are an attack on women and children, especially single-parent mothers. Accordingly, the petitioners call upon the House of Commons to reinstate full indexation of the universal family allowance, and to rescind the unfair tax increases.

Second, Mr. Speaker, I have a petition from residents of Tillsonburg, Simcoe, and Brantford, also on the subject of family allowance. It is a similar petition so I will not go into the substance, but these petitioners also call upon the House to reinstate full indexation of the universal family allowance and to rescind the other tax increases.

[*Translation*]

Third, Mr. Speaker, I have the honour to present a petition from Port Dover residents who request that family allowances be fully indexed.

[*English*]

Mr. Speaker, I have a number of petitions signed by a large number of residents in the area of Kingston. They call for full indexation of the family allowance and point out that the cut-backs in child benefits on top of the sales tax changes and increases constitute an extraordinary burden on middle and low income households.

[*Translation*]

Mr. Speaker, I have the honour to present another petition from residents of Ottawa who request that family allowances be fully indexed—

[*English*]

Mr. Speaker: Order, please. All the petitions are on the same subject. I take it the Member knows that she should simply indicate that she has other petitions and that should be the end of it. It should take her no more than about five seconds.

Ms. McDonald: Thank you, Mr. Speaker. While some of these petitions are on the same subject matter, they are different petitions. The next petition is also on family allowance.

Mr. Speaker: Order, please.

Ms. McDonald: I am just going to say where it is from.

Mr. Speaker: They are all on the same subject matter. I think the Member has admitted that. Could she please be as brief as possible.

Ms. McDonald: Yes, Mr. Speaker. The next petition is from petitioners in the riding of Rosedale. I also have a petition on the family allowance from residents of Hamilton.

Mr. Malone: Thank you. Next.

Ms. McDonald: I am being very brief. I cannot help it if we have a lot of petitions.

Mr. Speaker: Order, please.

Ms. McDonald: The next one, Mr. Speaker—

Mr. Speaker: Order, please. Order, please! The Hon. Member knows that a petition filed with the Clerk at the table has exactly the same effect. I, therefore, suggest that she may wish to file with the table the remainder of her petitions. Order, please.

Ms. McDonald: Mr. Speaker, I was provoked by these people.

Mr. Speaker: Order, please. I, therefore, suggest that she may wish to file the rest of her petitions with the table.

I wish to inform the House that, because of the ministerial statement, today's sitting will be extended by 44 minutes. Therefore, Private Members' Hour will begin at 5.44 o'clock p.m.

* * *

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

CONCURRENCE IN THIRD REPORT OF STANDING JOINT COMMITTEE

Hon. Bob Kaplan (York Centre): Mr. Speaker, on October 17, 1985, I tabled the third report of the Standing Joint Committee on Regulations and other Statutory Instruments. Today I would like to move that that report be concurred in.

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am naturally very pleased to have the opportunity to speak on this report. I know that the Standing Committee on Regulations and other Statutory Instruments worked very hard to prepare this document which is now before the House. I think the members of that committee are to be complimented on their efforts. There were two reports made on the same day, Mr. Speaker, and we are now dealing with concurrence in one of those reports. I think it is commendable that the committee could make two reports on the same day.

I intend, Mr. Speaker, to hold the floor and discuss this at length until we have a message from the other House. I will be pleased to discuss the things which the Patent Act goes into. The Patent Act requires a register of patent agents on which are to be mentioned the names of all the persons entitled to represent applicants in the presentation of and application for patents before the patent office.

It is very important that we have, in Canada, a patent system which does not allow for interference with the very important Canadian patents which exist, and also does not allow for interference in things which are going to take place later this evening. I want to take some time to discuss this. I am pleased that my hon. friend has seen fit to move concurrence and give me a chance to debate it. Had we moved immediately to the vote the bells may have rung. I want to take this opportunity to thank him for being so observant as to give me the opportunity to debate this very important matter of the Patent Act until there is an interruption.

● (1630)

I would point out that prior to 1923, any person appointed in writing by a patent applicant could represent that applicant in the presentation and prosecution of a patent application. There was a subsequent change and the committee has quite properly pointed out that according to Section 57 of the Patent Act, it was enacted that:

A register of attorneys shall be kept in the Patent Office on which shall be entered the names of all persons entitled to represent applicants in the presentation and prosecution of applications for patents or in other business before the Patent Office.

That is a very important change that this Parliament brought into effect in order to protect—

Mr. Tobin: Mr. Speaker, I rise on a point of order. If the Parliamentary Secretary is going to insist on reading the Patent Act, he has an obligation to at least be entertaining.

Mr. Lewis: Mr. Speaker, I have made an effort to be entertaining on easier things than the Patent Act. This does strain one's credibility. I do not have the same familiarity with the Patent Act as my hon. friend across the way. I am working my way through this as a lawyer who was recently defrocked of his Queen's Counsel by Premier Peterson. We all come to the House in sorrow these days. We used to practise as representatives of the Queen, another representative of whom will be coming through the door in a minute. Now we must practise without that honour. Since the matter has been brought up, the Hon. Member who moved concurrence in this report was also a Queen's Counsel. He has now been defrocked by the Premier of Ontario and he paid good money for that gown.

When we practised law we often thought about the Patent Act and Section 23. I suppose that on occasion we were frightened that we would be asked to advise on it.

In any event, once we got through with that Section of the Patent Act, the Standing Joint Committee on Regulations and Other Statutory Instruments dealt with the provisions of the United Kingdom legislation which is referred to on page 2 of this very important report.

That committee did not take its obligations lightly. The then Minister of Consumer and Corporate Affairs, who I believe was Mrs. Erola at that time—late of this House and late of the riding of Nickel Belt—replied that her Department was advised by the Department of Justice that Sections 153 to 156 of the Patent Rules were validly enacted pursuant to Section 12(1)(*a*) of the Patent Act and were *intra vires* the Act. I would point out that the relevant correspondence is appended to this report. Members opposite could be sitting in another committee meeting instead of hassling me. Then they would have something else to concur in.

Page 4 of the Report contains some items that should be taken into account. The executive is now asserting—

Mr. Blaikie: A point of order, Mr. Speaker.

Mr. Lewis: Thank you.

Mr. Blaikie: Mr. Speaker, the Hon. Member has only one oratorical equal, the Hon. Roy MacLaren, the former Member of this House who was equally entertaining.

Mr. Lewis: You have said a lot of nasty things to me in your days here but that is about the worst. That is close to a question of privilege. I am not sure that I could wear one of those double-breasted suits. I am waiting for them to come back into style.

The Hon. Roy MacLaren wrote a book about the new liberalism. I think the subtitle is "Life with 40 Members in the Dark". Roy has gone on to greater things. He was a good colleague and ran in the last election, but ran into a little difficulty as did many of his colleagues. They were here yesterday, wearing carnations. I should state for the record that there was a party yesterday for those who won and those who lost. Unfortunately, there were more there who lost than won. It is a party with which we, as colleagues, did not interfere. There was no loud clanging of bells during that party and I do not think you will find that there will be loud clanging of bells tonight either.

In any event, before my hon. friend interrupted, I was dealing with paragraph 4 of the report. It states:

While the Executive is now asserting that authority for the rules under Report is to be found in Section 12(1)(*a*) of the Act, the Committee notes its position has not been consistent in the past.

Let me talk about consistency. We have seen the Hon. Members of the Liberal Party decrying the sale of de Havilland. At the same time, the Premier of Ontario wants to sell UTDC. In this morning's *Globe and Mail* one can see the comments from Tuesday's *Hansard* in the Ontario Legislature where Ontario Premier David Peterson, speaking to the proposed sale of UTDC—

Ms. Copps: UTDC was a P.C. boondoggle and you know it.

Mr. Lewis: We never had any boondoggles when we were in Government. We just had successes in Ontario. It is nice to have the Hon. Member with us after a distinguished career in the Ontario Legislature. I am just trying to think of what distinguished it.

I was going to say that on June 10, 1948—

Mr. Foster: A point of order, Mr. Speaker. Would the Hon. Member clarify if this is the first time in history that the Government is filibustering a report like we are dealing with this afternoon?

Mr. Deputy Speaker: The Hon. Member for Simcoe North, on debate.

Mr. Lewis: That is too much, Mr. Speaker. Earlier today we were accused of cutting off debate and rushing legislation through Parliament. Earlier today the Liberals and NDP said that we are choking off debate in Parliament. Now we are debating. You cannot have it both ways. Either you want to debate something or get at the business of the day. Some Members of the House would do well to bear with me as we discuss the Patent Act.

I want to remind the House that in 1954 the Governor in Council purported to revoke the Register of Patent Rules, 1948 of his own authority. That was quite a constitutional problem because not everyone wanted him to revoke those rules. However, the report goes on to state:

> These Rules were made by the Commissioner pursuant to the regulation-making power delegated to him by Section 15(2) of the Patent Act and can only be revoked by the Commissioner. While the approval of the Governor in Council is required for the making, amendment of revocation of regulations under Section 15(2), this is not to say that the Governor in Council may substitute himself for Parliaments's delegate. If authority is wanted for this proposition, it can be found in section 26(4) of the Interpretation Act—

● (1640)

This is where we get to the power:

> Where a power is conferred to make regulations, the power shall be construed as including a power, exercisable in the like manner, and subject to the like consent and conditions, if any, to repeal, amend or vary the regulations and make others.

Then we come to the meat of the report in which we are concurring:

> Your Committee is of the view that the revocation of the Register of Patent Agents Rules, 1948 by the Governor in Council was without legal effect and that until such time as these Rules are revoked by the Commissioner of Patents, they must be regarded as being legally in force.

That is why we must have the debate today and air this question for the benefit of the House and the entire country.

Mr. Tobin: Oh, oh!

Mr. Lewis: They will never get my FCA. Where was I?

An Hon. Member: Start over.

Mr. Lewis: I was talking about the fact that the committee indicated that until such time as these rules are revoked by the Commissioner of Patents, they must be—

Mr. Kaplan: We will send a copy of your speech to your constituents.

Mr. Lewis: —regarded as legally in force. That is the key. The House must actually look at and consider whether these rules are in force. Can the Commissioner of Patents revoke them or are they regarded as being legally in force? The committee came out with a recommendation. We have to decide whether the House, all 282 of us, will back the feelings of the committee that the provisions of the Patent Rules which regulate the registration of patent agents be formally revoked and that the Register of Patent Agents Rules, 1984 be amended by the Commissioner of Patents so as to bring them into conformity with current practices under the Patent Act. I should like to make a personal aside here. This patent matter is a pretty complex one. When someone came to those of us who practised law—and I am sure the Speaker and other Hon. Members who practised law will remember such occasions—with a patent question, we always turned it over to an engineer. For the engineers in the House, I will say that was a disaster. Anyway, engineers have to do something, and as long as they took the Patent Act out of my hair, I was happy. Anyway, they all trucked down here to Ottawa, because most patent agents seemed to operate in Ottawa, to consider what rules to use. They wanted to know whether they should use the Register of Patent Agents Rules, 1948 or whether they should go to the Commissioner of Patents and say: "Did you revoke the rules?"

Ms. Copps: The family allowances are being cut back, and you are blithering about the Patent Act.

Mr. Lewis: This is important stuff. For example, people go out and buy motorcycles. They may be sitting on motorcycles on a magazine cover some day. If that were to happen, they would want to know whether the motorcycle was properly patented in Canada. They would not want to be sitting on an unpatented motorcycle. For crying out loud, those things can happen to people. Where was I?

Mr. Gray (Windsor West): Start from the beginning.

Mr. Lewis: In case anyone has lost my train of thought, I want to point out that there was a slight grammatical change in the legislation which was passed in 1923. It was not exactly the same as the legislation which was passed in 1869. One cannot read the report all at once; it has to be digested piece by piece. I should like to point out to the House a case considered by the House of Lords, to which reference is made on page 2 of the report where it reads:

The provisions of the United Kingdom legislation dealing with the registration of patent agents were considered by the House of Lords in *Institute of Patent Agents v Lockwood*—

Mr. Tobin: Mr. Speaker, I rise on a point of order. I just wanted to say that I have always wondered, up until now, why he got paid an extra $15,000 per year.

Ms. Copps: Now I really do not know.

Mr. Lewis: Mr. Speaker, if I am getting paid an extra $15,000 per year for this, somebody is slipping the other $6,000 because it is $9,000. If the Hon. Member can find the other six, I hope he will let me know. My bank manager and my wife both want to know.

Mr. Tobin: Just $9,000 too much.

Mr. Lewis: I will speak until the arrival of the Gentleman Usher of the Black Rod. It will give me a chance to return to the case in the House of Lords, *Institute of Patent Agents v Lockwood*. Lord Watson, a great guy and a great fellow on the Patent Act whom we all remember, said:

—the main intention of the Legislature appears to have been to protect poor inventors from being robbed by unskilled patent agents who failed to make a specification and claim in such a form as would secure to them the fruits of their invention.

Excuse me, Mr. Speaker, is that someone at the door?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Before admitting the messenger, it is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Lévis (Mr. Fontaine)—Shipbuilding—Development strategy for shipbuilders—government position; the Hon. Member for Spadina (Mr. Heap)—Canada Mortgage and Housing Corporation—Housing project in Sackville, Nova Scotia; the Hon. Member for Broadview-Greenwood (Ms. McDonald)—Cultural Affairs—Inquiry if Government disposed to insist on Canadian control of film industry. (*b*) Request concerning government funding of Canadian feature films.

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Regulations and Other Statutory Instruments

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate Chamber.

● (1650)

And being returned:

Mr. Deputy Speaker: I have the honour to inform the House that when the House went up to the Senate Chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following Bills:

Bill C-64, an Act to amend the Seeds Act and the Canada Grain Act—Chapter No. 47.

Bill C-78, an Act to amend the Governor General's Act, the Governor General's Retiring Annuity Act, the Salaries Act and the Judges Act—Chapter No. 48.

Bill S-5, an Act to provide for the creation by amalgamation of the Evangelical Lutheran Church in Canada.

ROUTINE PROCEEDINGS

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

CONCURRENCE IN THIRD REPORT OF STANDING JOINT COMMITTEE

The House resumed consideration of the motion of Mr. Kaplan that the third report of the Standing Joint Committee on Regulations and Other Statutory Instruments be concurred in.

Mr. Deputy Speaker: We will now resume debate with the expert on patent law.

Mr. Lewis: Thank you, Mr. Speaker, At the time we were interrupted with a message from Her Majesty, we were discussing Lord Watson. He was on one of these pages but I do not know where he is gone. Anyway, let us talk about patents in general.

Mr. Deans: You have 30 seconds. Tell us all you know.

Mr. Lewis: I did that, and then I went on.

I have had an opportunity to put a few remarks on the record about this very important committee, the Standing Joint Committee on Regulation and Other Statutory Instruments, which often does work which goes unnoticed by this House, and by the country, and I think we are fortunate that on this particular day, in view of the other things we could be debating, that we have been able to respond so quickly to the concurrence moved by my colleague in this report. The House knows that had we continued on to Orders of the Day, we would—

Mr. Deputy Speaker: Unfortunately, the Hon. Member's time has expired. Are there questions or comments?

Mr. Epp (Provencher): Mr. Speaker, I have a question for the Hon. Member for Simcoe North (Mr. Lewis). He has indicated to the House today his deep knowledge of the Patent Act. His elocution, I think, is admired by all of us as well as his depth of knowledge and his ability to convey very complex issues in a very straightforward and understandable manner. I think the House has been well advised by the manner of the Hon. Member's approach.

I think that is in keeping with his reputation in the House of not only being a very fine constituency person, but also someone who understands all aspects of the House. He is truly a man of the House of Commons. We on this side of the House are pleased that he is the Parliamentary Secretary to the President of the Privy Council. It is unfortunate that comments were made by Hon. Members across the way about the extra money he receives as Parliamentary Secretary.

Mr. Deans: Why is he pointing this out to everyone?

Mr. Epp (Provencher): It should be pointed out to the Liberals that it should be more because of the fine work he has been doing. I think most Hon. Members would understand that that is a recommendation which would find much favour on this side of the House if Liberal Members would care to move it, something which I am quite sure they will consider most seriously.

● (1700)

The point on which I would like the Hon. Member to elaborate is the entrepreneurial spirit. We want to unleash the entrepreneurial spirit and there are many Canadians who we believe are waiting for that change and happily have adjusted to it. For example, if we were to take a look at the growth rate over the last year, we would find that Canada has had a good year. Canada has seen growth rates only comparable—

Ms. Copps: Mr. Speaker, I rise on a point of order. Questions or comments directed to the Hon. Member are, I believe, what are in order and I would ask that the Minister be called to order.

Mr. Deputy Speaker: The Hon. Member for Hamilton East (Ms. Copps) is correct. I would ask the Minister to comment or ask a question on the excellent speech made by the Hon. Member for Simcoe North (Mr. Lewis).

Mr. Epp (Provencher): Mr. Speaker, I thank the Hon. Member for pointing this out. For those of us who were Members of the House at the time and not in Queen's Park, I think we will recall that when the 10-minute rule came into effect, it was for two purposes: for questions and for comments.

Ms. Copps: Relating to the speech.

Mr. Epp (Provencher): Precisely, and that is what we are doing. It is important for Hon. Members to know that and I am pleased that you have pointed that out, Mr. Speaker.

I was saying, before I was so rudely interrupted although I am becoming almost used to it from that Hon. Member, that—

Ms. Copps: Mr. Speaker, I rise on a point of order. I realize that the Tories are having their Christmas party today and I realize that it probably started early. However, given that the Minister who is making these comments and allegations is the person who is about to bring in a cut-back on family allowances, it would seem to me that the House should be moving on to the important business and should cut out this garbage which is being viewed by the taxpayers as an absolute waste of money.

Mr. Deans: Mr. Speaker, I rise on a quite separate point of order and I think it is in fact a point of order. My recollection of the 10-minute question and comment period provision is that it was for the purpose either of putting a question or of making a brief comment and that it was intended that the 10 minutes would be shared among a number of Members from both sides of the House. Knowing that the Hon. Minister of Health (Mr. Epp) is always fair minded, I would simply ask him if he could perhaps draw his question to a close reasonably quickly in order that other Hon. Members might have an opportunity to take part.

Mr. Epp (Provencher): Mr. Speaker, I appreciate that intervention and it was again of the calibre that we have come to expect from the Hon. Member who made that contribution here in the House. However—

Mr. Deans: Will you cut it short? That's all I want to know.

Mr. Epp (Provencher): I was talking about the entrepreneurial spirit and the growth. There have been more than 400,000 new jobs created. The bank rate is down 3 per cent. The unemployment rate is down 1.2 per cent. Retail confidence is up. Canada has had a good year. That being the case, perhaps the Hon. Member could expand on unleashing even further this entrepreneurial spirit.

I was made aware of a case of a gentleman who works for the railways and had observed during a prairie winter the concern—

Mr. Robichaud: He's not working any more, he's been laid off.

Mr. Epp (Provencher): No, no, the concern about the—

Mr. Deputy Speaker: Order, please. I regret to interrupt the Hon. Minister. Could I ask the Hon. Member for Simcoe North (Mr. Lewis) to answer, please?

Mr. Lewis: Mr. Speaker, I appreciate this opportunity. The Minister was talking about unleashing the entrepreneurial spirit that has taken hold since we took office. He spoke of the 416,000 jobs we created as against the piddling number of jobs

which were created by the previous Liberal Government. This is due to the low interest rates which we have achieved. It is due to the vast number of housing starts and the general confidence in the economy that every Canadian feels. One might ask oneself what this has to do with the Patent Act.

Mr. Deans: That might well be a good question.

Mr. Lewis: This is the point: when we unleash that spirit, people start inventing and they need to have patents.

Some Hon. Members: Hear, hear!

Mr. Lewis: There has been a flood of patent applications because of the fact that we have unleashed that entrepreneurial spirit. Interest rates are down, jobs are growing, and as the Minister quite rightly points out, we want to be able to deal with this.

When this committee brought in this report, one of the first things we said to ourselves was that we will discuss concurrence without any difficulty at all because we feel that when important work like that is done by a committee, we as a Government should respond. Therefore, we came here to discuss concurrence in this report rather than have the bells ring unnecessarily, something which might have interfered with other things. We decided we would discuss the matter here. I know that that is to the regret of some Hon. Members.

How can an Hon. Member move concurrence in a report and not debate it? We were shocked. It was so shocked it took me a minute to rise. The Hon. Member who spent all that time on committee with the report wanted to move concurrence without discussing it. That is simply unheard of so I sprang to my feet to discuss it with vim and vigour.

Ms. Copps: Mr. Speaker, it is now about two weeks before Christmas and I realize that there is a lovely, friendly spirit of conciliation and co-operation in the House. However, I wonder if the Parliamentary Secretary to the President of the Privy Council (Mr. Lewis) really believes that the load of information that he has just dumped on the floor of the House of Commons is really worth the paper that *Hansard* is going to have to use to print it on. It seems to me that he has simply wasted the time of the House of Commons when there are extremely important issues before us.

Next week the Government wants to bring in the tax discounting Bill. Why does the Hon. Member not talk about that? The Government wants to gerrymander all the ridings across this country. The Government wants to cut back on family allowances. There are important national issues facing this country and the Parliamentary Secretary is contenting himself with spewing garbage all over the floor of the House of Commons. Why does he not get to the point and allow the people of Canada who pay his salary to get their money's worth?

Mr. Lewis: Mr. Speaker, in response to the Hon. Member for Hamilton East (Ms. Copps), I would say that it is well known in this House that no one knows so well what to do with a load as that Hon. Member.

Mr. Deans: Mr. Speaker, I will be brief. My friend, the Hon. Member for Simcoe North (Mr. Lewis), says that his comments were directly tied to the Bill because of the flood of patents which resulted from the new entrepreneurship which resulted from the new economic prosperity. If it is true that there is this new economic prosperity with more people working and all of the economic factors are performing as he said, why then is the Government increasing taxes and decreasing family allowances?

Mr. Lewis: Mr. Speaker, I am very pleased that my hon. friend the Hon. Member for Hamilton Mountain (Mr. Deans), a good colleague of mine, asked that question.

Mr. Deans: I knew you would be.

Mr. Lewis: The answer is very simple.

Mr. Deans: I would hope so.

Mr. Lewis: We were left with a horrendous deficit because of 16 or 17 years of flagrant Liberal spending without knowing where the money was coming from.

Mr. Deans: Profligate.

Mr. Lewis: Profligate, thank you very much. For that reason, we have had to increase taxes. When the Liberal Government was not spending profligately, it was making profligate statements like the one made by the Liberal ex-Minister of the Environment.

We regret that we have had to make some adjustments in the taxation system. However, the people of Canada will know that we are making every effort to get the deficit under control. With the employment rate going up and the unemployment rate coming down, revenues will increase. In due time we will have the deficit which was left to us by the profligate Liberals under control. At that time we will see consideration given to social spending which will look after everyone whom we can look after. However, when we do it we will do it on a reasoned basis. We will not spend money with the same reckless abandon for which the diminished number of Liberals were responsible. I say diminished because they went into the last election with 147 Members. Some 18 of them caught the *Titanic* out of the harbour and went on to greater rewards. Out of the 147, less 18, we have this motley bunch. Thus, Mr. Speaker, what can I say?

• (1710)

Mr. Deputy Speaker: Resuming debate.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I wish to participate briefly in this debate because of the fact that the Hon. Member for York Centre (Mr. Kaplan) has used a clearly obstructive tactic in moving this particular debate. People who are watching this debate will not understand that the normal courtesy is that if there is a motion for

concurrence with respect to a joint committee which has been traditionally a non-partisan and productive committee, and not for the purpose of trying to obstruct the business of the House, the Hon. Member need only have consulted with your humble servant. I would have been glad to speak to the appropriate Minister to see whether or not we could have had concurrence. In order to use an obstructive tactic the Hon. Member moved the motion with respect to this matter without notice. I have indicated to his House Leader on many occasions that if that were to be the tactic it is simply unacceptable. If there are to be motions of this sort and if we are to operate in this way and give notice to each of the other Parties respecting the business of the House, there takes a kind of mutual trust. I have tried to keep my side of the bargain with respect to this matter and have tried to give as much notice—

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: —to Members of this House as to what the business is and what motions will be moved. I was very much taken with the statement by the Hon. Member for Hamilton East (Ms. Copps), who is sitting with her soul-sister—soul-brother—

Mr. Deans: I beg your pardon. I rise on a point of order, Mr. Speaker. I object to the reference to my soul.

Ms. Copps: Separation of church and state.

Mr. Hnatyshyn: As I say at meetings of House Leaders: "May God have mercy on us". I agree with the Hon. Member for Hamilton East, which is what possessed me to stand up and speak now.

Mr. Deans: You are possessed!

Mr. Hnatyshyn: It is time to get on with the business of the House. It is time to get on with the legislation which is before us. It is time to make progress before Christmas. I will accommodate the Hon. Member for Hamilton East. I would not have done this if she had not spoken. Therefore, I move:

That the House do now proceed to Orders of the Day.

Mr. Deans: It is the very thing you were trying to avoid.

Mr. Deputy Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

• (1840)

And the division bells having rung:

Mr. Deputy Speaker: Order. It being 6.44 p.m., it is obvious that the House cannot proceed to the Orders of the Day. Therefore, under the terms of the Standing Orders, I declare that the motion has lapsed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 46 is deemed to have been moved.

SHIPBUILDING—DEVELOPMENT STRATEGY FOR SHIPBUILDERS—GOVERNMENT POSITION

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I have been on the floor of the House several times to ask the Government about its plans for a development strategy for shipbuilders and drill-rig builders. It is a matter of considerable concern to the workers in my riding, since the survival of many hundreds of jobs will depend on this policy.

All Members of this House have one major concern, which is to create and preserve jobs. The shipbuilding and ship repair industry is now in a position to create jobs. Canada's most efficient shipyards have adopted modern technology and advanced management techniques.

Versatile Davie of Lauzon is foremost in its field. Its shipyards have been in operation for more than a century. The material and human resources involved in this shipbuilding complex are practically unique in North America. Today, it has Canada's most advanced facilities for modular construction. A ship is built in sections, in several workshops, and then assembled in one central workshop. However, even the use of this technology does not guarantee jobs for our Canadian shipbuilders.

In recent months, the daily media across the country have reported on the precarious position of our shipbuilding industry. As far as ship building is concerned, order books are at their lowest level since World War II. Because of the deficit it inherited from the Liberals, our Government cannot directly inject new funds into this industry. Our budget situation is such that we cannot provide the kind of assistance received by certain foreign shipbuilders.

Mr. Speaker, if we look at new orders for Canadian ships and orders for ships built abroad and registered in Canada, we

see that imports are ten times as numerous as orders placed with Canadian firms. In 1984, new orders in Canada totalled six ships, together representing 29,200 gross tonnes, while ships built abroad totalled 235,975 tonnes or 18 ships. During the first half of 1985, commercial orders placed with Canadian shipyards totalled three ships, together representing a capacity of 3,138 tonnes.

Mr. Speaker, if we compare the assistance offered by the Canadian Government to our shipyards with that received by our competitors abroad, we see that nearly half the foreign countries offer direct aid of as much as 50 per cent of the price of the ship, while in some cases, very generous use is made of indirect subsidies. In addition, our Canadian industry also has to cope with protectionist measures. A study published this fall, under the title "Shipyards in Quebec and Canada—Situation and Prospects", shows how Norway was able to make the exploration of offshore resources benefit its shipyards, by demanding that test drill rigs, for instance, be built in that country. The demand for ships is picking up in Canada, but this demand is almost entirely met by imports. Direct grants available in foreign countries and preferential financing arrangements make it possible to buy ships at prices which are often below Canadian costs.

I have already indicated to the House how important it is for our Government to be able to propose a strategy to all shipbuilding interests. Our shipyards could achieve a better performance than other undertakings in various production sectors. The federal Government and the provinces have given generous support to foreign car manufacturers to encourage them to build Canadian plants which are not likely to create more than a few thousand jobs, whereas shipyards and related industries now employ 20,000 workers and could create more jobs.

It is therefore important for the Government to promote through judicious policies a resurgence of Canadian commercial demand for our shipbuilding industry, and it is also important for the Government to develop a ship and drilling platform import policy because there is a need in Canada for all kinds of ships and offshore oil development equipment. All we have to do is to ensure that this demand will be met by the Canadian industry, and not by foreign shipyards.

Mr. Speaker, if we have been able to correct and improve the international competitiveness of other sectors of our economy, we can do the same for our shipyards. The Hon. Minister of Regional Industrial Expansion (Mr. Stevens) has already shown his commitment to the future of our shipyards.

• (1850)

Indeed, Mr. Speaker, on March 23, 1985, the Minister reminded the House about the $15 million support granted to the Versatile company so that it might purchase the Davie shipyard in Lauzon. By providing such support, the Minister showed the interest of the Canadian Government in the future of this key industry.

We are about to enter the second phase, Mr. Speaker. There will be other achievements. These decisions will ensure the stability of this sector of our economy and the profitability of our shipbuilding industry.

I hope, Mr. Speaker, that the Hon. Minister will soon announce his shipbuilding development policy to the Canadian public.

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, my colleague has spoken about an important problem which is of serious concern to us. The Minister of Regional Economic Expansion is well aware of the problems of the Canadian shipbuilding industry, and this is why he has had numerous discussions with representatives of shipbuilding companies and of the unions.

Mr. Speaker, my colleague for Lévis is very concerned about this issue, but there is no easy answer. The Government has already contributed to the survival of this industry as its own orders account for the great majority of the contracts of the industry at this time. The Government has also shown flexibility in its contractual relations with shipbuilding companies. For instance, the Government accepted to renegotiate its contracts with Halifax Industries Limited so that this company would be able to complete ships it was building for the Coastguard in spite of financial difficulties. The Government also accepted to make the acquisition of Davie Shipbuilding by DOME easier under the tribal class ship retrofitting program and allowed Pictou industries to take over the Government work contracted to Ferguson industries.

The Minister and the Government will continue to support the shipyards through public contracts. The Polar VIII icebreaker program is now under consideration and the patrol frigate program is under way. Together, these programs represent 10,000 person-years of employment. In addition, the Government supports the industry by granting ships a tarriff protection of 25 per cent and drilling platforms a protection of 20 per cent, which is the highest level of protection in the world.

However, commercial contracts are also necessary to ensure the long-term future of the shipbuilding industry. Because of the drop in world demand, coupled with an increase in the building capacity of countries such as Korea, competition on all world markets is fierce. The OECD has noted a 50 per cent decrease in the cost of ships between 1980 and 1984 and a general decrease in world capacity since 1976. This decrease is especially apparent among Western European shipbuilders, whose business has fallen by as much as 66 per cent. In spite of these decreases, a surplus capacity of over 20 per cent persists and keeps costs low. In view of this, we must see to it that Canadian shipyards operate at a very high level of efficiency

without imposing an economic burden on the users of ships built in Canada.

The Minister of Regional Industrial Expansion is holding meetings with the private sector to discuss problems faced by Canadian shipyards and to receive suggestions as to how all parties concerned may look for a solution that will prove to be viable in the long run.

Mr. Speaker, I would like to reassure my dear colleague for Lévis, and also give him the assurance the Minister will not hesitate to get in touch with his colleagues in this House as soon as a solution has been found.

CULTURAL AFFAIRS (A) INQUIRY IF GOVERNMENT DISPOSED TO INSIST ON CANADIAN CONTROL OF FILM INDUSTRY. (B) REQUEST CONCERNING GOVERNMENT FUNDING OF CANADIAN FEATURE FILMS

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I raised yesterday a question concerning the report published the day before yesterday by the Task Force on the Film Industry. That group has done an excellent job, because it has made a strong and in-depth analysis of the problems of this industry. The actual situation points to the third-rate status of the film industry, in which 97 per cent of profits made in Canada are going to the United States. Indeed, Canadian moviegoers are supporting the American film industry.

Now, part of the profits have to be re-invested in Canada for Canadian production. Canadian film producers have no access to the Canadian market. Canadian films take up only 3 to 5 per cent of screen time, and account for only 2 to 4 per cent of titles available on videotapes. Canadians are confined to marginal positions in their own country, and viewers are essentially funding foreign productions. This is why the Task Force has recommended that the Government issue a clear policy statement on Canadian control of film distribution.

American film distributors are now treating Canada as part of their domestic market. When they get distribution rights on a film or a videotape for the United States, they also insist on getting the same rights for the Canadian market. Even Canadian producers are compelled to grant Canadian rights to an American distributor to have access to the American market. This is no longer acceptable. It never was.

Canada is the only country in the world which accepts such a denigration of its cultural sovereignty. We have here in Canada a situation of vertical integration between film production and distribution, which means that the multinational corporations controlling the distribution of films are the same ones that produce them.

Of course those corporations do not promote films produced by other firms, whether they are independant Canadians, the National Film Board or small Canadian film companies.

Vertical integration in the film industry is no longer legal in the United States, because of the harmful effects of that kind of monopoly or duopoly, which comes to the same in this case.

American film multinationals are now enjoying in Canada benefits that are illegal in the United States. We must tell them: The End. Access to the Canadian market must be controlled by the Canadians themselves. We must make sure that in the future, part of the profits are reinvested in Canadian productions. Canadian control of film distribution will allow Canadian producers to negotiate for Canadian distribution rights of foreign films and videotapes. Canadian control will put an end to the monopoly enjoyed on Canadian soil by American distributors.

Canada is a nation with a population of 25 million people living next door to a large country with 250 million people. No country with that kind of population can develop a film industry without Government intervention, which means financial support and regulation by the state.

All European countries, even those with populations larger than ours, have developped their industry with state-support measures. We have started with initiatives for promoting the production of films.

Now without the means to provide for the distribution, such measures remain useless. The Task Force has in addition, suggested creating a fund to finance Canadian feature films. Even with other proposed measures, such as increased private investments, co-productions and sales abroad, the Task Force feels that public financing will be essential. More specifically, it advocates a fund of $60 million per year. The Task Force notes that 40 or 50 feature films must be produced if we are to play a significant role with respect to movie theatres and pay television.

This is only 5 per cent of the amount paid out every year by moviegoers in Canada. The Task Force notes that in other countries, higher amounts are earmarked for production. We are aware here of the necessity of serving linguistic and cultural communities. Consequently, it recommends that special attention be granted to French-language and regional productions.

Unfortunately, there is no reference to the fact that very few women have access to capital for the production of films, especially costly ones such as feature films. Or course, the contribution of the Provinces is essential for a film distribution policy, but we should not delay granting the required funds. I would have been more satisfied, if the Minister had given us a more constructive answer.

• (1900)

[*English*]

We have heard enough about good intentions for action. The Minister knows these problems and he knows them well. They have been talked about in his Department for a long time. I dare say his Department has had a copy of this report for a

while and he has had time to think about it. The excuse that consultations must be held with the provinces just cannot last too long. It would be far better for the Minister to take some leadership, to say that this report contains good recommendations so as not to close the door on every nuance or, perhaps, the recommendations could be improved upon in particular places. He should be showing some leadership and say that this is a part of our culture that must be reclaimed. If he wants to be serious about bringing back Canadian culture, as we brought back our Constitution, this is the place for him to be acting. The time is now.

[*Translation*]

Mr. Jim Edwards (Parliamentary Secretary to Minister of Communications): Mr. Speaker, the Minister of Communications (Mr. Masse) and his Parliamentary Secretary entirely agree with the Hon. Member for Broadview-Greenwood (Mrs. McDonald) about the Canadian cultural sovereignty objective.

[*English*]

I can honestly assure the Hon. Member, and I remind her as well, that one of the commitments this Government made as a Party prior to the election, and one which it has consistently honoured, is that of national reconciliation through negotiation. Consultation with the provinces is an essential part of that mechanism.

Yesterday, the Hon. Member raised two questions with respect to the recently report of the Task Force on the Film Industry. One was with respect to whether or not the Government subscribes to the view expressed in the report that measures should be implemented to eliminate vertical integration in the film industry. The second was with respect to whether or not the Government will grant the $60 million the task force identifies as necessary for the financing of feature films.

On the principle endorsed by the report that vertical integration be eliminated, the House will appreciate that the measures necessary to accomplish such a major structural change in the industry will involve the co-operation of two and possibly three orders of Government. The responsibility for distribution and exhibition in the film industry falls largely within the competence of the provinces. Any action taken on recommendations of the task force which fall within these areas will require concerted action. The Minister of Communications (Mr. Masse) has already conveyed the task force report to his provincial colleagues and plans have been made to meet with his counter-parts from the provinces to discuss the matter. The course of action to be taken by the Government of Canada will be decided upon following this meeting and pending analysis of what would be involved in implementing the recommendations of the task force.

It would be premature to predict the ultimate position of the Government of Canada on the vertical integration question. It is certainly fair to say, however, that the Minister of Communications is well aware of difficulties posed for the Canadian industry by its present structure and is intent on rectifying those structural problems as far as it is possible to do so.

In addition to seeking the advice and assistance of his provincial colleagues, the Minister will be consulting with his colleagues in Cabinet, particularly the Minister of Consumer and Corporate Affairs (Mr. Côté), who is responsible for competition policy, and with the industry itself in order to determine the most effective response to the recommendation.

On the matter of the recommended fund for the financing of feature films, the task force has obviously recognized and documented a serious need. The implementation of such a fund, however, is a costly measure, both in terms of where the resources might be found and in terms of assuring that such a measure would, in fact, complement other forms of assistance now in place. The Minister and his Department will be looking at that recommendation very carefully over the coming weeks and his conclusions will be brought to Cabinet for review. They will obviously have to be considered among all the other demands on the public purse. However, the Minister's commitment to the betterment of the Canadian film industry is firm. He will do all in his power over the coming months to assure that the industry has the resources it needs to develop its evident potential.

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

The House adjourned at 7.05 p.m.

HOUSE OF COMMONS

Friday, December 13, 1985

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 22

[*English*]

AGRICULTURE

DELAY IN ESTABLISHING NATIONAL TOBACCO MARKETING AGENCY

Mr. Maurice Foster (Algoma): Mr. Speaker, this past week we have seen over a thousand farmers on Parliament Hill protesting the fact that the Prime Minister (Mr. Mulroney) and the Minister of Agriculture (Mr. Wise) have not kept their promises to establish a national tobacco marketing agency. On Tuesday of this week the comments of the Minister of Agriculture contradicted those of the Prime Minister on Wednesday that the delay in establishing the national marketing agency was due to a court injunction relating to the cost of production formula, and said that the delay was due to a lack of support by the producer groups from the five provinces concerned.

Berry Murray, the Chairman of the Ontario Flue-cured Tobacco Growers Marketing Board, said on Thursday that he now has letters and commitments from all five provincial producer groups to support a marketing agency. The Government has the support of these producers so why does it not move to establish this marketing agency? It is because it does not want a national marketing agency. That is why it has appealed the judge's decision on the injunction relating to the report on the cost of production formula.

Marketing boards do not fit into the Prime Minister's agenda on free trade with the United States. This is the first casualty on the altar of free trade.

How many more national marketing boards will be bargained away in the free trade negotiations? No one knows. However, we do know that the Government and the Prime Minister and the Minister of Agriculture do not keep their promises.

PUBLIC SERVICE

CONFLICT OF INTEREST GUIDELINES—DISCLOSURE OF OUTSIDE ACTIVITIES

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, on September 9 the Prime Minister (Mr. Mulroney) tabled before the House of Commons several documents explaining initiatives the federal Government intends to take in the area of public sector ethics.

Basically, we support those initiatives but let us not, in the process, go overboard and use public disclosure as a weapon to intimidate the public service.

I refer specifically to the requirement that all public servants declare their outside activities to a designated officer who has the right to make the decison on whether those activities are in conflict with the employee's duties and responsibilities. Does coaching a hockey team seem like an unacceptable activity? The guidelines do not say one way or the other, but a designated officer may.

The protection of democracy is the responsibility of this Chamber. I call upon the Government to review the procedures by which it will implement its public service conflict of interest guidelines. Unacceptable activities must be defined to give civil servants some feeling that they are not subject to the whims of their superiors.

* * *

[*Translation*]

THE ECONOMY

EDITORIALS IN CERTAIN NEWSPAPERS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, our Government had told Canadians it would create a new national consensus, spur the economic recovery and, finally, make it easier for all Canadians to become fully aware of the state of the nation.

Over the past ten days, ten editorialists from each of the ten Canadian provinces have attested to the fact that our national economy is back on the right track, and that Canadians throughout the country now readily close ranks and feel more prosperous.

Mr. Speaker, I am referring to the editorials of the following newspapers—from the Pacific to the Atlantic: the British Columbia December 6 *Times-Colonist*, a positive report on de Havilland; the Alberta December 5 *Calgary Herald*, a positive report on the economy; the Saskatchewan December 3 *Reader*

Post, a positive report on our communications policy; the Manitoba December 5 *Winnipeg Free Press*, a positive report on privatization; the Ontario December 6 *Toronto Sun*, a positive report on the minimum tax; the Quebec December 12 *Gazette* and *La Presse*, a positive report on the Francophonie Summit; the New Brunswick December 3 *Telegraph Journal*, a positive report on the new alcohol legislation; the Prince Edward Island November 29 *Guardian*, a positive report on financial co-operation with the provinces; the Nova Scotia November 25 *Chronical Herald*, a positive report on deregulation; the Newfoundland December 3 *Evening Telegram*—

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

* * *

[*English*]

EXTERNAL AID

DELIVERY OF SUPPLIES TO COLUMBIA BY DEPARTMENT OF NATIONAL DEFENCE AIRCRAFT

Mr. Don Ravis (Saskatoon East): Mr. Speaker, I rise to express my outrage at the statement made in the House yesterday by the Member for Regina East (Mr. de Jong) when he distorted the facts to the point where Members of the House and, indeed, the Canadian public were left with the impression that the Government had kept humanitarian supplies off a Department of National Defence aircraft bound for Columbia on a training flight.

I want to set the record straight by telling the House and every Canadian that all humanitarian supplies collected by the Saskatchewan Food Bank that met Columbian needs were put on board that Armed Forces aircraft. In fact one of the organizers of the Saskatchewan Food Bank, Mrs. Burke, has expressed her gratitude for the prompt and helpful response by the Canadian Forces in this matter.

In my opinion this is a fine example of what can be accomplished when Government and private organizations such as the Saskatchewan Food Bank collaborate together for the benefit of those less fortunate than ourselves. It is about time that facts were verified before such frivolous allegations are made.

* * *

[*Translation*]

INDUSTRY

PRIME MINISTER'S MEETING WITH EMPLOYEES OF GULF REFINERY IN MONTREAL

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Last Wednesday, Mr. Speaker, Quebec's petrochemical industry workers, mostly Gulf employees, had an opportunity to meet with the Right Hon. the Prime Minister (Mr. Mulroney). During the meeting the Prime Minister told them that *Gaz métropolitain's* bid was not serious.

Today, Mr. Armand Galipeau of *Gaz métropolitain* has contradicted the Prime Minister by stating that his company did submit a truly reasonable and serious bid as early as December 1.

Mr. Speaker, along with all Hon. Members, I am sure, I deplore the fact that the Prime Minister would choose to play games with the workers and be less than honest with them.

Mr. Speaker, I dare hope that Government Members will use today's questions period to shed light on the matter, and that the Prime Minister will apologize to *Gaz métropolitain* and the workers, if indeed he made a mistake.

* * *

[*English*]

HEALTH

DRUG AND ALCOHOL ABUSE BY NATIVE PEOPLE LIVING IN URBAN CENTRES

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, yesterday morning the National Association of Friendship Centres officially released its final report on the Urban Research Project into Drug, Alcohol and Solvent Abuse.

This study found, among other things, that the problem of drug and alcohol abuse by native people who migrate to urban centres remain, tragically high and that no programs exist in those centres to offer specific assistance in either preventative programs or direct counselling.

The Minister of National Health and Welfare (Mr. Epp) has had a copy of this report for two months and has declined on three separate occasions to meet with representatives of the NAFC to discuss the findings and the necessary response to them. For a Minister who campaigned on a platform of more consultation with the Canadian public, this is a poor track record indeed. The following quotation from this report will, I hope, remind the Minister that his personal attention to this national problem is required immediately:

● (1110)

> The Urban Research Report tells of Indian men, ordered by the courts to refrain from alcohol consumption, who have sought death rather than face going "cold turkey", of women who have chosen to terminate seven-month pregnancies than discontinue their addictions, and of five year old children sniffing the contents of a can of PAM and suffocating.

Drug, alcohol, and solvent abuse constitutes a national tragedy. No group in society is more vulnerable or more affected than native people who have moved to urban centres. This Party calls upon the Minister for action.

EXTERNAL AFFAIRS

POLAND—FOURTH ANNIVERSARY OF IMPOSITION OF MARTIAL LAW

Mr. Andrew Witer (Parkdale-High Park): Mr. Speaker, today the Polish community of Toronto and throughout the world commemorates the fourth anniversary of the imposition of martial law in Poland on December 13, 1981.

Recently General Wojciech Jaruzelski tried to gain some semblance of respectability by travelling to France, yet Poland remains a repressed state. There has been no attempt at reform to cure the economic malaise or the cultural and political repression. The Education Act of July, 1985, requires that all academics travelling to the West on exchange programs be approved by the Communist Party; 360 political dissidents are under detention; more and more citizens are being brutally killed for their opposition to the regime; and last month 40 outspoken opposition intellectuals were purged from senior administrative posts in universities.

General Jaruzelski is under the mistaken impression that by visiting western leaders he will be absolved of all wrongdoing and that memory is generally short in the West. The image of a uniformed lawman in dark glasses will not fade, certainly not in the minds of Poland's people.

Let us not be fooled by the extrovert image Jaruzelski tries to portray. There is no normalcy in Poland at this time. The grim truth is that repression in Poland is more intense. Today all Canadians must lend their support in spirit to the people of Poland. We join—

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

* * *

ENERGY

INCREASE IN PETROLEUM REVENUES AND EXPLORATION

Mr. Tom Hockin (London West): Mr. Speaker, the Province of Ontario consumed 26 billion litres of oil and 660 billion cubic feet of natural gas in 1984. In my riding in London, Ontario, we look to our domestic producers for competitive prices and reliable supply, but under the NEP of the past, local supply in a depressed market could no longer be guaranteed.

Earlier this week a constituent came into my office with some startling energy statistics from the semi-annual report of the Petroleum Monitoring Agency for the first half of 1985. It revealed that petroleum revenues were up by 7 per cent; that cash flow had increased by 19 per cent; that this increase in cash flow was being pumped right back into upstream expenditures; and that reinvestment, capital expenditures, and exploration were all on the rise.

The Canadian oil and gas industry has entered into a growth cycle, unmatched even by our American neighbours, as a reesult of the new policies of the Minister of Energy, Mines and Resources (Miss Carney). Canadian supplies of oil and

natural gas are recognized as the most reliable supplies of any country.

I want to quote from a recent editorial in the *Oil and Gas Journal*, dated November 25. It reads:

> The administration of Brian Mulroney is living up to its promise. Canada is better for it . . . A much more confident industry is responding by spending more in Canada.

* * *

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

EXPRESSION OF GOOD WISHES TO HON. ROBERT BOURASSA AND NEW QUEBEC GOVERNMENT

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I want to join many Canadians, especially those living in Quebec, in extending our best wishes to the new Government of that province and its leader, the Hon. Robert Bourassa, to whom we wish every success in achieving his objectives which have the approval of the people of Quebec.

The election of a new Government in Quebec marks the end of a period when all the energies of the Quebec Government were concentrated on separating the province, sooner or later, from the rest of Canada.

This philosophy of the Parti Québécois Government was at the root of the many confrontations seen between Ottawa and Quebec during the past nine years. The constant conflict was due to the fact that even the slightest skirmish was used as a pretext to challenge Canadian unity.

All Quebecers listened confidently when their new Premier expressed the hope that before the end of his term, he would be able to sign the Canadian Constitution Act as patriated by the previous Liberal Government of Canada.

Quebec and its new Government want to make the Canadian federation work, and if symbols mean anything at all, Canadians will be happy to hear that their flag has now been restored to its place of honour next to the blue and white flag of Quebec.

* * *

THE ECONOMY

GOVERNMENT'S PERFORMANCE

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, the latest economic indicators show that the economy of Quebec continues to progress steadily in 1985.

Since the election fourteen months ago, we have created 130,000 jobs, an average of 9,286 new jobs per month. The unemployment rate dropped from 12.8 per cent in 1984 to 11.8 per cent in November 1985. Between January and September 1985, the total value of building permits rose from $2.4 billion

to $3 billion. The increase in capital spending will be around 8.7 per cent, of which 12.8 per cent in the private sector, in 1985. This last indicator shows that the private sector is responding favourably to the first steps taken by our Government.

According to a survey, 37 per cent of small—and medium-sized businesses intend to increase their capital spending by the end of the year. Furthermore, 26 per cent of these businesses intend to hire staff and 41 per cent to increase their operating capital.

The estimated value of delivered goods throughout the entire manufacturing industry increased $611 million between September 1984 and September 1985, an increase of 12.7 per cent.

Retail sales increased by 8 per cent between September 1984 and September 1985.

During the first ten months of this year, the bankruptcy rate dropped 13.1 per cent, compared with the same period in 1984.

These figures show once again that the economy's performance has improved considerably since the election—

Mr. Speaker: Order. I would like to inform the Hon. Member that her time has now expired.

• (1115)

ORAL QUESTION PERIOD

[*English*]

AIR TRANSPORT

AFTERMATH OF NEWFOUNDLAND DISASTER—EFFECT OF DEREGULATION OF AIRLINES IN UNITED STATES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Minister of Transport. I would like to take this opportunity to thank the Minister for his prompt report to Parliament yesterday on the tragedy in Gander, Newfoundland, and to indicate to him that I am sure all Members of the House support the intensive and wide-ranging nature of the investigation that he has launched into yesterday's tragedy.

Canada enjoys one of the safest and best regulated air transport industries in the world. I am sure the Minister shares my conviction that we want to keep it that way. I would ask the Minister whether the investigation into the causes of the accident which will deal with Egypt, West Germany, and Gander, will also examine what effects deregulation of the airline industry in the United States has had on safety and maintenance.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I appreciate the support of the Right Hon. Leader of the Opposition and the members of his Party in this very tragic incident. As the Right Hon. Member knows, the investigation is being conducted under the authority of the Canadian Aviation Safety Board, which is indeed an independent investigatory body. It would seem to me that, given the magnitude of the tragedy, it will be looking at all aspects of this very disastrous accident, and I think it is worthy to note as well that the Canadian Aviation Safety Board has indicated that it will engage in a public inquiry to ensure that all aspects of this terrible tragedy are examined with thoroughness and the utmost intensity.

INTRODUCTION OF DEREGULATION LEGISLATION—REQUEST FOR POSTPONEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, that is a good answer and I commend the Minister for it. The Minister does, however, propose to deregulate totally the airline industry in Canada beginning in 1986. I understand that he is preparing a Bill modelled after the total deregulation of the airline industry in the United States, which began in 1978.

The Minister was informed by my colleagues, the Hon. Member for Papineau and the hon. Member for Humber-Port au Port-St. Barbe, last Monday night that the Liberal Party would be producing a dissenting opinion on the report of the Standing Committee on Transport regarding the issue of deregulation. Would the Minister agree to delay introduction of this legislation deregulating the airline industry in Canada until such time as there has been a thorough investigation of the effects of deregulation on air safety and maintenance in the United States?

• (1120)

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I think it is really unfortunate that the Right Hon. Leader of the Opposition is attempting to cloud this issue. We are not talking about deregulating safety standards in any way, shape, or form in this country.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: We are talking about economic regulatory reform. I have stated time and time again that, if anything, we will be enhancing safety, as has been indicated in the past by the passage of the aeronautics legislation, which is the most progressive aeronautics legislation in the world. We have introduced amendments to the Canada Shipping Act, which, again, has the paramountcy of safety in mind. There will be further legislative measures to stengthen our ability to ensure that safety standards are maintained and understood.

As well, the right hon. gentleman might very well want to look at the record of statistics in the United States, which does not bear out the suggestion he implies that deregulation in the United States has caused more accidents and more casualties. I would challenge him to check the record before he makes such an assertion.

REQUEST THAT COMMITTEE STUDY EFFECTS OF DEREGULATION IN UNITED STATES

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is for the Minister of Transport. He is aware that members of the Transport Committee from all three Parties have indicated to him the timeframe given the committee to study the effects of deregulation of the transportation industry in Canada was indeed short and restrained. The Minister is also aware that for this reason, among others, both Opposition Parties are producing minority reports on the committee's work. Would the Minister agree to give the Transport Committee the time necessary to travel to the United States in order to study the effects of deregulation on safety in that country and report back to Parliament, before he introduces legislation deregulating the airline industry in this country?

I say to the Minister that the committee draws no conclusions in advance. The committee merely submits to the Minister that we have an obligation to learn from the American experience—

Mr. Speaker: Order, please. With respect, the Hon. Member's question is becoming a little long.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am surprised at the Hon. Member's question. He is obviously confused about the process. The process that we are undertaking in terms of rewriting national transportation legislation is really unprecedented in this country. This Government has put forth a position paper for public debate. The legislation is not even drafted as yet. We are awaiting the comments of the standing committee and the reaction of the public. We will certainly welcome the minority reports, if that is what the opposition Parties choose to do. However, there is no legislation before the House. The legislation is not yet drafted. There will be ample time to deal with these issues.

I repeat, and I think the Hon. Member shares this view, that the urgency of moving to update the transportation legislation in this country to the effect that it will reflect the realities of the 1980s and 1990s is long overdue.

LENGTH OF COMMITTEE STUDY

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, the Hon. Member shares the view that we have to move with progress; but the Hon. Member believes we should do it with our eyes fully open. I wish to say to the Minister that he knows that this committee and members of it have requested an opportunity to study the effects of deregulation on safety in the United States. I would like to quote—

Some Hon. Members: Come on!

Mr. Tobin: Mr. Speaker, I quote from a witness—

Mr. Speaker: I think the Hon. Member is embarking on a long preamble. Will he put his supplementary question, please?

Mr. Tobin: Mr. Speaker, I ask the Minister again if he does not agree that a one-month timeframe for a standing committee to study a document which took the Minister 15 months to prepare and release to the public is not unduly short. Would it not be worth our while to study the experience south of the border before we introduce deregulation in the airline industry in this country? That is all we ask, with no conclusions drawn before we have had a chance to look at the record south of the border.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, if the Hon. Member wants to stonewall progress on the initiative that we have undertaken, so be it. That is fine. We indicated last February that we would move to reform the legislative and regulatory mechanisms which govern transportation in this country. We invited public response at that time. We produced a position paper. It has been widely debated. We've gotten the views of the Standing Committee. We've gotten the views of industry.

• (1125)

I understand some 177 briefs were submitted to the Standing Committee on Transport. I have had something like 150 briefs submitted to me personally. Surely that should form the nucleus of drafting the legislation.

All Hon. Members will then have an opportunity to debate the issue and to engage in further hearings, if that is the desire of the committee.

COMMITTEE PROCEEDINGS

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I point out to the Minister that I said "members of all three Parties" and I indicated the time was too short. I ask the Minister if he believes that a Standing Committee on Transport which is studying the most important reregulation or deregulation of the transportation industry, visiting only three centres in this country and now being refused permission to go to the United States to study an environment where the experience has been in place since 1978, is an acceptable way to proceed? In a desire to help the process to produce better legislation, I ask the Minister to allow this committee to go south of the border to have a look at the experience in the United States before we proceed with legislation in this country.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the Hon. Member is a member of the Standing Committee, and he may very well be on the Steering Committee. With his Johnny-come-lately attitude, perhaps he may want to go back to the Steering Committee and make that a formal request. That is the process which should be followed.

I don't dictate what the Standing Committee does. It should be done through the aegis of the Chairman of the Steering Committee. The Hon. Member should know that.

Oral Questions

CROWN CORPORATIONS

SALE OF DE HAVILLAND—MEMORANDUM OF UNDERSTANDING

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the President of the Treasury Board. There are a large number of unanswered questions with respect to the Government's sale of de Havilland aircraft to Boeing, and those questions must be answered before that deal goes through.

Mr. Deans: Hear, hear!

Mr. Rodriguez: Hear, hear!

Mr. Cassidy: Will Parliament be able to review the memorandum of understanding with Boeing in the de Havilland sale before the deal is closed? And if so, when?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the Hon. Member is talking about a lot of unanswered questions.

Mr. Fulton: That's right.

Mr. de Cotret: In this House—

Mr. Gauthier: That's par for the course.

Mr. de Cotret: The Hon. Member for Ottawa-Vanier says this is par for the course. It certainly is for this Government.

Mr. Fulton: That's right. Two strikes now.

Mr. de Cotret: In this House we have talked about price, valuation, book value—

Mr. Deans: No, we've talked about it.

Mr. Gauthier: We've talked about it.

Mr. de Cotret: —tax implications, credit notes, world product mandate, technology guarantees, Government equity, future Government infusion, royalties, product liability insurance, corporate liabilities, Government programs, Canadian content—

Mr. Fulton: What are you, a lexicon?

Mr. de Cotret: —supplier commitment, R and D, technology guarantees, insurance—

Mr. Deans: You haven't talked about it; that's the problem.

Mr. de Cotret: —new investment, upgrading of the plant—

Some Hon. Members: Order.

Mr. de Cotret: If the Hon. Member has further questions to ask, please ask the questions and I will answer them—

Mr. Speaker: Order, please.

[*Translation*]

Mr. Cassidy: Mr. Speaker, we have asked the questions about all these matters, but the Government has refused to answer them or to refer everything to a parliamentary committee. These questions also concern the sale of Canadair.

REQUEST FOR CLARIFICATION OF TAX CONCESSIONS FOR BOEING AND DE HAVILLAND

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my second question is as follows: Are the figures for the tax concessions and financial benefits—estimated at $600 million—Boeing stands to receive as part of this transaction correct? If not, what is, according to the Government's estimate, the figure for the concessions and financial benefits we are giving Boeing?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, with respect to the preamble to the question put by my hon. friend from Ottawa-Centre, I must say that it is entirely false. We have answered all these questions I just enumerated.

As for the Hon. Member's supplementary, it is entirely unfounded as well. There is absolutely no basis for the figure of $600 million. The agreements we made with Boeing and de Havilland do not in any way involve $600 million. I never saw this figure and never heard about it, and I would ask the Hon. Member to tell us on what he based his estimate. I know nothing about this figure.

[*English*]

Mr. Kaplan: Mr. Speaker, I would be glad to send the statement of the $580 million which we have calculated the Government will be contributing.

BOEING COMPANY'S REPORTED HIRING OF PROPELLOR ENGINEERS

Hon. Bob Kaplan (York Centre): I want to ask the President of the Treasury Board a question. Eight months ago the Boeing Corporation won a $2 billion contract from the U.S. Navy to build propellor planes. Does the Minister know that Boeing came to Toronto, set up shop at the Triumph Hotel, which is three blocks away from de Havilland, raided that company for propellor engineers, and hired away ten of them who have now moved to Philadelphia? They were propellor research experts at de Havilland. They are now working in Philadelphia in the company's research centre there. Is the Minister aware of that? Does he not realize that any multinational corporation can raid the technological resources of a branch plant or division in Canada? Does the Minister approve of that? What assurances are—

• (1130)

Mr. Speaker: Order, please. I think that was two questions which were long enough.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I am not aware of that. However, what better way to prevent that than by having that deal, that natural fit between de Havilland and Boeing go forth? They will then have the expertise in-house and they will be able to use the technology, expertise, and engineering capacity of de Havilland to help their own exports in their own markets. That is the proof.

RESEARCH CAPACITY OF DE HAVILLAND

Hon. Bob Kaplan (York Centre): Mr. Speaker, the Minister tells us that he has put enough facts on the table. However, as a result of this deal is there now an assurance that Boeing will not move the research capacity and talented bank of expertise established here out of our country? Has that been guaranteed?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I think I answered that question yesterday. Not only will the R and D done at the moment by de Havilland in Downsview, Ontario, Canada, be maintained, but it will be enhanced. That is in the understandings that we have with the Boeing Corporation. Can I be any clearer than that?

Mr. Turner (Vancouver Quadra): Let's see the understanding. Let's see the document.

JOB SECURITY FOR EMPLOYEES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the President of the Treasury Board. He says that he welcomes questions on the de Havilland giveaway to Boeing. Well, he is going to get them.

Our third question is as follows. What assurances, if any, did Boeing offer the Government in relation to job guarantees and security for de Havilland's 4,500 workers?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, quite honestly, I think I have answered this about 10 times over the last few days in this House. The only guarantee for job security that one could reasonably expect is that which comes from a world product mandate; the ability to sell our planes throughout the world through a well-known and most successful aircraft manufacturer.

Let me emphasize for the Hon. Member's information that under Crown ownership there were no employment guarantees. The Member ought to talk to the more than 2,000 employees of de Havilland who were laid off when it was Crown owned. They will tell him that there was no guarantee at that point. Now, with the financial and marketing expertise behind Boeing, they will have more job security than they have ever had before.

Some Hon. Members: Hear, hear!

UNION REPRESENTATIVES' REQUEST FOR MEETING

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my supplementary question, our fourth question, is directed to the same Minister. Why did the Government refuse to meet with representatives of the United Auto Workers who requested a meeting weeks in advance of the sale?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, over a year ago we announced our intention to privatize a number of Crown corporations. We reiterated that intention in the Budget of last year. We welcome any representation by any group anywhere in the country that may have any interest whatsoever in what we are doing on privatization. Those concerns will be considered fully in any negotiations that take place.

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[*Translation*]

GOVERNMENT ADMINISTRATION

EFFECT OF BUDGET CUTBACKS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the President of the Treasury Board. We now know that in November, the President asked all Government departments to cut what was left of their budgets by another 1 to 3 per cent. Incidentally, a 3 per cent cutback amounts to one billion dollars, exactly what this Government will have to pay for the problems they had with the banks. I want to ask the President of the Treasury Board whether he thinks it is fair that workers in Montreal East, women, the elderly, farmers and farm workers should have to pay for the bank fiasco that was created by this Government owing to its lack of surveillance in this area?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I don't think it is exactly news that for more than a year, the Conservative Government has been trying to control federal spending and to reduce the enormous deficit we inherited from the previous Liberal Government. It is in the course of this exercise, an exercise that has been going on all year, that we asked the departments to reduce their daily operational spending by an additional amount, to ensure that funds not spent at the end of the year are saved to keep the deficit at I would not say an acceptable but at least a tolerable level, considering the legacy we received from the previous Government.

[*English*]

GOVERNMENT POLICY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Minister has just confirmed that there will be at least a $200 million cut in job programs under unemployment insurance. I ask him again whether he thinks it fair that the women, the senior citizens, the farmers, the workers, and the unemployed of the

country have their programs cut so that the Government can come up with $1 billion to bail out the banks.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the premise of the question is totally false. I have never admitted, confirmed, nor said any word about the things contained in the premise of the question. I am saying that the Government is committed to good management, to maintaining expenditures within reasonable levels, and to reducing the deficit to make the country economically prosperous once again, something which was not done by the Party opposite when it was in Government for years and years before us.

Some Hon. Members: Hear, hear!

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CROWN CORPORATIONS

SALE OF DE HAVILLAND—FUTURE UPGRADING OF PLANT

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I also have a question for the President of the Treasury Board on the de Havilland-Boeing deal. This is our fifth question. How much has Boeing committed to the up-grading of the de Havilland plant? Why did the Government inflate its percentage of defence industry productivity program support to 50 per cent to help finance it?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the Hon. Member well knows, as I have stated in the House time and time again, that the de Havilland Corporation, under Boeing ownership, will be allowed access to every existing Government program. It has committed to improving the Downsview plant in terms of its existing capacity. It has committed to making significant new investment in the productive capacity of de Havilland Canada. As such, it will be eligible for the Defence Industry Productivity Program which, as the Hon. Member surely knows, makes advances which are repayable to the Crown over a period of time.

INFORMATION PROVIDED TO PROSPECTIVE BIDDERS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, our sixth question is as follows. Why did the Government give Boeing access to financial information that it denied to Rimgate Holdings of British Columbia?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I would first like to clarify a point. We have talked time and time again in the House about Rimgate from British Columbia or where have you. The major shareholder of Rimgate is a company from Europe called Fokker, which is a direct competitor of de Havilland because it produces a product similar to the Dash-8, a 50-seater STOL aircraft. Certain information on the competitive elements was withheld, but no financial information was withheld. I would just say that if Rimgate wants its offer to be discussed publicly, since I cannot do it, let it make it public and then let the people of Canada compare it to the Boeing offer and see which is the best.

• (1140)

Some Hon. Members: Hear, hear!

* * *

HATE LITERATURE

POSTED IN MOSCOW FOR DELIVERY IN CANADA

Mr. Terry Clifford (London-Middlesex): Mr. Speaker, my question is directed to the Minister of National Revenue. Canadians of Ukrainian descent are being bombarded with unsolicited hate literature which is postmarked Moscow. Is the Minister aware that this literature is circulating in Canada and, if so, is he prepared to take action to stop this propaganda from filling Canadian homes?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I can assure my colleague that I share his concern that this type of material appears to be circulating. I can give him my undertaking that I will immediately direct our officials to check the situation and see whether there are prohibitory tariff items which will allow us to check this material, and report back to him.

* * *

[*Translation*]

SOCIAL SECURITY

REQUEST THAT BILL C-70 BE WITHDRAWN

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I had a question for the Minister of National Health and Welfare but, in his absence, I will direct it to the Deputy Prime Minister.

The Government has imposed closure on several Bills, the most unfair being Bill C-70 to de-index family allowances.

The Opposition has been urging the Government to withdraw the Bill. Women, mothers, unions, the Canadian Conference of Catholic Bishops just wrote to the Minister and asked him to drop the Bill. When will the Government do the honourable thing and withdraw this Bill?

[*English*]

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, in the unavoidable absence of the Minister of National Health and Welfare who is away on Government business this morning, may I say that we have had a very substantial opportunity to debate this legislation. Indeed, the study time in committee was extended by its membership in order to accommodate the representations that were made. So I say to the Hon. Member that we have listened to the representations and made a decision to proceed with this legislation in order that

we may put into effect the budgetary provisions contained therein.

BISHOPS' REPRESENTATIONS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, in a letter dated November 15 the Canadian Conference of Catholic Bishops said:

—society must not succumb to an ideology of restraint that subordinates human dignity and human needs to abstract economic theory.

They are still awaiting a reply to this letter, by the way. Will the Minister do the honourable thing and, if he is not going to listen to us, at least listen to the special needs of this country at Christmas time?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, naturally these representations, made by a variety of groups, are important. However, we also have an obligation to redirect our resources to those most in need, the low-income earners with children. That is what this legislation is doing and we intend to proceed with it.

* * *

CROWN CORPORATIONS

SALE OF DE HAVILLAND—STUDIES OF CORPORATION'S ASSETS

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is also directed to the President of the Treasury Board. Canadians want information on the de Havilland-Boeing deal made public. They want it tabled in the House of Commons. Our seventh question is this. Why will the Government not table studies done by experts related to de Havilland's assets, studies such as those done by Reed Stenhouse, Burns Fry, and Arthur Andersen?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, for the seventh time to the seventh question, we will make all information available following the due process and procedures of this House. Apart from the full day which the Opposition took up on this topic in the House, there will be further and ample opportunity, certainly during the committee study of the estimates, to go through all the details of the deal. When the deal is concluded all the details will be available in committee.

PRIVATIZATION SECRETARIAT STUDY

Mr. Rod Murphy (Churchill): Mr. Speaker, the eighth question, and probably for the eighth time, is this. Why will the Government not table the study done by the privatization secretariat which reviewed the options surrounding the de Havilland deal?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, we as a Government are trying to give you all the information possibly available at this time.

Mr. Turner (Vancouver Quadra): Table those two agreements, that is all you have to do.

Mr. de Cotret: We will certainly not table cabinet documents in this House.

Mr. Turner (Vancouver Quadra): They are not cabinet documents.

Mr. de Cotret: We will offer you all the information to specific questions. Please ask them. You keep hiding under procedural issues. You have not asked a simple question in the last ten days. I will give you numbers.

* * *

[*Translation*]

INDUSTRY

INQUIRY IF GAZ MÉTROPOLITAIN MADE OFFER TO PURCHASE GULF REFINERY IN MONTREAL

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources.

I should think I do not have to explain to anyone in the House to what extent the Gulf refinery is, or rather was vital to the economy of Montreal East.

I would like to know from the Minister whether *Gaz métropolitain*—many such rumours are circulating—did make an offer to purchase the assets of Montreal's Gulf refinery in November, and whether it is true that a more generous offer was made on December 1 to purchase these assets so as to keep the refinery operating and protect the jobs of the 450 workers?

[*English*]

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member does not seem to be aware of the fact that the Government of Canada does not own the refinery in question and is therefore not in a position to accept offers for the refinery. If a potential buyer of the refinery had an offer to make he would, of course, have made the offer to the owner of the refinery, Gulf. Since, apparently, there was no transaction between any company other than Gulf and Ultramar, we can assume that the offer to purchase accepted by Gulf was the one made by Ultramar.

REPORTED OFFERS BY GAZ MÉTROPOLITAIN

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, that is not the question I asked the Minister. I have asked a very simple question. Is it true that *Gaz métropolitain* made an offer in November and another offer in early December to buy the assets of the Gulf refinery in the east end of Montreal? That is the only question. Is it true an offer has been made?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I just explained that if he wants to know if an offer was made for the refinery he should direct his question to Gulf. I was not made aware of all the offers made or rejected. This was a deal between one company and another company. The Minister of Energy, Mines and Resources would not be involved in a transaction between two private companies.

* * *

CROWN CORPORATIONS

PROPOSED MERGER OF DE HAVILLAND AND CANADAIR—GOVERNMENT POSITION

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I, too, have a question for the President of the Treasury Board, an unanswered question which has been put before.

Some Hon. Members: Nine!

Mr. Hovdebo: Okay, number nine. Why did the Government abandon its election campaign promise to create an aerospace strategy which would combine de Havilland and Canadair into one Crown corporation?

Hon. Robert de Cotret (President of the Treasury Board): I have answered that, Mr. Speaker.

Mr. Rodriguez: We did not get an answer.

Mr. de Cotret: The Minister of Finance talked about that. I talked about that. Obviously we looked at that alternative. It was judged not to be in the best interests of Canadians. It was judged not to be in the best interests of Canadian taxpayers. It was judged not to be in the best interests of the industry. It was judged not to be in the best interests of the employees. We found that the best deal we could possibly make was the deal we are making now with the Boeing Corporation.

SALE OF DE HAVILLAND—EMPLOYEE OWNERSHIP OPTION

Mr. Stan J. Hovdebo (Prince Albert): Number ten, Mr. Speaker. Why was the employee ownership option suggested by Frank Stronack of the CDIC rejected in the de Havilland deal?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the possibility of selling de Havilland to its employees was looked at very carefully. It did not meet the basic criteria we were trying to fulfil, namely, to give de Havilland access to—

Mr. Deans: To give it to a U.S. company.

Mr. de Cotret: Would you let me finish the answer, please?

Some Hon. Members: Oh, oh!

Mr. de Cotret: Do you want an answer? You have been asking me for answers all week. Do you want answers?

There were two important elements which had to be fulfilled: giving de Havilland access to a world-wide marketing organization of a first class nature—

Mr. Deans: They already have that.

Mr. de Cotret: —and financial strength to go ahead with its R and D and technology development program.

REQUEST FOR PRODUCTION OF MEMORANDUM OF UNDERSTANDING

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, if this is such a great deal for Canada, as the Minister has tried to outline this morning, why will he not publish the deal? Why will he not give Parliament a copy of the acquisition agreement and a copy of the memorandum of understanding with Boeing? If it is such a great deal, let us know what it is. Will he also let us know what conditions still have to be fulfilled between now and when the deal finally closes in about 80 days?

• (1150)

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, all of the specific items that pertain to the deal were answered in the House earlier. They include the price, the book value, the tax issues, the credit notes, the world product mandate, Government equity, the royalties, the product liability insurance, the corporate liabilities, the Government programs, Defence Industry Productivity Program, EDP, Government content, supplier commitments, R and D, insurance, new investment. If the Hon. Member needs any more I will refer him to public information that was made available to all Members of the House.

It was reported again in the *Financial Times* this week. All the details are available. When the final deal is concluded, hopefully at the end of the year, the details of that deal which can be made public from a commercial point of view will be made public.

PROVISION OF INFORMATION TO SHAREHOLDERS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the shareholders in this deal are the people of Canada through Crown corporations. The shareholders have a right to know the conditions against which their company is being sold. The simple and direct way to do this is to table the documents. What is he hiding?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I believe that the shareholders in this country are fully aware of what we are doing.

Mr. Turner (Vancouver Quadra): They sure are.

Mr. de Cotret: We are putting a cap on a bottomless hole that sank more than $830 million of their money into a corporation that has, to the end of December, a book value of $140 million and only because there was a capital injection of $200 million during the year. We are telling the taxpayers of this country that we are putting an end to an endless flow of taxpayers' dollars—an estimated $200 million into that company next year—and making it profitable and good for the employees and Canada.

* * *

ENVIRONMENTAL AFFAIRS

PROPOSED ESTABLISHMENT OF TOXICOLOGY CENTRE AT GUELPH, ONT.

Mr. William C. Winegard (Guelph): Mr. Speaker, my question is directed to the Minister of the Environment. It concerns the Canadian Centre for Toxicology at Guelph. It is my understanding that the board of that Centre now intends to raise all of the capital privately in order to build the Centre. Therefore, will the Minister give some assurance that requests for research funding as such would be looked on favourably by his Ministry?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I am looking at the matter very carefully and with a sympathetic eye. As the Hon. Member will know, the Government has put a high priority on toxicology research and in fact established a $1 million fund last February for that purpose, especially in the wildlife area.

However, we are conscious of the need to consider individual proposals in the context of an over-all program rather than making separate ad hoc decisions. The Hon. Member can be sure that the individual proposal to which he has referred will be considered in that light.

* * *

CROWN CORPORATIONS

SALE OF DE HAVILLAND—ACCESS TO DOCUMENTS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, we have asked 10 questions intended to elicit information with regard to the de Havilland sale to Boeing. All that we have found out is that the Minister does not intend to tell Parliament the nature of the deal until it is completed. Why does the Minister not feel it appropriate that the Parliament of Canada should be given access to the documents that will result in the sale of the Havilland to Boeing prior to the sale being completed?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the answer is no. We are selling a commercial enterprise under the terms and conditions that we have outlined to every Member of the House. When the final details are completed we will be more than happy to advise everyone in the House of the Commons, the dotted "i"s, the "t"s and so on. You know all of the information that can possibly be germane to the public debate at this time.

REQUEST FOR PROVISION OF INFORMATION BEFORE COMPLETION OF SALE

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, why is the Government not providing the information in advance of the deal being closed? Do you not believe that Parliament has a right to know what the Government of Canada is doing?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, for once I find myself in total agreement with my hon. colleague. The Government has a right to know.

Mr. Deans: Parliament.

Mr. de Cotret: I want to assure him that the Government does know.

The supplementary question will be obvious, Mr. Speaker. Very soon they will ask the Minister of Finance to refer his budgetary proposals to a cabinet committee before he presents them to the House. We are managing the Government in a management-like fashion. We are concluding a deal that is good for Canadians, and we will proceed with it.

RIGHT OF PARLIAMENT TO INFORMATION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, does the Minister not recognize that this is not a private deal among friends in the Cabinet? This is a sale of a public company to a private operation from the United States. Why does Parliament not have the right to know?

Mr. Turner (Vancouver Quadra): It is a very good question.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the Right Hon. Leader of the Opposition says that it is a very proper question. When the Liberals purchased de Havilland why did they do so through a devious fashion and not introduce it in the House at all? The purchase was not introduced or discussed in the House. If it is such a good question, why did the Liberal Party, the Government at that time, not follow the advice it is preaching right now? Where are we?

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

INDUSTRY

GAZ MÉTROPOLITAIN'S PURCHASE OFFER FOR GULF REFINERY IN MONTREAL—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Energy,

Mines and Resources. Wednesday, the Prime Minister announced to workers that Gaz Métropolitain had not made a serious offer. Today, the people at Gaz Métropolitain are contradicting the Prime Minister's statement and saying that they did make a serious offer and they even mentioned that they were in touch with your office. Could the Minister inform the House who is telling the truth in this matter, the Prime Minister or the people at Gaz Métropolitain?

[*English*]

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I have already explained to the Hon. Member that the Government of Canada does not own this refinery. Therefore, offers to purchase this refinery would not be made to the Government of Canada. Offers to purchase the refinery would, of course, have been made to the owner of the refinery, which was Gulf. At no time did I or any other member of the Government receive an offer to purchase a refinery that we do not own.

[*Translation*]

REPRESENTATIONS CONCERNING OFFER—MINISTER'S ROLE

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): I have a supplementary, Mr. Speaker. Does the Minister deny that her colleagues, the Conservative Members for Assomption, Duvernay and Mercier, discussed the Gulf refinery question and the 35,000 barrels with Gaz Métropolitain in her office? Does the Minister want us to believe she was not aware of the matter?

[*English*]

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member is obviously forgetting that it was at my request that Gulf delayed the shut-down of the refinery for two months so that new buyers could come forward. This is certainly more than the Liberal Government had done for the three refineries that had closed down when the Liberal Government was in office. They refused to intervene in this way.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

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SCIENCE AND TECHNOLOGY

UNITED STATES SPACE STATION—POSSIBLE CANADIAN PARTICIPATION

Mr. Alex Kindy (Calgary East): Mr. Speaker, my question is directed to the Minister of Science and Technology. It is my understanding that the Government of Canada is to decide whether it will participate in the United States space station. I believe that not participating would be missing the boat. Will the Minister indicate when that decision will be taken?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, the Government of Canada has a memorandum of understanding with the United States in terms of active participation by Canada in the space station effort. The Cabinet is presently seized with the proposal that I have laid before it, and a decision will be made some time next month.

* * *

DEPARTMENT OF THE ENVIRONMENT

REPORTED RESIGNATION OF OFFICIAL

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the Minister of the Environment. Environment Canada's senior scientific adviser in Ontario, Doug Hallett, has resigned today after high level ministry criticism of him for sharing information with the public, especially via *The Journal* last week. Will the Minister request that Dr. Hallett stay on, and will he give Dr. Hallett the public vote of confidence that his dedicated work so clearly deserves?

• (1200)

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I am at a distinct disadvantage in doing justice to the Hon. Member's question, because I do not have a letter of resignation from Dr. Hallett. It may well be that in the last few hours he has indicated his intentions to resign. I have no information that such a resignation is related at all to criticism of his actions, much less from me.

INVESTIGATION OF ST. CLAIR RIVER CHEMICAL CONTAMINATION

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I regret to have to inform the Minister that in fact the resignation has taken place, confirmed by his office this morning, and is tied to that criticism. Is it fair that Doug Hallett should lose his job while Dow Chemical prospers? Is it fair that communities down river from the blob should have to lose their faith in that investigation going forward with full support from the Ministry? Or will the Minister make an effort to get this key man back into the team?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I can give a categorical commitment to the Hon. Member that nobody within Environment to my knowledge—certainly not I—asked for Dr. Hallett's resignation, much less encouraged it. In my case, I have not even received it.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Thursday, December 12, meet the requirements of the Standing Orders as to form.

The petitions presented by the Hon. Member for Bonavista-Trinity-Conception (Mr. Johnson) and the Hon. Member for Timiskaming (Mr. MacDougall), by filing with the Clerk of the House, also meet the requirements of the Standing Orders as to form.

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POINT OF ORDER

CHRISTMAS DECORATION OF PARLIAMENTARY HALLS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I rise on a point of order. I understand that you have responsibility for all the accoutrements in the House of Commons. For the last 12 days the halls were decorated very beautifully. It certainly added to the Christmas spirit around here and, by the way, it cost taxpayers $18,000 to decorate the halls. However, this morning I came along and everything has been removed—the red carpet, the Christmas trees and the lights. Does this have anything to do with the fact that the Prime Minister (Mr. Mulroney) entertained last night, or is it that the Grits stole Christmas?

Mr. Speaker: Order please. The statement period was from 11 to 11.15 o'clock.

ROUTINE PROCEEDINGS

[*English*]

EXCISE TAX ACT AND RELATED ACTS

PRESENTATION OF LEGISLATIVE COMMITTEE REPORT

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, as Chairman of the Legislative Committee on Bill C-80, I have the honour to report the Bill with amendments, in both official languages.

[*Editor's Note: For text of above reports, see today's Votes and Proceedings.*]

* * *

[*Translation*]

PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCES

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to table two petitions from residents in the riding of Saint-Maurice who strenuously object to de-indexing of family allowances. As you know, pressure is increasing in this area. For instance, this morning we read in the papers that the Canadian Conference of Catholic Bishops has once again asked the Government to withdraw this Bill.

Petitions

I would like to table a third petition, this one from the people of Shawinigan South, and another one from the people of Shawinigan and Grand'Mère, asking the Government to stop this legislation which will have a very negative effect, especially on single-parent families, and emphasizing that Canadians want to keep the present system which is fair to all families in Canada.

Mr. Speaker, it is a pleasure to table these two petitions on behalf of the people of Saint-Maurice.

[*English*]

Mr. Jim Fulton (Skeena): Mr. Speaker, I have several petitions which I would like to bring to the attention of the House. The first group of petitions is signed by Canadians who are expressing their concern about the accelerating cut-backs in child benefits reaching $600 million annually by 1990. They call upon the House of Commons to reinstate full indexation of the universal family allowance and to rescind the unfair tax increases. The petitioners are principally from Ontario, communities such as Lakefield.

I assume that my second petition will meet the requirements of the Standing Orders. Some people did not include their addresses, but it is a petition called "Operation Justice". The petitioners ask the Prime Minister (Mr. Mulroney) particularly to reinstate full indexation to the family allowance and the child tax credit, because they feel that the tens of millions of dollars which will be taken away will harm families.

I have another petition which is principally from residents of British Columbia.

Mr. Boudria: Name them.

Mr. Fulton: Well, they are principally from North Vancouver, Burnaby and other areas of the province. They are concerned, as well, that the accelerating cut-backs in child benefits will take $600 million away from children by 1990. The petitioners also call for the reinstatement of full indexation of the universal family allowance and for the Government to rescind its unfair tax increases.

Mr. Rod Murphy (Churchill): Mr. Speaker, I have a number of petitions to present. They call upon the House of Commons to reinstate fully the family allowance and child tax credit. The petitions have been signed by people in the communities of Downsview and Scarborough, Ontario, as well as people in the communities of Parson's Pond and Portland Creek, Newfoundland. They pray that the House of Commons will reinstate full indexation of the universal family allowance and will rescind the unfair tax measures which the Government is contemplating.

[*Translation*]

POSSIBLE CLOSURE OF CN MONCTON SHOPS

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, workers at the CN Moncton shops are continuing their efforts to make the Government understand their concern about the

jobs in these shops. That is why today, I am tabling a petition on behalf of more than 800 people in the Moncton area.

[*English*]

SALE OF DE HAVILLAND CORPORATION

Mr. Sergio Marchi (York West): Mr. Speaker, I have a petition signed by a large number of Canadians. It is probably the first of many petitions to come. They protest the sale of the de Havilland Corporation to a company with headquarters outside Canada. In addition, the petition urges that the Minister and the Government make public the deal which apparently has been signed with Boeing, so that all Canadians can see what in fact the deal is all about.

UNEMPLOYMENT INSURANCE—PENSION INCOME DEDUCTIONS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have two groups of petitions to present. The first group deals with the unemployment insurance program. The petitions are signed by residents of Orillia, Ontario; by individuals in Stratford, Ontario; by members of the United Food and Commercial Workers Union in Ontario; by residents of Dryden, Ontario, in northwestern Ontario; and by residents of Toronto. All the signatories to these petitions call upon the Government to withdraw its proposal that pension income should be considered earned income for unemployment insurance purposes, because that provision is scheduled to come into effect on January 1, 1986.

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my second group of petitions comes from residents of New Brunswick, Ontario, Newfoundland and British Columbia. All the signatories to these petitions decry the fact that the Government is deindexing family allowances. They call upon the Government to restore full indexation to the family allowances.

Mr. Les Benjamin (Regina West): Mr. Speaker, I have petitions on two different subjects. The first group of petitions comes from Regina, Saskatchewan, North York and Downsview, Ontario and Victoria, British Columbia. Some 175 to 200 petitioners humbly pray that the House and the Government maintain full indexation of the family allowance and rescind unfair tax increases.

FERRY SERVICE BETWEEN NEW BRUNSWICK AND PRINCE EDWARD ISLAND

Mr. Les Benjamin (Regina West): Mr. Speaker, I have received as well a number of petitions containing several hundreds of names on an entirely different subject. These residents of Prince Edward Island, New Brunswick and Nova Scotia humbly to change the schedule of the ferry service between Borden, Prince Edward Island and Cape Tormentime, New Brunswick, back to its original schedule and to maintain services and maintenance as they were a year ago.

• (1210)

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Simon de Jong (Regina East): Mr. Speaker, I also wish to avail myself of my right to present to Parliament a number of petitions. The first is entitled "Operation Justice, Families with Children". It is signed by numerous residents of North York. They ask that full indexation of family allowances be restored.

I have another petition from residents of Vancouver. They ask that full indexation of family allowances be restored.

I have as well a petition from numerous petitioners from Coquitlam and Burnaby who are asking that the indexation of family allowances be reinstated. People from St. Gregor are also petitioning Parliament to reinstate full indexation of family allowances.

Mr. Speaker: Order, please. I take it all these petitions deal with the same subject. The Hon. Member knows that he should simply indicate where they are from.

Mr. de Jong: The last one deals with the same subject matter and is signed by residents essentially from Lake Lenore, Saskatchewan.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have a number of petitions concerning deindexation of family allowances. The first one comes from Brampton, Mississauga, Don Mills and Bramalea, Ontario. It calls for full indexation of universal family allowances and asks the Government to rescind unfair tax increases.

The second petition comes from Wai Kay Lai, Sin Fa Lai, K.K. Lai and Wai-Keung Lai. This is a Chinese-Canadian family in my riding who ask that family allowances not be deindexed because it will have a particularly bad effect on the poorest families. Of course, many immigrant families with several children will suffer particularly.

The next petition is from the Grandview community of Vancouver East. It states that family allowance deindexation will not be offset by the child tax credit and that this will have a particularly bad effect on women and children, especially single-parent mothers.

Mr. Speaker: Order, please. I take it all these petitions have to do with the same subject. The Hon. Member should know that once she has indicated the subject once, the proper course of procedure is simply to indicate where the rest of the petitions are from.

Ms. Mitchell: Mr. Speaker, the next petition is a different one. The undersigned ask the House of Commons to restore full indexation of family allowances and child tax credits.

Mr. Speaker: Order, please. I have just indicated to the Hon. Member that she should simply indicate in this situation where the petitions are from. Otherwise she is indulging in a

filibuster. Therefore I suggest that she indicate in about 10 seconds where they are from.

Ms. Mitchell: I was trying to point out that this is a different petition. It concerns the child tax credit. It also states that the budget measure will take away $55 million in family benefits by 1987. It calls for removal of these measures.

Finally, I have a petition from Strathcona by many new Canadian families asking that the Government reconsider and reindex—

Mr. Speaker: Order, please. Strathcona, thank you.

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I have the honour and privilege of presenting a petition this morning. It is a double privilege when one is able to present a petition in the presence of one of the signatories. This petition is from residents of Madsen, Red Lake, and other towns in Ontario who call upon the House of Commons to reinstate full indexation of universal family allowances and rescind unfair tax increases.

Mr. Dan Heap (Spadina): Mr. Speaker, I have several petitions in the same form concerning the matter of family allowances. These petitions are from New Westminster and Vancouver, British Columbia, as well as Brampton, Acton, and Willowdale, Ontario, and Riverview, New Brunswick.

Mr. Murphy: How about one from your grandchildren?

Mr. Heap: Not at those addresses.

The petitioners ask Parliament to rescind unfair tax increases and reinstate full indexation of universal family allowances.

I have one other petition in different form from residents of Ward 5 in North York, specifically Downsview, Ontario, which asks the Prime Minister (Mr. Mulroney) to restore full indexation to family allowances and the child tax credit.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is my honour and duty to present a number of petitions. The first is from Peterborough and Fraserville, Ontario. The second one is from Parson's Pond, Newfoundland. These two petitions request the Government to reinstate full indexation of universal family allowances and rescind unfair tax increases.

The other petition I have is from "Operation Justice, Families with Children" and is signed by a group of citizens of Downsview, Ontario. It requests the Prime Minister (Mr. Mulroney) to reinstate full indexation of family allowances.

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I have a number of petitions on the subjects of family allowance, child tax credit and unfair tax increases. The first petition comes from the Social Action Ministries of the Anglican Church of Canada. It points out that the cut-backs in family allowances and the tax increases are inequitable and unbearable in the face of budget hand-outs such as tax-free capital gains and greater RRSP deductions for high-income recipients. The petitioners call upon the House of Commons to reinstate full indexation of universal family allowances and rescind unfair tax increases.

I have a similar petition from residents of Broadview-Greenwood, my own riding. I have a petition of similar wording focusing on family allowances and tax increases, from residents of Chatham, Ontario. Next I have a petition which focuses on family allowances, tax increases and the child tax credit. These petitioners are from Halifax and Dartmouth.

[*Translation*]

Next, I have a petition from Ottawa residents who are asking to have full indexation of family allowances reinstated.

[*English*]

I have further petitions focusing on family allowances from residents of Kingston, Enterprise and Amherstburg, Ontario. I have a similar petition from a number of residents of Thunder Bay, Ontario. I have another petition from residents in Newfoundland.

Mr. Speaker: Order, please. I must ask the Hon. Member to conclude briefly.

Ms. McDonald: I have another from Mississauga; another from Ottawa and Chatham; another from Dartmouth and Halifax. I have another petition from residents of Regina with a large number of signatures. Finally, I have some from a variety of places in Ontario including Chatham, Toronto, Salem and Newmarket.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a number of petitions which also relate to a concern that Canadians from coast to coast have been showing about deindexation of family allowances. The first one calls on the House of Commons to reinstate full indexation of universal family allowances and rescind unfair tax increases. That petition comes from Bramalea, Brampton, Mississauga and Weston.

The second petition comes from a number of residents in the City of Toronto and Woodstock. I have a third petition which also addresses the question of family allowances and calls on Parliament to rescind deindexation of universal family allowances. It is signed by a number of residents from the City of Toronto.

[*Translation*]

Mr. Speaker, the next petition has been signed by many residents of Longueuil, Saint-Hubert and Montreal who insist, in French this time, that the full indexation of family allowances must be restored and that the unfair tax increases must be repealed.

The next petition, Mr. Speaker, deals with the same matter, namely the deindexation of family allowances, and it bears the signatures of people from the Montreal region—Laval, Montreal North, Saint-Louis-de-Terrebonne and Ville d'Anjou—who are all strongly opposed to the deindexation of family allowances.

• (1220)

[*English*]

I have another petition also on the same subject signed by a number of Canadians from Kitchener, Woodstock—

Mr. Speaker: Order, please. I hope the Hon. Member will be able to conclude. He has indicated that they are all on the same subject. Perhaps he might just state where they are from.

Mr. Cassidy: Mr. Speaker, I thought I had done that. This is on the same subject and it is from Woodstock.

[*Translation*]

Mr. Speaker, I have here a couple more petitions signed by residents of the City of Montreal and related to the question of de-indexation of family allowances.

[*English*]

Finally, I have petitions from the West Island of Montreal, from Beaconsfield, Kirkland, Dorion, Châteauguay, St. Jean and Dorval, all of which oppose the deindexing of the family allowances.

* * *

INCOME TAX AGREEMENTS, 1985

MEASURE TO ENACT

Hon. Ray Hnatyshyn (President of the Privy Council) (for the Minister of Finance) moved that Bill S-6 (from the Senate), an Act to implement an agreement between Canada and the Union of Soviet Socialist Republics, a Convention between Canada and the Co-operative Republic of Guyana and an agreement between Canada and India for the avoidance of double taxation with respect to income tax, be read the first time.

Motion agreed to and Bill read the first time.

* * *

FINANCE, TRADE AND ECONOMIC AFFAIRS

CONCURRENCE IN THIRD REPORT OF STANDING COMMITTEE

Mr. Maurice Foster (Algoma): Mr. Speaker, I wish to move concurrence in the third report of the Standing Committee on Finance, Trade and Economic Affairs. I also want to say a few words on this motion to concur today.

One of the most serious problems facing Canadian agriculture today is the farm debt crisis. This report was presented to the House of Commons on April 1, 1985, and had a great deal to say about the farm debt crisis. The report was supported by the majority of Government Members and proposes among other things a massive program of farm agri-bonds to assist those farmers facing serious financial difficulty.

Today's farm debt crisis is the most serious situation which has faced Canadian agriculture since the 1930s. A recent report prepared by the Farm Credit Corporation identified 170,000 farmers, those with gross sales of over $15,000 and less than $30,000 from farm income, and gives a very scary picture of the farm debt crisis. The report indicates that 39,000 farmers face serious financial difficulty. These are not part-time farmers, these are the youngest and most technologically advanced farmers in Canada. On average, they have 10 or 11 years of experience in farming and are the most productive farmers in the country. Interestingly enough, they produce half of all the food produced in Canada.

The debt crisis facing Canadian agriculture is very serious. The FCC report came out a year ago in November and was recently updated, so this is not something that has been suddenly sprung on the Government. It indicates that of the 39,000 farmers facing serious financial difficulty, 5,500 have less than 15 per cent equity in their farming operations. The Farm Credit Corporation suggests that these 5,500 farmers, our youngest and most productive farmers, are technically bankrupt and that there is no way they can hang on to their farms.

There is a second group of farmers identified, those with a farm equity of between 15 and 40 per cent. The FCC study indicates that there are 10,000 farmers in that group and that they are experiencing serious cash flow problems in the order of shortfalls of $14,000 to $21,000 per year. We can see what a very, very difficult situation that group of 10,000 farmers faces. The third group mentioned by the FCC has a farm equity of between 40 per cent and 55 per cent and there are some 23,500 of those farmers. They have an annual cash flow shortfall of between $5,000 and $11,000 per year.

I suppose that if this were a short-term, one-shot occurrence, something might happen in the long haul. However, the report put out by the Minister of Agriculture (Mr. Wise) at the Farm Outlook Conference this year indicates that realized net farm income is forecast to drop to $3.7 billion in 1985, down 14 per cent from 1984. Realized net farm income really has not risen very much over the past several years. That is why the Finance, Trade and Economic Affairs Committee of the House of Commons prepared this report last April.

The report to which I just referred recommends, as the Government promised in its election campaign, a program of agri-bonds. This would be a program financed and operated by the Farm Credit Corporation. It would be used to assist those eligible borrowers, farmers in serious financial difficulty, and would provide funding at an 8 per cent interest rate for up to five years in an amount of up to $300,000 per farmer. The treatment of the interest expense would be non-deductible and the tax treatment of interest income would be non-taxable. The program would operate for one year. It would be a one-shot program but the benefits from the rescheduling of debt would be felt for five years.

The committee held hearings over several weeks. I believe that every major agriculture group in the country came before the committee to make presentations. We heard from the provincial Governments, the Farm Credit Corporation, the Ontario and Canadian Federations of Agriculture, the prairie grain pools, the Canadian Horticultural Council, the Institute

of Agronomists and many other responsible groups. They all made their representations to the committee.

● (1230)

I think the views of Canadian agriculture groups and other non-agriculture groups were quite well canvassed. I hope that we will receive support from the House of Commons for concurrence in this report. This would be a signal to the Government that we want action in respect of the farm credit crisis. As the report of the Farm Credit Corporation indicates, without action there will be many young farmers—the real cream of our agriculture group—who will face the loss of their farms.

There is not one member of the committee who believes that farmers who have lost all equity can be saved by the program recommended by the Standing Committee on Finance, Trade and Economic Affairs. There are some farmers with off-farm income who will probably not require any assistance. From its studies the committee believes that there is a group of farmers, possibly 12,000 to 14,000, whose situation is such that they could be assisted. I hope that the Government will take action. We fully expect that it will.

I believe that every member of the committee and every Member of the House thought that there would be action in the Budget on May 23. We were disappointed, as was every farm organization in the country, in that Budget. It took no action whatsoever with respect to the farm debt crisis. In fact, it worsened the situation because of the downward trend in international commodity prices. We had thought that there might be assistance in terms of the farm debt crisis. We thought there might be some assistance in terms of the input cost side of agriculture. In fact, there was little funding for the Farm Credit Corporation. Its budget was slashed from $494 million for the year 1984-85 to some $90 million for this year. The input costs were increased by nine cents a gallon effective September 1, which will cost some farmers $1,200 to $1,500. The sales tax will also be increased on January 1, which will not only affect farm fuels but all farm input costs from the cost of new tractors and new combines to all input costs which farmers have to face. In fact, the situation has been exacerbated.

The committee report also dealt with the question of Section 31 of the Income Tax Act. A large percentage of farmers work off the farm. They are moving into farming or have to work off the farm. Many of them become caught in the maze of regulations with regard to section 31. In this respect the committee recommended an increase from $5,000 to $10,000 of expenses which could be written off against off-farm income. There has been no action taken by the Government in this respect.

One section of the report which the Government adopted is the section dealing with the capital gains exemption for farmers. Of course, this is not a measure which will affect farmers exclusively. It is something given to everyone. However, it was given to farmers initially and it is to be phased in for other sectors.

We held our breath somewhat last week when the Minister of Finance (Mr. Wilson) brought in the minimum alternative tax. We thought that if the Government were to keep faith with its election promise this minimum alternative tax would somehow not break the promise in relation to the capital gains exemption for farmers. In fact, the minimum alternative tax nullifies a good portion of the capital gains exemption which was provided for farmers. Thus, we face the prospect of the minimum alternative tax being applied to all farmers. This is important because farmers depend on whatever equity they have on their farms when they sell it for retirement income and for pensions. Often they do not have enough actual cash-flow or free funds to contribute to a registered retirement savings plan. However, they plough back their profits into the equity in the farm. We now face the prospect of the minimum alternative tax applying to farmers and those who depended on the exemption will now have to pay the minimum tax unless they sell their farms within the 18-day period between today and the end of the year. That is the only way of which I am aware whereby they can avoid paying this tax.

I hope Hon. Members will support concurrence in the report. We we are aghast at the cavalier, callous and irresponsible way in which the document referred to the Standing Committee on Finance, Trade and Economic Affairs and prepared under the name of the Minister of Finance deals with taxation issues and agriculture. If there was ever a document that was stacked against farmers it is this document. It is entitled *Taxation Issues in Agriculture*. It portrays farmers in a most unfair way in terms of their financial situations. It compares, for instance, the net worth of the average farmer with an employed person. It compares the value of an economic farming unit with the value of a house owned by a homeowner. In this respect it takes the average value of a farm in the year 1981 and compares it to the average value of a Canadian home in 1977. Because of this, the popular press reports that the average farmer is eight times better off than the average homeowner. That is a most unfair approach. If a comparison is to be made, one should compare a farmer with someone who has a capital intensive business. This is what farmers face. Then, we have the media saying that farmers are eight times better off than the average Canadian.

A second aspect of the report which was carried fully in the popular press was with respect to the average farmer earning twice as much as the average Canadian. If the comparison were done with an average Canadian with a capital investment of $400,000 or $500,000, depending on the region of the country, I am sure no disparity would be found. In fact, I believe it would be found that the small-businessman with a similar capital investment is doing much better than the farmer. This is certainly true for the year 1985 in which the average realized farm income has dropped by 14 per cent.

The third unfair presentation which was made portrays the average farmer paying only half as much tax as the average Canadian. Of course, the whole document prepared by the Minister of Finance is negative toward any of these issues.

• (1240)

I think the committee worked very hard, hearing from many responsible witnesses, and putting together a report which would be beneficial to Canadian farmers. Yet, the Government acted on the report in only one case, the capital gains exemption, and that was not exclusive for farmers and it was immediate rather than being phased in over a five-year period. However, much of the benefit will be nullified by the minimum tax which the Minister introduced on December 4 and which will come into effect on January 1. So there is not much time for the individual farmer to take advantage of the benefit.

There are many aspects of agriculture which make it urgent that the Government move on these several issues. The Minister has promised some action since last January on the farm debt crisis. We thought there would be action taken in the budget to implement the recommendations of the Committee on Finance, Trade and Economic Affairs.

On July 10, the Minister announced that he would bring in farmer creditor loan legislation which would allow for an independent review of farmers facing foreclosure. Unfortunately, there has been no action taken on the amendments to the Bankruptcy Act. The Minister keeps promising action but there has been no legislation brought forward. I really gave up on the Minister about three weeks ago because he seemed to be waffling when the question was put to him in the House by another Hon. Member as to whether or not he would actually bring in that farmer credit arrangements legislation.

I brought in my own Private Members' Bill, Bill C-253, which would provide for farmers to apply to a court for adjudication. I would hope that if the Minister cannot get around to bringing in his own legislation, the Government would agree that my Bill be considered by the House of Commons and acted upon. The situation is urgent. I indicated that something like 23 per cent of our farmers face serious financial difficulty. That is an increase of some 4 per cent over last year at this time. The situation is not getting any better and I believe the Committee on Finance, Trade and Economic Affairs has made some good recommendations to the Government which would ease some of the pressure on farmers. The Minister should move on the farmer creditor arrangements legislation as well. The Minister has promised all these things and we really want to see some action by December 1 because farm credit loan payments come due now.

Back in September when the Minister put the moratorium on the farm credit foreclosures, they were running at 14 per week. There were 670 foreclosures awaiting action by the Government at that time. It seems to me that just putting a moratorium on foreclosures does not solve the problem. We must bring in a program of assistance such as was recommended by the Committee on Finance, Trade and Economic Affairs. I would hope that we would get concurrence in the House so we can bring pressure on the Government to act on these recommendations.

Mr. Hovdebo: Mr. Speaker, I would like to ask the Hon. Member for Algoma (Mr. Foster) what he thinks the effects of a real debt set aside program would be, if it were brought in? I know it is not one of the recommendations, but it was discussed fairly extensively in the committee and there is a mention of it in the report.

Mr. Foster: Mr. Speaker, when representatives of the Farm Credit Corporation were before the Committee on Finance, Trade and Economic Affairs, they pointed out to us that in the current situation it is very difficult to write down a debt. If the corporation writes down a debt for one person, because it is a government agency, it has to write it down for all individuals who have debts and who would demand it. It seems to me there would be an advantage in a pre-bankruptcy or pre-foreclosure arbitration procedure under the guise of a court of law. In that kind of setting the FCC would be in a position, under the arbitration of a judge, to do that.

My Private Members' Bill, Bill C-253, foresees the possibility of a farmer, who is facing foreclosure, serious financial difficulty or bankruptcy, being able to apply to a court of law, and rather than the bankruptcy court, it could be done by the district court in each area. For instance for a farmer in Kenora-Rainy River who is facing serious financial difficulty of that magnitude, to have to come all the way to Toronto, if that is where the bankruptcy court is, would be a most unfair arrangement. So I would recommend that it be made possible for the farmer to make application in the county or district court in his area for an arrangement and that this very action, provided it was accepted by the court, would stop all foreclosures for a period of time during which the trustee would be able to arrange a meeting between the creditors and the farmer who is facing foreclosure. If they came to an agreement of a breakdown, a debt set-aside or a debt set-aside in principal for a period of time, that agreement then would be simply filed with the clerk of the court. The judge would not be involved at all. It would just be a binding civil agreement. Of course, it would have to be a viable situation where the farmer was left with enough working capital to continue his operation.

It seems to me that there should be provision for that kind of arrangement, because when a foreclosure or bankruptcy takes place, often the farm is tied up for several months, or even years. A lot of the assets are frittered away or stolen, or just walk away overnight. The FCC claims that in every foreclosure or bankruptcy its average loss is $90,000 to $100,000. Obviously, foreclosures and bankruptcies are not very profitable for the FCC and probably not very profitable or successful for the banks as well. I do not suppose the recommendation would be successful in every case, but it seems to me that in a lot of cases if the clock were stopped pending negotiation with the creditors, it would work. And I think there would be a 90 per cent or 95 per cent success in the Farmers Creditors Arrangement Act, but if it did not work, then it could go to a judge who could either arbitrate the situation or appoint a professional or expert panel of farmers, people from the FCC, people who are knowledgeable about the local situation and the viability of local farms. The judge would have to treat the creditors, the farmers, fairly, but an expert panel could make sure that the farm was viable in the long term.

I believe there is a place for this kind of legislation. It was before the House in June of 1984, and the Minister promised it in July of 1985.

• (1250)

Mr. Hovdebo: I do not want to be argumentative, but I guess this is the place to be argumentative. In committee the need for financial institutions to take some risk in the operation was brought to our attention very forcibly on several occasions. The bankruptcy procedures and the attempts to solve the problem do not stop the clock. Does the Member not think that a debt set aside program which does not necessarily reduce the principle but deals effectively with the accumulating interest should not at least be the very minimum risk that a financial institution should take when making loans?

Mr. Foster: I think the Hon. Member makes a very good argument. In the pre-foreclosure arbitration procedure which I have been recommending, about 90 per cent of the arrangement would be a voluntary agreement between the farmer or fisherman and the creditor. It would simply be filed with the clerk of the court. If I understand the Hon. Member's question, if such a thing actually went to arbitration by a judge, it might well be proven that it would be unwise to ever write off any principal. The principal would be maintained but the interest would stop accumulating for a certain period of time. The value of such a procedure would be to have a voluntary agreement between the creditor and the individual facing foreclosure. Obviously, if you go through the foreclosure or bankruptcy procedure there will be massive losses.

Farm property values have dropped dramatically by 25, 30, or even 50 per cent. Obviously, if the property is sold through a bankruptcy procedure there will be big losses. The Royal Bank claims that its losses are in the order of $45 million this year. Should those losses be to the benefit of the farmer taking over, or should they accrue to the benefit of the person who has been farming the land for the last eight, 10, or 12 years and working his heart out to make it succeed?

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, we on this side of the House are delighted that the Hon. Member for Algoma (Mr. Foster) brought this motion forward because it will permit us, throughout the course of the day, to show the House and Canadians who might be watching how farmers and businessmen in the country are in very deep trouble indeed. They are in deep trouble because of what the Liberal-NDP coalition did to them from 1972 until the present. I will set that forth when we resume at two o'clock.

Other speakers from our Party will rise and show how concrete and positive action by the Minister of Finance (Mr. Wilson), the Minister of Agriculture (Mr. Wise) and the Government is getting farmers turned around. Prospects are more optimistic today than they were a year ago and they will be a lot more optimistic in another six months.

Members in the House appreciate fully why the Hon. Member is rising on a concurrence motion today. However, members of the public may not. I want to point out to them that this motion was filed on April 1, 1985. Therefore, the Member's sudden-found interest on December 13, 1985, is not due to any genuine, real concern for the farmers of the nation, because this motion has been sitting on the Order Paper for eight and a half months.

Mr. Gauthier: We were waiting for you to act on it.

Mr. Thacker: The Government has moved on all sorts of issues. The only reason this motion is raised today is to allow the Opposition to waste another day. It is ironic that opposition Members would want to waste time on a piece of legislation that will give every individual in the land, whether or not they are farmers, a $500,000 capital gains tax relief. By virtue of their birth in this nation, everyone now has the right to build up a $500,000 pool of capital that the nation cannot touch. They can then be truly free from the ravages of Government. They can tell the Government to get out of their lives, that they have made their own pension plans and that they do not need the Government.

The Opposition does not like that, Mr. Speaker. There is no doubt in my mind that the Liberal and NDP philosophy is to make everyone come to the Government for grants. They want everyone to be beholden to the Government, because that is control. The Conservative philosophy is to make everyone independent so that they can tell the Government to get out of their lives.

We know that the Opposition is not happy with the fact that the unemployment rate has dropped dramatically in the country and that interest rates have dropped. That has done more for farmers than any other action a Government could ever take. Interest rates would not be down if the Liberal Party were still in power. The National Energy Program would still be in place in this nation if the Liberal Party were still in government. Over the course of the afternoon we will be able to show how things are improving.

It is not only farmers who are in trouble, Mr. Speaker, but our senior citizens and our young people who want to build a future. How can you build a future when 30 cents of every tax dollar received by the Government goes to people who have enough money so that they can lend it to the Government in an absolutely guaranteed investment? If you had a million dollars, Mr. Speaker, why would you put it in a business when you could lend it to the Government and get an absolute guarantee of return with no risk or exposure at all? That is the problem.

We will show that for 15 years the Liberal Government turned on the printing press to make all sorts of lovely programs. With the low tax rate, people had a cash flow. They took that cash and paid too much for land and too much for businesses. Just as has always been the case throughout history, when a Government turns on the printing press it leads to inflation, which leads to high interest rates, which leads to an adjustment—

Mr. Deputy Speaker: The Hon. Member for Saint-Denis (Mr. Prud'homme) on a point of order.

Mr. Prud'homme: Do you have something to say?

Mr. Kilgour: I don't think you have either, Marcel.

Mr. Prud'homme: No, do you? If you have nothing to say, I may have.

Mr. Kilgour: Give us your point of order.

Mr. Prud'homme: I just wanted to make sure that I heard correctly, because I was distracted by the Hon. Member from Edmonton.

[*Translation*]

Did the Hon. Member say that no Government ought to stay in office for more than 15 years? Because I think it bears directly on the remarks I intend to make later on. Is that what he just said, that after 15 years a Government should never—

Mr. Deputy Speaker: Order, please. I would suggest this is not a legitimate point of order.

In any case, it being one o'clock, I do now leave the Chair until 2 p.m.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[*English*]

Mr. Speaker: When the House rose at one o'clock the Hon. Member for Lethbridge-Foothills (Mr. Thacker) had the floor.

Mr. Thacker: Mr. Speaker, when we broke for lunch I had just begun my address. I was pointing out how the motion before us today is a concurrence motion that has been on the Order Paper since April 1, 1985. Therefore, I wanted to demolish, first and forever, the claim by the Hon. Member for Algoma that he was genuinely interested in farmers. The real reason the motion is before us is to block us from getting to the Orders of the Day which would allow us to pass a Bill that would result in farmers and everyone else receiving $500,000 worth of capital gains tax relief.

Mr. Boudria: Why didn't you move it earlier if you are so smart?

Mr. Thacker: The Government wants every Canadian, from the moment they are born, to have the privilege and right of being able to build up their own $500,000 pool of capital that the Government cannot touch. Just to show how fragile that right is, it was barely presented in the House when the Liberal Government of Ontario moved in on it. People can be sure that whenever they elect a Liberal Government their personal pension plans will be in jeopardy.

Not only are the farmers in trouble, but so are senior citizens, young people and business people. Not only are farmers going bankrupt. The pure and simple reason for this is the direct result of 15 years of inflation. History has shown us that it has happened before with other Governments in other countries. Whenever a Government turns to a printing press for its money and at the same time becomes involved in deficit financing, just as sure as day follows night, there will be inflation, high interest rates and the adjustment phase such as this country is in now. It is my opinion from my reading of history that this Government is handling that adjustment phase better than any other.

The farmers are not guilty of any serious wrongdoing. They are the most productive members of our country. During the last 15 years, farmers have increased the size of their operations, increased their capitalization and their productivity. They have also been very creative in moving into other crops and making the adjustment far better than have other sectors of our society.

The segments of our society that have been unable to make this adjustment are those who have come under a public regulatory system, public grant system or subsidy program. Their adjustment phase has not stopped, but simply has been delayed. Those sectors face much greater difficulty when they come to that adjustment phase.

How were the farmers able to deal with that adjustment phase? The Government offered many popular programs while maintaining a low tax. This gave everyone the perception of being wealthy. The country seemed very prosperous because we had an enormous cash flow as a result of a low tax and numerous programs. People then paid too much for the land. For instance, in my part of the country, the price of land went from $100 an acre to $1,500 an acre. Even under inflated prices there was absolutely no way it could be paid for. Yet people had to buy because the cost would be even higher the next day. People also paid too much for businesses.

We were ultimately faced with the deficit as a result of the trickery and deceit which the Liberal-NDP coalition began on the Canadian people in 1972. We had the perception that we were well off while the Government was borrowing money. Beginning in 1970, some 5 per cent of tax revenue went to service the debt. It began to rise to 10 per cent, 15 per cent and 20 per cent until over 35 cents of every tax dollar must now go to service the debt. This means that people with wealth can, with no risk, responsibility or exposure, simply lend their money to the Government rather than invest it to create jobs. Therefore, the rich become fabulously rich while the middle class is eroded.

I ask Canadians if senior citizens are better off for having had that 15 years of apparent affluence under all the programs offered by the Liberal-NDP coalition. The answer, in the long term, is no because we cannot allow that debt service to increase.

If everyone is better off from the deficit, why are so many people going bankrupt today? I recall the year 1969 when there was an absolutely balanced Budget. We used to have balanced Budgets in this nation. The $35 billion annual deficit is a product of the Liberal-NDP way of governing. We used to have a small national debt, with only 5 per cent of tax revenues paying that debt. At the same time we had all of the social programs, including old age security, Canada Pension and vast amounts of money going to our universities. Those of us who went to university had 10 jobs waiting for us when we graduated.

One must ask why these groups are going belly up when the Government has borrowed over $200 billion allegedly to help them? The fact is that Governments cannot proceed in this fashion. The irony is that the ordinary Canadian is the one who must always pay. That is what is significant about the election in September, 1984. While it is possible for Governments to get away with deficit financing to buy their way back into power from time to time, ultimately the people will realize what has happened and will regain their sovereignty. They took back their sovereignty in 1984 and that is why there are 211 Members sitting on the Progressive Conservative government side of the House. Canadians have exercised their sovereignty because they knew this deficit financing was jeopardizing not only their future but the future of their children and grandchildren. Canadians made an enormous statement in the last election, and I believe the Government is handling the adjustment process well.

It is clear that the deficit cannot be abolished overnight. The entire income tax system raises $35 billion to $40 billion. In order to wipe out the deficit through the progressive income tax system, taxes would have to double. Obviously this cannot be done because there would not be enough disposable income. I believe the Budget of the Minister of Finance is a very good combination of measures that will wipe approximately $4 billion off the deficit in this fiscal year and $8 billion next year. The deficit will not rise in a geometric fashion but will level off and begin to decline. While we are beginning to get positive results for the future of our children and grandchildren, the unemployment rate is declining because the fiscal climate of the country has changed as a result of the election of a Conservative Government. People are generally optimistic about the future of this country and are therefore prepared to make an investment. This is leading directly to jobs, which is our main concern. Increased employment means greater tax revenue and less money spent on unemployment and welfare. We are in an upward spiral and at the end of three years this country will prosper. That is what makes the Opposition unhappy because they prefer to see people in dire straits so they could show how their Government, like the great Liberal Governments of the past, could save them.

• (1410)

Dealing with the third report of the Finance Committee on tax issues in agriculture, I assure the Hon. Member for Algoma that the Government has acted and will continue to act. Subsequent speakers will explain it point by point. whether it be the capital gains tax and the freedom that will give us, drought payments, stabilization, the Farm Credit Corporation and its moratorium, the advisory boards to help make that adjustment phase fair to the banks and to individual farmers, the small business development bond which has been carried on, interest rates which have dropped, or Revenue Canada. I have not received a letter on Section 31 for weeks and weeks, because Revenue Canada is more fair, equitable and reasonable in its treatment of farmers.

Mr. Boudria: That is nonsense.

Mr. Thacker: I have not received a letter for weeks and weeks on that particular issue. If he has received letters, let him rise—

Mr. Boudria: Yes, I have.

Mr. Thacker: Let him send copies to the Minister.

Mr. Boudria: I have, and he has not done anything about it.

Mr. Thacker: The Government is prepared to respond. For 15 years the Liberal solution to everything was to create a marketing board. The red meat industry did not want a marketing board. Within one year of becoming the Government, the Minister of Agriculture has a red meat stabilization program which he and the Minister from Ontario have signed. Hopefully other provinces will join very quickly.

I can continue by referring to the minimum tax which will not affect farmers. It will not affect anyone who has been paying taxes. The minimum tax will get those people who were not paying taxes because they had enough cash flow to takee advantage of all the "incentives" brought in by the Liberals. Now they seem to think they are loopholes. Those people will pay a minimum tax.

So that other Hon. Members can be heard, I will sit down. However, before doing so, I should like to move the following motion:

That the motion for concurrence be amended by deleting all the words after the word "That" and substituting the following therefor:

"the Third Report of the Standing Committee on Finance, Trade and Economic Affairs presented to the House on Monday, April 1, 1985, be not now concurred in but that it be recommitted to the said Committee and that it be an instruction to the Committee that they have the power to amend the same so as to recommend expeditious passage of legislation to give effect to the budgetary measures providing for an exemption of up to $500,000 from capital gains for the proceeds of the sale of farm property."

Some Hon. Members: Hear, hear!

Mr. Gray (Windsor West): Mr. Speaker, are there copies of the motion for us to study, in both official languages?

Mr. Prud'homme: We would like to know what is going on this afternoon.

Mr. Speaker: The Hon. Member will know that Members are not required to present motions in writing in both official languages. I have a copy of the motion in English. Of course it will be circulated; that is perfectly reasonable. As far as I can tell, from looking at the motion, it appears to be perfectly in order.

Mr. Gauthier: Mr. Speaker, I rise on a point of order. I take it that some of us would like you to read it, Mr. Speaker, so that we can hear the interpretation and find out exactly what the motion is all about.

Mr. Speaker: Fine.

Mr. Prud'homme: Very slowly.

Mr. Speaker: The Hon. Member for Lethbridge-Foothills (Mr. Thacker), seconded by the Hon. Member for Ontario (Mr. Fennell), moves:

> That the motion for concurrence be amended by deleting all the words after the word "That" and substituting the following therefor:
>
> "the Third Report of the Standing Committee on Finance, Trade and Economic Affairs presented to the House on Monday, April 1, 1985, be not now concurred in but that it be recommitted to the said Committee and that it be an instruction to the Committee that they have the power to amend the same so as to recommend expeditious passage of the legislation to give effect to the budgetary measures providing for an exemption of up to $500,000 from capital gains for the proceeds of the sale of farm property."

Therefore, the question will now be on the amendment. On debate, the Hon. Member for Laval-des-Rapides (Mr. Garneau).

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I would certainly like to have a copy of the motion, if possible.

[*Translation*]

Mr. Prud'homme: Mr. Speaker, I rise on a point of order.

Mr. Speaker: The Hon. Member for Saint-Denis (Mr. Prud'homme) on a point of order.

Mr. Prud'homme: Your Honour has deemed the amendment quite in order. That is fine. As you were able to see, we raised no objection. Now, we were prepared to deal with the main motion, and to avoid Members of both the New Democratic Party and the Official Opposition being called out of order for failing to deal with the amendment—for lack of relevancy, as the English say—I ask the Chair to allow us a few minutes of silence, in a friendly manner consistent with the holiday spirit, in order that we may receive the motions and find out what they are all about.

We had not been notified, we were not at all aware that such an amendment would be introduced, and in order to avoid being called out of order for not speaking on the amendment, we should like to have a copy . . . I see that the President of the Privy Council (Mr. Hnatyshyn) agrees with me. I know that my colleague, the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) prefers to read the original of what he is supposed to deal with this afternoon, because he is much more able to do so in his mother tongue. I think it is only regular and normal—

[*English*]

Mr. Speaker: Can I try to help the House, if I may? I take it that the Hon. Member for Ottawa-Vanier (Mr. Gauthier) who was about to rise on a point of order—and I am interpreting—was about to ask me to reserve my judgment as to whether the motion is in order until such time as he can see it.

Mr. Gauthier: That is my point.

Mr. Speaker: Therefore, I recognize the Hon. Member for Laval-des-Rapides for the purpose of continuing debate. The motion will be circulated, and I will withhold a ruling as to the admissibility of the amendment in final terms for five minutes. The Hon. Member for Laval-des-Rapides.

Mr. Thacker: Filibuster!

Mr. Gauthier: It is debate.

[*Translation*]

Mr. Prud'homme: Mr. Speaker, I rise on a point of order.

Mr. Speaker: The Hon. Member for Saint-Denis (Mr. Prud'homme) on a point of order.

Mr. Prud'homme: Even though I represent an urban riding, Mr. Speaker, I take exception to the accusation levied by the Hon. Member for Lethbridge-Foothills (Mr. Thacker) who has spoken before me, that we are involved in filibustering. Mr. Speaker, the amendment has just been moved and we do not have a copy of it in either official language, and we are already being accused of filibustering. Mr. Speaker, I feel that the Hon. Member should be called to order and invited to be careful of what he is saying, because as representatives of urban ridings in Montreal and elsewhere, we have as much interest in the well-being of the Canadian farming community. I suggest the Hon. Member is foolishly accusing us of filibustering.

Mr. Speaker: Order, please. The Hon. Member is well aware that this is not a point of order. Order, please!

The Hon. Member for Laval-des-Rapides (Mr. Garneau) has the floor.

Mr. Garneau: Mr. Speaker, I want to thank my hon. friend from Saint-Denis (Mr. Prud'homme) for raising that point, especially since the Hon. Member for Lethbridge-Foothills

(Mr. Thacker) accuses us of not liking farmers. I may remind the Hon. Member for Lethbridge-Foothills, if he would listen for a minute—

An Hon. Member: He doesn't know how!

Mr. Garneau: I had a chance to visit his riding not long ago, where I even met dozens of sugar beet producers in Lethbridge—

Mr. Boudria: And Taber!

● (1420)

Mr. Garneau: —and Taber . . . who were very concerned about what was happening in the farming sector. And if anyone here does not seem to be concerned, and, to speak with the Hon. Member for Lethbridge-Foothills, doesn't like farmers or doesn't want to support them, I may remind the Hon. Member that he would be better off looking after the sugar beet producers in his riding who are out of work. That enormous plant that is usually a hive of activity at this time of the year is now empty. Dead. Nothing is happening. And what are farmers asking this Government to do? They are asking this Government to take a stand and to pay the money they owe these farmers according to plans known and approved by the Government and by all farm producers. How come the Government decided unilaterally not to pay these subsidies? That is one of the questions the Hon. Member for Lethbridge-Foothills should have answered, if he was so concerned about the interests of farm producers, and especially sugar beet producers, because that was one of the issues brought to our attention and discussed at length. At this plant, not only are sugar beet producers completely idle, not only are they in dire financial straits, but in addition, this plant that employed hundreds of people now only employs a few units to do the usual winter maintenance work. Mr. Speaker, this is appalling, and I think the Hon. Member for Lethbridge-Foothills (Mr. Thacker) would be the last person to make the kind of comments he made in this House. I believe today's debate is entirely justified, because since April 1, we have had a report before the House that has been adopted unanimously by all Members, with both regular and substitute Members numbering Conservatives, Liberals and New Democrats in their ranks. For example, I see that a number of Conservative Members were in attendance, including the Hon. Member for Cardigan (Mr. Binns), the Hon. Member for Essex-Kent (Mr. Caldwell), the Hon. Member for Brandon-Souris (Mr. Clark), the Hon. Member for Mégantic-Compton-Stanstead (Mr. Gérin), the Hon. Member for Trois-Rivières (Mr. Vincent), the Hon. Member for Swift Current-Maple Creek (Mr. Wilson), and the Hon. Member for Bellechasse (Mr. Blais) as substitute member, therefore representatives from all regions, many from the Conservative Party, some NDP Members, and Liberals as well. This report, Mr. Speaker, which was tabled in the House on April 1—

An Hon. Member: It was unanimous.

Mr. Garneau: —and which was unanimously adopted by all Parties, what did it recommend? There were eight specific propositions in the report, and some of them concerned the matter of loans to farmers, for example, agri-bonds as they are called, offered to investors on special terms.

Some propositions had to do with the Farm Credit corporation, others were about capital gains, and I would just as soon have spoken to the motion rather than take part in the main debate because that motion is as hypocritical as they come, Mr. Speaker.

An Hon. Member: Right on.

Mr. Garneau: Yesterday the Chair admitted that the word "hypocrisy" was not out of order, but this one is really unacceptable because, as we are about to recommend a reference to committee to consider the impact or advantage of the $500,000 capital gains tax exemption, we are faced with a ways and means motion introduced by the Minister of Finance (Mr. Wilson) in which he announced a new minimum tax on capital gains, yet they were supposed to be exempt as a result of the May 23 Budget. It was announced with fanfare on May 23, and Conservative Members proudly said: This was one of our election promises, a $500,000 exemption on the sale of a farm. Well, Mr. Speaker, we found out later on that the $500,000 exemption was available to anyone, not just farmers, so that a bona fide farmer aged 30 who intends to sell his farm when he gets to be 65 will have financial operations like any other worker. He can have capital gains on his investments, and after reaching 65, when he sells his farm, if he has already taken his $500,000 capital gains tax exemption, he will no longer be eligible in spite of what our colleagues opposite tried to suggest during the whole budget debate, and more recently, after the announcement made by the Minister of Finance in this House. Indeed, I would like to suggest to farmers who want to sell their farm to do it right now, before December 31, because if they sell before that date and have a capital gain, they will not have to pay any taxes, but if they sell after January 1, they will have to pay the 12.5 per cent minimum tax.

Some Hon. Members: Shame!

Mr. Garneau: The Government will provide a tax benefit with one hand and take it back with the other. When the Government says that the farmers will benefit or when the Hon. Member for Lethbridge-Foothills tells us that we should reconsider the report to determine whether it would be better to grant a capital gains tax exemption of $500,000—

An Hon. Member: Instead of $400,000.

Mr. Garneau: —instead of the $400,000 exemption recommended in the report, I find it completely ridiculous that this is

all that the Conservative Government, through its spokesman, the Hon. Member for Lethbridge-Foothills, has found to shelve this report, which was approved unanimously by all committee members, including the Conservatives.

Why reject the work of the committee members? We can now see a bit more clearly what the Conservative Government is trying to do. The Conservative Members who were acting in good faith and who thought that they had a role to play as Members of Parliament went to the meetings of the Committee on Finance, Trade and Economic Affairs, analyzed the situation, heard representations by many people and groups and sat from March 6 to 27 for one, two, three or six sittings. They heard the advice of independent experts, they found that certain things were reasonable, and with the NDP and Liberal Members, they made certain recommendations to this House. Now, the Government sees that it is stuck with recommendations made by its own Members and it is trying to shelve those recommendations. It is the Hon. Member for Lethbridge-Foothills, the great defender of Western sugar beet producers, who is now stuck with the dirty job of proposing that the report be shelved so that the Government can get rid of recommendations made by its own Conservative Members which it does not want to implement.

These recommendations contained in the report tabled in this House on the 1st . . . Mr. Speaker, the Hon. Member to my right can rise later and use his 20 minutes—

Mr. Boudria: To the extreme right!

Mr. Garneau: Yes, to the extreme right. In fact, Mr. Speaker, there are other Members, including the one who used to be Parliamentary Secretary to the Minister of Finance before losing his job, who could perhaps tell us at what date the Quebec farm producers will benefit from the rubber cheque of the Minister of Public Works (Mr. La Salle).

I meet with Quebec farmers occasionally and this very directly involves financing, Mr. Speaker. I meet with farmers who tell me: We voted for the Conservatives because the present MP for Joliette, the present Minister of Public Works promised us a $13 million cheque. During the election he was going around waving a cheque that big, on which this was printed: "Pay $13 million to pork producers". Mr. Speaker, today is December 13, 1985, a year and a few months have gone by, nearly a year and a half since Quebec farmers, pork producers were promised that $13 million cheque, and they are still waiting for it. It seems that the cheque from the Minister of Public Works has bounced. The usual term for it is a "rubber cheque". I hope Tory Members from Quebec will address that matter.

But there are very serious financial problems in farming. There are people who say that this only concerns Western Canada. It is true that in Western Canada, because of the drought situation and the grasshoppers which plagued a major part of the crops, many farmers are in dire straits. But that problem also exists in other parts of Canada. This is why Members who sat on the Committee on Finance, Trade and Economic matters have been well advised to make specific recommendations to the Government concerning farm financing, and it is clear that if the report were implemented, many sectors of the farm industry, many types of products and most farming areas in Canada would benefit.

Of course, even if there is no direct reference to farm marketing boards with respect to tobacco producers, it is clear that those producers, who were on Parliament Hill a few times these last few days, would benefit from the financing proposals that were made or the implementation of some of the provisions also concerning the interpretation of Section 31, for instance, by Revenue Canada. I am sure that many farm producers would benefit if we could only respond to the rather serious issue that was raised in that report concerning farm bankruptcies and the way we treat people in difficulty during the conciliation period, that is between the moment when the financial institution says it will tighten the screw and the moment when a concrete and specific step is taken.

• (1430)

Everywhere we went in Western Canada, all agricultural communities mentioned that problem—and on their behalf I raise the issue before the Government Members—the seizure of property and machinery practically carried out overnight in some cases. They are not trying to suggest that financial institutions have no rights, but they would like to be able to talk things over and see whether it might not be possible to find alternative solutions, not so drastic solutions which would give a fighting chance to farmers who find themselves in a financial bind—and they do not deny that they are in trouble—more often than not because they acted on the advice of Government officials and experts from financial institutions. All they want is a little more time, something along the line of the private Member's Bill sponsored by my colleague from Algoma (Mr. Foster). I hope the Government will take it under consideration, a form of cushioning measure we might say, to avoid situations such as a farmer being seized overnight and losing some of his machinery or part of his herd. The report does contain very good suggestions, but the Government might not be prepared to implement them holusbolus. What we would like is to have somebody from the Government side—like the Minister of Agriculture (Mr. Wise) or his representative, or again the person responsible for the wheat pool, or others like the Parliamentary Secretary—who would tell us why the recommendations cannot be accepted, including those concerning financial matters. Perhaps they will have perfectly acceptable reasons.

On thing for sure is that those recommendations were drafted after long studies and consultations with a number of experts. Should the Government choose not to implement the eight recommendations, or only some of them, it seems quite

logical to me that it should explain its position very clearly to Members of the House and the Canadian people.

Why, for instance, did the Conservative Party make recommendations during the election campaign—and I am sure you are familiar with the document containing 338 Tory promises? They made crystal-clear promises to the agricultural community, about the so-called agri-bonds, among others.

The Conservative Members who sat on this committee were so convinced that the Conservative Party's program was meaningful, that in the report submitted by the Committee on Finance, Trade, and Economic Affairs and dealing with agricultural financing, we find a recommendation made in the Progressive Conservative Party's campaign platform.

The report was tabled on April 1, the Budget was brought down on May 23, and the Minister of Finance failed to keep his election promises and failed to act on the recommendations made by his own Conservative colleagues who sat on this committee.

I wish someone would tell us why your campaign platform promised farmers it would create tax-free bonds that would enable farmers to borrow at 8 per cent. Why did they make this proposal during the election campaign? Why did the Progressive Conservative Members make it again in the report tabled here in the House on April 1? And why did the Minister of Finance fail to include this proposal in his Budget on May 23? It would be interesting to know who is telling the truth when and why. Did he have a good reason?

I suppose they could take each of these proposals, like a number of proposals that are both in the Progressive Conservative Party's programme and in this report, and perhaps explain why they refuse to implement them.

Earlier, the previous speaker raised the question of the debt load. Mr. Speaker, I would like to consider for a moment and comment on what was said by the Hon. Member for Lethbridge-Foothills (Mr. Thacker) and I would like to say—I only have one minute, so I will have to make it short—that a Government that wants to fight the deficit and trim spending does not give billions of dollars to oil multinationals, it does not give tax benefits to people who are making billions of dollars in capital gains—to be forced to deindex family allowances for those who need it most. If they are concerned about the deficit, they should be consistent, and farmers who saw the same Government spend one billion to bail out the banks cannot understand why it refuses to implement the proposals contained in this committee's report.

[*English*]

Mr. Speaker: Before we go to questions and comments, I wonder if we might deal with the admissibility of the amendment. I have accepted that there is a question and comment period. Therefore, on the admissibility of the amendment moved by the Hon. Member for Lethbridge-Foothills (Mr. Thacker), the Hon. Member for Hamilton Mountain (Mr. Deans) wishes to make a comment.

Mr. Deans: Mr. Speaker, I confess that the time between the moving of the amendment and my making this particular point has not been sufficient for me to do an in-depth review of all of the many and various precedents which one might want to cite in a situation such as this. I do, however, want to begin by pointing out that it is unusual to have a motion put at this point to recommit, if one will, a motion already before the House back to a committee with instruction. In an attempt to find similar circumstances, I had to review the question as it is addressed both in Erskine May, Twentieth Edition and in Beauchesne's Fifth Edition.

You will know, Sir, I am sure, since you have looked at this on numerous occasions before, that the whole matter of instruction addresses itself almost entirely to the question of how one deals with Bills. There is no reference that I can find to how one deals with a recommittal of a committee report. I am making an assumption, therefore, which I contend should hold up, that the same rules that apply to the recommital with instruction of a Bill should apply equally to the recommittal with instruction of a report from a committee.

Having made that point quite clear, I hope, I want then to refer if I can, Sir, to page 229 of Beauchesne's, Citation 756 under the heading Instructions. The citation reads as follows:

> An Instruction is a motion empowering a committee to do something which it could not otherwise do, or to direct it to do something which it might otherwise not do.

I contend that this instruction is out of order. It is out of order because the committee could, quite clearly, when it was deliberating, have done the very thing which the instruction proposes it should now consider doing. In fact, when this matter was before the committee, the option to do what the Hon. Member now wants the committee to consider doing was already before it.

One must assume that since all Hon. Members of Parliament are intimately familiar with the rules, the committee would have considered, or at least some members of the committee would have considered, the appropriateness of making the recommendation which the Hon. Member has now suggested it should consider making. Therefore, I would argue on the basis of redundancy that to suggest that the committee now do what it otherwise could have done, or at least to consider doing what it otherwise could have done and obviously rejected, makes the motion redundant.

To back up my argument, I would draw to your attention, Sir, in Erskine May a somewhat similar case which appears on page 545 where, though not using the word "redundant", Erskine May chooses to use the word "Superfluous". I think it fair to say, once again recognizing that there is no direct, identical comparison to be made anywhere with what we have before us, that we have to look at the rules as they are applied in similar circumstances.

• (1440)

Mr. Hnatyshyn: You are talking about a Bill.

Mr. Deans: It is talking about a motion. I draw your attention, Mr. Speaker, and the attention of all learned Members, to "superfluous" in subclause (2) at page 545 which reads in part:

—notice has been taken that the powers proposed to be conferred by the instruction are within the competence of the committee, the Speaker has declined to put the question.

In a nutshell, my argument is quite simple. The House of Commons cannot second-guess its committee and ask it to consider something which it could have already considered but chose not to by way of a referral with instruction. I think that is quite clear, both from reading Erskine May and Beauchesne's.

I do not want to belabour the point. I am sure the weight of the argument which I have put before the House will render the motion, which is an interesting motion, out of order. Therefore, Mr. Speaker, I ask you to consider it in light of the comments that I have made.

Hon. Herb Gray (Windsor West): Mr. Speaker, this is an important point which deserves the full and considered attention of the House. It should be very thoroughly considered. I would like to refer Your Honour to Citation No. 756 and Citation No. 757 on page 229 of Beauchesne's Fifth Edition. Citation No. 756(3) reads as follows:

There are two types of Instructions—permissive and mandatory.

Citation No. 757(1) goes on to state:

The object of a permissive Instruction, which is the more ordinary form, is to confer on the committee authority to do something which, without the Instruction, it would have no power to do.

If we look at the wording of the motion it states:

"the Third Report of the Standing Committee . . . be not now concurred in but that it be recommitted to the said Committee and that it be an instruction to the Committee that they have the power to amend the same—"

It is clear from the wording of the motion that we are dealing with an effort to send the committee what the citation from Beauchesne's calls "permissive instruction". If that is the case, I submit that the motion is clearly out of order because it asks the House to instruct the committee that it has the power to amend a report that the House is now considering. Certainly, this is something which the committe already has the power to do and which it had the power to do at the time it was preparing the report which is before the House. I think we, as well as yourself, Sir, must take notice—judicial notice, if I may put it that way—of the fact that the members of the committee were fully aware of their powers and authority and, yet, they chose not to write a report covering the point in the motion, which its mover wishes to have the committee consider.

May I again say that the mover of the motion has not drafted his motion in a form which makes the instruction it seeks to give mandatory. The motion does not say that the committee must do what is in it and nothing else. In effect, it simply reminds the committee that it has the power to amend the report which is now before the House in a certain way. This is something that the members of the committee must have known. The power in question is one which the committee has always had.

Mr. Deans: Ignorance of the law is no excuse.

Mr. Gray (Windsor West): Therefore, I submit that this motion is out of order. It is a permissive instruction, or attempts to convey a permissive instruction. Because it does so in a way which attempts to confer on the committee something which it already has the authority to do, I respectfully submit that you must rule this motion out of order, Mr. Speaker.

Mr. Speaker: With great respect, I am fully prepared to rule on the matter. I think the President of the Privy Council (Mr. Hnatyshyn) will be arguing against the argument which has been made and I think I can save him the trouble. I am sure he has a creative argument to make. Both Members have made creative arguments thus far. I want them to know that I am sure it is not because today is Friday the thirteenth that we are getting into these types of matters.

The Hon. Member for Hamilton Mountain (Mr. Deans) and the Hon. Member for Windsor West (Mr. Gray) have made persuasive arguments relating to Citations Nos. 756 and 757 of Beauchesne's. I remind the Hon. Members that these citations refer to committees studying Bills and are therefore the instructions that the House may or may not give to a committee in advance of the study of a Bill.

I remind Hon. Members that they may want to refer to Citation 660 of Beauchesne's, which I think governs the matter rather successfully. Citation 660 reads as follows:

When the motion to concur is moved, the House may refer the report back to the committee for further consideration or with instructions to amend it in any respect.

That seems to me to be entirely clear. The point of that, I suggest to Hon. Members, is that the intention of the restrictions on the power to instruct with regard to initial study is logically to say that if a committee had the power to do something, it made no sense to give it an instruction to do that since it had the power. However, once the committee has reported, it has no power over its report; only the House has power over the report. I would like to suggest to Hon. Members that the House must have the right, in logic, to refer a report back for reconsideration of the report in whole or for reconsideration of any clause, otherwise the House would be bound to deal with only the report the committee submitted. Clearly, the House cannot be bound simply to accept or reject a report on a matter. The House itself cannot amend the report. However, it can clearly refer a report back for amendment, either minor or major, or for complete reconsideration. Those are the practices and traditions of this House.

The committee's right of decision on the matter is by no means constrained, no matter what the House has asked it to reconsider.

Therefore, I find the amendment entirely in order.

Mr. Gray (Windsor West): Mr. Speaker, I do not want to reflect on your order in particular. I wish to draw to your

attention a point which I do not think has been considered. The citation to which Your Honour has been good enough to refer us states:

When the motion to concur is moved, the House may refer the report back to the committee for further consideration or with instructions to amend it in any respect.

I respectfully submit, Your Honour, that the motion before us does neither.

Mr. Hnatyshyn: It does both.

Mr. Gray (Windsor West): It does neither. It does not ask—

Mr. Speaker: Order, please. I take it the Hon. Member is now making an addendum to his earlier argument. I have read Citation 660 in total. I am perfectly satisfied that the amendment is entirely in order. I can find no other interpretation of Citation 660 other than to allow the House to send the matter back in any way or in any form for any consideration that the House intends.

Are there questions or comments with regard to the speech of the Hon. Member for Laval-des-Rapides (Mr. Garneau)? The Hon. Member for Algoma (Mr. Foster).

Mr. Foster: Mr. Speaker, I was interested in the comments of the Hon. Member for Laval-des-Rapides (Mr. Garneau) especially as they related to the situation in the constituency of the Hon. Member for Lethbridge-Foothills (Mr. Thacker). Although the Hon. Member for Lethbridge-Foothills said that things are much more optimistic today in farming than they were a year ago, the last time I had an opportunity to visit Lethbridge it was the first time in 60 years that it was not possible to plant a sugar-beet crop there. The whole sugar-beet industry in Canada is very much in doubt. It involves hundreds of jobs and thousands of acres of land. The central point is whether or not the Government will be bringing in a long-term sugar-beet policy and whether or not it will be making a stabilization payment for 1983. This has been in doubt for at least six months now. I know that the Hon. Member has been making great representations. We have been making great representations, as have other Members. Yet, the government fails to move. I am interested to know what the Hon. Member feels about this situation since I know he has had a chance to visit plants there to meet with the growers and talk about the entire situation.

• (1450)

The same problem which exists about the agricultural stabilization payment for 1983 for sugar beets in southern Alberta applies in British Columbia with the B.C. fruit growers. For the first time in history, the claim of the B.C. fruit growers for their agricultural stabilization payment has been adjudicated at 80 per cent rather than 90 per cent, which is doing the fruit industry in British Columbia out of $12 million this year. It seems most unfair that we have a Tory Government which comes in and just refuses to make those agricultural stabilization payments, which I believe is exacerbating the situation. The farm debt crisis is putting young farmers out of business, and I would just like to know the thoughts of the Hon. Member for Laval-des-Rapides (Mr. Garneau) because I know he is very interested in this matter.

Mr. Garneau: Yes, Mr. Speaker, I am very much interested in the sugar-beet industry. For years, when I was sitting in another Parliament, my responsibilities kept me in touch with the sugar-beet industry. As you know, for years, in the Province of Quebec we had a plan. It was established in 1944. A certain number of farmers have been involved in this plan. Many families earned their living through the sugar-beet industry. Now they have the same kind of problem in Quebec that is being experienced in Lethbridge.

The Hon. Member for Algoma (Mr. Foster) will certainly recall, because he has studied the matter, that a couple of questions have been raised by the producers. First, they are angry at the Government because it did not pay the subsidies which were supposed to be paid to the producer, and those subsidies were for the 1983 production—not the 1984 production. Normally, this should have been paid in the fall of 1984 or early in 1985, but we are at the end of 1985 and those stabilization payments have not been made, and they should have been made according to a plan which was in force for years.

I do not know why the Government, which had that kind of contract with the producers, made the decision on its own not to pay in accordance with a plan which exists. The producers in Lethbridge are very angry at the Government because the money which is owed to them is being taken away. Second, the producers want an answer for the future. What will happen in the future? Will they be in a position to produce? Are we going to have a sugar industry in this country? This is the question which is on their minds, and it is the same question which the producers in Montreal are asking. The answer is in the hands of the Government. It is talking about a long-term plan or policy for the sugar-beet industry. But the industry may have to wait and wait and wait.

You know very well, Mr. Speaker, how important it is for your own riding that an answer be given to those producers. This is why I cannot understand the Hon. Member for Lethbridge-Foothills (Mr. Thacker) being so arrogant in his remarks. He is in a position to defend those producers. He should defend his riding instead of fighting against the former Government which was defeated on September 4. If the Liberal Government committed sins, it has paid the price. Now the responsibility is in the hands of the Tory Government. The Hon. Member for Lethbridge-Foothills belongs to the Tory Party so he should bear a part of that responsibility. He should be just as responsible as this Party is because the problem has not been settled.

Those producers now have another problem. Some of the sugar beet producers want to sell their farms. They do not know if they will be able to benefit from the capital gains tax exemption.

The Hon. Member for Lethbridge-Foothills proposed sending this report back to the Committee on Finance, Trade and Economic Affairs. That committee is actually discussing this issue. The Committee on Finance, Trade and Economic Affairs is studying this issue now. We were there yesterday and we will be there next Monday to study the $500 capital gains tax exemption. I do not know how this report can be sent back to the committee when the decision is going to be made on Monday.

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), on questions or comments.

Mr. Boudria: Mr. Speaker, first of all, I would like to congratulate my hon. friend from Laval-des-Rapides (Mr. Garneau) on his excellent speech, and I would like to ask—

[*English*]

Mr. Thacker: Mr. Speaker, I rise on a point of order. I believe the rules are clear that when we are into the ten-minute question and comment period, the time is to be distributed equally between the Parties. You have already recognized the Liberal Party for the first question, Mr. Speaker, and the next question should either go to the New Democratic Party or to the Government Party.

Mr. Deputy Speaker: The Hon. Member is quite correct in his interpretation of the rule. However, the only person I saw rise in the whole House to ask a question happened to be the Hon. Member for Glengarry-Prescott-Russel, and he has the floor.

Mr. Boudria: Thank you, Mr. Speaker. I want to congratulate you on your ruling. It was very objective, as usual.

I have a question for the Hon. Member for Laval-des-Rapides (Mr. Garneau). Does he think it is appropriate for the Hon. Member for Lethbridge-Foothills (Mr. Thacker) to tell us that the economy of the farming sector "is doing better" at this point in time when the sugar-beet producers are going under in his riding, and when we have heard representation after representation from the constituency he represents telling us how badly the agricultural sector is doing under the Tory Government? Can the Hon. Member tell us specifically how anyone can say that the farming sector is doing better when there was a press release from the office of the Minister of Agriculture (Mr. Wise), dated December 9, entitled "Farm Income Drops 14 per cent in 1985 to rise 1.6 per cent in 1986", when we know that the cost of living is going to increase by three or four times that much? Can the Hon. Member for Laval-des-Rapides give us his opinion as to how the comments of the Hon. Member for Lethbridge-Foothills relate to the information I have just given?

Mr. Garneau: Mr. Speaker, the Hon. Member gave the answer in his question. The only reason the Hon. Member for Lethbridge-Foothills spoke as he did is perhaps for partisan reasons, otherwise, I cannot see, after the 15 days I have spent in western Canada where I met with farmers, and after having read, as the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) did, the press release from the Department of Agriculture, how he could have spoken as he did. The Member for Lethbridge-Foothills (Mr. Thacker) also spoke about borrowing, the debt, and the deficit. Unfortunately, I do hot have time in this debate to comment on that. However, the Member may rest assured that if I hade another 10 or 15 minutes I would be very pleased to discuss this and ask him a few questions about it.

• (1500)

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I appreciate the opportunity to make some comments in this debate. I think it is eminently logical for this motion to be before the House at this time. The report we are discussing was placed before the House in April. We were hopeful that it would be used in the Budget process and one of the recommendations made in the report was put into effect on May 24. We have waited for another six months and have seen no more action. I think it is, therefore, eminently logical for the motion for concurrence, which would instruct the House to take some action on the report, to be before the House at this time.

Before I go into the three issues which are considered in the report, I would like to say that we must look at the financing of agriculture. However, the financing of agriculture is only one issue. We should take a global look at agriculture. We should look at the costs of inputs, the cost of financing, and the price of the products that are being sold. We put band-aids on finance and other problems in farming, the net result being that we have an increasing number of bankruptcies every year.

The Government has often said that things are improving greatly because there are fewer bankruptcies this year than last. The reason for that is that once a fellow is bankrupt, he is bankrupt, and does not become another bankruptcy statistic the year after. Consequently, there are fewer farmers who can get into the position of finding it necessary to file for bankruptcy.

The Member for Lethbridge-Foothills (Mr. Thacker) moved a motion which is obviously a delaying tactic. The Government does not want to vote on concurrence in something it does not want to put into effect even if it were concurred in by a majority of Government Members. The two members of the New Democratic Party were not entirely satisfied with what is in this report, but in order to give it the power of unanimity it seemed worth while to compromise to some extent and make it a unanimous report. It did not do us much good because the Minister of Finance (Mr. Wilson) took action on it only in the area of a capital gains tax exemption. It has been part of the New Democratic Party's policy for many years to have a $400,000 capital gains exemption for farmers only, not for Florida condominiums or speculative stocks. We suggested that small businesses and farmers be allowed an exemption of up to $400,000 as was recommended in this report.

The Hon. Member spoke of redundancy a little while ago. With that in mind we should take a good look at the amendment he moved to the motion. That amendment deals with the

one recommendation with which the Minister of Finance did deal, the $500,000 capital gains exemption. He dealt with that on March 24. How redundant can we get? We are to send this report back to the committee and ask it to make recommendations to the Minister of Finance for legislation which will provide for an exemption of $500,000 for farmers. The legislation for that is presently before the House.

It makes good sense for us to be debating this, Mr. Speaker, and it makes good sense to concur. I abhor the idea of the Member for Lethbridge-Foothills that we should refer this back to committee, therefore delaying concurrence and delaying the giving of instructions to the Minister of Finance to bring forward the recommendations which were suggested by the committee.

The farm economy has been suffering for many years. I suppose that the last few years have been the worst, maybe because we are getting down to the bottom of the barrel. From 1942 to 1952 we had what everyone in Canada considered to be a balanced economy. According to the available statistics, at that time Canadian farmers earned about 6.3 per cent of the national income as opposed to the national product. Since 1952 the income of the farming community has declined to less than 1 per cent of the national income. That is the basic problem with which we are dealing. We are not giving farmers enough return for their products. We can deal with financing and a number of other things, but the bottom line is that we must deal mainly with the return for farm products.

I was speaking about the lessening of the proportion of the national income earned by farmers in the last 30 years. Conversely, it is very interesting to note that in the period from 1942 to 1952 financial institutions earned about 1.26 per cent of the national income. In those days all sectors thought they were doing well. I suppose that in 1953 the economic situation in the country was as well balanced as is possible. Everyone, including the labourers, union and non-union, considered that they were doing pretty well. Since then the income of farmers has gone down by 85 per cent.

From 1942 to 1952 financial institutions earned 1.26 per cent of the national income while in 1982 they earned 10.7 per cent of the national income. Last year they got 9.6 per cent of the national income. If you have been reading the papers recently, Mr. Speaker, you will know that the banks in Canada have declared the best year they have ever had, so they are obviously earning over 10 per cent of the national income. The portion of national income for the farmers has been reduced by 84 per cent while the banks have increased by 661 per cent. It is obvious that something must be done about financing. Since it cannot be solved entirely in this fashion we must take a global approach toward farming.

● (1510)

One of the three items on which the committee made recommendations was the possibility of agri-bonds. The committee supported that concept but the Minister of Finance has not acted on giving us an agri-bond program which would have provided relief to some farmers and made it possible for them to survive. The committee suggested a maximum amount of $300,000 per borrower for a maximum term of five years, with a yield of 8 per cent. This would have been handled by the Farm Credit Corporation and would have been tax free as far as the lender was concerned. It would have provided relief to farmers in dire straits.

The Minister has not acted on this recommendation although every member of the committee, including 16 Government members, unanimously recommended agri-bonds as a form of relief for farmers. Where are those 16 Tory Members today? They should be advocating that the House vote for concurrence in this Bill. Instead, the Member for Lethbridge-Foothills presented a motion to send it back to committee so that the Government will not have to react and vote against its own recommendations.

Mr. Thacker: We will vote for the amendment.

Mr. Hovdebo: The only reason the amendment was moved is to delay concurrence. It is a method of filibuster.

Mr. Thacker: Read the motion.

Mr. Hovdebo: If the motion had been allowed to come to a vote, the Government would have had to take action on it. The 16 Tory Members who were on this committee would vote for this recommendation. It would have been a message to the Minister of Finance to implement an agri-bond system as the committee recommended.

The report also contains a recommendation about Section 31 of the Income Tax Act concerning mixed income for farmers. This relates to farmers who must work part time off the farm in order to survive. Some 25 years ago these farmers were allowed a possible $5,000 in deductible losses.

Recently, full time farmers have had to work off the farm. While he is still losing money, he is no longer allowed that $5,000 deductible loss against his outside income. Our recommendation in this report was very modest. We suggested that it at least be doubled so that the first $5,000 be recognized as a loss and 50 per cent of the next $10,000 be recognized as a loss for deduction purposes. Again, the Minister ignored this recommendation and 16 Tories would have voted against the Government and the Minister. That is why the Member for Lethbridge-Foothills moved the motion before the House, in order to delay the concurrence in this report.

The third recommendation of the committee concerned capital gains tax. We recommended $400,000 capital gains tax exemption. However, the Minister gave farmers, speculators and people with condominiums in Florida a $500,000 capital gains tax exemption. The motion by the Hon. Member for Lethbridge-Foothills is redundant. He has recommended that we send this report back to the Finance Committee and ask it to recommend something which the Minister has already done. The Minister has already implemented a capital gains tax exemption in his May 24 Budget and that measure is presently in legislation before the House. The motion means nothing because it is redundant. It is absolutely clear that this is a

filibuster to ensure that there is no vote on concurrence in this report. A vote on concurrence will split the Hon. Member's Party because there are Members who support these recommendations and obviously those who do not because the Minister will not implement those recommendations.

The Hon. Member for Algoma (Mr. Foster) told us how farmers were having difficulty surviving at this time. I believe people across this country who do not know farmers are making a number of incorrect assumptions. They believe that since a prairie farmer has $500,000 worth of land he should be prosperous. However, the farmer cannot eat the land and will not be able to produce if he sells it. While farmers in southern Saskatchewan may have had an investment in their land worth $500,000 at one time, they do not have enough money to feed their families. Other farmers who used to depend on the production of their land in order to survive are suddenly finding themselves in a position where they can no longer make payments on their investment in that farm.

Farmers can no longer live on their equity. While they may be able to borrow on it, conditions such as drought and high input costs will not allow them to survive for very long if they begin to live on that equity. Those farmers who live on their equity soon face bankruptcy.

The committee's recommendations in this unanimous report were ignored. I suggest that it is quite proper, after being ignored for six months, to move concurrence and thereby instruct the Minister of Finance to take action on the two recommendations which he has ignored so far.

• (1520)

Mr. de Jong: Mr. Speaker, I was wondering whether the Hon. Member for Prince Albert (Mr. Hovdebo) could comment upon another aspect of the matter with which I think we are dealing. It has been a desire of all Hon. Members to see some parliamentary reform. There is a desire that Members of Parliament become more capable of representing their constituents rather than being caught in the straight jacket of being a member of a political Party, of a Government or of an Opposition. Unless we are able, as ordinary Members of Parliament, to get out of these straight jackets, Parliament itself and the parliamentary process become more and more obsolete. We are the representatives of the people, first and more foremost. We deal on a daily basis with the problems of constituents back home. There is the basic belief that the system can only operate if the input from the people's representatives becomes the most important input in the decisions made by Parliament.

We have seen an honest attempt to bring about parliamentary reform. Surely a key element of that is to strenghten the committees, to allow greater independence by committee members and to sit together as Canadian men and women representing their constituents, not as governments Members or opposition Members or as Liberals, New Democrats or Tories. We were elected by our constituents to sit down together to tackle the everyday problems faced by them.

The Finance Committee is doing an important job. It recognizes a tremendous need out there. As my colleague has stated, it has brought together a modest package but an important package or a "first step" type of package. Now we hear the Government saying no to this basic form of parliamentay reform. It is refusing to deal with the recommendations of the committee.

Could my colleague comment upon what he feels this signifies? Does he feel that the whole experiment in reforming Parliament is in essence just a farce and window-dressing and that the Government has no intention of allowing individual Members of Parliament to have greater powers?

Mr. Hovdebo: Mr. Speaker, I thank my colleague for that very philosophical question. He hit on a very important point. We were operating to some extent under the old rules in this case. I am sure there was a certain amount of difficulty on the part of Conservatives when it came to accepting the unanimity of the report, because it was not entirely in line with the basic philosophy of their Party. They looked at it, accepted it and reported to the House with the hope that the Minister would act on it.

I hope that some time in the future—and this follows on the question of the Hon. Member—a committee such as the Finance Committee can report and instruct the Minister, the Government or the Cabinet to take action. To some extent this kind of philosophy would be much more helpful.

The report had the backing of 20 Members who were perhaps not intimately related to agriculture but knew a lot about it because of their positions in the community. They hoped that the report would be acted on. Concurrence in it would have amounted to instructions to the Government to act on it. By not acting on it, the Government is making a farce of its so-called recognition of parliamentary reform.

Mr. Foster: Mr. Speaker, I was interested in the comments of the Hon. Member for Prince Albert (Mr. Hovdebo) because he is from the Prairies. He realizes the difficult situation faced in the southern parts of Alberta and Saskatchewan with regard to the drought this year. A tremendous opportunity would have been available if the third report of the Standing Committee on Finance, Trade and Economic Affairs had been adopted. It would have benefited some of those struggling producers. They would have benefited by the 8 per cent money proposed in the agri-bond program, which is an integral part of the third report.

I believe the Hon. Member has correctly assessed the amendment we are debating. In fact it is a deliberate move by the Government to pigeon-hole the report rather than to come before Parliament for it to be voted on. I do not believe many Hon. Members would vote against the report because it recommends an agri-bond program, as was recommended in the Conservative manifesto. The report recommends an agri-bond program on a case by case basis or on a selective basis to assist farmers facing serious financial difficulty. The amendment essentially pigeon holes the whole report and sends it back to the Standing Committee on Finance, Trade and Economic

Affairs. That committee is already debating Bill C-84, to provide for the $500,000 capital gains exemption on the sale of farm property. It just avoids the question of concurring in the motion before Parliament.

I would be interested in knowing the views of the Hon. Member with regard to the minimum tax. Does he feel that some farmers who will be retiring feel betrayed by the minimum Tax? There was a promise to provide a capital gains exemption. As I read the minimum tax provision, it will at least apply, under some circumstances, to those who are not paying taxes otherwise. Many farmers, because of desperate economic situations, will not pay any significant level of income tax because the profits are just not there. They will feel betrayed if they should sell their farms, realize a capital gains and be caught up in the minimum tax arrangement, after the Government promised a capital gains exemption.

Mr. Hovdebo: Mr. Speaker, members of the farming and small business communities have felt betrayed for many years. A large group of people across the country take what they make and return it to their businesses and farms in order to build them up. It was very logical to give them the exemption which allowed them to make use of the gain they had saved over the years. When they got out of farming or out of a small business, they could use the money as a little nest-egg on which to retire.

In the case of the minimum tax, it ends up being a typical situation of giving with the one hand and taking away with the other. I highly recommend that the Government move on it, particularly for small businesses and for farms. It should provide for certain capital gains exemptions of those particular types. Otherwise, the one recommendation which the Minister of Finance took from this report will have been negated by the minimum tax. The minimum tax is a good idea. It should be in place. However, if you do it to hurt the people who cannot afford it, then you go against what you said you were going to do.

• (1530)

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am very pleased to have the opportunity this afternoon to speak in this debate. I must say, though, that I wish I were speaking on the main motion rather than the amendment. Of course, the amendment was presented in an eloquent manner by my good friend and distinguished colleague, the Hon. Member for Algoma (Mr. Foster), who obviously knows a lot about agriculture. He wanted the farmers of this country to benefit as much as possible from agricultural programs. He wanted them to benefit from the worth-while recommendations made unanimously by the Standing Committee on Finance, Trade and Economic Affairs. However, what did we see? An attempt to filibuster on the part of a Tory Member. He does not want this issue resolved. He does not want the farmers to have more. He wants to delay. Can you believe that, Mr. Speaker? A Tory Member attempting to delay legislation. That is something Government Members usually accuse Opposition Members of doing. Today in this House we have witnessed a Tory Member attempting to send a Bill back to committee because he did not want to deal with it. He would not have had the courage, the intestinal fortitude, to vote against a Bill which would have obviously benefited the farmers of his riding.

How did we get into this mess? How did we get ourselves into such a quandary? Let me review it for you, Mr. Speaker. I am sure you will remember this vividly and objectively, being the non-partisan person that you are. During the summer of 1984 the Tories made several promises to the farmers of Canada. Actually, they made promises to everyone.

Mr. Robichaud: How many?

Mr. Boudria: I may have brought it to your attention before that the Tories made 338 promises. I just happen to have here a little booklet entitled "338 Tory Promises".

Mr. Robichaud: Two hundred or three hundred?

Mr. Boudria: That is 338.

Mr. Tobin: Were they sacred trusts?

Mr. Boudria: Some were sacred trusts and others were just regular generic Tory promises. Some, of course, were very important. A number of them were contradictory. Yes, 113 were to spend more money and five to spend less. Two were to increase revenue and 26 to decrease revenue. Then the Tories wonder why they cannot realize their election program. Small wonder. You do not do half of it if you try to do the other half. That is how bad it is. My good friend from Westmorland-Kent asks if there are any promises for the banks. They are not in here. Perhaps it is an oversight on my part. It does not say in here: "We promise billions of dollars to the banks."

Mr. Tobin: Anything on capital gains?

Mr. Boudria: Yes, there is something on capital gains. There are all kinds of promises here for farmers. Let me remind you of some of those promises although I am sure you remember them most vividly because you were subjected to hearing that partisan rhetoric just as I was.

Promise number one in agriculture is to abolish the capital gains tax on the sale of farm property for continual agricultural purposes. Remember what that says, it is abolished provided the land remains in agriculture. What did the Tories do? They abolished it partially and for everyone, including the owners of racehorses in the U.S., owners of villas in the Caribbean, the owners of castles in Spain, or what have you. However, only partially for the farmer. Then what did they have the unmitigated gall to do? Last week, when they found out the tax breaks they were giving to their rich friends were unacceptable, they partially taxed back some of their rich friends but at the same time viciously attacked the farmers. That is the Tory record. They made promises to reduce the price of gasoline. Would you believe that from a Government which has raised the price of gas 18 cents a gallon since it was elected? The Tories also promised a system of agri-bonds for the farmers.

They promises to revise Section 31 of the Income Tax Act. Those are the promises listed in the book of 338 Tory Promises. Incidentally, if you or anyone else out there wants a copy of that book all you have to do is write to my office, no stamp necessary, and I will gladly send you or anyone out there a copy of the book of 338 Tory Promises.

Now, let us go a little further. On September 27, 1984, a report was made by the Farm Credit Corporation stating very clearly that action was necessary by the Government to resolve the agricultural crisis. Not rhetoric, not promises; the election was over. No more promises. From that point on we needed action by Tories. I know that is contradictory in a way, but we did not get anything anyway. On September 27 the FCC released this booklet called *Farm Survey*. Let me read some of it to you. It says that in January, 1984, the total assets controlled by Canadian farmers amounted to $116.3 billion. That was $1.2 billion less than it was some three years earlier. In spite of the fact that the price of everything was going up, the price of farm land was going down. The value of the farmers' assets was under downward pressure because of a difficult economic situation. It said—

[*Translation*]

And I read here in one of the tables, that over a three-year period, the farmers' net value fell from $99.8 billion to $95.6 billion, a $4.2 billion drop. This shows the kind of impact which the economic situation has had on farming.

And a little later, Mr. Speaker, in November, the President of the Treasury Board (Mr. de Cotret) and the Minister of Finance (Mr. Wilson) began slashing expenditures. Whom did they cut first? The rich? Not at all. Whom did they slash?

Mr. Lanthier: The Prime Minister and the Ministers.

Mr. Boudria: My colleague says the Prime Minister and the Minister. Not at all. The Prime Minister's Office was increasing by 157 per cent at the same time . . . Yes, 157 per cent. While they were cutting off $6.2 million from the dairy industry program, at the same time, Mr. Speaker, in a single move the Prime Minister's expenses were increased, and the grants to Canadian farmers facing financial difficulty, which I just identified very clearly were reduced. Something like $9.4 billion were slashed from the Department of Agriculture, which was providing very worthwhile services to farmers. What did the Tory Members do? They commended the Government. Is it possible to be that partisan, Mr. Speaker? The Tory Members commended the Government for cutting grants and subsidies to farmers.

[*English*]

The Tory Members of this House move around the place to sit behind cabinet Ministers. The surfers, as we affectionately call them, the people who came in with the tide and who will go out with the ebb-tide at the next election, why were they not speaking on that day? Why were they just sitting pretty behind cabinet Ministers trying to get themselves on camera? If they wanted to get themselves on camera why did they not stand up and defend the interests of their voters? That is what they said they would do when they ran for office. No, the Tory Members did not do that.

• (1540)

Let me proceed. In January, the Minister of Finance (Mr. Wilson) allowed this particular document, *Tax Issues in Agriculture*, to be released. This particular document spoke of the fact that farmers were, in the Minister's view, not that badly off. The document indicated that the state of full-time farmers were relatively comparable to that of other sectors which included full and part-time workers, and that therefore they were all right. That kind of logic escapes me. Full-time farmers are compared to part-time workers and all kinds of other insignificant and ridiculous comparisons are made in this document. I would suggest that the Minister of Finance should have read it before he released it because his name appears on it.

In any case, the document to which I have just referred went to the people of Canada. I distributed 1,500 copies of it in my riding because I wanted the people of my riding to know what the Government was saying about farmers. Obviously this caused the Minister of Finance considerable embarrassment. He did not know what to do. After all, he had fallen into this trap. The Government House Leader decided that we would have a Standing Committee make recommendations that would serve two purposes. First, it would get the Minister of Finance out of trouble, and second, out of this we would create programs that would help out the farmers and the Government would be able to fulfil some of its campaign promises.

You recall, Mr. Speaker, the promises that I enumerated earlier. Some of them dealt with farm finance, Section 31 of the Income Tax Act, refinancing farmers in difficulty with the assistance of agri-bonds and, of course, the capital gains issue, as my colleague, the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin), just reminded me of very eloquently.

The committee came up with recommendations which are listed in this report here. That is why we are here today. Just to remind Hon. Members, we are here to ask for concurrence in a report that was agreed to unanimously by a group of Members of Parliament who sat on a committee. These Members from the Conservative Party, the Party that I represent and the New Democratic Party worked very hard. Much of the partisan rhetoric was left aside so that Members could concentrate on agriculture. I must admit that upon occasion, I became frustrated in that process but, nevertheless, in the end we came out with a report which made eight recommendations, three of which dealt with the issues I raised only a moment ago, the amendment of Section 31 of the Income Tax Act to make it fair, refinancing schemes such as agri-bonds and the relieving of retiring farmers from the capital gains tax burden.

We have now settled what it is that we want to do today. All we want is to have the House concur in or agree with the fact that a Parliamentary Committee unanimously decided that

this kind of process would be beneficial for our farmers. What have we seen? We saw a Tory Member who represents an agricultural community, the Hon. Member for Lethbridge-Foothills (Mr. Thacker), wanting us to delay that report. He is attempting to filibuster the process. Shame on him.

When the committee was making its deliberations, the Canadian Federation of Agriculture made an excellent presentation to the committee. The Federation indicated that the $3.8 billion net realized income from farming in the year 1984 was 29 per cent lower in real terms, which means adjusted by the Consumer Price Index, than it was in 1979. The salaries of farmers have gone down by 29 per cent in five years. The Hon. Member across the way wants us to delay this process. What is he waiting for? Does he want everyone to go bankrupt?

Mr. Thacker: Mr. Speaker, I rise on a point of order. It is quite important that the Hon. Member who is speaking appreciate the content of my motion. The motion is to refer the matter back to the committee so that the committee can recommend expeditious passage because his Party is blocking things and is not letting us get to the Bill.

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

Mr. Boudria: First, Mr. Speaker, we are not discussing a Bill at this particular point in time. We are discussing concurrence in the very worth-while proposals that were brought to our attention by the very distinguished Hon. Member for Algoma Perhaps the Hon. Member across the way could listen. As you know, Mr. Speaker, and as you said, that was not a point of order. It was not even a good point.

Let me return to what I was discussing before I was so rudely interrupted. On May 23, the Government presented a Budget. The Government made us wait the longest time in history before presenting a Budget and now we know why.

Mr. Tobin: They laid an egg and it was rotten.

Mr. Boudria: Yes, Mr. Speaker. That gestation period was surely long but the results were not worth waiting for.

Regarding the Budget, the National Farmers Union said on May 28 the following:

> There were a great many hopes riding in the farm community for some positive policies to surface in the May 23 Federal Budget which would bring relief to many hard-pressed farm families in financial distress. Instead, many are now faced with the threat of early liquidation and foreclosure.

That was the National Farmers Union's introduction to its comments on the Budget. Now the Hon. Member for Lethbridge-Foothills wants us to further delay implementation of the measures in which we are ready to concur today. He wants the committee to agonize even longer on the matter.

Let me tell you, Mr. Speaker, of the resolution of the Glengarry, Prescott and Russell Federations of Agriculture and what these federations had to say about the Budget. I will read this resolution to you, Mr. Speaker, because I know you are very interested in it. The resolution reads:

> Moved by: Peter Romme
>
> Seconded by: Laurent Souligny
>
> Whereas Mr. Brian Mulroney during the last election campaign made a written promise to provide agriculture with long term—

[*Translation*]

Mr. Deputy Speaker: Order, please! I recognize the Hon. Member for Gatineau (Mrs. Mailly) on a point of order.

Mrs. Mailly: Mr. Speaker, the Hon. Member knows very well that the Prime Minister must be referred to as the Right Hon. Brian Mulroney, even when one is quoting from a document.

Mr. Deputy Speaker: The Hon. Member for Gatineau (Mrs. Mailly) has a valid point. The Hon. Member for Windsor West (Mr. Gray) on the same point of order.

Mr. Gray (Windsor West): Do I understand the complaint is that my colleague was referring to the Prime Minister rather than to his title as Right Honourable for she is referring to the Prime Minister as being Brian Mulroney. Could she explain!

[*English*]

Mr. Boudria: I was reading from a document, but of course, I will say that the Right Hon. Member for Manicouagan (Mr. Mulroney):

> —during the last election campaign made a written promise to provide agriculture with long term financing at stable and affordable rates—

I know that this is embarrassing for Hon. Members across the way. The resolution goes on to read:

> Whereas farm financing was not addressed in the recent budget,
>
> Therefore we, the members of the Glengarry, Prescott and Russell Federations of Agriculture jointly demand that the Prime Minister of Canada fulfill his campaign promises and be it further resolved that we demand that the cuts of 60 million dollars in the Agriculture programs announced November 8th 1984 and the proposed 50 million dollars cut in the May 23rd budget be cancelled and that full funding be immediately restored to the Agriculture Department.

This resolution was agreed to at a joint meeting of the Federations of Agriculture of the Counties of Glengarry, Prescott and Russell. They approved it unanimously. If Tory Members say that the Budget received over helming approval, the three agricultural federations of the riding which I represent sure did not feel that way. That is not what they said about those Tories. With what are we faced? We are faced with more bad news from the Tories—more bad news from a Government which has so savagely attacked the agricultural sector and everyone else.

• (1550)

An Hon. Member: Come off it!

Mr. Boudria: In conclusion, I would like to tell Hon. Members that I am ashamed of the actions of the Government with respect to not wanting to help the farmers of the country, probably as all Hon. Members are. This is unacceptable. We need action from the Government. The farmers need help. We need help and we need it now from the Tories.

Mr. Deputy Speaker: Are there questions or comments? The Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin).

Mr. Tobin: Mr. Speaker, my comments will be brief in that I wish to hear from the Hon. Member for Winnipeg—

Mr. Benjamin: Regina West.

Mr. Tobin: He claims that he represents Regina and Winnipeg some days so I made a choice.

I wish to make a brief comment. I come from a part of the country in which we do not have as large an agricultural base as that which exists in the ridings of Hon. Members who have spoken this afternoon. However, I do have a goodly number of farmers who are struggling to build an agricultural base in my province where the agricultural tradition is not a long one and where the industry is not all that developed. I speak of the west coast of that great Province of Newfoundland. In particular, I speak of areas such as Cormack, the Humber Valley and the Codroy Valley in Newfoundland where farmers are struggling to make a go of it. As one who does not profess to have a great deal of knowledge—at least as much knowledge as I would like—about this industry and as one who has sat today in this House in order to broaden that fledgling base of information which I do have, I found a great cloud of darkness and confusion being lifted as I listened to the eloquent words of the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) and, indeed, the words of the Hon. Member for Prince Albert (Mr. Hovdebo), as they made clear to me something which I found difficult to comprehend. That is to say that we actually have before us a report from a committee of Parliament containing the recommendations of all three Parties with regard to improving the lot of those primary producers in the country who give so much and put so much back into the land. Having produced this report, and having made eight recommendations in a spirit of non-partisanship, reform, renewal, hope, help and recognition of the contribution of farmers, we now have Members opposite refusing to implement the proposals put forward during a quiet, serious, sober and responsible moment by all three Parties.

I can only say that is a shattering realization for a Member such as myself who does not have a great deal of knowledge about this industry. I say that from the point of view of a Member who presumed that work in this place was goodwill from every corner attempting to improve the lot of all. It is a shattering experience, one from which I hope I shall be able to recover in due course.

I wish to ask the Hon. Member for Glengarry-Prescott-Russell if he will join with me in stepping aside in order to allow my good friend from Regina and Winnipeg to give us the benefit of his wisdom this afternoon until four o'clock.

Mr. Boudria: Mr. Speaker, briefly, I wish to thank the Hon. Member for his excellent remarks. Without speaking any further, I know, of course, that the Minister of State for Transport (Mrs. Blais-Grenier) would want me to say all kinds of things with respect to transportation issues. However, I will delay those remarks for the moment in order to give an opportunity to the Hon. Member for Regina West (Mr. Benjamin) to speak. He is obviously knowledgeable with respect to agricultural issues. He will give us the benefit of the information which he is willing to share with us at the moment.

Mr. Les Benjamin (Regina West): Mr. Speaker, my experience in the House so far has been that whenever there has been a unanimous report from a parliamentary committee placed before the House a motion for concurrence has been moved and the mover spoke for a few minutes. Then, there would be some kind of agreement through various means with respect to there being no further debate and the House would unanimously adopt the report in concurrence with what Members from all Parties on the committee had to say. Today, that has not been the case.

There is not any other sector in our economy which has had to take lower prices and deal with higher costs than our farming and fishing sectors. All other sectors of the economy, whether it be doctors, lawyers, trade union members, bankers or whoever else have been able to set prices. They were price-setters and not price-takers. Members of our agricultural and fishing communities have had to be price-takers while their costs have increased.

The report which is being discussed attempts to deal with this unfair situation in our economy. The report deals with the problem of the capital gains exemption regarding farmers. In order to utilize this exemption a farmer would have to quit farming. A fisherman who wishes to take advantage of the capital gains exemption would have to quit fishing in order to do so. However, a speculator in real estate and land only has to sell a property to someone else for a capital gain and take advantage of the exemption. We have always advocated that as long as a farm, fishing or small business enterprise remains within the family there should be a $500,000 exemption. We tried to persuade the previous Government in this respect. It would not go along with us. However, the Party which now forms the Government thought it was a great idea a couple of years ago. We have not heard anything with respect to this subject since. It will give the $500,000 break to any and every one with respect to capital gains.

I invite the Hon. Member for Lethbridge-Foothills (Mr. Thacker) to blow the dust off his copy of the Carter Commission Report of 1966. A buck is a buck no matter how one earns it. When it is earned through speculative capital gains it should be taxable from the very first dollar. In the case of a family farm, a family business or a family fishing operation which stays within the family and is passed from one generation to the next, then surely capital gains should not apply unless and until that farm, fishing or small business enterprise leaves the hands of the family and is sold for a capital gain.

Another matter which needs to be dealt with is that with respect to the requirement upon financial lending institutions to renegotiate loans which are out to the farming and fishing communities in the country and implement interest rates of 8 per cent, as is recommended by members of the committee. There are still some loans out there with interest rates of 18

per cent to 20 per cent. There have been crop losses and falling cattle prices. Farmers are losing their farms and their machinery. They are not able to function. Lending institutions must be prepared to take the bad with the good, just as our farmers, our fishermen and our small-businessmen have had to do. They cannot have it both ways. They want to collect the top dollar and yet they are not prepared to collect fewer dollars when the person who owes them money is getting fewer dollars. Surely something along this line must take place in a civilized society no matter what political Party is in power.

The Tories across the way epitomize the whole business of greed and selfishness. They ask: "What is in it for me?" They say: "To hell with everyone else". In order not to step on the toes of its friends in the corporate and lending sectors, this Government will go along with that. There is no way that members of the Government will step on the toes of organizations which are hurting the very people they purport to represent. This type of tragedy has to stop. I hope that over the next few days we can resume debate on the report which is before us and pass it with the unanimous consent of the House without a vote. Then, the Government will have no choice but to act on it.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Deputy Speaker: Order, please! It being 4 p.m., the House will now proceed to the consideration of private Members' business as listed on today's Order Paper.

• (1600)

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

AGRICULTURE

PROPOSED LEGISLATION TO PROVIDE HIGHER WHEAT SALES RETURNS

Mr. Geoff Wilson (Swift Current-Maple Creek) moved:

That, pursuant to Standing Order 71(1), a committee be appointed to prepare and bring in a Bill with the objective of providing wheat producers with higher returns from wheat sales for human consumption in the domestic market place while avoiding undue hardship to processors and consumers and other wheat users.

He said: Mr. Speaker, I have the honour to present this notice of motion specifically on behalf of wheat producers in my constituency of Swift Current-Maple Creek, but generally on behalf of all wheat producers in Canada. The intention this afternoon is to focus debate in this Chamber on the special question of what is a fair return to the Canadian wheat farmer and how can Government ensure that fair return without inflicting undue hardship on processors, consumers and other wheat users?

In using Standing Order 74(1), I bring forward a motion that this House appoint a committee to prepare and bring in a Bill to study the intention of providing that fair return to the Canadian wheat farmer. The report of the Special Committee on Reform of the House of Commons has clearly stated that there should be more importance attached to Private Members' Business. We all know that in the past, private Members' Bills seldom, if ever, came to a vote. In putting this motion, I ask that a committee be appointed in order that we can have all-Party input into the formulation of a Bill which, hopefully, can be passed and passed in the best long-term interests of all Canadians, wheat producers and consumers alike.

Since August 1 of 1980, the domestic wheat price has been fixed under the Canadian Wheat Board Act between a maximum of $7 a bushel and a minimum of $5. Canadian mills buy wheat at prices set within this range by the Canadian Wheat Board. The formula price is set based on an average of the Thunder Bay and Pacific export prices weighted by volume of exports through the respective ports. On September 15, the price for October, November and December, 1985, was set at $218.71 per tonne for approximately $5.95 per bushel.

In putting this motion, I want to address and identify clearly the farm income crisis facing Saskatchewan and Canadian agriculture, with particular reference to the grain farmer. Between 80 per cent and 90 per cent of the Canadian wheat crop is marketed internationally and accounts for much of Canada's favourable balance of trade in agriculture. However, record world wheat crops have increased stocks, depressed prices and lowered the expected volume. In my Province of Saskatchewan there are approximately 66,000 farmers, and the average farm size is approximately 1,000 acres. The average capital investment is about $480 per acre. Last year, in 1984, Saskatchewan farmers grossed approximately $4.3 billion in farm income. Operating and depreciation expenses came to $3.3 billion, leaving a net realizeable income approximately $1 billion which, divided amongst 66,000 farmers, gives a per farm average of $15,000.

This year, 1985, projections are for $3.8 billion in cash receipts and $3.5 billion in operating and depreciation, leaving a realized net income per farm of $5,500. From this sum, the farm family is to make payments of principal and to meet all of their other expenses, food, clothing, utilities and so on. To sum up, then, in 1985, in Saskatchewan, realized net income before various agricultural support programs such as crop insurance, stabilization and drought assistance, is a loss of some $400 million. Total realized net income after these agricultural programs is $360 million or $5,500 per farm. This sum represents the farmers' labour. It also represents the return on a capital investment of almost half a million dollars per farm.

By way of contrast, the minimum wage in Saskatchewan is $4.50 an hour. At 40 hours a week, an individual on the minimum wage would receive some $9,360 per year without any capital investment whatsoever.

Moreover, the farm cost price squeeze is manifesting itself in lower farm land values. As asset values and equities erode,

so does the individual wealth of farmers, the value of the security they have offered for loans, their ability to borrow and to invest, and their everyday consumer buying power. The results, then, is that not only farmers but manufacturers, small business people and all those dependent on farmers also suffer. Clearly, it would be nice if there were an international minimum price for wheat, a substantial price in the international market. But Canada cannot unilaterally impose such a regime on the world. With export prices at depressed levels and facing ever increasing competition from other countries, the only hope for a reasonable price at this time rests with a domestic pricing policy.

Regardless of whether an international grain agreement can ever be worked out, we must seize the initiative internally, within our own country, to deal with the only aspect of wheat pricing over which we do have some control, namely, the price of wheat for human consumption within Canada. I, therefore, urge discussion and inquiry through the establishment of a parliamentary committee to investigate whether the Canadian consumer ought not to pay a modest increase in the price of bread and cookies, on the understanding that the entire benefit, or at least the greater part of the increase, will be paid to the wheat producers.

Good wheat has an extraction rate of approximately 72 per cent. Therefore, one bushel of wheat weighing 60 pounds produces about 43 pounds of flour which, in turn, produces approximately 67 16-once loaves of bread. According to these Wheat Board calculations, a $1 per bushel increase in the price of wheat should only result in an increase in the price of bread of 1.5 cents per loaf.

Clearly, the wheat producer today needs $10 to $12 per bushel domestic wheat. A $5 a bushel increase would result in an income gain of approximately $367 million annually for wheat producers in Canada and would manifest itself in an increase to western Canadian producers of roughly 40 cents per bushel and something in excess of $1 a bushel for Ontario producers.

Not only would these increases provide an immediate shot in the arm to farmers but, in turn, to those who depend on the farmer; the implement dealer, the small business person and, indeed, virtually every other Canadian. Furthermore, as Carter and Schmitz pointed out in their paper entitled "Domestic Wheat Prices and Farmer Income", if the milling and baking industry passes 100 per cent of that $5 a bushel increase on to consumers, the price of bread should rise only by 7.5 cents per loaf.

Currently the farmers' share in a 24-ounce loaf of bread is less than two slices, not enough to make a decent sandwich. The farmers' share of retail sales value of products made from soft wheat is even less. According to the Ontario Wheat Producers' Marketing Board, the percentage value of wheat and sweet cookies is 1.1 per cent; in solid cookies, 2.7 per cent; in crackers, 8.2 per cent and in 100 per cent wheat cereals, 4.9 per cent.

We ask for a fair return to the producers for their wheat and a fair price to the consumer. We have serious concerns about the effect of the various spreads and add-ons and margins which affect the shelf price of baked goods between the farmer and the ultimate producer. Even a cursory examination of the past will indicate that, as wheat prices have increased, so, too, have bread prices. However, have you also noticed that as wheat prices decline the price of bread continues to increase? Mr. Speaker, any way you slice it bread prices in Canada have in fact risen by some 50 per cent over the past five years while the price of wheat has declined by some 22 cents per bushel over the same period. It is imperative that ways be found to ensure that the bulk of any increase finds its way back into the producer pool.

• (1610)

According to Statistics Canada the Canadian consumer spends only 11.8 per cent of disposable income on food at home, or 15.7 per cent combining home and restaurant. We, as Canadians, have one of the highest standards of living in the world and I do not think it unfair or unjust to ask that the consumer pay a modest increase in order to subsidize the producer. Indeed, in 1980 and earlier years it was expressed, quite correctly I think, that the farmer, under the old two-price Wheat Act was forced to sell his wheat at a price well below the world price, which in turn subsidized Canadian consumers. Mr. Speaker, turn about is fair play. Now we ask the consumer to help out. In this country we have a cheap food policy. The percentage of our disposable income which we spend on food is the second lowest in the entire world, second only to the United States.

If a $10 or $12 domestic wheat price were instituted and the increase in a loaf of bread reached 10 cents, the average consumer purchasing 50 loaves per year would suffer an increase of $5 on his annual grocery bill. I do not think this would cause any great hardship. The cost of non-staple items such as beer, cigarettes, and liquor is continually increasing. People grumble, but they still buy.

If we, as consumers, do not help the Canadian farmer, we will eventually cut our own throats because we will eventually become dependent upon food supplies from other countries and at that time we will discover that there is a very real cost to food. We will all wind up carrying the economic and social costs of farm failures.

I was advised a short time ago that the Canadian Wheat Board has fixed the price of Canadian wheat at the mills for the next three month period. Indeed, there is good news because the increase is approximately 95 cents a bushel over the September fixing, with the result that the domestic wheat price under the existing program should rise to about $6.90 per bushel. While this is good news indeed, it puts the domestic wheat price almost at its limit of $7 per bushel. That, Mr. Speaker, is not enough and clearly does not meet the purpose of the motion which I have put before the House.

In April a Private Member's Bill was put forward by the Hon. Member for Yorkton-Melville (Mr. Nystrom) with regard to parity pricing. That was referred to committee by an all-Party agreement. The intention of the Hon. Member, to

secure a better return for producers, is a worthy one which I share. Clearly, I believe the price of domestic wheat should rise to a least $10 per bushel, but I do have a lot of difficulty with the concept of parity and all the complications which seem to attach to it, many of which were addressed in that debate. It is not my intention to debate the meaning of "parity" here. My notice of motion is simple and straightforward. It is directed at the domestic selling price of wheat used for million purposes. It can be a very simple program to administer and to implement and, in keeping with the rules pertaining to private Member's activity, it will not result in any cost to the Government.

The proposal, however, is not without some problems. I fear that the intermediaries between the farmer and consumer will seize the opportunity, as they have done in the past, to piggy-back substantial price hikes on to the wheat price increase. It would, therefore, be most desirable if the industry would restrain itself in these circumstances to simply passing on the wheat price increase to the consumer without building on to it. Should this motion be passed today, it would be the task of the committee to hear the various points of view on this.

Another problem area relates to imported wheat products into Canada and our exports to the United States. Obviously, some of our trade could be jeopardized and there would be an increased demand in Canada for imported wheat products, particularly on the west coast. This would be another area for the committee to address.

I noted with interest the proposal put forward by my colleague, the Hon. Member for Wetaskiwin (Mr. Shellenberger), during the debate on Bill C-215 wherein he spoke of placing some sort of retail tariff on baked goods. While there may be some constitutional and legal impediments to this, again I believe the concept is worthy of study by the committee.

In conclusion, Mr. Speaker, I would like to reiterate my belief that the farmer is the backbone of the country. There is no other sector which pays full measure for all to its inputs and yet has no say whatsoever on the price of its products. Since time began the farmer has paid the full price for combines, trucks, automobiles, and tractors. He pays full price for manufactured products and processed foods. In fact, he often pays more than the full price for many items such as clothing and shoes which have been protected by subsidization, quotas, and tariffs. All the farmer wants is his cost of production plus a reasonable profit. There is no other business or industry in Canada that does not require the same thing. How else can they stay in business?

Producers are interested in a fair price. They are not talking about forcing bread prices sky-high so that children will starve. Consumers in Canada pay less than in any other country in the world, save one. We ask a fair price today to avert problems tomorrow, both in terms of price and supply. Mr. Speaker, the subject matter of this motion is intentionally quite narrow. It is not an omnibus Bill which is difficult to deal with. It is concerned with wheat, specifically the approximately 10 per cent of Canadian wheat production that is consumed in Canada by humans. It is not concerned with any vague concept of parity. It simply addresses the need to bump up the domestic wheat price as a shot in the arm to help save a productive sector of Canadian agriculture, the sector which faces a vicious cost-price squeeze.

I do not intend to use all of my time, Mr. Speaker, because I want to hear from representatives of the other Parties and, hopefully, to have a vote on this motion. I would like to close by saying that there is nothing unduly complicated about this matter, other than to avoid undue mark-ups in the processing and distribution of baked goods, thus to ensure that the consumer will see every cent of the proposed increase accrue to the benefit of the Canadian producer, those same producers who, in other better times, have heavily subsidized the consumer. I, therefore, respectfully ask all Parties to honour the spirit of parliamentary reform and to recognize the desperate plight of agriculture by supporting this motion for the establishment of a committee to bring in a Bill to provide for a higher domestic wheat price.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I want to congratulate the Member for Swift Current-Maple Creek (Mr. Wilson) for bringing to this House the excellent motion that he did. If I have any reservations about the motion they are not about the mover or his intention, but about what will happen to this motion assuming that Tory members of the House will not talk it out and will allow it to go to committee. Recalling the debate which took place only moments ago in this House, Mr. Speaker, it is only too clear to all of us that, notwithstanding the spirit of parliamentary reform to which the Hon. Member for Swift Current-Maple Creek referred earlier, and notwithstanding the good intentions of Members on all sides of the House, many times our good intentions are lost. They are lost because, even though we sometimes pretend to have the spirit of reform, many times the parliamentary system is run by the wishes of a Government official, of a cabinet Minister, or of the Prime Minister against the wishes of the vast majority of the Members of the House. I say this to remind the Hon. Member not to raise his hopes too high even though I believe his motion is quite acceptable and one that all Canadians would easily accept.

• (1620)

I am a strong supporter of marketing boards and supply management in this country to ensure that our agricultural sector remains vibrant. Therefore, I can assure the Hon. Member that I support his motion and that I want the retention of our institutions which have been established to provide for fair and worth-while marketing of our agricultural products both domestically and externally.

The farmers of my constituency do not grow wheat but many other products that are regulated through various systems of supply management and other means. They are worried that with the Government's present spirit of deregulation they may be abandoned in the process. I trust that rather than being deregulated or lost, our agricultural sector will be

improved. The few areas of agriculture which have any kind of prosperity at the moment are those which have a means of controlling the return to farmers.

The motion today deals with the marketing of agricultural products generally but specifically with the marketing of wheat. I want to make my comments brief for two reasons. I think many Members should participate in this debate and I want to ensure that this motion today goes to committee. It will not be talked out by Members from this Party.

As the Hon. Member has pointed out, we know that the price range for wheat now varies between roughly $183 a tonne and $257 a tonne. The wheat that is used for the production of bread, although it is a small percentage of the total sales, is significant. If it was increased in terms of its relative profit potential it would greatly assist farmers. Indeed, the Member for Swift Current-Maple Creek has indicated to the House how small a return a farmer receives for the price of a loaf of bread.

There was a song written by Murray McLauchlan some time ago entitled "A Farmer's Song" which perhaps explains best the frustrations sometimes felt by the farmer. Part of the song says that at a time when everyone is taking so much, the farmer is the only one who has given anything back. That expresses very well and far better than I can, how important the agricultural sector is to our country.

We are told by the Minister of State responsible for the Canadian Wheat Board (Mr. Mayer) that a 60 pound bushel of wheat makes enough flour for 50 24-ounce loaves of white bread. The farmer's share of the price of one of these loaves is very small, not much more than one slice. The Member for Swift Current-Maple Creek said very appropriately that it is not even enough to make a sandwich. The industry that makes the bread, the industry that transports it and those who retail it to Canadian consumers would not take one or two slices as their share. Otherwise, the farmers would have many more slices. Unfortunately, that is not the case.

The Hon. Member is aware that the farmers are in a difficult squeeze at this time. His proposal today will provide some worth-while relief to wheat farmers but the problems of the farm industry are far deeper. I do not say that to demean the importance of what the Hon. Member has suggested because I feel it is worthy of our support. However, I want to take this opportunity to bring to the attention of the House some of the difficulties facing our farmers.

Let us consider the value of assets, liabilities and the net worth of farmers producing all crops. For instance, the net worth is increasing at a rate far less than the rate of inflation and in many cases the value of assets is actually declining, not even taking into account inflation adjustment. The plight of western farmers is even worse because of the difficult climatic situation they have had to deal with over the last couple of years. Yet farmers in all sectors are in a difficult situation.

My colleagues and I had an opportunity recently to tour western Canada. We conducted a two-week study of the crisis in the agricultural area. I can tell you that what we heard was indeed testimony that came from the heart of the farmers and their representatives. Their story was not very cheerful. They face a very difficult situation in terms of their debt load, their return on their investment and the price of their product which seems to be going nowhere but down. Their input costs are increasing. The price of fertilizer is increasing unreasonably. The price of petroleum and other products which are used so extensively on the farms are constantly on the increase. Indeed, as was mentioned earlier, the real inflation adjusted price of wheat has lost relative value in the last number of years.

I hope other Members will make their comments brief in the spirit of co-operation so that this motion can be referred to a parliamentary committee today. I hope that the motion by the Hon. Member for Swift Current-Maple Creek fares better than motions that I and others in the House have moved in an attempt to provide better farm financing help for farmers.

Earlier today Members of the House representing agricultural constituencies were faced with a situation whereby another Member, in his attempt to assist a cabinet Minister, introduced a motion to delay a measure that we wanted implemented to help the farmers. That does not speak very well for the reform of this House. It is my hope that we will not see this again, not only in the motion presented by the Hon. Member for Swift Current-Maple Creek but in any other unanimous report of a parliamentary committee.

• (1630)

I wish the Hon. Member all the best. I hope his motion will pass today and that it will be sent to committee. I indicate to him my support as a member of the Standing Committee on Agriculture, to ensure its swift passage in committee. Hopefully we will obtain unanimous concurrence in the House once the report of that committee returns.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I will take only a few minutes to speak on the motion. I support it, but there is much which could be said about this particular matter. My concern about the motion is that it is a little too narrow. For instance, the Hon. Member suggests that all wheat farmers want is the cost of production plus a reasonable profit. No truer words could be said about wheat farmers, but the same could be said about barley farmers. In my part of the country, barley is a more important crop than wheat. The same thing could also be said about canola, which is also a more important crop than wheat in my area. In his suggestion of parity pricing—and parity pricing is a recognition of the cost of production plus a little profit—the Hon. Member is putting before the House, and hopefully before committee, a recommendation which will assist a large group of farmers on the Prairies.

The Hon. Member made many arguments for parity pricing. These arguments have been made across the country before. Farmers do much more for Canada than many people realize. For instance, in the last few years, more than half or at least half of the foreign exchange which has come into the Government has been from the sale of farm products. In fact, a large

portion of that foreign exchange has come from the grain industry. If we suddenly had no grain to sell or we continued to sell it at an unprofitable level, as has been the case in the last few years, the amount of foreign exchange will be reduced and eventually we will be the captives of the countries to which we ship our grain.

We are asking the user to pay for the cost of production of wheat used domestically, plus a little more. The Hon. Member very eloquently made the point that that would raise the price of bread only a few cents, if it was transferred directly to the farmer from the miller. I could make the same point in terms of barley. If we increased the cost of malt barley by about $5 per bushel, 40 cents would be added to the cost of a dozen beer, as malt barley is used to make beer. Most people who eat bread, drink beer and use other Canadian products would be quite willing to pay the extra price if they were assured that the money would be going to the primary producers or farmers, not being diverted to middlemen along the way.

Farmers are an important part of our economy. I am glad the Hon. Member for Swift Current-Maple Creek (Mr. Wilson) made a plea for assistance to farmers. I hope his motion, as well as Bill C-215, the parity Bill, in the name of the Hon. Member for Yorkton-Melville (Mr. Nystrom), go before a committee or subcommittee where witnesses will be called. Then we will be able to look at it in the same way as we are presently looking at the stabilization plan and, hopefully, when a recommendation is made by the committee, the Government will act on it in a manner different from how it acted on the recommendations of the Standing Committee on Finance, Trade and Economic Affairs regarding agri-bonds and Section 31.

We must remember that one farmer feeds approximately 72 people. If we pay him parity price, he buys the products and services on the market. The Hon. Member for Swift Current-Maple Creek will recognize more than others in the House that if we pay the farmer well for his products, he will go out and buy a truck or an extra combine. A plant in Welland, Kitchener, Oshawa or Windsor has to produce that truck or combine. He will purchase products produced by the rest of the country. Sometimes I think we are bailing out the wrong people. Perhaps instead of bailing out Massey-Ferguson, we should be bailing out farmers, or at least paying them enough so that they can purchase the products they need.

There is one thing about farmers: They never let money stay in their pockets. One can tell the prosperity of a farm community by the number of pick-up trucks on Main Street. In a good year they are all new; in a bad year they are two years to three years old. We should assist the economy of Canada by ensuring that farmers obtain the cost of production plus a little more.

If the Hon. Member for Swift Current-Maple Creek is part of the committee, I am sure he will support the same kind of approach for other products; in fact, if possible, for all products. He suggested that it was complicated. Perhaps it is, but the situation will be much more complicated if we reduce the number of farmers out there.

In the last six years to ten years, the farm debt in Canada increased from $7 billion to $21 billion. In fact the 1983-84 figure is something like $28 billion. Even when farmers looked like they were prospering on the farms in the last few years, that was not the case. They were prospering on borrowed money. We must do something about that. The way to do it would be to give them enough for their products so that they could pay off their debts.

Earlier today I expressed, I suppose one could say, the horror of recognition that in the last 13 years the percentage of the national income of farmers had gone down from 6.3 per cent to less than 1 per cent, while that of the banks and financial corporations had gone up from 1.26 per cent up to over 10 per cent. Just last week the banks told us they had the most profitable year ever last year. The farmers had their worst year ever. There is something symbolic about that but we have to deal with that issue separately. We could partially solve it by making it possible for farmers to get enough of a return on their products to pay off that debt. In Saskatchewan in 1966 there were 85,686 farmers. Today the figure would be somewhere between 60,000 and 65,000. The interest on the debt I was talking about has increased over those same six years by 322 per cent. That has become a major part of the reason why farmers are not making a profit. I am using Saskatchewan figures because I am most familiar with them and we are talking about grain farming, and the cost of petroleum products in Saskatchewan in that period of time rose 284 per cent; fertilizer rose 218 per cent. Chemicals rose 274 per cent. The Hon. Member for Swift Current-Maple Creek suggested that the farm production has not paid for those increases. If you look back six years you will find the prices we were getting for farm products then were better than what we are getting now, not just for wheat but for all those farm products. The grain from my farm has sat out in a swath for almost two months. We got 50 bushels to the acre but we are selling it for a dollar eighty a bushel because it is almost unfit for human consumption and good only for feed. That will not be taken care of to any extent by this Bill, it needs to be taken care of by stabilization or insurance payments. However, this motion would make me and I guess the farmers of Saskatchewan, Manitoba, Alberta and Ontario who raise wheat feel much more secure than we do under present circumstances.

• (1640)

We as farmers are told we are producing too much. At the same time we are told that the people of the world are starving. Surely in this day and age of great advances in communications and transportation we can do something about that. Not too long ago experts from the Bank of Canada suggested that half the family farms in Canada should disappear. That is the kind of support we seem to be getting from some of the institutions which should be giving us a great deal of support. We should approach this whole idea of farm structure a little more globally. For instance, right now we are told that countries around the world cannot buy our wheat and other products. That is true, they cannot. However, companies

like Bata Shoe and Union Carbide go to those countries and produce shoes or other products which they ship back to Canada to be sold. They are priced here as though they were made by people who were paid the going rate for wages in Canada. I lived in Nigeria a few years ago and the going wage was 15 cents an hour for a worker in a Bata factory making plastic shoes. Those shoes were sent to Canada and we paid the same price we would pay had the shoes been made here in Canada. We have to do something about that. That is the kind of global approach we in this House should be taking.

I got a little off the subject, Mr. Speaker, but I am going to support this motion in the hope that it, along with Bill C-215, will go to committee where we will get the kinds of suggestions which will allow our farmers to survive. If we do not, we are going to have a lot less farmers than we have now. We have to do exactly what the Hon. Member for Swift Current-Maple Creek has suggested and give the farmers enough for their products to pay for the cost of production and leave a little bit for the farmer to live on.

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, it is a pleasure to join in the discussion on this very important problem. I congratulate the Hon. Member for Swift Current-Maple Creek (Mr. Wilson) on his motion today. I would also like to allay some, not all perhaps, of the fears expressed by the Hon. Member for Prince Albert (Mr. Hovdebo) when he suggests that other grains should be included in such a Bill. It has been my experience that wheat has always been more or less a price-setter. When the price of wheat improves so does the price of other grains. Therefore I think we can set aside a lot of his fears if we take action on this Bill.

It is good to see that the Hon. Member for Swift Current-Maple Creek is supported by his political friends from Moose Jaw, Saskatchewan as well as his friend in the neighbouring riding of Medicine Hat. That shows the strength and support the Hon. Member has in the presentation he makes today. In view of the fact that the Government is prepared to accept this motion as presented by the Hon. Member, may I call it five o'clock?

Some Hon. Members: Hear, hear!

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is the following one. Mr. Wilson (Swift Current-Maple Creek), seconded by Mr. Towers moved:

That, pursuant to Standing Order 74(1), a committee be appointed to prepare and bring in a bill with the objective of providing wheat producers with higher returns from wheat sales for human consumption in the domestic market place while avoiding undue hardship to processors and consumers and other wheat users.

Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Deputy Speaker: Is there unanimous consent to call it five o'clock?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: It being five o'clock, this House stands adjourned until Monday next at 11 a.m., pursuant to Standing Order 3(1).

At 4.50 p.m. the House adjourned.

HOUSE OF COMMONS

Monday, December 16, 1985

The House met at 11 a.m.

GOVERNMENT ORDERS

[*English*]

REPRESENTATION ACT, 1985

ALLOCATION OF TIME TO CONSIDER THIRD READING STAGE OF BILL C-74

The House resumed from Thursday, December 12, consideration of the motion of Mr. Hnatyshyn:

That, in relation to Bill C-74, an Act to amend the Constitution Act, 1967 and the Electoral Boundaries Readjustment Act and to provide for certain matters in relation to the 1981 decennial census, one sitting day be allotted to the third reading stage of the said Bill; and

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

Mr. Speaker: The Hon. Member for Mission-Port Moody (Mr. St. Germain).

Mr. Foster: Mr. Speaker, I rise on a point of order. I notice that the Hon. Member for Gander-Twillingate (Mr. Baker) was in his place. I would like to move:

That the Hon. Member for Gander-Twillingate be now heard.

Mr. Hnatyshyn: You can't make a motion on a point of order.

Mr. Speaker: With respect, that motion is entirely in order under the circumstances as the Hon. Member had not begun his speech.

The House will know that when there are two people rising at the same time, the Speaker chooses someone to speak. I reviewed the list and there had been a Liberal and New Democrat and now a Conservative. However, it is reasonable to rise on a point of order prior to the commencement of the speech, and our practice is to allow a motion of the kind that has been put.

Therefore, is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Speaker: All those opposed, please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Call in the Members.

• (1110)

And the division bells having rung:

Mr. Speaker: Order, please. The six minutes remaining under Standing Order 84 had expired, but I chose to wait a little longer to see if the Whips would present themselves for the matter on which the bells had begun to ring at 11.05 o'clock.

It seems clear to me that I have no choice in this matter but to interrupt the bells and advise the House that, it being 11.15 a.m., the two hours provided for the consideration of the motion now before the House, under the provisions of Standing Order 84, have expired. Therefore, I believe, I must declare the motion under which the bells originally rang lapsed and, under the terms of that Standing Order, I interpret it as my duty to interrupt the proceedings and put every question necessary to dispose of the motion.

Accordingly, the question is the following one: Mr. Hnatyshyn, seconded by Mr. Crombie, moves:

That, in relation to Bill C-74, an Act to amend the Constitution Act, 1867 and the Electoral Boundaries Readjustment Act and to provide for certain matters in relation to the 1981 decennial census, one sitting day be allotted to the third reading stage of the said Bill; and

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

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Time Allocation

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

And more than five Members having risen:

Mr. Speaker: Call in the Members.

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

(*Division No. 150*)

YEAS

Members

Attewell
Beatty
Belsher
Blais-Grenier
Blenkarn
Bouchard
Bourgault
Brightwell
Brisco
Caldwell
Champagne
(Saint-Hyacinthe-Bagot)
Chartrand
Collins
Cook
Cooper
Côté
(Langelier)
Crofton
Crosbie
(St. John's West)
Darling
Daubney
de Cotret
Desjardins
Dick
Domm
Duplessis
Edwards
Ellis
Elzinga
Epp
(Provencher)
Fennell
Gagnon
Gottselig
Graham
Gray
(Bonaventure-Îles-de-la-Madeleine)
Greenaway
Hamelin
Hamilton
Hawkes
Hees
Hnatyshyn
Horner
Johnson
(Bonavista-Trinity-Conception)
Kilgour
King
Ladouceur
La Salle
Lewis
MacDonald
(Kingston and the Islands)
Mailly
Mantha
Masse
Mazankowski
McCain
McDermid
McInnes
McKenzie
McKinnon
McKnight
McLean
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson
(Niagara Falls)
Nielsen
Nowlan
Oberle
O'Neil
Paproski
Pennock
Pietz
Plourde
Porter
Price
Redway
Reid
St. Germain
St-Julien
Scott
(Hamilton-Wentworth)
Scowen
Sparrow
Speyer
Suluk
Taylor
Thacker
Towers
Tupper
Turner
(Ottawa-Carleton)
Wenman
White
Wilson
(Swift Current-Maple Creek)
Winegard
Wise—94.

NAYS

Members

Althouse
Benjamin
Berger
Blackburn
(Brant)
Caccia
Deans
de Corneille
de Jong
Dingwall
Epp
(Thunder Bay-Nipigon)
Foster
Fulton
Gagliano
Garneau
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Henderson
Hopkins
Hovdebo
Jewett
Johnston
(Saint-Henri-Westmount)
Kaplan
Langdon
Manly
McCurdy
Mitchell
Murphy
Nicholson
(Trinity)
Nystrom
Ouellet
Parry
Penner
Rompkey
Rossi
Tobin
Waddell—37.

● (1140)

Mr. Speaker: I declare the motion carried.

FAMILY ALLOWANCES ACT, 1973

MEASURE TO AMEND

The House resumed from Wednesday, December 11, 1985, consideration of report stage of Bill C-70, an Act to amend the Family Allowances Act, 1973, as reported (without amendment) from a Legislative Committee; and Motions Nos. 4 and 6 (Ms. Mitchell) Motions Nos. 5 and 7 (Mr. Malépart), and Motion No. 9 (Mr. Redway).

Mr. Speaker: Prior to resuming debate, I did indicate that at the earliest possible moment, I would hear procedural arguments with regard to other matters.

Mr. Hnatyshyn: Mr. Speaker, perhaps I could begin with respect to the procedural arguments. In reviewing the motions to amend Bill C-70, an Act to amend the Family Allowances Act, 1973, you indicated, Mr. Speaker, that you had some procedural reservations with respect to certain motions. I must agree with you that these motions seem to be procedurally defective.

With respect to Motion No. 1, I think you will find that not only is the purpose of the amendment difficult to grasp but it seems to be technically defective inasmuch as it makes reference to the repeal of subsections without—

Mr. Speaker: Order, please. Could I ask Hon. Members who are sitting beside the President of the Privy Council (Mr. Hnatyshyn) to hold their meeting some place else since their microphones come on at the same time as the microphone of the President of the Privy Council.

Mr. Hnatyshyn: Mr. Speaker, I thought my voice sounded awfully melodious this morning. It is the voice of my colleague, the Minister of Public Works (Mr. La Salle), that I was hearing.

I think I will repeat the point I was making in case you did not catch it, Mr. Speaker. In Motion No. 1, the purpose of the amendment is difficult to grasp, but in addition I think it is technically defective inasmuch as it makes reference to the repeal of subsections without making reference to the sections themselves. Clearly, if we were to allow such an amendment to be made to the Bill, the Bill would become unintelligible since we would not know which sections to repeal.

I think you will agree, Mr. Speaker, that under the circumstances, the provisions of Citation 773 (4)(*b*) of Beauchesne's Fifth Edition would apply. That citation reads as follows:

> An amendment may not make the clause which is proposed to amend unintelligible or ungrammatical.

It is clear to me that this motion suffers from that very deficiency. However, if I understand the intent of the amendment, it would seem that the intention of the Hon. Member is to restore full indexation of the family allowance, whereas the principle of the Bill, as agreed to at second reading, is to provide for the partial deindexation of the family allowance. Clearly that is contrary to the principle of the Bill, and so it would then seem to me that Citation 773(5) of Beauchesne's Fifth Edition would be applicable in this instance.

With respect to Motion No. 2, I feel I must agree with you again, Mr. Speaker, that the proposed amendment should be found to be out of order inasmuch as it provides for partial indexing for only one year and that is, as I have pointed out with respect to Motion No. 1, contrary to the principle of the Bill which provides for partial indexing without a time limit. Therefore, I think you will find, Mr. Speaker, that Beauchesne's Fifth Edition, Citation 773(5) applies in this case. That citation reads as follows:

An amendment which is equivalent to a negative of the Bill, or which would reverse the principle of the Bill as agreed to at the second reading stage is not admissable.

In addition, Mr. Speaker, I think you will find that this motion suffers from the same technical defect as Motion No. 1. Obviously, the same citation would apply in this case as applied in the case of Motion No. 1. As well, Mr. Speaker, as you know, it is a long established parliamentary principle that, as explained in Citation 424(5) of Beauchesne's Fifth Edition, if any part of a motion is out of order, the entire motion is out of order. Therefore, I believe that on these three grounds, you would have to find that Motion No. 2 is irregular and thus cannot be received.

Mr. Gauthier: Mr. Speaker, I rise on a point of order. On Motion No. 2, I thought you had said that the motion would be debated and voted on separately, and that was a ruling the Chair had made. I am just wondering if we are going to start debating all over again these questions on which you have already ruled.

Mr. Speaker: I think we would be in some difficulty, if that were true, in hearing any of this argument. I received representations from the House Leaders and at the time I specifically indicated what my intentions were on Motions Nos. 1, 2 and 3, but I did not intend that that was final if there were procedural arguments that Members wished to present. That is what I meant by saying that it was my intention to do so. Therefore, I take it that comments with regard to Motions Nos. 1, 2 and 3 are entirely in order.

I also received a request from the Hon. Member for Hamilton Mountain (Mr. Deans) to make a procedural argument with regard to the grouping of Motions Nos. 4, 5, 6, 7 and 9, with the indication that Motion No. 8 would not be put. I indicated that I would be willing to hear that procedural argument.

Mr. Gauthier: Mr. Speaker, I am in some difficulty because we have already started debating Motion No. 2. By starting the debate on a ruling—

Mr. Speaker: Am I confused? I thought we were still on the grouping of Motions Nos. 4 through 9 for debate. I am not aware that we have called Motion No. 2 yet. The argument that is being made to me about the grouping of Motions Nos. 4 through 9 was to be deferred, because if they are found to be within the group, then it is all right because the debate has already started, and if they turn out not to be within the group, it is all right also because the debate has started on the group, whatever the group turns out to be.

[*Translation*]

Mr. Hnatyshyn: Mr. Speaker, I would like to say a few words about Motion No. 3, proposed by the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart). Its purpose is the same as that of Motion No. 1, namely, to reinstate full indexation of family allowances. This is clearly contrary to the principle of the Bill, which is to partially deindex family allowances for an indefinite period.

Mr. Speaker, I think you will agree that if Motion No. 1 is out of order because it is contrary to the principle of the Bill, Motion No. 3 should also be considered out of order, for the same reason.

Thank you, Mr. Speaker, and—

[*English*]

—I will address those three particular items. I will be interested in hearing the arguments with respect to grouping but I subscribe to the grouping of as many orders as possible, obviously.

Mr. Speaker: I do not want to interrupt proceedings if I can avoid it, but the Hon. Member for Ottawa-Vanier (Mr. Gauthier) raised his point of order precisely at the moment when the Hon. President of the Privy Council (Mr. Hnatyshyn) was saying something about Motion No. 2. For my benefit, could he repeat that, please?

Mr. Hnatyshyn: Mr. Speaker, it depends upon what you had heard. I think I was just concluding with regard to Motion No. 2. I will simply repeat the last part of my presentation with respect to that item. I quoted Citation 773(5) of Beauchesne's Fifth Edition and in addition to that I said that this particular motion suffers from the same technical defect as I indicated exists in Motion No. 1, and so the same citation that I had quoted for Motion No. 1 would apply.

• (1150)

Also, I referred Your Honour to the long established parliamentary principle set out in Citation No. 424(5) of Beauchesne's Fifth Edition, which states that if any part of a motion is out of order then the entire motion is out of order. Essentially, I believe there were three grounds with respect to that motion which would lead me, and I hope Your Honour as well, to conclude that Motion No. 2 is irregular and, therefore, not valid for the purposes of this debate.

Mr. Deans: Mr. Speaker, I wish to deal with two matters which you have before you. I had not intended to deal with Motion No. 2 until the Government House Leader indicated some opposition to allowing debate on the motion. I would submit that Citation No. 773(5) of Beauchesne's Fifth Edition is not applicable in this case. It states:

An amendment which is equivalent to a negative of the bill, or which would reverse the principle of the bill as agreed to at the second reading stage is not admissible.

I respectfully submit that Motion No. 2 does neither of those two things. What it does is to establish a grandfather clause. It says that the principle established in the Bill shall only be in force and effect for one year.

Mr. Speaker: Do you mean grandfather or sunset?

Mr. Deans: I am sorry, I meant to say sunset clause. Thank you, Mr. Speaker.

It establishes a sunset clause. It states clearly that the principle is not negative inasmuch as the Bill we have before us will, in fact, become law, but that this particular law will be in effect for only one year. At the end of one year, if it is the Government's wish to continue with the law, it is its prerogative to bring forward subsequent legislation, which would again put into force the provisions of the legislation which we now have. I submit it does not negative the principle of the Bill in any way. In fact, it allows the Bill to pass in the form in which it was presented to Parliament and in the form in which it was approved at second reading. It simply establishes that this particular law will have to be reviewed again at the end of a one-year period.

I now wish to deal with the grouping of Motions Nos. 4 and 6. I will leave it up to my colleagues in the Official Opposition to deal with the other groupings. I suggest it is not appropriate to debate these motions together inasmuch as although they deal with a related subject matter, they do not deal precisely with the same subject.

I will deal first with Motion No. 6 because I think it is important. In this respect we are dealing with a constitutional question. We are dealing with whether or not it is indeed appropriate for the Minister to have the power to determine in one form or another whether a person who, until that point in time was in receipt of family allowance, will be considered to have died. We are suggesting that the issuance of a certificate to that effect is the prerogative of the province in which the death occurs and that it is not the prerogative of the Minister under this or any other Act to undertake the issuance of a death certificate. We suggest this subject should be debated separately. It concerns a serious question of constitutionality which we believe should be debated in the House of Commons. I am prepared to concede that we may not win the argument but, nevertheless, I think the argument should be allowed to be made and to stand on its merits separate and apart from Motion No. 4.

Motion No. 4 deals with the question of the Minister having the power, which is a separate matter. If the Minister than has the power to do certain things, what are those things which he could do? I believe the Minister said in committee that this, in fact, is a housekeeping question. He may be right. What we are trying to do in respect of Motion No. 4 is, in essence, to regularize what is happening to the extent that that can be done.

Therefore, I submit you are correct in suggesting that the motions should be voted on separately, Mr. Speaker. I would have thought that, since the principle flows backward in the Bill, if you will, Motion No. 6 should be voted on first, followed by Motion No. 4. The debate on Motion No. 6 as to whether or not the Minister does have the power to do what he is attempting to do should be heard separately from the issue with respect to what he can use that power for after the law has been passed.

Incidentally, we accept your ruling with respect to Motion No. 1. Your Honour's decision with respect to allowing debate to take place and a vote to occur on Motion No. 2 should stand.

The debate should continue and the vote should take place with respect to whether or not this law should be enforced for one year or until some decision by someone to terminate it takes place. Motion No. 6 should stand separately and be debated separately. Then the question of constitutionality can be dealt with separate and apart from the effect of the legislative change which is being asked for.

Finally, we ask that Motion No. 4 be debated separately because it, in fact, is the motion which will determine how the Minister will use the power if such power is granted.

Mr. Baker: Mr. Speaker, I would like to add a word or two to what has already been said. I would also like to bring up a different point completely. It has to do mainly with the grouping of the motions. I am sure all Hon. Members will agree that it us up to Your Honour to make a decision with respect to how the groupings should be made. I believe all Members will also agree that when a grouping takes place it should be in respect of the same subject matter.

I wish to point out that although the previous speaker said the subject matter is related, I differ with his argument. The subject matter is certainly related, especially in respect of Motions Nos. 4 and 5. Although the wording in two or three lines is similar, the clauses which they propose to amend are completely and utterly different. There is absolutely no similarity whatsoever between Clauses 4 and 5. Clause 4 deals with remission of amount owing. Clause 5 deals with the presumption of death. There is not only that to consider, Mr. Speaker, but the remission of so-called amounts owing is an entirely different subject from the matter dealt with in Clause 5. Clause 5 deals with a presumption of death, while Clause 4 deals with amounts paid out to persons who are not dead. In other words, it is certainly a completely different argument which has to be presented. The subject matter is completely and utterly different. Therefore, I respectfully submit that Motions Nos. 4 and 5 cannot be grouped together.

The second question is with respect to what happens then. I presume that, if Your Honour agrees with the arguments presented on the groupings, you will determine what will then happen with respect to all Members who have already spoken to the groupings. I presume that you will keep in mind that some of us have simply spoken on the broad principle of one or a portion of one of the motions. Therefore, I submit that those who have already spoken not have their time taken away speaking on the motions but that they be permitted to speak 10 minutes on each of the motions contained in this resolution before the House.

• (1200)

Generally speaking, I disagree that the subject matter of the clauses is related, as the New Democratic Party said. The subject matters of the clauses are not related. Therefore, even if the wording of the motions is similar, the Speaker should not consider whether or not the motions are acceptable as a grouping because the subject matter is entirely different and the amendments have a completely different impact on the clause that is under consideration. But even so, the actual wording of the motions is not similar, either, not to mention the fact that the motions have a completely different impact on the clauses being discussed. As the Speaker said, the Chair simply made a temporary ruling on the groupings to be followed by the hearing of arguments and further examination.

Mr. Speaker: I thank Hon. Members. Let me be absolutely clear about this procedure for future. I clearly said about Motions Nos. 1, 2 and 3 that I had an intention. I did in fact group Motions Nos. 4 through 9 and then received a request with regard to the right to put some argument with respect to Motion No. 6. I am perfectly willing to hear that argument.

Having now heard argument on Motion No. 4 and Motion No. 5, I am prepared to consider those motions. But I do not want to leave the impression that I wanted to create a practice of temporarily grouping motions in advance of hearing argument.

I will reserve on all the arguments and be back to the House later as soon as I have considered these matters. Therefore, I suggest that we resume debate on the grouping as it currently stands.

When we last considered this matter, the Hon. Member for Hamilton Mountain (Mr. Deans) had the floor. Had the Hon. Member concluded or does he want to conclude now?

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I believe I only have a minute left—oh, four minutes left. That is even better. I might as well use it all up, then. Truthfully, I do not propose to use all that time. I did put before the Minister on the last occasion on which this legislation was before the House, the whole question of the presumption of death. That is an issue, I believe, which should be resolved once and for all. I submitted to the Minister the views of this Party that the presumption of death and, therefore, the issuance of a certificate has been the prerogative of the provincial or territorial jurisdictions within which the death occurred. I suspect, even going beyond that, that in the case of deaths which had occurred, or were presumed to have occurred in jurisdictions outside of Canada, it would be necessary to obtain the death certificate from that jurisdiction before a decision could be made to discontinue the payment of family allowance.

I would submit, if I may, that it would be inappropriate for us to give to the Minister, in legislative form, the power to make a presumption and issue a certificate inasmuch as we would come into conflict, I believe, with a very serious constitutional question. I would ask the Minister that he not proceed with that inasmuch as he already has the power now to discontinue payments for any child who it can be proven is not in the custody of the person to whom the payment is normally made. With that power, the Minister is able to achieve all that is required of him at the moment.

I accept his argument and concede that in the case of—and he used this example—the Air-Indian disaster, it could be reasonably assumed that everyone on the plane died when the plane went into the ocean. However, I believe there is still the necessity to ascertain exactly who was on the plane. I would respectfully submit that that is not something about which assumptions should be made.

One should not assume the identity of the people. Nothing should be done until, at the very least, a coroner establishes, to the extent it can be done, who was on that particular aircraft. That was done with respect to the Air India crash. Even though the bodies were not all recovered, that was done by looking at the list of passengers and the appropriate documentation which it was necessary to file before the plane embarked upon its fatal journey.

I say to the Minister that we would much prefer that he operate with the power he now has, that he recognize the potentiality for constitutional dispute. Not only is there the Constitution within Canada but there is also a serious question of jurisdictional dispute between the Government of Canada issuing a certificate of death, on the one hand, and a jurisdiction outside of Canada which would have the authority and the requirement to investigate into the facts surrounding any death of any person, and clearly establish for all time who it was that died before any action taken by the federal Government could be considered legal and, therefore, proper.

Having made those few brief remarks in summation, I would ask the Minister to give some consideration to my argument. Perhaps he could operate within the laws which now exist without making these changes and running the risk of the problems I anticipate he could have.

Mr. Alan Redway (York East): Mr. Speaker, when Bill C-70, the Act to amend the Family Allowances Act, came on for second reading in the House, there was a considerable amount of debate which revolved around Clause 5, the whole question of the presumption of death and of the issuing of a death certificate by the Minister. A number of members spoke with respect to this clause and expressed their deep concern about the idea of the issuing of a death certificate. It was not, in the terms that the Hon. Member for Hamilton Mountain (Mr. Deans) expressed today, the constitutional question, but it was in terms of the impact and trauma which the issuing of a death certificate has on the family which is involved in receiving those payments.

Although a number of Hon. Members referred to this problem, I was particularly struck by the comments of the Hon. Member for Thunder Bay-Atikokan (Mr. Angus) when he said in the debate that he had had the experience of having to convince the powers that be that some senior citizens were really alive. Can you imagine the feelings of a lady receiving a

notice from the Government of Canada, through a bureaucratic mix up, that her husband, who is sitting right beside her, is dead? That is the sort of problem which the Hon. Member pointed out has been occurring, and could occur, under a similar type of legislation to that which already exists in the Old Age Security Act and in the Canada Pension Plan legislation.

There is a provision similar to the existing Clause 5 of Bill C-70 in both of those Acts. The problem, as pointed out by the Hon. Member for Thunder Bay-Atikokan is one which struck me particularly at the time. When the Bill was referred to committee, that problem continued to reoccur. We continued to have people make representations about that aspect of the issuing of a death certificate, and in fact there were representations made to the legislative committees dealing with the subject by a number of organizations and people on that very issue. Particularly, they came from the Child Find Organization in British Columbia, in Saskatchewan, in Manitoba and in Ontario. They all expressed concern about this aspect of the legislation. In addition, the Children's Aid Society expressed similar concerns. As a result, I felt we should try to come up with different wording to achieve the necessary purpose the Minister and his Department had in mind, that of the need for a final determination even though a death certificate had not been issued. That need arises when a child disappears and there is evidence to indicate the child is dead. The Minister and his Department would be in a position then to suspend payment of the family allowance, but they would not be in a position actually to cancel the account and stop paying once and for all. It was with that in mind that the Minister and his Department wanted to introduce this concept in the same way as it exists already in legislation covering old age security and Canadian Pension Plan payments.

• (1210)

An effort was made in committee to come up with new wording. A number of drafts were prepared and discussed with the Minister and his officials. Unfortunately, although I put forward an amendment at that time somewhat similar to Motion No. 8 as it is originally on the Order Paper, there was no agreement as to whether or not this was appropriate wording to solve the problems involved. However, after long negotiations and a total of seven separate drafts put together by myself and the Department, the Minister agreed, as he very kindly indicated in his opening remarks the other day, that Motion No. 9 standing in my name was acceptable as an amendment to the Bill. Therefore, Clause 5 would be amended by Motion No. 9. This is a very commendable action on the part of the Minister. It shows a real willingness to deal with the problems and concerns of the public. It tries to resolve them in a way which will solve the Department's problem while at the same time being sensitive to the concerns of the people of this country. What has been achieved here is a solution which will accomplish both those ends. That is why I put it forward and I hope the House will adopt the motion as indicated with the support of the Minister and the Government.

I would like to address for a moment or two the concerns raised by the Hon. Member for Hamilton Mountain concerning the constitutionality of this issue we are dealing with. It seems to me that his concern and the legal opinion he has obtained rests entirely on the question of the division of powers between the provinces and the Parliament of Canada regarding the issuing of a death certificate; What we are talking about here, of course, is not the final, absolute death certificate. We are talking about a departmental procedure under this legislation which deals strictly with this legislation and not with the final death certificate. We are only talking about a procedural matter here. Even that, and even the concern regarding the death certificate, I submit has been overcome by this amendment, Motion No. 9. We are no longer talking about a death certificate. A death certificate will not be issued by the Minister at any time as a result of this procedure. There will be a determination or fixing of a date by the Department as to when payments will stop. There are provisions to change that date if circumstances warrant. It is not a death certificate, it is only the fixing of a date in order to solve a procedural problem which the Department has. There is no constitutional issue here in any event, even if there was one originally, which in my opinion there was not.

Having said all that, it would be my fervent hope that the House will see fit to adopt Motion No. 9 to accommodate both the concerns of the Government and the families involved, thereby showing that the Government and this Parliament are sensitive to those concerns.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I think the Hon. Member for York East (Mr. Redway) made a very good point regarding death certificates. Obviously, the Minister of National Health and Welfare (Mr. Epp) cannot issue a death certificate. Under our common law system, the provinces are responsible for declaring that a person is deceased, and I think it is then up to the courts to confirm the declaration.

In fact, Mr. Speaker, I have a few comments to make on amendment No. 4, of the grouped amendments Nos. 4, 5, 6, 7, 8 and 9.

Mr. Speaker, Clause 4 is concerned with remission. The explanatory notes tell us that this is a new clause and that the amendment would allow for the remission of amounts in certain circumstances.

Mr. Speaker, if we take a closer look at this clause, we see that its purpose is to tighten up the wording so that the Minister cannot invoke presumption of death of the child as provided in Clause 5, on which I would like to comment later on. Otherwise he would have the power to require that parents repay certain family allowance payments made during the previous months.

Mr. Speaker, in speaking to the motion before the House, we cannot ignore the issue of presumption of death of the child. I did not have a chance to go to committee, but I know it

is a matter that raised considerable debate. The legal advisers had a chance to explain, and the Minister's legal advisers also commented on the subject, and they all said, as far as I know, that of course the Minister does not have the right to make the presumption of death of a child. As I said before, under our common law, this right belongs to the provinces, and we on this side of the House believe that if the question is not dealt with by the province it should be dealt with by the courts, in other words, not the provinces but a judge in a province should be authorized to do so.

Mr. Speaker, I would like to refer to the Conference on Conformity and Uniformity in Canadian Law. Section 13 of the Uniform Vital Statistics Act defines the conditions for registration of deaths and requires that the decease of any person occurring within the province be recorded as provided under the Act. Here again, according to the legal experts I consulted, it is clear that presumption of death is a matter of provincial jurisdiction.

In my experience as a Member, Mr. Speaker, I often came across similar cases, for example respecting old age security pensions, where cheques were still being addressed to the names of retired people after death. The province failed to tell the federal Government about such deaths—and it is the province's responsibility to do that—so the payments continued. There have been cases of fraud. Some of the circumstances are unbelievable, and I remember a case in my constituency which cost thousands of dollars to a person who did not know that he was actually carrying out a fraudulent operation when selling food to an institution for retired people, because the cheque deposited to pay for the food was made out to the name of someone who had been dead for almost a year. The Minister of National Health and Welfare could not say that someone had died, she did not even know about it. It is up to the province. Under provincial common law the province is responsible for dealing with such matters. I would not want anybody to think we want or wish the Minister would assume that right.

Mr. Speaker, I would also like to remind you that, in the opinion of the Joint Standing Committee of the Senate and the House of Commons, as it is specified in the proposed amendment, a judge must issue the death certificate and this procedure should not come under ministerial responsibility. This is further support to the argument whereby the Minister should not have the right to presume death, but that ought to be done by the judge of a court.

Mr. Speaker, the Bill also has constitutional implications and in my opinion, is subject to certain sections of the Constitution. For instance, I have in mind Clause 5 of the Bill, the clause which concerns the presumption that a child is dead and which reads as follows next to the heading "Presumption as to death of child":

Clause 5: New. This amendment would allow the Minister to presume a child to be dead where the Minister has reasonable grounds to believe that the child is dead.

Mr. Speaker, we on this side of the House are particularly concerned about Clause 5 which deals, as I said, with a provincial jurisdication. I suggest it is up to the courts to rule whether a person, even a child, is deceased or not. I do not think that we on this side would want to leave things as they stand now in Clause 5 and allow the Minister to declare that such a person is presumed to be dead and, consequently, to take away from the parents any family allowance to which they were entitled.

We feel, therefore, that it is important to keep on paying family allowances when a child has disappeared. On this, I feel it is normal to appeal to the Minister and tell him: When a child has been lost or absent from his home for a long time, any parent would continue searching for him. As parents, there are things we must do, for instance, cooperate with the police in their efforts to find the child. Also, incur legal and travelling expenses to hasten the return of the disappeared child and ensure a serious and thorough search. The bereaved parents have to pay for a great many things, including photos, telegrams, telephone calls, fees to people who specialize in these things.

Having been involved for 11 years in education, Mr. Speaker, I remember the great many phone calls I received from concerned parents who find that, at 6 o'clock in the evening—it gets dark very early in January—their child had not yet returned from school. What do they do in such a case? Generally, they call the police, the school board or the school principal, and a great many other people. They anxiously look everywhere and face various problems. I suggest, therefore, that the expenses they must incur searching for their children could be reduced somewhat if they continued receiving family allowances.

Mr. Speaker, I do not want to deal any further with this motion. I should like to return later to amendments 6, 7 and 9 and submit arguments concerning them.

• (1220)

[*English*]

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my remarks in this debate will concern the groupings and certain sections of the Act. The Hon. Member for York East (Mr. Redway) stated that we are only talking about a procedural matter in giving the Minister of National Health and Welfare (Mr. Epp) the authority to declare a missing child dead. I do not believe it is a procedural matter but a question that the Government should consider in more detail because it is on a very slippery constitutional slope.

I have looked at some Acts and Law Reform Commissions reports. Perhaps my friends to my right could let me hear myself think.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member who is having a conversation is well aware that he is creating a disturbance by crossing back and forth be-

tween the Chair and the Hon. Member who is speaking. The Hon. Member for Vancouver East.

Mr. Waddell: Thank you, Mr. Speaker. I would ask my friends in the Liberal Party to conduct their conversation behind the scene.

There are a number of matters that the Government should take into account with respect to the legal argument. It should read *The Uniform Law Conference of Canada on Vital Statistics*. It should read *The Canadian Encyclopedia Digest of Ontario* with respect to Vital Statistics, Title 146 as well as Title 57 on Life and Death. The evidence section of that specifically shows that the usual practice in our law is that the provincial court must declare someone dead. It is a serious procedure and the person asking for that declaration of death has a burden of proof to show that the person has been missing and has not made any contact with anyone else.

The old common law required a period of seven years to expire before someone could be declared dead. However, someone could be declared dead sooner if the proper evidence were presented. This required a preponderance of evidence, not evidence beyond a reasonable doubt as in a criminal case.

This Bill essentially gives the Minister divine power to declare a missing child dead as a procedural matter, according to my friend from York East. I believe that this is an emotional matter for the parents of missing children. If the Minister of National Health and Welfare can declare a child dead according to an administrative act, it may mean that the police will stop looking for that child. Rather than being an administrative procedure, it could be an emotional blow to parents whose children have been declared dead by the federal Government.

It appears, from a review of the evidence from the committee, that this provision was slipped into this Bill dealing with the deindexation of family benefits. One group, namely Child Find Quebec, was able to express its concern only in a minimal way. Our critic in this area, the Hon. Member for Vancouver East (Ms. Mitchell) tells me that other groups who are interested in this problem never had an opportunity to respond to this question.

I caution the House that when the Minister says that this is a procedural matter, it means that the federal bureaucracy wants to proceed quickly without perhaps considering the human cost and constitutional consequences.

Let me draw to the attention of the Minister the Uniform Presumption of Death Act which was drawn up by the Uniform Law Conference of Canada in 1976. That Act includes a section dealing with the making of an application by originating a notice of motion and states that the court must be satisfied that a person is missing and appears to be dead.

I understand that the bureaucracy is interested in having a fast procedure. For instance, it could very easily cut off the child allowances for those children who died in the Air India crash. I can understand the bureaucratic urge to be able to cut off easily the allowances of other missing children. On the other hand, we must consider the effect of this on the parents. The Hon. Member for Ottawa-Vanier (Mr. Gauthier) talked about the use of the family allowance by parents to pay for the costs of searches, telephone calls and so on.

I suggest that the Government could delay this and make the proper applications to a provincial court, as has been the tradition in our law.

Let me cite the Quebec Civil Code. Article 70 of the Quebec Civil Code states:

• (1230)

[*Translation*]

Any death which has occurred in the Province of Quebec may be judicially declared in cases where, in the opinion of the court—

[*English*]

In the opinion of the court.

[*Translation*]

—it may be held to be certain and it is impossible to draw an act of burial.

The same applies when the death has occurred outside the Province of Quebec or when it is impossible to establish the place where it occurred, if the deceased had his domicile in the Province of Quebec.

[*English*]

Clause 71 goes on to talk about fixing a date of death taking into account the presumptions drawn from the circumstances, and so on. That is the law of Quebec. The traditional law in Canada is that the provincial courts declare death.

It is not good enough to say, "Well, the provincial law is talking about a death certificate". That is getting out of the matter on a technicality. I do not think that will hold up in court if it is constitutionally challenged. I know the Department has said: "Well, we have been doing this in the Canada Pension Plan". We have the right to declare ages and so on, which normally one would think would be provincial law. I say that is apples and oranges. One might argue that that has never been challenged.

Has the Minister consulted the provinces? I note from debates in committee that the Member for Vancouver East, considering that this is a possible constitutional question and considering it changes fundamentally the law of Canada, asked whether there had been any consultations with the provinces. At page 15:24 of the committee hearing for November 21, 1985, Mr. Fortier said:

I think I can answer some of your general concern here. I was just consulting with my legal advisor, who tells me that there has been no consultation with provincial authorities. They feel that they are fully within their authority to legislate in this matter and there is no need to consult at this level.

I think that is irresponsible. If you are walking into a provincial domain, which is so set in Canadian law, both in Quebec civil law and English common law, you should at least consult with the provinces.

I refer to the Standing Joint Committee of the Senate and of the House of Commons on Regulations and Other Statutory Instruments, on which I have the privilege to serve, which has a check-list of things to scrutinize when studying regulations. I know this is not a regulation but a Bill, nevertheless I think it is worth looking at.

Check No. 6(*b*) says that the regulation:

—makes the rights and liberties of the subject dependent on administrative discretion rather than on the judicial process.

This Minister, and I say this advisedly, who is a man of God, a religious and a good man, is now trying to play God in this Bill. He is declaring kids dead on his own whim without showing a court or a third party any particular evidence. I think that is dangerous. I think it is bad law and I think the Government could run into constitutional problems with this. The Government should take another look at it.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, this has been a very interesting debate. We should recognize that the language in Bill C-70 relating to certificates of presumption of death is currently in two other federal Acts, the Canada Pension Plan and the Old Age Security Act. The Canada Pension Plan Act deals with children's benefits for orphans and the children of persons receiving disability benefits. The language has been in the Canada Pension Act since its inception in the mid 1960s, I believe, in 1965 and 1966. It is interesting, Mr. Speaker, that no province has ever considered this an intrusion into its jurisdiction, nor has any other foreign country.

Therefore, I wish to inform the House that there have been consultations among the representatives of the Parties in this House and that it has not been possible to reach an agreement pursuant to Standing Order 82 or Standing Order 83 with regard to the allocation of time to the report stage and third reading stage of Bill C-70, an Act to amend the Family Allowances Act, 1973.

Therefore, at the next sitting of the House it is my intention to propose the following motion pursuant to the provisions of Standing Order 84:

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

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

Mr. Gauthier: Shame!

Mr. Ouellet: Once more.

The Acting Speaker (Mr. Paproski): Debate. The Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano).

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, I would like to say a few words this morning during this debate on the motion moved by my colleague for Montreal-Sainte-Marie (Mr. Malépart) concerning the clause under which the Minister has the power to decide that a child who had disappeared has died and to stop sending family allowance cheques. This power which the Minister wants to give himself is, in my opinion, very important and it not only could, but will, in my opinion, create total confusion in our confederative system. First, the power to declare a person dead comes under provincial jurisdiction. If the Minister were to declare someone, in this case a child, dead when the province has not done so, whose decision will take precedence? Which will be the right one? Would the child be considered dead or not?

If I may, Mr. Speaker, I would like to refer for a moment to my experience in education. In Quebec, the school boards receive subsidies from the provincial Government for each child. Every year, a statement has to be prepared and a statistical report sent to the provincial Department of Education to determine how much the school board is entitled to receive.

In such a case, especially in the education system and for school age children, in the eyes of the school board, the Department of Education has authority, which would create incredible confusion for the parents and people in general. Would the child be considered living or dead since the Minister can sign this certificate and declare immediately that the child is considered dead and stop the cheques.

The second thing which might cause confusion is the cashing of the cheque. Here also, I refer to my own experience as an accountant. My customers have often had serious problems in the past.

[*English*]

Mr. Tobin: Mr. Speaker, I rise on a point of order. I believe the comments being made by the Hon. Member are some of the most relevant comments we have heard this morning and extremely important if we are to devise in this House good legislation to serve all the people of Canada. It is for that reason that I would humbly—although I know he is listening well—ask the Minister of National Health and Welfare (Mr. Epp) to pay particular attention during this debate. It is extremely important—

• (1240)

The Acting Speaker (Mr. Paproski): I appreciate what the Hon. Member is saying. I know the Hon. Minister pays attention to most of the speeches here and I know, now that the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin) has brought it to his attention, that he will be listening.

Mr. Tobin: Mr. Speaker, on a point of order—

The Acting Speaker (Mr. Paproski): That is not a point of order—

Mr. Tobin: Another point of order, Mr. Speaker—

The Acting Speaker (Mr. Paproski): This is debate. The Hon. Member is wasting the time of the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano). Is there another point of order?

Mr. Tobin: No, thank you very much, Mr. Speaker.

[*Translation*]

Mr. Gagliano: Mr. Speaker, I was just speaking about the problem that cashing the family allowance cheques could create, especially for the small corner stores. Months often go by before someone realizes that a child has disappeared or has died.

Under the legislation, if the Minister decides after a certain time, such as one year, to issue a certificate declaring the child dead, stop the cheques and ask for repayment, when the store owner tries to get his money back from his customer, he will be told: "Well no, my child is not considered dead because no court in this land has declared him dead." You can imagine the fight there would be before the courts. The parents of this child would have to hire lawyers and spend more money. Not only will their child have disappeared, but they will also face additional expenses and other very unpleasant problems.

Mr. Speaker, this is why I support the motion of my colleague which adds a new element to the legislation, namely a waiting period of at least five years during which time the search can continue and all these aspects can be considered.

Mr. Speaker, we are trying to debate this issue in this House and to try to find a perfect solution, but the Hon. Minister of Agriculture (Mr. Wise) has just imposed closure.

Mr. Speaker, I object to this procedure which is unfair and undemocratic. For my part, Mr. Speaker, I move:

That the debate be now adjourned.

[*English*]

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

Some Hon. Members: Question.

[*Translation*]

Mr. Gagliano: Mr. Speaker, I have just moved immediate adjournment of the debate to protest against the proposal of the Minister of Agriculture (Mr. Wise).

[*English*]

The Acting Speaker (Mr. Paproski): Could I have the motion, please, and I need a seconder for it? Is it the Hon. Member for Ottawa-Vanier (Mr. Gauthier)?

Mr. Gauthier: Sure.

The Acting Speaker (Mr. Paproski): It has been moved by the Hon. Member for Saint-Léonard-Anjou, seconded by the Hon. Member for Ottawa—Vanier, that this House do now adjourn—

Mr. Gauthier: No. That the debate—

The Acting Speaker (Mr. Paproski): That the debate do now adjourn.

Mr. Gauthier: That the debate be now adjourned.

The Acting Speaker (Mr. Paproski): The next time, would you please write it out fully so that I know exactly what it is. Is the House ready for the question?

Mr. Epp (Provencher): Mr. Speaker, I rise on a point of order. There seems to be some question in the your mind as to exactly which word is being used. Could we have a clear example of what in fact has been submitted?

Mr. Tobin: Mr. Speaker, I rise on a point of order. The Hon. Minister of National Health and Welfare (Mr. Epp) knows that the Speaker in the chair is one of the most competent men who could possibly be in the chair. He has heard the words of the Member being shouted to the Speaker. Clearly everyone in the House has heard it. The motion is that the debate be now adjourned. The Minister of Health is not helping his cause by engaging in these kinds of delaying tactics.

Mr. Gauthier: I wrote it down.

The Acting Speaker (Mr. Paproski): May I read it again, please? It is moved by Mr. Gagliano, seconded by Mr. Gauthier, that the debate be adjourned. Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those against please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Call in the Members.

• (1750)

And the division bells having rung:

Mr. Speaker: It being six o'clock p.m., the motion before the House has lapsed in terms of Standing Order 9(1), and the House stands adjourned until tomorrow at eleven o'clock a.m. pursuant to Standing Order 3(1).

The House adjourned at 6.01 p.m.

HOUSE OF COMMONS

Tuesday, December 17, 1985

The House met at 11 a.m.

GOVERNMENT ORDERS

[*English*]

REPRESENTATION ACT, 1985

MEASURE TO AMEND

The House resumed, from Monday, December 9, consideration of the motion of Mr. Hnatyshyn that Bill C-74, an Act to amend the Constitution Act, 1867 and the Electoral Boundaries Readjustment Act and to provide for certain matters in relation to the 1981 decennial census, be read the third time and passed; and the amendment of Mr. Prud'homme (p. 9258).

Mr. Speaker: Before resuming debate, may I advise Hon. Members that through an administrative error, and only that, today's Order Paper and Projected Order of Business are incomplete. Pursuant to the Order made Monday, December 16, 1985, that is yesterday, all questions necessary to complete the third reading stage of Bill C-74 now before the House will be put at 4.45 o'clock p.m. this day.

Resuming debate. When the House adjourned on December 9, 1985, the Hon. Member for Cochrane-Superior (Mr. Penner) had the floor.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, now that we are down to the final period in the debate on Bill C-74, I want to reiterate that the Party of which I am a member will be voting against this Bill. We are in opposition to the Bill and, in this final stage I want to make it clear why we are in opposition to it and what it is we find objectionable.

We regret very much that there is not more time to debate. We think we have sound arguments and given time more and more members would agree that there are deficiencies in Bill C-74 and would be prepared to support us.

As you know, Mr. Speaker, time allocation has been imposed. That has been dealt with and I cannot go over the arguments of objection that we have to the use of time allocation in a Bill like this. It is essential to indicate, though, that we believe this to be a parliamentary Bill, that there should be full debate, much more consultation and that we should be proceeding by way of agreement.

Why do we have Bill C-74 anyway? What is the reason for which we have, as a primary order of business, Bill C-74? If we accepted the work of the previous boundary commissions under the Act of Parliament brought in by the last administration the House of Commons would be growing to 310 members. That seems to be the basic objection and the main reason for Bill C-74. As it is with the legislation before us, we will have 295 Members of Parliament instead of 310. The argument is on the basis of cost efficiency and of reducing expenditures at the federal level, something no Member of Parliament objects to at all. Nevertheless we will have 15 fewer Members of Parliament than in the previous proposal. We may create some injustices and some unfair situations in the country.

I put it to you, Mr. Speaker, if our main concern is to reduce expenditures to be more cost effective, I think other areas ought to be looked at first, the bank depositor's Bill, for instance. We do not know who will receive the large *ex gratia* payments from the taxpayers or how much they will get. If you want to save money, something in the order of about a billion dollars is there and we might take a serious look at that. If we really wanted to be serious about saving money, perhaps we should be talking about the central question in the parliamentary system of Canada, namely, the existence of two Houses. That is an issue rarely raised or discussed.

In Canada at the present time we have this House of Commons elected for a short period of time. Members are accountable to the people. We have another House whose Members are appointed up to the age of 75, and to whom they are accountable no one is quite certain. In order for there to be cost savings involved with 15 Members of Parliament, the Government has brought in Bill C-74. It should be clearly understood that Bill C-74 does not give us strict adherence to representation by population, not at all. It is not what Members of Parliament want in the first place. If we had strict adherence to representation by population, then I do not think we could consider ourselves to be a federal state. With the vast geography of Canada and being a federal state, it is obvious and clear to every Member of Parliament who thinks about it that we cannot have representation by population. There will always be a pull between urban and rural representation, between the settled areas of Canada and those areas on the developing frontier. That pull will always be there between the two and in a federal state neither can be ignored. Therefore, strict adherence to representation by population makes no sense at all.

For example, I have never heard anyone argue that there should not be a Member of Parliament for Yukon. Yukon has only 20,000 people. No one has argued that the Yukon should not have its representative in the House of Commons. The Northwest Territories has double the population, about 44,000, and it has two Members of Parliament. I have never heard anyone argue that the Northwest Territories ought not to be represented by two MPs.

• (1110)

Mr. Nickerson: Fifty thousand.

Mr. Penner: I hear the Hon. Member for Western Arctic (Mr. Nickerson). He is right up to date on those statistics. I stand corrected, immediately. However, since the time I have been in the House of Commons, I remember when the Northwest Territories had only one Member. It was unreasonable for that region to be represented by a single Member. It was unmanageable. Even as it is now, with two Members of Parliament, they have an enormous task in trying to give fair representation to the people living and developing that most important frontier of Canada. When the Bill was brought in to give the Northwest Territories a second seat, there were no strong arguments to the contrary. It went forward and was well accepted as being just and as being fair.

Of course, Prince Edward Island has four seats. It has the same population as the City of Thunder Bay, just over 100,000 people. That was part of the bargain of Prince Edward Island when it came into Confederation. Although from time to time there may be grumblings about the fact that a constituency in Prince Edward Island only has 37 per cent of the population that one would find in a constituency in Ontario or Quebec, generally it is well accepted. We want Prince Edward Island to be an active member of Confederation as it is, and we do not argue it should not be well represented in the House of Commons.

Within the Electoral Boundaries Readjustment Act, we challenge representation by population on a strict arithmetical basis. For example, we say that the boundary commissions can take into account such aspects as community of interest, community identity and historical demographic patterns. That allows them to depart from strict adherence to representation by population. We tell them how much they can depart. We say that they are allowed to go above or below a provincial quotient by 25 per cent; that is the allowable factor. When boundary commissions do their work, that is the kind of precise detail they like. They like to know exactly what they are allowed to do.

I have appeared before many boundary commissions and have made arguments on behalf of the region from which I come, the one in which my constituency is located. Very often citizen groups have made arguments, as I have, in a very telling and dramatic way. Boundary commissions have always said: "We are convinced by what you have said. However, if you want us to take these kinds of steps and these kinds of actions, you have to give us more precise instructions. You can't just give us vague directions. Parliament has to be specific as to what it wants us to do". I think that is the difficulty we have with Bill C-74. It lacks the specific instruction and detail which would help a great deal.

I should like to give an example of how the lack of being specific creates problems. In previous Acts it was indicated that when boundary commissions made significant changes, they had to show that there was just cause for making them. That is pretty vague. If they make changes, they have to show why; they have to explain in a report to Parliament why something has been done. In about 1978, when the boundary commission in fact eliminated an entire constituency in northern Ontario, I argued that it failed to show all the reasons for doing so. It indicated the reasons in two or three lines in its report, that it was adequate reason that it had fulfilled all obligations laid upon it by Parliament. I argued: What do we do when a boundary commission appointed by Parliament and a Member of Parliament are in disagreement? How can we settle that? I decided that I would settle it by taking the boundary commission to court. That is exactly what happened. I took it to the Appeal Division of the Federal Court of Canada to try to stop the redistribution process before it was in its final stages. The Appeal Division would not grant that stoppage of the action of the commission, so then we went to the Trial Division. The Trial Division listened very carefully to the case put forward by the very excellent legal counsel whom I had engaged. The judge, in his final declaration, said to counsel: "You have made a very convincing case. You have made a strong argument. I comment you for the position you brought forward. However, I regret to say that I cannot see that I have jurisdiction in this matter". Therefore the matter was not resolved.

A great deal of money was expended. Perhaps Hon. Members are interested in knowing how that money was raised. The people of northern Ontario were incensed by the fact that they would lose their level of representation. At that time they had 12 Members of Parliament, running from the Quebec border to the Manitoba border, north of the French River. They had 12 Members of Parliament for a very large geographic area. Mr. Speaker, did you know that that area is more than 80 per cent of the whole landmass of the Province of Ontario? The Province of Ontario is a very large province, and northern Ontario comprises much more than three-quarters of it. They felt that their level of representation ought not to be diluted. When one seat was lost, the communities from the Manitoba border to the Quebec border accepted a levy laid upon them by the Federation of Northern Ontario Municipalities. It was a small levy, but a tremendous amount of money was raised to pay for the legal costs in fighting that case in the Federal Court of Canada. After we fought the case, if my memory serves me correctly, I believe we still had some $30,000 left over, which was returned to the municipalities on a per capita basis.

When northern Ontario MPs talk with a degree of earnestness and conviction about the level of representation in that part of the province, they are not just speaking for themselves. It is not their own hides which they are trying to save, not at all. It is something about which the citizens of northern Ontario feel very strongly, and they have demonstrated it in a very tangible way by actually putting up dollars when a court case was being fought.

I want to return to Bill C-74 and indicate why we feel there is too much fuzziness or vagueness in the instructions given to the boundary commissions. It is simply not good enough to tell them that they may take into account community of interest

and historical patterns. It is not even good enough, as Bill C-74 does—and it has never been done before—to say that when dealing with the northern regions of the provinces with vast geographic areas, they will be allowed to depart from the 25 per cent differential allowed in the Act now. That clause is so imprecise, vague and uncertain that I predict it will be of no use to a boundary commission. Rarely will boundary commissions ever call upon that clause. Perhaps the Government House Leader will say that they have responded to our concerns, that they understand our concerns, and that they have included this clause which allows the boundary commissions to exceed the 25 per cent. If he says that our needs have been met, that we should support the Bill and be happy, it will not work that way because the boundary commissions will say: "You have been too imprecise; you should give us much clearer and unambiguous guidelines". This is why northern Ontario Members of Parliament are arguing for what other parts of the country have, like the Province of Saskatchewan, for example. The populations of Saskatchewan and Northern Ontario are not all that different. The population of Saskatchewan is slightly larger, but it is guaranteed 14 seats. Northern Ontario is much larger in area than Saskatchewan. In fact, our population is just over 800,000 people, whereas the population of Saskatchewan is about 900,000 people. Saskatchewan is guaranteed 14 seats. We are saying that northern Ontario should be guaranteed, in the same way, about 11 seats.

• (1120)

I want to illustrate clearly for Members who may not be aware of how boundary commissions work why this vague clause on manageability in northern regions will not work. Boundary commissioners are busy people. They are taken from the bench or law faculties, and this obligation is placed upon them by Parliament. I do not think they exactly welcome the task because it is not a pleasant and enjoyable duty. However, they are distinguished citizens of this country and accept that obligation.

First, the commission hires bright young demographers and staffers who take the available figures and produce the first set of maps. It is on the basis of this first set of maps that the various electoral boundary commissions in the provinces travel throughout the country for the public hearing stage. Individual citizens, citizen groups or a Member of Parliament may prepare the most compelling briefs imaginable. The electoral boundary commission will listen carefully to all of the ideas for changes that are suggested in the brief and examine the evidence it has received. However, I ask Members of the House if they really believe that no matter how good the quality of those briefs may be, the electoral boundary commission will make radical changes in that first set of maps. Of course not. Once significant changes are made in one region, it begins to affect every other region. That is why there will only be minor modifications and no significant ones.

The Acting Speaker (Mr. Paproski): I regret but the Hon. Member's time has expired. He still has the questions and comments period.

Mr. Marchi: Mr. Speaker, in the spirit of your last comment, I want to ask the Hon. Member for Cochrane-Superior (Mr. Penner) simply to wrap up his speech and perhaps make his final few points to the House. He is certainly well respected on all sides in terms of his credibility and knowledge about the whole question of boundary alignment.

Would he use a couple of minutes to finish his speech, in the spirit that you, Mr. Speaker, had urged on the House with respect to the question and answer period remaining to the Hon. Member?

The Acting Speaker (Mr. Paproski): I know that he will have some questions that he would like to answer. I am sure the Hon. Member for Cochrane-Superior wishes to make some other comments. I am sure that the Hon. Parliamentary Secretary to the Government House Leader will listen very carefully to the Hon. Member, who has been here for 17 years and can tell us more about what is happening as far as his riding is concerned.

Mr. Lewis: Mr. Speaker, I rise on a point of order. Naturally we would want to give every Member of the House every opportunity to speak during this debate. There has never been any suggestion that we were trying to cut off debate or stifle comments. With that spirit in mind, we are prepared to listen to the Hon. Member. However, we would not want it to become a habit that Members can use this time to wrap up their speech.

The Acting Speaker (Mr. Paproski): I appreciate that. I am sure the Hon. Member will conclude his remarks in two minutes so that he can respond to questions and comments.

Mr. Penner: Mr. Speaker, the House has been generous. I only have one additional point which is specific to northern Ontario and the effect that Bill C-74 will eventually have on northern Ontario. Let me say why I believe it violates an even larger principle, namely, the principle of effective and co-operative federalism. The effect of Bill C-74 on northern Ontario will be to dilute and dilute even further the level of representation. As a result of Bill C-74 our present level of 11 seats could very easily be reduced to 10 or perhaps 9 seats by 1988. It is conceivable that in the next century, northern Ontario—being most of the province incidentally—could have only 4 or 5 seats. Where will those additional seats go? They will go to the City of Toronto.

An Hon. Member: Hear, hear!

Mr. Penner: An Hon. Member says: "Hear, hear". They will go to the conurbation that is now spreading in both directions from Toronto. Of course, the people who live there need to be well represented, and no one argues against that all. However, does it make sense to have 60 Members representing Toronto and its immediate environs and only 4 or 5 Members for the remaining 88 per cent of the resource rich part of the province? Is that the way in which we would have effective federalism? Ours is a resource region that contributes a tremendous amount to the national economy. It is a region of the

country that has consistently looked to the federal Government for regional development policies. Those regional development policies have been effective over a long period of time and have given northern Ontario a very major role in the economy of this nation. Consequently, we are asking that we have a voice in this House of Commons.

There is great distress and concern about the impact Bill C-74 will have on this region of northern Ontario. The people of this region are not asking for anything that is not already the pattern in Canada. It is not interfering with the independence of electoral boundary commissions by asking to establish a floor for northern Ontario. We are simply asking for some justice and fairness.

The Hon. House Leader has looked after his province well. There is a guarantee of 14 seats there. That is how it should be, but we are saying that what is good for Saskatchewan should also be good for northern Ontario, because there is a parallel. I thank you for your patience, Mr. Speaker.

The Acting Speaker (Mr. Paproski): I believe the Hon. Member for Ottawa-Vanier (Mr. Gauthier) has a question or comment.

Mr. Gauthier: Mr. Speaker, I believe we are dealing with the amendment moved by the Member for Saint-Denis (Mr. Prud'homme), that the House return Bill C-74 to the committee to reconsider Clause 2. Clause 2 deals exactly with the difficulties of representation by population referred to by the Hon. Member.

It was my understanding that in the amalgam formula which existed before the Bill was presented, we in Ontario were to have 105 seats. According to the formula in Bill C-74, Ontario would have 99 seats, an increase from the actual 95 seats. What does the Hon. Member believe will happen to those four seats? Am I to take it they will not go to northern Ontario?

Mr. Penner: Mr. Speaker, that is exactly the point I was trying to make. There is no guarantee at all that there will be a floor level of representation for northern Ontario.

The number of seats will increase for Ontario, as it should because the population of Ontario has grown. We know that most of the additional seats should be going to the heavily populated part of the province.

We are not asking to be given more representation in northern Ontario. Those of us who represent very large ridings are not crying to the House that we have too much geography to represent and the size of our ridings should be reduced so that we have more Members. If that were our complaint, we could rightfully be accused of self-interest. However, we are not pleading for ourselves, we are pleading on the basis of a well established principle in Canada of providing a floor. We now accept that as a principle because we know that strict representation by population creates unfairness and injustice. It does violence to the federal system.

We are saying that what is good for a great province like Saskatchewan ought to be good for northern Ontario. It is not additional seats we are seeking, it is a level of representation. Although that level of representation is difficult at the present time, Members of Parliament and the citizens of northern Ontario are prepared and willing to live with it.

• (1130)

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am very glad to have this opportunity to speak once more on Bill C-74. What we are talking about here today is the very key to representation from all parts of Canada.

Federalism can be defined by its regional structure. If that regional structure is not allowed to show itself in representation in this House, we will gradually move away from a federal Government and we will have more and more regions feeling isolated because of variations in representation. The regions will feel again, as they did many times in the past and will, I am sure, in the future, that they will have to start espousing separatist sentiments.

In the West, not one election goes by when there are not candidates who put themselves forward under a variety of names representing groups of people in the regions who feel that they are being isolated and do not have the kind of representation in the House that they should have. If, over the years, we can satisfy the population of the entire country that it is being well represented in this House, then those tendencies for certain groups of people to espouse a separatist philosophy will hopefully disappear.

Even those people who are the most vocal about separating the West, the East or Quebec from the rest of Canada have a certain desire to remain a part of Canada, but at certain times they feel that nothing is going the way it should go, so consequently they look at a separatist approach. Even though we are only debating today a Bill which deals with representation and the number of Members allowed from each of the provinces, we should be working toward a kind of federalist structure that allows the regional nature of the country to be recognized.

We have made a certain amount of movement toward the recognition that sometimes representation by population cannot be the basic structure for representation in this House.

We have come to recognize that once in a while it is necessary to ensure that a particular area is fairly well represented and that it should have more Members than it would have if the population were simply divided by 300, it being the number of Members allowed.

We have varied the formula for Prince Edward Island, the Arctic, the Yukon as well as certain other provinces in order to make sure that they will have a continued representation even if their population relative to that of the rest of the country decreases. Although this Bill does deal with that factor, we have not put in place as effectively and knowledgeably as we should have the kind of formula which would make areas like western Canada know that by 1991 or 2001 the trend will be to make sure that representation will be adequate for the remote areas. That is the main reason why we are not particularly happy with this Bill.

The Bill has no guarantee that after the 1991 census of after the 2001 census, we will have the kind of federal representation which we would like to see. There are, of course, other problems with the Bill, problems which we would like to point out now. Even after the Bill passes, we will be making those points with the boundary commissions that will be established in each of the provinces.

I think that all across Canada, we accept the idea that representation by population, although a basic concept, cannot be the only basis of representation in a federal state. We realize that in order to have federal representation, we must recognize the regions and establish equal representation from all areas of the country. You being a westerner yourself, Mr. Speaker, would know that we in the West often hear that by the time the electorate in Ontario and Quebec has voted, it is no use to vote in Alberta. In every election, westerners feel that the decision has been made in Ontario and Quebec and that the West does not count. You and I know, Mr. Speaker, that it does count. However, that very feeling is the source of the separatist movement which continues to crop up every once in a while in the West. That feeling of isolation always exists and we should deal with it more thoroughly than we have in this particular Bill.

We do not always adhere to the basic principle of representation by population, but we do not have in place a formula which recognizes the regional structure of the country. Perhaps that is what we should do. Perhaps we should say that the Atlantic provinces, British Columbia and the prairie provinces should have the same number of representatives as Ontario. Perhaps there should be a certain number of balanced regions so that no two regions could together hold the balance of power in this House.

There are many people who suggest that a logical solution to the representation problem would be to divide Canada into five regions and give each region the same number of representatives in Parliament regardless of population. The argument for that is based on the fact that quite often, the homogeneous structure of a large city allows a Member to represent it as well even if he represents twice as many people as a Member from a much larger area in another part of the country. I will not spend much more time on this topic. I just wanted to place on the record the concerns of many westerners with respect to the process of representation.

• (1140)

In the discussions which have been held with respect to this Bill, and the debate which has taken place in the House of Commons, I think that almost every problem with respect to representation has been brought forward. I refer specifically to the problem of representing a very small area and the problem of representing a very large area. For instance, the Hon. Member for Western Arctic (Mr. Nickerson) spoke about the amount of travel which is necessary for him to undertake in order to reach every part of his constituency. The same applies to Saskatchewan where, for example, the Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley) cannot visit anywhere close to his entire constitutency when he goes home for the weekend. His riding covers approximately one-quarter of the province of Saskatchewan. This is the type of representation which possibly needs fewer people but more resources in order to allow a Member to be a good representative of such an area.

We have heard arguments that it is almost as difficult to represent a heterogeneous riding in Toronto as it is to represent a riding in northern Saskatchewan. Anyone who holds that view would have to travel to northern Saskatchewan in order to recognize that it is a difficult job to represent such an area. In the riding of The Battlefords-Meadow Lake there are probably three or four language groups. There is Chippewan, Cree, English and some French, which is spoken by preference. It is not an easy job to be the representative of all these places. As Hon. Members may know, the new boundaries in Saskatchewan give more than half of the province to one constituency. That happens to be the constituency of Prince Albert. Although I know the area very well, I also know it will be a difficult job for one Member of Parliament to try to represent more than half of the province of Saskatchewan.

There have also been arguments with respect to developing regional representation through the reform of the Senate. It is my Party's policy that the Senate be abolished. That is the basic Party position. However, arguments have been presented in the House, and other places, which suggest that we could possibly stay with representation by population but that the regional representation could be established in the Senate. I do not think that this is necessarily the best way to solve the western or the Maritimes isolation problems, although it is one idea which could perhaps be thrown into the hopper in the future when we discuss the best representation procedures to be adopted.

In conclusion, if this Bill were to be sent back to committee, the opportunity would be presented to establish a long-term formula which would recognize regional requirements. Perhaps a basically different method of representation by region could be considered. In that way, we might come up with the type of representation by the year 2001 which would satisfy these areas of the country which now feel isolated because of their lack of population.

The Acting Speaker (Mr. Paproski): Are there questions or comments? The Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley).

Mr. Gormley: Mr. Speaker, I wish to address the comments made by the Hon. Member for Prince Albert (Mr. Hovdebo). I also wish to thank him for his reference in his remarks to my constituency. I can confirm what the Hon. Member has said with respect to my riding covering one-quarter of the Province of Saskatchewan, which is a riding in excess of 175,000 square kilometres. There are certainly some real logistical and practical problems with respect to representing such a large area. I wish to find out what the Hon. Member thinks about striking a balance between Members who represent large ridings, not so much by making additional ridings but by restructuring the

present system. This could also include those Members who represent large population centres. Those who represent large ridings could be given a budget for travel and a budget for constituency services which might better accommodate large geographic areas. Has the Hon. Member given this idea any thought as opposed to the addition of extra seats? Would it not be beneficial in large areas to have a budget which more accurately reflects the service needs of such regions?

Mr. Hovdebo: Mr. Speaker, there is no doubt that if one ends up serving an area such as the constituency of The Battlefords-Meadow Lake one will need a greater budget and more facilities to perform a good job of representation. Perhaps it would be better to say that one needs this in order to perform an equal job of representation when compared with a community in downtown Toronto that is perhaps ten blocks by ten blocks. It is obvious that more facilities are needed in a larger riding. I still worry about how difficult it is to represent a small community with perhaps 3,500 people such as La Loche, Saskatchewan and still not be able to get to know it. The people in that community speak Chippewan. As far as employment is concerned, there is a small base. The only way to find out what is needed in such a community in order to represent it well is to be able to go there and spend some time there. If there are ten such communities which need this type of care it is just not possible to provide it. To do so would take every weekend of the four years that a Member is elected to the House. I am concerned that we should look at these remote areas and give them more Members and put in place a formula which recognizes size and people rather than just population.

Mr. Gormley: Mr. Speaker, the Hon. Member is familiar with the last recommended redistribution plan of 1983 which was not adopted by the House. With respect to northern Saskatchewan, would it not make more sense to deal with the northern communities as one large constituency? The Hon. Member makes excellent points about the difficulties encountered in northern communities. If the financial accommodation were provided to a Member representing such a riding, he could easily deal with the 15 communities on the west side of the north of Saskatchewan and those communities on the east side of the north. In this way communities such as La Loche, Buffalo Narrows, Ile à la Crosse over to La Ronge and other areas where Cree, Chippewan and French are spoken could be properly represented. There are problems unique to the north involving mainly resource-based problems and problems with the fishing industry, problems which are not encountered by those who represent ridings which are shared between farming and other industries. If there were to be one riding, albeit a very large one, would it not be better to have a constituency with a uniform set of concerns and, again, a special budget to match the great travel needs and service needs of such an area?

• (1150)

Mr. Hovdebo: Mr. Speaker, I agree very much with that suggestion. In fact, perhaps the Hon. Member and I can get together and co-sponsor a Bill making northern Saskatchewan one constituency. It would probably be represented by a northerner who would know that area much better than either the Hon. Member or I who were raised and grew up south of that area. That could be one solution.

If that were done, it would not add much population to each of the 13 southern constituencies. That is, if we were to divide the south into 13 constituencies and have one constituency for the north with 25,000 people in it, that would not add many people to the south, and it would solve to some extent, at least, part of the problem. The Member of Parliament would still have trouble with travel but he would be much more at home in the sense that his constituency would be much more homogeneous.

Mr. Foster: Mr. Speaker, I was just delighted to hear the exchange of comments between the Hon. Member for Prince Albert (Mr. Hovdebo) and the Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley). What they were proposing for northern Saskatchewan, an area I have had an opportunity to visit on a few occasions, was similar to the amendment I proposed to the House a week or so ago, namely, that the area north of the French River and encompassed by the 11 ridings in northern Ontario, have a floor of representation. It would not affect ridings outside of Ontario, but within the Ontario allocation of 95 seats or, as is proposed, 99 seats, there would be 11 seats dedicated to northern Ontario. It might mean a few more people in the ridings of Metropolitan Toronto. But representing 87,000 or 89,000 people, I do not think is really material compared to losing one or two seats in northern Ontario as will happen under the redistribution formula which is being proposed by the Government.

So I believe the principle of having a floor of representation in northern Ontario might well be applied to the northern areas of other provinces such as Saskatchewan, where it might have a population below the 87,000 limit or average, but its Members of Parliament would have a lot of responsibility.

So I am just delighted that the Hon. Member for The Battlefords-Meadow Lake, whose Party opposed a floor formula for northern Ontario, seems agreeable to that concept for Saskatchewan. I believe, by extension, he would agree to that principle in northern Ontario, and if he does, he will have a chance this afternoon or at some time to vote to send this Bill back to committee so that those principles, which will be so beneficial to northern Ontario, northern Saskatchewan, northern Quebec and other provinces, could be implemented and applied so that those people would be properly treated.

Mr. Hovdebo: Mr. Speaker, I have just one comment. In order to do that across the country, I think it would be necessary, or should be necessary, to establish some kind of formula so that every area would be treated in somewhat the same way. I think there is a danger of having little pockets of rotten boroughs—if I can phrase it that way—established too easily if we do not have some kind of a formula in place which makes sure that the representation is fairly distributed.

In the case of Saskatchewan, I do not think it is too difficult. Where we have 11 ridings, we need to have some formula by which we are going to make sure the representation is fair.

The Acting Speaker (Mr. Paproski): The time for questions and comments is now terminated. Resuming debate.

Mr. Sergio Marchi (York West): Mr. Speaker, I am particularly pleased to speak on the amendment moved by my colleague, the Hon. Member for Saint-Denis (Mr. Prud'homme), on Bill C-74. As the House will recall, I had a chance to speak on this Bill last week on the motion by the Government to invoke closure on discussion and debate in this House. I felt at that time that it was very fundamental to my work as a Member of Parliament on behalf of my constituents of York West to rise in my place and voice not only my objections but the objections I have received from my constituents.

I am pleased to rise on the amendment which is before the House for debate this afternoon, namely, that we take Bill C-74 and move it back into committee. I think there is a feeling—and it was shown quite well over the last number of days—that Members of Parliament are not entirely pleased with the process which has taken place on such a fundamental piece of legislation. We must look at this piece of legislation with all the objectivity that we in this Chamber can muster because it is fundamental to the way Canadians will be governed and to the way Canadians choose their elected representatives.

We have in this Chamber, as you know, Mr. Speaker, 282 Members of Parliament. The last boundary commission proposed an increase from 282 Members of Parliament to 310. Bill C-74 rejects the previous discussions and public hearings which took place from one coast to the other and put a capping on the number of seats at 295. The feeling I have is that there was too much haste and too much partisanship in the way that figure was arrived at. We had a good illustration of that this morning in terms of one Member from Saskatchewan on the government side talking to another Member of Parliament from Saskatchewan who happens to be a member of the New Democratic Party. It was a fair exchange. It was an exchange which indicated that if we cannot get more seats in Saskatchewan, perhaps we can consider, as a way of offsetting that, ways of beefing up the travelling privileges of Members of Parliament from Saskatchewan, or we can beef up the constituency allocations for Members of Parliament for Saskatchewan. Perhaps we can have more than one constituency office with more than one or two staff members.

It was a fair exchange between the Members of Parliament, and that is the kind of exchange that we on this side of the House are asking for. We are asking that that type of exchange be allowed to percolate through the system. We believe that the ideas and aspirations of Canadians can complement that percolation. That is what parliamentary debate is all about and that is what committee work is all about. We try to grasp these ideas, and other ideas, and mould them in such a fashion that all Canadians and all Members of Parliament can feel that the regions are being dealt with in a fair and equitable manner.

That is not the case now. What the Government is attempting to do is to forgo the fermentation of those ideas. It says: "Somehow we know what is right for Canadians. Out of the blue we will grab 295 seats, and that is what we are running with". I would submit, and my Party has been submitting, that that is not the way to proceed. We heard from my colleague, the Hon. Member for Cochrane-Superior (Mr. Penner), on how Bill C-74 is going to affect Ontario. Under the Bill, the number of seats in Ontario will be increased from 95 to 99. This is a reduction from the proposal in the last Parliament for an increase to 105. I, of course, had a particular interest in the elegantly presented remarks of the Hon. Member for Cochrane-Superior concerning this change because I am a Member from Ontario.

• (1200)

One area which will be a loser is Metropolitan Toronto. Looking at the previous proposal, the number of seats in Toronto surely would have been greater than what this Government is prepared to give. I have some reservations about that because my constituents have some reservations. One of the issues the Government introduced to justify Bill C-74 was the savings involved because of the cost of elected representatives, their offices and staff. Yet, at the other end of the spectrum, we have the bank bail-out and no one on the Government side suggests that it was a waste of money. This is a double standard. More important, how did the Government come to this conclusion concerning the saving of money? I have talked to the Hon. Member for Cochrane-Superior and the Hon. Member for Algoma (Mr. Foster). They were Members in the last Parliament when I was not. They were very closely associated with the entire process of boundary realignment. They suggested to me that Canadians who appeared at the public hearings really did not object to an increase in Members from 282 to 310. Had they told me that there was much public animosity over the projected increases, that Canadians were not prepared to support an enlarged Parliament, then I would not get up in my place and suggest that we should not pay attention to those beliefs. However, that is not what they said. The discussions, in fact, were over how best to split up the 310-piece pie. These people did not object to the over-all increase. That is important because this Government is attempting to justify this Bill on a premise I believe to be false.

Another aspect of the debate over increasing the size of the House of Commons are the signals Canadians sent concerning what they want in their elected Chambers. I can tell you what constituents in York West want. I am not suggesting that my riding is an exact mirror of Canada, but I think the aspirations of my constituents as they presented them to me can be associated with those of other constituencies across this country. In a growing impersonalized world, a world which somehow does not have time for the individual, a world that somehow forgets the human element, Canadians are telling me

that they want to preserve the personal element in dealing with their Governments and elected Members of Parliament.

Although this is my first term in the House of Commons, I perceive the role of a Member of Parliament as having changed over the years. You know better than I, Mr. Speaker, that a Member has a different role now compared to when he or she first became a Member. A Member now has become almost a social service agency, if you will. Canadians come to us not only to get information and solve problems in our own area of responsibility, but also to deal with problems that are outside of federal responsibility but that are nonetheless very serious. Canadians are saying that they want to maintain personal accessibility to their Governments. They do not want to get a computerized letter in response to a problem which is very real for them and their families. They want their Member of Parliament to deal adequately and sensitively with their problems.

What happens with a Member of Parliament in the normal discharging of our responsibilities? I will tell you what happens. From Monday to Friday Members of Parliament are largely confined to the capital and, more specifically, to this House. Whether we are making representations as I am now, working on committees like those I will be attending this afternoon, talking to the bureaucrats in an attempt to solve constituency problems, or replying to our constituents, we are for the most part here in this place. Therefore, when it comes to dealing with our community, caring for our constituents on a one-to-one basis, we have basically a weekend at our disposal to do those things. When we go back to our ridings, most of us have constituency days, whether it be a Saturday or a Sunday. We spend most of the day huddled in our offices trying to meet with our constituents and deal with their problems. However, there are also other parts of the community where people do not necessarily have a particular problem concerning pensions or taxes or immigration. Nonetheless, they require the presence and thoughtfulness of their Member of Parliament. So, afer you have finished dealing with the problems, you try to attend a local function, visit with local senior citizens or attend a dinner in your constituency. You try not to leave out the schools. You try to talk to the young people. Of course, those of us with large industrial parks in our ridings strive to meet with business people on a regular basis, visit their plants, and determine if the economic proposals of this Government are working or are simply some theoretical pie-in-the-sky. If you want to do all those tings as a Member of Parliament and do them well, then I submit that the weekend is not enough time. At the same time, we cannot be in the riding Monday to Friday because then the first question constituents will ask you is: What are you doing here? Are you not supposed to be in Ottawa looking after our needs?

To be a Member of Parliament in 1985 is a balancing act between serving one's constituents while being here in Ottawa, and serving them on a one-to-one personalized basis in the constituency. Canadians request and rightfully demand that personalized service. I suggest that we are running counter to that desire if we arbitrarily, on a very partisan basis, put a cap or a limit on the number of Members of Parliament who have to represent an increasing population.

A good book, called *Megatrends*, was written, which most members have read and it was packed, as was *Future Shock*, with descriptions of the high technology development of our contemporary society. However, it differed from *Future Shock* in the sense that the author said, "Look, with increased technology, higher technology, you also need higher human touch". One chapter, entitled "High Technology—High Touch" was devoted completely to that concept. The author was right. As we grow more impersonal in today's society, as the computer age arrives, we nevertheless have to increase the human element. The people behind the computers have to learn that the individual still has a place in Canadian society. We should not look at the case of the unemployed or any other case as merely a statistic. We are beginning to move away from personalized service and things become statistics rather than individual challenges that we should be championing.

• (1210)

Therefore, when the Government invokes closure to cap the number of seats in the country, I do not think it is acting properly on such a fundamental piece of legislation. I suggest that that is not appropriate on any piece of legislation. However, while MPs are telling the Chamber that their regions somehow feel alienated and that there are not enough seats in their region and are suggesting that we take seats from one province and redistribute them to make things more equitable, we should not be moving on this piece of legislation as we are. We still have a way to go. We still have ideas to percolate through the system. We still have recommendations and suggestions to hear from the Canadian public.

It is useless to conduct public hearings, which will be the next step after the Debate in the Chamber, because the parameters have already been drawn. Therefore, Canadians can only give their impressions within the general confines of those parameters. Canadians from all parts of Canada are going to come forward and reflect the aspirations which we are espousing in the House, Mr. Speaker. When they do, we will have to tell them that we are sorry, we have already put the cart before the horse, we have already capped the number of seats for their regions and that they should, therefore, scratch that point out and give us another one. Canadians are obviously going to leave those public hearings feeling very frustrated and wondering why they were asked for input when it will certainly have no meaning at all.

That is what is at the heart of the debate on Bill C-74, Mr. Speaker. We must allow Canadians, through their elected representatives, to articulate their concerns. It is hypocrisy to say that we have the best interests of Canadians at heart and then to move on Bill C-74, which will determine how Canadians will elect their Government, in such a shoddy manner. We cannot have it both ways.

I will conclude, Mr. Speaker, in the way I started, by suggesting to the House that this is the wrong method by which to deal with such a fundamental issue as Bill C-74. This

issue affects this Chamber and all Members but, most important, it affects the way Canadians elect their Government and the way in which they will be serviced by their representatives. This is not our place, but Canada's place. Therefore, Canadians ought to have the effective opportunity, on a proper basis, to suggest how they want the Government to function and which services they want rendered. We have not allowed Canadians that opportunity, Mr. Speaker, and I think that is wrong. I hope that somehow at the end of this parliamentary sitting those ideas can sift down to the government benches so that the Government will change the direction in which it has chosen to move the country.

[*Translation*]

The Acting Speaker (Mr. Paproski): Questions and comments.

Mr. Garneau: Mr. Speaker, I would like to make a few comments, and I also have question for my hon. friend.

First of all, I would like to say I am entirely in agreement with the line of reasoning he followed when describing the work of a Member of the House of Commons and the problems involved in maintaining a balance between the responsibilities we have here in Ottawa, either in the House or in committee, and those we have in our constituencies. I know, for instance, that especially during the holidays there are a lot of activities in our ridings, organized by the senior citizens' club or municipal employees or whatever, which people would like to see their Members attend. That is of course quite normal, and I also think that, generally, people tend to be very understanding.

In any case, I would like to tell him that I share his views on the subject, except that I would like to stress that he was referring to the Toronto area, and what we do not particularly like about the Bill before the House, and I speak as a Quebecer, not that we are opposed to an increase in representation from Alberta, in fact, we suggested that very thing—the Liberal Party suggested it during the previous Parliament. We have no objection to that, and in fact, we fully support an increase in Members from Alberta and Ontario. However, what we do object to most strenuously is that the Bill before the House, the Bill the Government is trying to ram down our throats, will cap representation from Quebec at 75 Members until the year 2001.

And I wonder why Conservative Members from Quebec are not taking part in this debate on a non-partisan basis. This is the first time a Bill to change our electoral boundaries has failed to get a consensus from the parties. This legislation is not important to the Progressive Conservative Party or the Liberals or the New Democratic Party. It is important to the Parliament of this country. If the electoral map is modified by the wish of the majority, the whole balance of our democratic system will be in jeopardy.

I would like to ask my hon. friend who just spoke, whether he, as an Ontarian, thinks it is fair and equitable—does he think that my position as a Quebecer, which is to fight against this partisan capping at 75 Members, up to the year 2001, does he think that is a normal position to take?

Does he consider my position too partisan, too regional, or is he, as an elected representative from Ontario, prepared to support a position that is held by the Liberal Members from Quebec? We seem to be alone in our desire to bring to the attention of the general public something I feel is a definite shortcoming, not because we are opposed to what the others are asking, but in the previous Parliament, the Liberal Members from Quebec had agreed, and they were very numerous—that Ontario should be allowed to increase its representation by several seats and that British Columbia should do likewise. We think it is only fair to give Quebec a chance to pick up a few seats. We were supposed to go from 75 to 79, and now we are being capped at 75 seats.

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. Thank you.

Mr. Marchi: Mr. Speaker, my hon. colleague raises some very good points, the first about the balance of one's work as a Member of Parliament, and the second about the situation faced in his home province of Quebec. On the balance issue I would like to point out that while Members from Toronto, such as myself, certainly have onerous responsibilities in dealing on a personal base with constituents, one must cushion that with the job of other Members of Parliament. The difficulties of other Members of Parliament from Vancouver or eastern Canada are increased ten-fold. I, personally, was used to a personal type of representation when I was a municipal councillor in North York. That is a very different type of elected representation, which I sincerely miss.

With regard to Quebec, that is what I meant when I spoke about Members of Parliament having the opportunity to offer ideas on the floor of the House of Commons and in committee. It is the inflexibility that we see with the handling of the Quebec situation that I think speaks volumes to the negative aspect of how Bill C-74 is being approached.

• (1220)

The Hon. Member mentions that in a discussion on the number of seats and whether or not that number be frozen at 75, we, on this side of the House, feel that we should not be given that inflexibility. Representations from Quebecers are sorely missing in this debate. The Member is not being partisan in making the representation he just did a few moments ago. He indicated that if Quebec Members of Parliament on the government benches who are of Conservative stripe feel that this is such a good deal for Quebecers and for their constituents, then why are they not on their feet deliberating and telling their constituents the reasons they believe Bill C-74 is an appropriate Bill? Government Members are not doing that with any consistency. Conservative Members are not

getting up like Liberal Members debating the needs and aspirations of their constituents. If the Members feel that they have a good deal, he should elaborate on it. It is just like the de Havilland deal. If that is such a great deal for Canada, why is the Government hiding it in some back room until the signatures are dry, Mr. Speaker? You simply cannot offer credibility to Canadians when you say something is a good thing and then fail to have the courage to address it. Therefore, my colleague is suggesting, perhaps in a roundabout way, that Quebecers are looking for leadership and for their interest to be protected and that Government back-benchers are not doing the job.

[*Translation*]

Mr. St. Julien: Further to the Hon. Member's comments, I would point out to this House that I listened carefully to what was said by the Hon. Members for Prince Albert (Mr. Hovdebo), York West (Mr. Marchi) and Laval-des-Rapides (Mr. Garneau). I would like to say that if we really look at what has been done about this legislation in past years, under the Liberals, for instance, if we refer to the riding of Abitibi, I think there is something very odd because they kept it the same size. If they are interested in what the situation is like in the riding of Abitibi, I shall add that it is located in the largest of our ten Canadian provinces, covers 740,000 square kilometers and has a population of 102,000. And it is going to stay the same size. My comment to the Hon. Member for York West mainly concerns the budget of each Member.

The Hon. Member for York West may think that is bizarre, but the important thing is to tell the Liberals not to travel outside Canada and to stay in their ridings. That is what I have been doing since I was elected to the House of Commons. I avoid travelling outside Canada. I travel in my riding.

And I can guarantee that my riding, which is among the fifteen largest ridings in Canada, is nearly 75 per cent Conservative. And today, among the smallest ridings in Canada, there are about ten that belong to the Liberals, and I am talking about ridings covering five square kilometers, with 69,000 voters.

Personally, I think the Bill is an excellent one, and I live in one of the largest ridings in Canada. I work very hard in my riding, and in my view, this is a very good Bill.

[*English*]

Mr. Marchi: Mr. Speaker, I would suggest that the Hon. Member for Abitibi (Mr. St. Julien) is doing a credible job in his riding. No one ever suggested that he was doing anything but a credible job. That was an objective statement from the Member for Abitibi. If he feels the way it seems, he has 20 minutes available today to explain to this House why he is so positive about Bill C-74. I urge him to tell his constituents through a speech in this Chamber how good Bill C-74 is.

The Member for Abibiti has one of the largest ridings in Quebec. Do his constituents expect him to be a local constituency man? Do they believe that he should be in Ottawa to make statements and speeches in this House or to lobby the Government for an industry his riding might be needing? I would suggest to the Hon. Member for Abitibi that constituents not only want their Member of Parliament to be in the constituency, as important as it may be, but they want him to do his job in this Chamber through the Government on behalf of his constituents. The Member simply cannot perform both functions. Therefore, the whole discussion of the high-tech, high touch type of evolvement through which we are going as espoused by *Megatrend* is applicable to his riding. I am somewhat surprised that rather than suggest ways of delivering a more personalized and effective type of representation he is trying to say that the status quo is okay.

In the Province of Quebec we would have looked at an increase of a minimum of four seats as a way of addressing the shortcomings of a growing impersonalized political landscape. I would urge the Member to join us in this debate and in our demands by allowing Canadians to join in the debate.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. The Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy).

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, in these closing days before the parliamentary break, it is unfortunate that the House has such an undignified, hasty, and ill-thought of initiative as the one before us today in the form of the Government's proposed redistribution Bill. It stands in stark contrast to the noble efforts about which history tells us, namely, the fundamental fights that have gone on for proper forms of political representation.

Americans fought a revolution over the question of representation by population. Other countries have gone through great debates of philosophical and intellectual propriety on how to represent people, which is the fundamental base of any democratic system. But what does this Government do? It tinkers, it manipulates, it short shrifts, it short circuits and it provides closure. That shows to what extent the Government provides respect for the parliamentary political system.

This issue is critical to the dignity and stature of this House and the way it is seen and perceived. But what do we have? We have a Government that treats it as another *ad hoc*, capricious initiative fitting already into such a chaotic and unplanned parliamentary timetable that it has to use closure. The Government resorts to the unprecedented initiative of not working out an agreement between Members of all sides of the House, thus turning the issue into a partisan one.

That kind of approach will have a certain insidious result. People will no longer be able to have some sense of respect, trust or confidence that this motion on redistribution is a fair and equitable attempt to provide for effective representation across the country. People will see the approach more as another part of the Mulroney master plan to resurrect the Conservative Party in Canada. That is very dangerous, Mr. Speaker. I certainly have no argument against political Parties trying to advance their interests, but they should know when to do it and what issues to pick. There must be a time and place

in which partisan advantage is put aside and a more constructive all-Party non-partisan approach implemented.

That is not the way the Government thinks. The Conservatives polls are plummeting. The Government is looking toward the next election. No Government in the history of Canada has fallen faster in public esteem or confidence than this Government—

Mr. McInnes: What about the Liberals in the last election?

Mr. Axworthy: No Government has fallen faster in the first year of its mandate. The ratings have dropped in such a precipitous fashion that it is no wonder its back-benchers or newly elected Members are now considering what to do when they reach early retirement. They will fight and scrap for every marginal seat which they think they can acquire and, if they can do it through redistribution, all the better. That is the dominant message which comes through clearly in this particular piece of legislation. They are not concerned about the broader issues and questions about how the country will be represented in a federal system. They are not concerned about the roles of Members of Parliament. My colleague from Toronto talked eloquently about the changing roles of Members of Parliament, the services and the sense of responsiveness which must be acquired in this modern age. He was quite right. Whether one represents a rural riding, an urban riding or a downtown constituency, the demands and interests of people have changed. There is now an incredible overload in the system, an incredible sense of demand for response, information and assistance. I fundamentally believe that the Member of Parliament, in this day and age, in many ways replaces the roles of other institutions simply because of availability. The more we grow away from that principle, the more we attempt to cut the cloth of redistribution purely for political partisan advantage, the more the role is injured or deteriorated. Also it provides opportunity for skepticism and cynicism.

● (1230)

Let us look at the reasons for this legislation being brought forward. No one sees any reference to the critical importance of the role of a Member of Parliament, nor is there any reference to how it fits the future needs of our Confederation. I expect most Hon. Members of the House would have spent some time reading the report of the Macdonald Commission and its discussion about federal-provincial relations. It pointed out that other institutions were increasingly replacing Parliament as the forum for debate on national issues. We have almost institutionalized federal-provincial conferences of Premiers and Ministers. That tendency deteriorates and erodes the responsibility of every Member of the House. It is not helped by the way in which the Government treats Parliament with contempt. It treats Parliament as a place in which not to provide information or debate. We have asked, in all seriousness, for proper answers about the proposals on trade. What have we received from the other side? We have received jokes and buffoonery.

Mr. Hopkins: Incivility.

Mr. Axworthy: Yes, incivility, but we have not received any answers. The only places where the Ministers of the Government were prepared to address the free trade issue were in a speech in Chicago and in two speeches in New York. They were the only places from which we were able to obtain a broader interpretation of what they planned to do about this crucial issue. They do not involve Parliament in the debate; God forbid that Canadians should know what is going on! We get that kind of information from a wire service story out of New York. I suppose that reflects the basic disregard and disrespect for this institution. Nothing is more clear than the way in which the Government has approached the problem of redistribution.

Earlier the Hon. Member for Cochrane-Superior (Mr. Penner) pointed to the area of northern Ontario which has a very special set of requirements and interest in Confederation. If the formula in the Bill is allowed to continue, over the years that part of Ontario will find its democratic rights severely eroded, almost abolished. That is not only true in that one part of the country. This goes back to my basic point—there has been no thought given to the consequences of the Bill. There has been no attempt to provide Hon. Members with any sense of what will be the repercussions of the legislation.

There was a series of committee meetings, but the Government brought in a brand new amendment at report stage, with no by your leave or attempt to relate it back to principles of representation and how regional responsibilities would be affected. Therefore, the only conclusion one can draw from that hasty and capricious initiative is that it was done purely for political advantage, because each day Government members saw their electoral advantage willowing away, disappearing and evaporating. Now they resort to the worst refuge of political scoundrels, that is, an attempt to manipulate the political basis of representation in order to gain some political advantage. That is the shame and tragedy of this piece of legislation. It really disrupts and undermines the principle, practice and tradition of the House of Commons which have existed for decades.

Perhaps, all said and done, it is worth-while, in that once again it will provide a good, clear example, if Canadians need another example, of what motivates the Government. It is not motivated by principle, practice or traditions; it is motivated by political advantage. Perhaps Canadians do not need that lesson brought home; there have been enough examples in the past several months to make the case as clear as possible. However, it is another example; perhaps the most grievous example of all. In this case the Government is reaching back into hundreds of years of traditions and eroding them. Perhaps that is what is most serious about it. It will have its just desserts, because Canadians basically understand that kind of political chicanery. No doubt the Government will pay the price. In that sense, I suppose in our own interest we should be applauding this kind of political manipulation, this abuse of parliamentary tradition. However, the fact of the matter is that Hon. Members on this side of the House feel strongly

about those traditions. That is why we believe and have brought in amendments—

Mr. Stewart: What a joke!

Some Hon. Members: Oh, oh!

Mr. Axworthy: I am glad Hon. Members opposite are amused when we talk about parliamentary tradition. Obviously it is a matter of great hilarity to them; obviously it is a matter which they treat with contempt and amusement. We do not treat it with amusement; we take it very seriously. This is why we made an effort, in a variety of debates at second reading, in committee and under closure, to try to convince them that this is not the time and place to resort to the street tactics which have been a hallmark of the Government. It is time to get out of the back alleys of political discourse and to try, for once, to do something which lives up to the standards, reputation and traditions of the House. Obviously it is too late. They have the bulldozer on and they are proceeding. All we can do is simply to use these last hours of debate to bring some once again the fundamental issue that this is not the kind of Bill which will provide any redemption for the Government. It is too late, but the Government might have shown some class, some style and some integrity by at least treating this matter with the kind of tradition and respect of the principles that it deserves.

• (1240)

[*Translation*]

The Acting Speaker (Mr. Paproski): Questions or comments. The Hon. Member for Laval-des-Rapides (Mr. Garneau), for questions or comments.

Mr. Garneau: Yes, Mr. Speaker, I would like to thank the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) for his remarks. Of course the Province of Manitoba will fare much like the Province of Quebec under the Bill now being considered, in the sense that Manitoba does not stand to gain seats or Members under Bill C-74, but worse still the number of constituencies will be frozen until the year 2001. That is a very long time. I would like to ask the Hon. Member how the people of his province react to this procedure whereby, in a partisan approach, a group of Members are attempting to force all parties to approve an electoral map such that redistribution will be frozen for 15, 16 or perhaps even 20 years.

We in Quebec will end up with 75 seats, whereas we were supposed to get 79. So we lost four seats. We agree that Alberta, British Columbia and Ontario should have more, but do Manitobans react the same way as Quebecers?

[*English*]

Mr. Axworthy: Mr. Speaker, the Hon. Member properly points out that according to the formula that is being imposed, not only regions but provinces themselves will, in effect, have their rights and responsibilities denied for an extensive period of time.

Since September, 1984, as far as Conservative Members of Parliament from there are concerned, the people of Manitoba have become accustomed to the fact that they do not receive representation.

Mr. Gormley: You are one to talk about representation.

Mr. Axworthy: In fact, I should point out that this morning I received a brochure that the Conservatives put out at their provincial convention in Brandon three weeks ago. That brochure listed 14 accomplishments of the Conservatives since they came to office in the Province of Manitoba. The only problem is that 13 of those were Liberal accomplishments. All the agreements and initiatives were started under our Government. Suddenly these are achievements which happened under the Conservative Government. In fact, I was surprised that they were able to list one achievement that we had not initiated.

The title of the pamphlet was: "What the media wouldn't tell you". Of course, the subtitle should be: "And what the Conservatives refuse to tell you". The accomplishments which they listed were projects that we initiated and implemented.

It is even more ironic that several of those were projects which the Conservatives cancelled or refused to implement. Obviously, the printer was in too great a hastle to distribute the brochure. However, the people of Manitoba have become accustomed to this.

The Province of Manitoba has its own demographics, with a very large city and a large rural area. Even with such a balance there is no attempt to provide additional seats as was originally proposed under the redistribution brought forward to Parliament in 1984. There will be no opportunity or flexibility to respond to the shift which is taking place within the province in regard to the change of population in the city and suburban areas. More particularly, certain rural areas have grown faster than others and certain parts of the City of Winnipeg have expanded. Therefore, this will mean a major disruption only of existing boundaries. We have pointed out that this leads ultimately to severe temptations for manipulation of those boundaries that are not based upon the classic formula or representation by population but by political judgment and advantage. That is what I believe concerns the people of Manitoba most deeply.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I am pleased to take part in this debate on Bill C-74. However, I am keenly aware of the fact that this debate is taking place in the context of time allocation. The Government is forcing us to come to a decision at third reading stage of this Bill.

In addition, there is a proposal to refer the Bill back to the Standing Committee on Privileges and Elections in order to consider the matter further. I will speak in support of that amendment which has been proposed by the Liberal Party as well as on the Government's actions and the greater issue which gives us reason to justify calling for further consideration of this matter before the committee. It must be considered further in order that there can be proper development

of the Constitution of Canada, of which the redistribution Act is a fundamental part.

Members of the Official Opposition have spoken much more than they did when this matter was under consideration in the committee. I suggest it is somewhat ironic that the Liberal Opposition has moved an amendment calling for further discussion in committee on this very important matter. The fact is that Liberal Members did not take much part in the committee deliberations and may well have blighted the possibility of dealing properly with this whole matter. Liberal Members, who should have been before the committee to deal with this crucial matter, were absent. Consequently, we see the posturing in the House which has been taking place recently. I believe more discussion is necessary, so why was this matter not kept before the committee and discussed adequately as it should have been? I suggest that the Official Opposition must bear some responsibility for the Bill being brought back to the House for report stage and third reading so quickly.

The Hon. Member for Churchill (Mr. Murphy) did his best in the committee to raise the large issues that the legislation involves. He did his best to ensure that witnesses were brought before the committee and that there was sufficient discussion before the committee reported and the House considered third reading.

I want to recognize the accomplishments that resulted from his work. The Bill has been amended to recognize the vital principle that redistribution should respect community of interest in ridings, that there should be appreciation of geographical factors that exist throughout the country which give a constituency a certain historical and social reality, and that the boundary changes that may be necessary should be carried out with care in due regard for these historical, geographic and economical considerations. These amendments came about as a result of vigorous representations by the Member for Churchill in the committee.

While I recognize those achievements, as a Member from northern Ontario, I would have liked the Bill to enshrine the principle of stability for a number of ridings in northern Ontario, as proposed by the Member for Nickel Belt (Mr. Rodriguez) and the Member for Algoma (Mr. Foster). However, I appreciate the fact that community of interest has been recognized.

• (1250)

The basic difficulty that faces us is that this Bill put forward by the Government scraps the work on redistribution done in preceding years and makes fundamental changes to the structure of representation which we have known for decades past all the way to Confederation. We have before us a Bill which is properly entitled amendments to the Constitution Act. It is a departure from such fundamental principles as the decision on the numerical basis of riding size being developed out of the Province of the Quebec and applied across the country. Beyond that, we have seen a deflation in the number of constituencies that will be added to the ridings of those provinces which have grown substantially since the preceding census. They will not, in fact, experience the full increase in constituencies which they had expected. It is those two principles in particular that quite astonish me coming as they do from a Conservative Government which had a large electoral success in the Province of Quebec and then makes this fundamental change in our Constitution which carries through a certain kind of constitutional revolution.

My colleagues have wondered why Government members who represent Quebec ridings have not spoken on this matter as forcefully as they should have. My colleagues have asked a very good question. We in the New Democratic Party who represent northern Ontario spoke on second reading on this matter and put the issue forcefully for our ridings. We spoke forcefully on that matter quite early on and were pointing to some of the issues which were involved. At that point, there was little enough echoing of our sentiments from other parts of the House, and even now we see government Members quietly at work here in the House or in their offices without raising their voices. They clearly have not done so in caucus, or at least not to any effect, and they are not doing anything in the House to slow down the Government.

Looking at the rules that were applied to distribution in the Representation Act, 1974, we find that Subsection 51(1) of the British North America Act, 1867, was amended to read as follows:

> The number of members of the House of Commons and the representation of the provinces therein shall upon the coming into force of this subsection and thereafter on the completion of each decennial census be readjusted by such authority, in such manner, and from such time as the Parliament of Canada from time to time provides, subject and according to the following Rules:—

Rules 1 and 2 are the rules I wish to note in particular. Rule 1 reads as follows:

> There shall be assigned to Quebec seventy-five members in the readjustment following the completion of the decennial census taken in the year 1971, and thereafter four additional members in each subsequent readjustment.

That provided a cornerstone for the distribution pattern of seats in the House of Commons.

The Acting Speaker (Mr. Paproski): Order, please. I cannot seem to see the Hon. Member who is speaking. Thank you.

Mr. Epp (Thunder Bay-Nipigon): Rule No. 2 of the Act, which is now being amended by the Bill before us, reads as follows:

> Subject to Rules 5(2) and (3), there shall be assigned to a large province a number of members equal to the number obtained by dividing the population of the large province by the electoral quotient of Quebec.

In the following rules, there are provisions for small provinces and intermediate provinces, but it is quite clear that representation from Quebec with 75 Members, or 79 Members in recognition of the population growth in that vital province, was the very cornerstone of the distributional structure of the House of Commons.

What do we find in the new Bill that is before us, the Bill which we want to send back to committee for further consideration? We find that Rule 1 of Subsection 51(1) of the Constitution Act, 1867, is to be amended as follows:

Representation Act, 1985

There shall be assigned to each of the provinces a number of members equal to the number obtained by dividing the total population of the provinces by two hundred and seventy-nine and by dividing the population of each province by the quotient so obtained, counting any remainder in excess of 0.50 as one after the said process of division.

This is the cancellation of a fundamental principle that has prevailed in Canadian Confederation since its very beginning. This is a declaration that the House of Commons shall contain about 280 Members and that the total population of the country shall be divided simply by the number 279 to arrive at a figure which will then be divided into the population of each of the provinces. Of course, in the next stage will come the further nuances which will be necessary to make the system work.

I marvel that a Government with the kind of strength it has in the Province of Quebec—or is it actually strength—would do a thing like that. I would say that a preceding Conservative Government, the one of 1957 to 1963 led by the Right Hon. John George Diefenbaker, was not known for having very much sensitivity to the aspiration of Quebec. To have had the Diefenbaker Government do a thing like this would not have astonished me at all. However, it seems quite astonishing that this Government would change the cornerstone of our system of representation which is based on the Province of Quebec and replace it with a numerical system which has one concern alone and that is to hold down the growth of the Canadian Parliament.

This concern over the growth of the House of Commons is supposedly based on the cost involved in increasing the size of the House of Commons. This leads us to wonder whether the expenditures we incur in representing our constituents are regarded as wasted money. If we were to facilitate the representation of people in isolated communities and make it easy for the citizens who live in my riding to be in touch with me, would it be money wasted? It seems to me that at some point, we would gain to move toward tyranny. What Conservative Members said many a time about the application of closure by the preceding Liberal Government is what Conservative Government members are in fact on the brink of doing. When they suggest that money spent for additional Members of Parliament who would provide good representation in money lost, they are not very far away from saying that all of our deliberations are rather a waste of money. I recognize, however, that that may be a long way away.

There have been seven impositions of closure in just a few weeks on matters that have had precious little debate in the House of Commons. We have a small Opposition which is using a six month hoist motion in order to renew its opportunity to debate these matters and keep them before the public so that we may discover whether or not the people of Canada are critical of measures the Government wants to put through. We see Government members reacting to these attempts to keep matters before the Canadian public in this way even though they themselves are past masters at it. When we see this Government, which has been in office only 15 months and some days, acting in this kind of high-handed and authoritative manner, then surely everything Government members ever said to the last Liberal Government about tyrannical tendencies is fairly enough applied to them.

The consideration of fundamental changes to our Constitution is being pushed through by closure. This is happening because Government members seem to think that, somehow or other, adding to the number of Members of the House will waste the money of the public. At the same time, the Government presumes to sweep away the work already done by commissions and to spend more money developing redistribution that results from its feelings. What is one to say about a Government that behaves that way?

The Acting Speaker (Mr. Paproski): When Orders of the Day are called later on this day, the Hon. Member for Thunder Bay-Nipigon (Mr. Epp) will have five minutes left in his debate and ten minutes left for questions and comments.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 22

[*Translation*]

AUTOMOTIVE INDUSTRY

LOCATING OF TOYOTA PLANT IN ONTARIO—ALLEGATIONS OF PRIOR KNOWLEDGE OF MINISTER OF STATE (TRANSPORT)

Mr. Carlo Rossi (Bourassa): Mr. Speaker, the Quebec caucus of the Conservative Party seems to be getting more ineffective by the day, as we hear more about the unfortunate exploits of these powerless unknowns.

Mr. Speaker, I would like to share with the House some comments allegedly made by the Minister of State for Transport (Mrs. Blais-Grenier) at the official opening of the indoor parking garage at Dorval Airport, the same day it was announced that Toyota had decided to set up its plant in Ontario.

The Minister of State for Transport indicated that she had been aware for some time that Toyota would be going to Ontario. If that was the case, why didn't she say so to her caucus? Why didn't she say so to the Hon. Member for La Prairie (Mr. Jourdenais), who had people's hopes raised when he promised that Toyota would be coming to Brossard? Why did she let the Conservative caucus move its unanimous resolution to bring Toyota to Quebec, if she had already known for some time that Toyota was going to Ontario?

The Cabinet could not care less about the Conservative Members from Quebec. In fact, it is far more easily influenced by the non-elected friends of the Prime Minister who meet at the Ritz than by those illustrious unknowns, elected when their leader's popularity crested, but it won't last.

Mr. Speaker, the Minister of State for Transport explained Toyota's decision, pointing out that the automobile industry was already located in Southwestern Ontario and that it was therefore perfectly natural and normal for Toyota to go to Ontario. These remarks by a Minister who is more interested in trips to Europe than in getting jobs for Quebec have demonstrated once again that she does not belong in Cabinet.

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

* * *

[*English*]

CONSUMER AND CORPORATE AFFAIRS

PRICE OF BREAD IN SASKATCHEWAN

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, last January, Weston and McGavin, two large bakeries in Saskatchewan, started a price war which threatened to put smaller local bakeries out of business. Bread which normally sold at $1.05 a loaf retail was being sold at only 58 cents a loaf and sometimes as low as nine cents a loaf. This appeared to be a clear case of predatory pricing designed to intimidate small bakeries, to drive them out of business and, in the long run, to drive up the price of bread.

However, after an investigation, the Director of Investigation and Research in the Department of Consumer and Corporate Affairs ruled that this price-cutting did not constitute predatory pricing. According to the Director, "the wholesale prices of the major bakeries covered their variable costs at all times". Given this ruling, McGavin recently followed Weston's lead and increased the price of bread in rural areas by 13 cents to 15 cents a loaf, bringing the current price to between 95 cents and $1.29 a loaf.

With the price of both wheat and sugar down, and with recent wage settlements falling behind the current rate of inflation, there is no good evidence of increased input costs. Until Weston and McGavin produce evidence which legitimately supports these price increases, Canadians can only conclude that they are being gouged by unfair pricing practices while the Minister of Consumer and Corporate Affairs (Mr. Côté) stands idly by.

If 58 cents was found to cover the variable costs of these bakeries last year, why must consumers bear these large price increases this year?

[*Translation*]

FORESTRY

SCHOLARSHIPS AWARDED BY HUMAN RESOURCES PROGRAM OF CANADIAN FORESTRY SERVICE

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, last Wednesday at Laval University, I had the pleasure of announcing, on behalf of the Minister of State for Forestry (Mr. Merrithew), the names of 13 students who were awarded a scholarship for studies in forestry under the Canadian Forestry Service's Human Resources Program. The total value of these scholarships is $150,800. In Canada this year, 50 students will each be receiving $11,600 under this program.

The Canadian Forestry Service promotes research in Canadian universities offering a master's degree and Ph.D. in this subject. The Service's Human Resources Program also offers practical training periods for students, university grants, R&D contracts for universities and training for Service staff.

The Canadian Forestry Service is trying to improve our schools of forestry and attract more students to this area. To this end, it has increased the grants paid to each of the six schools from $48,000 in 1982 to $381,000 this year. I am very proud to be part of a Government that is concerned about the future of our forests and that also recognizes the importance of providing first-class training for our future forestry experts, to ensure the prosperity of this sector. We must not forget that it includes Canada's most important industry.

This program, with the $150 million provided under the Canada-Quebec agreement on forestry development—

Mr. Speaker: I regret to inform the Hon. Member that her time has expired.

* * *

• (1405)

EDUCATION

TRIBUTE TO NEW CHARTERED ACCOUNTANTS

Mr. Marcel R. Tremblay (Quebec East): Mr. Speaker, I would like to draw the attention of the House to the recent success of Quebec candidates in the chartered accountants' examination. There is now a standard final examination throughout Canada whose purpose is to assess the professional judgment of candidates and their ability to make sound recommendations based on the aptitude to analyze and synthetize which a C.A. is expected to have.

Fifteen of the first 20 candidates who successfully passed the final examination were Quebecers. Better still, eight of the first ten were also from Quebec City. All told, Mr. Speaker, 678 young men and women from Quebec passed the final examination. Given such an achievement, no wonder Quebec has

experienced an economic renewal in recent years. Like their predecessors in this profession, they will continue to serve the business, industrial and agricultural communities, as well as the public and near-public sectors.

Mr. Speaker, all these young people will help to protect the interests of Quebecers and serve the community.

Having passed the examination, C.A. candidates will have to undertake a two-year stage with a firm of chartered accountants duly accredited for such training.

In conclusion, Mr. Speaker, I wish to congratulate the 678 Quebec candidates who passed the examination and, more particularly, the 15 young men and women who ranked among the first 20 in Canada.

* * *

[*English*]

TRANSPORT

TRUCK HAULAGE RATES ON FEDERAL PROJECTS

Mr. George Henderson (Egmont): Mr. Speaker, I rise in my place today to bring to the attention of the Government a resolution which the Canadian Dump Truckers Federation passed recently at a metting in Moncton, New Brunswick. The Truckers Federation is very concerned that haul rates on federal Government contracts do not conform to prevailing rates set by provincial Departments of Transport or Highways. The fact is that the federal Government does not have a minimum haul rate for dump trucks on federal projects. The absence of a minimum haul rate means that contractors on federal projects take advantage of the truckers they engage on the contract by offering them less than the prevailing provincial rate.

This is not a revolutionary request. The Government is requested simply to agree to the minimum provincial rates existing in each province when it tenders out contracts. I ask the Government to eliminate this predatory pricing situation which exists because of the lack of firm guidelines.

The establishment of a minimum haul rate on federal government contracts would stabilize the trucking industry and prevent the bickering and predatory pricing which are now sabotaging the trucking industry.

* * *

PUBLIC SERVICE

EFFECT ON STAFFING OF BUDGETARY CUT-BACKS

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, holding the line on government expenditures in the name of deficit reduction can be a dangerous business. The Inspector General of Banks has stated that Treasury Board prevented him from obtaining the staff he needed in the late 1970s to deal with a much enlarged banking system in Canada. Mr. Kennett sough 11 new people in the 1984-85 fiscal year but was given only four. He sought to hire 14 more this year but was only allowed nine. "As recently as last June", he says, "we received a missile from the Treasury Board suggesting we reduce our staff over the next couple of years".

Only after the Canadian Commercial and Northland Banks had failed, at a cost to taxpayers of hundreds of millions of dollars, did Treasury Board authorize an increase in the Inspector General's staff.

In the same week the Great Lakes region is reported to be the most contaminated in North America but the Minister of the Environment (Mr. McMillan) finds himself "subject to government restraint" and unable to fund more research. He is unable to fund the Toxicology Research Centre at Guelph which the Government scrapped last year when it slashed $46 million from the budget of Environment Canada. Meanwhile, his Department works on the terrifying problems of cleaning up the St. Clair River.

How large will the cost be in dollars and, perhaps, in lives, because of deficit reduction applied to the Department of the Environment?

* * *

[*Translation*]

RADIO-CANADA

ESTABLISHMENT OF PERMANENT NEWS SERVICE ON UPPER NORTH SHORE

Mr. Charles Hamelin (Charlevoix): Mr. Speaker, it is with a lot of pride and enthusiasm that, last Sunday evening in Forestville, the people of the Upper North Shore welcomed the official announcement by Mr. Pierre Juneau, President of the Canadian Broadcasting Corporation, that there will be a permanent news service of Radio-Canada in the region.

This was certainly good news as all members of the social and economic community of the area had been requesting it for nearly fifteen years.

Mr. Speaker, I believe that we should applaud the management of the CBC, its President, Mr. Pierre Juneau, and the Minister of Communications, the Hon. Marcel Masse, for being so sensitive to the needs of a region which is certainly disadvantaged as far as communications, information and an accurate portrayal of its difficult way of life are concerned.

Mr. Speaker, the regional services of Radio-Canada provide much more than critical and factual information. They are first and foremost a great agent for social and economic development.

They are also a powerful agent for dialogue and the motivator for an improved sense of identity.

In Forestville Sunday evening, Mr. Speaker, we indeed felt a greater sense of our identity as Canadians when we heard the words: "Ici Radio-Canada, Haute Côte-Nord".

• (1410)

THE ECONOMY

INCREASE IN EXPORTS

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I would like to bring to your attention some more good news about the economy. According to data published this week by Statistics Canada, our total commodity exports in the third quarter of 1985 increased $460 million over last year's figures for the same period.

More recently, in October, our commodity exports were valued at nearly $11 billion, with $8.5 billion going to the United States. As far as our balance of commodity trade in concerned, we have a surplus of $2.353 billion with the United States.

Spurred on by increased shipments of coal and refined petroleum products, exports continued to rise in October 1985, reaching a record level of $10.9 billion. This is an increase of 2.1 per cent over September and the third consecutive monthly increase.

Considering the size of our domestic market, Canadians are far more dependent than Americans on foreign markets for exports of goods and services. In fact, exports of goods and services as a percentage of our gross national product are three times the percentage attained in the United States.

Mr. Speaker, here we have the positive results of policies initiated by the Conservative Government that have helped to stimulate the Canadian economy.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

UNITED STATES PLAN TO CLEAN UP TOXIC DUMP SITES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the city of Niagara Falls, New York, is home to several toxic dump sites. The City is already four months behind in meeting a Federal Court request for a clean-up schedule. Now City Council has rejected the recommendation by City staff to hire a consultant to help and develop a clean-up plan. Why? The consultant's fees would drive up water rates. This act of political cowardice is indicative of the lack of political will to find a solution of how to clean up the dump sites. The lack of political will does not stop at the Canada-U.S. border, though; it is contagious and has infected the present Tory Government.

The Minister of the Environment (Mr. McMillan) refuses to let Canadians know the contents of an American plan to clean up the toxic dumps, a two-month old document which is public in the U.S. Indeed, the Minister will not go even so far as to express an opinion on the contents of the plan. Decisions affecting Canadians are being made behind closed doors, keeping the Canadian people in the dark. I urge the Minister of the Environment to come clean with the Canadian people and tell them what he thinks about the U.S. plan to clean up the dumps, what he intends to do about the shortcomings in the plan, and how he intends to convince the Americans that extraction and destruction of the toxic materials are better than containment, and that action should start in the immediate future.

* * *

CROWN CORPORATIONS

DE HAVILLAND—SIZE OF PUBLIC FUNDING

Mr. Bill Attewell (Don Valley East): Mr. Speaker, in 1974 the Liberals embarked on a bail-out of de Havilland which was in grave financial trouble. The Liberals ignored all advice and moved ahead with their pipe dream, a dream which was to see an ever increasing role for Government in the market-place through the setting up of hundreds of Crown corporations. Along with their bosom buddies from the NDP, they endeavoured to teach the business world a lesson. They appointed new managers at de Havilland and opened wide the taxpayers' purse. After pouring in $830 million of taxpayers' money it was obvious that they had failed miserably. de Havilland's long-term survival was in jeopardy.

• (1415)

Now, through my Government's move to privatize de Havilland, the future of the company and its workers looks bright. The Official Opposition seems to have lost touch with the mood of Canadians. Canadians know that privatization costs the taxpayers less and means more jobs. The Ontario Liberals know this. They are trying to sell UTDC and other Crown corporations. The Quebec Liberals have just appointed a Minister of State for Privatization.

We, the Progressive Conservatives, acted to stop the haemorrhage of public funds and ensure the survival of de Havilland. We acted to save hundreds of jobs. We keep our promises, and Canadian taxpayers recognize that fact.

ORAL QUESTION PERIOD

[*English*]

CROWN CORPORATIONS

SALE OF DE HAVILLAND—TERMS OF PROSPECTUS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the absence of the Prime Minister who, according to the House Leader, should be here shortly, I will put my question to the Deputy Prime Minister. Even he, who has a talent for secrecy, should have recognized that the handling of the de Havilland affair by the Government has been deplorable, even by the Government's own standards.

No thanks to the Government, we have obtained a copy of the secret prospectus which was given to prospective purchasers of de Havilland. It confirms that the Government has been spreading misinformation about the deal.

Some Hon. Members: Shame, shame!

Mr. Turner (Vancouver Quadra): I will ask the Deputy Prime Minister once more whether the Government will come clean to the shareholders of de Havilland, they being the people of Canada. Will the Deputy Prime Minister, in conjunction with the Prime Minister, who has just entered the House—

Some Hon. Members: hear, hear!

Mr. Turner (Vancouver Quadra): The Prime Minister has just asked the House Leader what this is all about. I want to tell him. We want the documents, the acquisition agreement, the memorandum of understanding, and the secret prospectus given to prospective purchasers in the de Havilland deal.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the Right Hon. Leader of the Opposition has quite rightly been asking for details about this deal. We have been very forthcoming with that information.

Some Hon. Members: Oh, oh!

Mr. Gauthier: What a statement.

Mr. de Cotret: At the time the Government made the announcement we made available to all Members of the House a summary of the memorandum of understanding, a summary of the letter of intent, background material on de Havilland, and background material on Boeing. Since then I have answered questions on price, book value, tax limitations, credit notes, world product mandates, government equity, royalties, product liability insurance, corporate liabilities, government programs and access thereto, Canadian government content, supplier development, R and D, insurance, new investment, and technology. What more do you want?

Some Hon. Members: Hear, hear!

PROJECTED LOSSES AND PROFITS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the President of the Treasury Board is once again risking his reputation in responding to these questions. He has repeatedly said in the House that the reason for selling de Havilland is that it will lose $200 million next year. The prospectus we have, which was prepared by Burns Fry, Merrill Lynch, and S. G. Warburg of London, England, and sent to all prospective purchasers of de Havilland, proves that this is simply not true. The prospective loss for 1986 was not $200 million, but $14 million. The prospective profit for 1987 was $5 million; for 1988, $16 million; and for 1989, $27 million, for a total of $48 million. Would the Minister be good enough to reconcile his version to the House with what the prospectus to potential purchasers said?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I would be very happy to answer as I have been throughout the last few weeks.

Mr. Gauthier: Tell the truth.

Mr. de Cotret: The estimates that were received from the Department responsible and from the company in question indicated potential losses for the coming year of between $50 million and $75 million—

Mr. Gauthier: You said $200 million.

Mr. de Cotret: —and the necessity of injecting a further $125 million in equity, which meant a cash loss to the Treasury, the CRF as you well know it is called, of $200 million for the coming fiscal year.

Ms. Copps: That's nonsense.

Mr. Turner (Vancouver Quadra): Mr. Speaker, either we have a misleading Minister or a misleading prospectus.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I think the Minister and the Government ought to come clean and table in Parliament all the relevant documents so that we can make our own judgment about that.

Some Hon. Members: Hear, hear!

• (1420)

GOVERNMENT SUPPORT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the document, under the title *Acquisition Opportunities*, cites a number of advantages, including these two:

> The availability of Government support for development projects under existing funding mechanisms—

That is promised to the prospective purchaser. The second is:

> The prospect that the Canadian Government will continue to support the company.

Will the Minister explain what these two advantages really mean?

Hon. Robert de Cotret (President of the Treasury Board): I have said time and time again, Mr. Speaker, that de Havilland, under Boeing ownership, will be eligible for all existing government programs as any other Canadian corporation would be eligible. I cannot go much further than that—

Mr. Deans: How much will that cost the Consolidated Revenue Fund, the CRF?

Mr. de Cotret: The company is eligible for those programs as is every other company. I have said that before.

In terms of continuing support, I think this Government has proven over the last 15 months that it supports every company in Canada that has embarked upon growth, job creation, new investment and development. We will continue supporting companies of that kind.

Some Hon. Members: Hear, hear!

CORPORATION'S LAND HOLDINGS

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is also for the President of the Treasury Board. The public and the media have been under the impression that de Havilland owned 54 acres of land in Downsview. The prospectus indicates that it owns 96 acres, and that de Havilland may have purchased from the Government an additional 54 acres, which are worth an additional $60 million at least. Just how much land is there included in this deal?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I will be very happy to get the exact number for the Hon. Member.

Mr. Gauthier: Give it to us now.

Mr. de Cotret: I can only tell the Hon. Member that $60 million is way out of the ballpark; it is nowhere close to that. I will though ensure that the Member gets the exact number of acres.

REFERENCE TO MANUFACTURING PRODUCTS IN DEVELOPING COUNTRIES

Hon. Bob Kaplan (York Centre): Mr. Speaker, I have a supplementary question. I want to ask the Minister about a statement, the most serious statement in the prospectus, namely, the suggestion that the purchaser of de Havilland will have the availability of manufacturing its products in developing countries. What does that mean? That is exactly what it says.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I have responded on a number of occasions—

Some Hon. Members: Oh, oh!

Mr. Kaplan: What is its world product mandate?

An Hon. Member: Which question are you asking?

Mr. Nielsen: Who is that masked man?

Mr. de Cotret: A world product mandate, Mr. Speaker, I think I tried to explain that to the Right Hon. Leader of the Opposition a few weeks ago, means that de Havilland of Canada has the sole right to produce its existing line of products for sale anywhere in the world.

M. Deans: It has that now.

Mr. de Cotret: It means we are retaining our technology and what is properly ours and we have the availability to sell it world-wide, a much wider market-place, and with better expertise than ever before.

UNION SHAREHOLDER'S REQUEST FOR INFORMATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the President of the Treasury Board. Has he been made aware of a telegram sent to the Prime Minister concerning the fact that the UAW is a minority shareholder in de Havilland, and requesting as a minority shareholder that the UAW's rights to certain information be upheld with respect to information that has not been provided yet in the House of Commons? Could the Minister tell us whether he has been made aware of the content of that telegram, and has the information requested by the UAW been made available to the UAW?

Hon. Robert de Cotret (President of the Treasury Board): First, Mr. Speaker, I would like to clarify the fact that the UAW is a minority shareholder in the company. It owns one share.

Mr. Deans: Who is looking after its interests?

Mr. de Cotret: What we are doing in that instance is selling our shares. We are not selling the UAW's share.

I am not aware of the specific content of the telegram. The UAW has not been made privy to information that has not been made available to all those in this House who have been asking questions about this deal.

Mr. Broadbent: I suspect, Mr. Speaker, that the Government will hear more directly from the UAW or from its lawyers. I will, however, leave that for a moment.

ACCESS TO INFORMATION—EFFECT ON HOUSE BUSINESS

Hon. Edward Broadbent (Oshawa): I want to ask the Prime Minister a question concerning the important right of access by Members of Parliament to documentation relevant to the de Havilland sale. The Prime Minister just before Question Period turned down a suggestion for a meeting with the Leader of the Opposition and myself to work out a schedule for the remaining days of this week.

• (1425)

In terms of the mandate which will be given to his House Leader to negotiate that timetable, will he make it clear that in that will be all details pertinent to the de Havilland sale? Will that be on the negotiating table in terms of sorting out the schedule of debates for the rest of this week?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the meeting to which my hon. friend refers is one which is properly conducted by House Leaders in the normal course of events. The proposition put forward by my hon. friend is a most unusual one. With regard to the de Havilland deal, this Party, not unlike my right hon. friend, the Leader of the Opposition, who campaigned for the leadership of the Liberal Party on a program of divesting himself of Crown corporations, and now changes his mind—

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): But retaining control in this country.

Mr. Gauthier: Back to Baie Comeau.

Mr. Mulroney: This Party—

Ms. Copps: Boeing, Boeing!

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Mulroney: This Party campaigned clearly on a program of divesting the Government of Canada in those circumstances, which is appropriate, of those kinds of holdings. We sought a mandate from—

Some Hon. Members: Sh-h-h!

Mr. Mulroney: There is the air going out of the Liberal Party. We sought a mandate—

Some Hon. Members: Sh-h-h!

Mr. Mulroney: Some of them have more air than others, I will acknowledge that.

Mr. Turner (Vancouver Quadra): Not as much hot air.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Turner (Vancouver Quadra): On a point of order, Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Speaker: Not during Question Period.

Mr. Turner (Vancouver Quadra): I would like to rise on a question of order—

Mr. Speaker: The Right Hon. Leader knows full well that we take questions of order—

An Hon. Member: Read the rules, John.

Mr. Speaker: Order, please.

Mr. Turner (Vancouver Quadra): After Question Period I will rise on a question of order concerning the statement of the Right Hon. Prime Minister.

Mr. Speaker: That is fine.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I hope he stays here and listens to it.

Mr. Speaker: Questions of order and privilege are normally taken at the end of Question Period.

HOUSE LEADERS' NEGOTIATIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my final supplementary question is directed to the Prime Minister. He has suggested that this is to be negotiated with the House Leaders. I say to him that our House Leader has requested this three times and has yet to receive an answer. Considering that the Prime Minister campaigned on openness in government, will he assure the House that before we recess his House Leader will negotiate with the other House Leaders the right of Parliament to have access to all pertinent information on the de Havilland deal? Will he give us that assurance?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we campaigned and we obtained a mandate from the people of Canada to do precisely what we are in the process of doing.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Gauthier: Not to give it away.

Mr. Mulroney: While I doubt if there is a more forthcoming Member of the House of Commons than the distinguished House Leader of the Government—

Some Hon. Members: Hear, hear!

Mr. Mulroney: —who meets regularly with the House Leaders of the other Parties, which is why so much effective legislation has passed in this Parliament,—

An Hon. Member: Ray for Leader.

Mr. Mulroney: —I can say that the Government House Leader is ready and delighted to meet with his *vis-à-vis* at any time and with regard to—

An Hon. Member: His *vis-à-vis*?

Mr. Mulroney: The Leader of the Opposition said that he would stand to make a point of order. Some of his best points have come when he has been sitting down.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

PROJECTED GOVERNMENT FUNDING

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, the President of the Treasury Board is either confused or he is misleading the House.

Some Hon. Members: Oh, oh!

Mr. Dingwall: The Minister has said repeatedly that additional income is going to be needed for de Havilland. I want to ask him why the prospectus says: "No additional equity funds are assumed beyond 1985". Will the Minister stand in his

place and tell us why there is this contradiction between his statement in the House and that in the prospectus?

• (1430)

An Hon. Member: Come clean.

Hon. Robert de Cotret (President of the Treasury Board): I will come clean. It is very clear. We expect to close the deal by December 31 of this year and there will be no further capital injections or equity injections from the Crown thereafter. That is one of the reasons behind the whole purpose of this deal. It is to ensure that we stop sinking hundreds of millions of dollars of taxpayers' money into de Havilland every year.

Some Hon. Members: Hear, hear!

Mr. Dingwall: Mr. Speaker, the Minister continues to distort the facts and distort the House of Commons on the true value of what—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. I must ask the Hon. Member simply to withdraw that assertion and finish his question.

Mr. Dingwall: Mr. Speaker, I will oblige your ruling and withdraw. My supplementary question is directed to the Prime Minister, if he has the intestinal fortitude and the guts to answer the question.

Some Hon. Members: Oh, oh!

Mr. Dingwall: In view of his promise that Parliament would review the transaction with relation to de Havilland, will he not agree to table the memorandum of understanding so that the distortions and misleading facts that the President of the Treasury Board is portraying—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. Next question. The Hon. Member for Ottawa Centre.

ROYALTY PAYMENTS BY BOEING CORPORATION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Prime Minister. His Party did in fact campaign on a promise to keep de Havilland and Canadair in Crown ownership, in Canadian hands.

Some Hon. Members: No way.

Mr. Cassidy: We now read in the pages of *The Financial Times* that Boeing will not be required to pay a nickel in royalty on the sale of Dash-8s until 400 Dash-8s have been sold. Furthermore, the sum that Boeing may have to pay in royalties will be no more than $22 million, considering $400 or $500 million in development costs have been paid by the taxpayers.

Does the Prime Minister believe it is appropriate that we in Parliament should have to learn such details of the deal, such as how much is payable in royalties, through the press rather than having it tabled in the House?

Mr. Speaker: Order. This is a very long question.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, if the Hon. Member had cared to ask the question I would have been more than happy to answer it. The royalty arrangements, which I mentioned in the House before, apply to the Dash-8 after plane 400 to the tune of $225,000 per plane, and apply to the Dash-7 after plane 122 to the tune of $225,000 per plane. To date we have deliveries and firm orders of 107 planes with respect to the Dash-7 and 51 with respect to the Dash-8.

REQUEST FOR COMMITTEE REFERRAL

Mr. Mike Cassidy (Ottawa Centre): Do we have to go through this strip-tease day after day in order to get information from the Government? Why cannot Parliament have all of the information, refer it to a parliamentary committee and bring before us the people from CDIC, de Havilland and Boeing to find out whether or not this deal is good for Canada and good for Canadians?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, let me preface my answer by saying once again that it is a good deal for Canada, a good deal for Canadians, and a good deal for the employees of de Havilland.

Mr. Deans: Give us the details.

Mr. de Cotret: As far as making all of the details of the deal available, that question has been asked time and time again and answered time and time again. When the final negotiations are completed all of the details of the deal will be made available in the appropriate forum—

Some Hon. Members: Too late.

Mr. de Cotret: —at the appropriate time.

* * *

AIR TRANSPORT

EFFECT OF DEREGULATION OF INDUSTRY IN UNITED STATES

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is directed to the Minister of Transport. Last Friday, in response to a question from the Leader of the Opposition regarding the impact of deregulation of the airline industry in the United States on safety and maintenance, the Minister of Transport stated that there was no evidence to suggest that safety and maintenance have been affected by U.S. airline deregulation.

Is the Minister aware of a recent survey of 1,200 American airline pilots which concludes that two-thirds of those pilots believe that safety and maintenance standards have been reduced since the introduction of U.S. airline deregulation?

Would he not agree that such a finding underlines the necessity for the Standing Committee on Transport to study U.S. airline deregulation before the Minister proceeds with his own legislation to deregulate our Canadian airline industry in the new year?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am aware of the record and the statistics that have been released as far as safety in the United States is concerned.

In terms of fatalities per million passengers, there has been an improvement of about 20 per cent between 1979 and 1984 in the United States. In terms of fatalities per billion revenue passengers there has been an improvement by approximately 26 per cent.

While I am on my feet, perhaps it is time that the Hon. Member and other Members, particularly those who write editorials, reread the document *Freedom to Move* wherein it states very categorically: "I would like to indicate unequivocally that this Government will neither propose nor permit any economic regulatory reform that might be detrimental to safety standards". That is the policy of this Government.

Some Hon. Members: Hear, hear!

Mr. Tobin: The Minister does not cite 1985 figures when we have had 1,900 fatalities, a record in the history of aviation in this country.

REQUEST THAT COMMITTEE EXAMINE SITUATION IN UNITED STATES

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, is the Minister aware that in addition to the U.S. survey of pilots, both the Canadian Airline Pilots Association and the Canadian Air Traffic Controllers Association expressed serious reservations about the Minister's proposed package on deregulation of the airline industry in this country? Why will he not allow the Standing Committee on Transport to help him keep Canada's airline industry one of the safest in the world by letting us examine the U.S. experience south of our border before we proceed with deregulation in this country? Will he do the responsible thing?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the Government has taken a responsible course of action. It recently passed Bill C-36, amending the Aeronautics Act which had not been amended since 1919. It improves the power of the Minister to detain aircraft that are unsafe or likely to be operated in an unsafe manner; gives power to suspend immediately any licence relating to aviation where continuing to allow the holder to operate the licence would create a safety hazard; power to enter the aircraft on premises; enhanced power to make regulations concerning air-worthiness; power to regulate design, manufacture and maintenance, and power to make regulations to license personnel.

Mr. Speaker: Order, please.

Some Hon. Members: Hear, hear! More, more!

REQUEST FOR WITHDRAWAL OF CANADIAN LANDING RIGHTS FOR AIRLINES UNDER INVESTIGATION IN OTHER COUNTRIES

Mr. Les Benjamin (Regina West): Mr. Speaker, my question, which is directed to the Minister of Transport, concerns the same topic. The previous questioner indicated what the American pilots said. One even said that deregulation and cheap airfares will be paid for in blood.

Will the Minister immediately withdraw landing or route rights in Canada from any foreign commercial or charter airline that is under investigation or has been fined, until his Department is notified that that airline has received a clean bill of health from the regulatory agencies of the foreign countries governing such matters?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the Hon. Member poses quite a question. Inherent in his question is a premature decision that the accident that occurred was a direct result of the practice of deregulation in the United States of America, and his question implies that that is the reason for other accidents. That has not been clearly established. I wish the Hon. Member would wait until the CASB at least brings forth a preliminary report on the causes of this unfortunate accident.

Mr. Benjamin: On his second chance, I hope the Minister will deal with the question.

REQUEST THAT DEREGULATION BE POSTPONED IN CANADA

Mr. Les Benjamin (Regina West): Mr. Speaker, that particular airline negotiated a fine of $38,000, half of what it is liable for. It is still under investigation by the FAA. American Airlines just paid a one and a half million dollar fine—

Mr. Speaker: Order, please.

Mr. Benjamin: Will the Minister heed these warnings and experiences from Canadian and American pilots and air traffic controllers, and not proceed any further with deregulation of air transportation or any other mode until the Transport Committee has been given authorization to conduct further hearings in Canada and the United States and report back to the House?

• (1440)

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am sure that the Hon. Member knows my commitment to safety very well. I think it is very clear that my record is as good as that of anyone in the House. It was under my leadership that the Dubin inquiry was commissioned, an inquiry from which many of the proposals that have been enacted flowed, and I might add that that has contributed enormously to the safety of aviation in Canada.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: Consistent with that approach, I will always entertain any measure or initiative that would improve on that course of action. However, when Hon. Members rise in the House to suggest that they haven't had sufficient time to deal with the document entitled *Freedom to Move* while the attendance of Liberal members at the committee was less than 50 per cent, then they really have no room to argue. At least the Hon. Member across the way attended the meetings 87 per cent of the time.

Mr. Gauthier: That's a lie, Maz. That's a lie and you know it.

Mr. Mazankowski: I've got the figures right here.

Mr. Speaker: Order, please. It's going to be a difficult enough week. Order, please.

Mr. Turner (Vancouver Quadra): You got yourself a real problem.

Mr. Gauthier: I've got the figures, Maz.

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NATIONAL RESEARCH COUNCIL

FIVE-YEAR PLAN

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. The Minister recently issued a five-year plan for the National Research Council. As we are moving toward enhanced trade with the United States, and given the importance of research and development, how will the NRC's five-year plan help Canadian business, and particularly small business, to be more competitive in the tough U.S. market?

Mr. Gray (Windsor West): Order Paper.

Mr. Hnatyshyn: That's a good question.

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I very much appreciate the sensitivity of my hon. colleague and friend to the fact that any future improvement in our economy and industrial growth will depend very much on research and development of newer, modern, state of the art industrial technology and, indeed, the application of such technologies. This is a priority of the Government and this priority is reflected in the five-year plan of the Research Council. We should anticipate that our industry, particularly the small—

Mr. Speaker: Order, please. This should be under Statements.

Oral Questions

CULTURAL AFFAIRS

OWNERSHIP OF BOOK PUBLISHING INDUSTRY

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is for the Minister of Communications. According to this morning's news, Ambassador Niles has said that ownership of book publishing is not a major cultural issue and that it is an item to be on the free trade negotiating table. Does the Minister not agree that if the United States Ambassador, who lives right across the street from the House of Commons, does not understand how our communications policy works and does not understand our book publishing policy, Canadians can only conclude that the Government is saying publicly that it will control its own cultural industries while saying another thing to the American Ambassador right here in Canada? My question is—

Some Hon. Members: Oh, oh!

Mrs. Finestone: Is book publishing on the table or not?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, the provinces and the federal Government will be meeting some time in February or early March. Yesterday, there was a meeting of deputy Ministers to discuss this matter, and to my knowledge, only representatives of provincial Governments and the Government of Canada are invited to attend the meeting.

[*English*]

MEETING WITH UNITED STATES OFFICIAL

Mrs. Sheila Finestone (Mount Royal): My supplementary question is directed to the same Minister. Is the Minister not embarrassed and ashamed, first because he did not answer the question, and particularly because he knows that tomorrow morning there will be a meeting between the Minister of Trade and the American Minister of Trade, Mr.—

Mr. Speaker: Order, please. Order. A substantive question, please?

Mrs. Finestone: Is the Minister not ashamed that Clayton Yeutter will meet tomorrow morning to discuss book publishing and putting it on the negotiating table?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, the Hon. Member asked me whether there was a meeting or not. The provinces and the Government of Canada will be meeting, and to my knowledge, no one from the U.S. Government has been invited to take part. So, we will have Canadians defining policies for Canadians.

[*English*]

CROWN CORPORATIONS

SALE OF DE HAVILLAND—BRIEFING OF ONTARIO PREMIER

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I have a copy of a letter sent to the Premier of Ontario which commits the federal Government to brief the Government of Ontario in advance of any announcement of the sale of de Havilland. Why was this not done given that the Prime Minister signed the letter which was sent to the Premier?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, to the extent that the question is addressed to me, I want to tell my hon. friend that indeed, in advance of the sale, I had a conversation with Premier Peterson and it was agreed that all of the details available to—

Ms. Copps: What were you doing with him?

Mr. Mulroney: The Hon. Member for Hamilton East asks what I was doing with Premier Peterson. We were speaking of her, what else?

Mr. McDermid: And is he ever relieved that you're up here.

Mr. Mulroney: I won't tell you what he said.

I then asked the President of the Treasury Board to meet with Mr. O'Neil, the Trade Minister from the Government of Ontario, and I believe that was done on the Thursday or Friday of the Halifax conference in advance of any public announcement. As I indicated that we would brief the Government of Ontario fully, we did in advance of the transaction.

REQUEST FOR PRODUCTION OF DOCUMENTS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I must say that that is certainly at odds with what the Premier has said. However, I cannot say.

Let me ask the Prime Minister a question on a related matter. Why is it that we cannot see the documents to which the President of the Treasury Board constantly refers and from which he constantly reads? Why can we not have the documents now before the sale is completed in order that we can make a proper evaluation of the sale, as we are required to do?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I have said time and time again that we are working toward concluding this transaction by December 31 and as soon as the transaction is concluded and as soon as the final details are arrived at, we will make all the details available in the proper time and in the proper forum.

PUBLIC SERVICE

FUNDING OF EMPLOYMENT PROGRAMS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is for the President of the Treasury Board. Last Friday when he was asked about recent directives to cut Government programs, and in particular employment programs by $200 million, he said the following:

> —we asked the departments to reduce their daily operational spending by an additional amount, to ensure that funds not spent at the end of the year are saved to keep the deficit . . . at a tolerable level—

How can the Minister justify any cut in funds for employment programs when the national rate of unemployment is still at 10.2 per cent, for youth it is 16.2 per cent, for Atlantic Canada it is 15.9 per cent, and for British Columbia it is 14.5 per cent? How can he justify any cuts in employment programs when that situation still exists?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the directives were quite clear. We are trying to protect the lapse and, as the Hon. Member well knows, every year there is a significant lapse in most Departments and we take very seriously our commitment as a Government to establish through sound financial management a better deficit position with a deficit that is on the way down rather than up. These directives had the purposes of ensuring that the lapses that were predicted for this year were in fact going to carry through.

GOVERNMENT POLICY

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, the Minister knows that it is the practice to recoup the lapses in the last two months of the fiscal year and not in the middle of the fiscal year. Is this not really an attempt to find money to pay for the bank bail-outs? Again, I ask the Minister how he can justify cuts to the employment programs when there is the unacceptably high level of unemployment?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I find it hard to believe that the Hon. Member would talk about high levels of unemployment and job creation. In the last 15 months we have created on average more than 9,000 jobs per month in Quebec and 416,000 jobs across the country. We have been working on jobs, jobs, jobs, as we promised throughout the election campaign.

Some Hon. Members: Hear, hear!

● (1450)

CANADIAN NATIONAL RAILWAYS

CONTAINER TRAFFIC TARIFFS—EFFECT ON PORT OF VANCOUVER

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is for the Minister of Transport. The Minister has received complaints that new CNR tariffs favour U.S. routes which connect central Canada to the Pacific. Port of Vancouver companies and unions estimate that this will cut Canadian container traffic by 50 per cent and that it will account for the loss of hundreds of Canadian jobs. Does the Minister believe that a railway which is owned by the Canadian people should favour U.S. routes over Canadian routes and be allowed to undermine a port which, as he knows, is already involved in a life and death struggle to survive?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I know that the Hon. Member is concerned, as I am, about the diversion of traffic. I think she will also recognize that CN has had a long history of support for the Port of Vancouver. The fact of the matter is that there has been a tremendous diversion of traffic into the United States, and the CNR was being locked out of that traffic in any event. The CNR thought it most appropriate at least to compete for that traffic and obtain a bit of it.

I think the Hon. Member is also aware of the problems with respect to the destuffing clause, which affects containers in the Port of Vancouver. I am pleased that the ILWU and the BCMEA resumed negotiations today, I believe. I hope they will be able to resolve this matter because I think it is central and critical to the whole problem.

REQUEST FOR REVIEW OF COMPANY'S POLICY

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, does the Minister believe that a railway which is owned by the people of Canada should be involved in this type of matter? It is really taking away Canadian business and Canadian jobs. Will the Minister undertake a review of this policy which is followed by the CNR? Will he also include an assessment of the effect that future deregulation will have on jobs in the Canadian transportation industry?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I wish to assure the Hon. Member that I have indeed taken this matter up with officials of CN. I repeat, this diversion of traffic was occurring on U.S. lines. There is an affiliate in the United States with which it can compete. As long as the market is such as it is, I think it is in the best interests of CN, at least, to obtain its share of the traffic. Hopefully we can resolve some of the other outstanding issues which will put CN and the American railways on a more equal footing.

Ms. Mitchell: What about the port?

Mr. Mazankowski: The legislation flowing out of *Freedom to Move* will clearly help that process very much.

* * *

[*Translation*]

PUBLIC WORKS

REQUEST FOR EXPLANATION CONCERNING SALE OF FEDERAL PROPERTIES

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the Minister of Public Works. Upon review, his department has found that an estimated $400 million worth of surplus property could be put up for sale. Could the Minister inform the House whether the disposal of these federal properties will result both in savings for the public Treasury and investment by the private sector?

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, you will probably recall that about fifteen months ago, the Auditor General was almost offensive in his comments on the way Crown assets were administered.

In view of the circumstances, and I am sure all Members of this House will be delighted with the news, we started by selling $36 million worth of surplus property, which means a savings of $5 million in taxes and maintenance, and, as we had hoped, has led to about $2.5 billion worth of investment by the private sector, for the greater benefit of all Canadians.

* * *

EMPLOYMENT

REQUEST FOR CLARIFICATION OF TRAINING PROJECTS

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Minister of Employment and Immigration.

This morning, people representing some 500 community groups were here on Parliament Hill. Can the Minister confirm that according to internal directives from her department, which I have here, the maximum duration of training projects submitted by community agencies is limited to 24 weeks or less, and that this is the result of a $16 million cutback in the training budget for the Montreal region?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, no. Whatever information the Hon. Member has is not correct. Some 71 per cent of the proposals which have been submitted thus far under the Canadian Jobs Strategy in the Province of Quebec have been submitted by community groups. That is a much higher percentage than from any other type of organization within the province. However, our commitment under the Canadian Jobs Strategy is to help those who are most in need. Therefore, the work that we will be doing is particularly directed to those who

are long-term unemployed—the people who need the help most.

DEPARTMENTAL POLICY

Mr. David Berger (Laurier): Mr. Speaker, the Minister refuses to answer our questions. She refers continually to the number of applications. I have in my hand a directive from her Department which indicates clearly that community groups are being discriminated against as a result of the policies of her Department. Will she tell us why she asked community groups to submit projects for a period of up to 52 weeks when internal departmental directives indicate to project officers that they are to limit approvals to 24 weeks? Will she explain this in the House and will she explain it to the press?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, unfortunately the Hon. Member is totally confused about the whole Canadian Jobs Strategy.

Mr. Crosbie: As usual.

Miss MacDonald: That is really too bad for the people who reside in his constituency. If he is not able to meet with representatives of the Department of Employment and Immigration and get the facts straight, I do not know how he will be able to inform the people who lives in his riding. We will undertake to inform them directly.

Some Hon. Members: Hear, hear!

* * *

REFUGEES

GUATEMALA—VISA POLICY APPLICABLE TO REFUGEE STATUS CLAIMANTS

Mr. Dan Heap (Spadina): Mr. Speaker, I have one question for the Hon. Minister of Employment and Immigration. In view of last week's shocking murder of a Guatemalan refugee, Beatriz Barrios Marroquin, and also of the many urgent pleas of responsible Canadians and their encouragement, will the Minister now reconsider and revoke her regulation which requires Guatemalans to have visas before they can enter Canada if they wish to make a refugee application?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, on behalf of the Government we certainly want to express our outrage at this brutal murder which occurred. However, I would like to take this opportunity to point to the Hon. Member that this woman applied for her visa to Canada on November 29 and it was granted on December 6. The reason she could not leave Guatemala was because she required an exit visa from the Guatemalan Government, which she was not able to obtain until December 10. She was brutally murdered that evening.

While this is a terrible incident, and we are outraged over it, it was not as a result of any lack of speed or processing on the part of the Canadian Government.

Some Hon. Members: Hear, hear!

* * *

NORTH ATLANTIC TREATY ORGANIZATION

PROVISION OF FIGHTER AIRCRAFT TO TURKEY—GREEK CYPRIOTS' FEARS

Mr. Alan Redway (York East): Mr. Speaker, my question is for the Associate Minister of National Defence. Canadians of Greek origin are most concerned that CF-104 aircraft, partly paid for by their tax dollars, may be used against Greeks in Cyprus. Can the Minister advise the House what safeguards, if any, there are in place to ensure that these aircraft will never be used in Cyprus?

Hon. Harvie Andre (Associate Minister of National Defence): Mr. Speaker, as the Hon. Member knows, this equipment was offered to Turkey under a NATO agreement. The southern-tier countries of Turkey, Greece and Portugal were offered this equipment at the same time. The condition under which they were accepted by Turkey is that they be used to bolster that country's NATO role. I understand that these aircraft will be based in the southeastern part of Turkey, that is, near the Turkey-Iran border, and that they will be nowhere near the Turkey-Greece border, or Cyprus.

* * *

[*Translation*]

PETROCHEMICAL INDUSTRY

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

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Right Hon. the Prime Minister. Last Wednesday the Prime Minister told Gulf workers that Gaz Métropolitain had not made a serious offer to purchase the Montreal Gulf refinery. Gaz Métropolitain President Pierre Martin later denied that statement.

Here is my question, Mr. Speaker: Can the Prime Minister tell us why he tried to mislead the Gulf refinery workers and discredit Gaz Métropolitain management?

Right Hon. Brian Mulroney (Prime Minister): What a stupid thing to say! It is a stupid comment as usual, considering I had an opportunity to meet personally with the Montreal petrochemical workers who commented on the attempts of the Liberal Member to politicize every file he can lay his hands, on. Ah! That is now well known in the House of Commons.

The fact is that—

Mr. Rossi: Repeat that outside the House!

• (1500)

[*English*]

Mr. Mulroney: I may have a nasal problem, Mr. Speaker, but I can smell a rat—right over there.

[*Translation*]

Mr. Speaker, it was Premier Bourassa who said Friday that Gaz Métropolitain was to make a new and more generous offer in this case.

* * *

[*English*]

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of one, presented by Hon. Members on Friday, December 13, 1985, meet the requirements of the Standing Orders as to form.

[*Translation*]

The petition presented by the Hon. Member for Westmorland-Kent (Mr. Robichaud) does not meet the requirements of the Standing Orders as to form.

* * *

POINTS OF ORDER

ALLEGED MISQUOTATION BY MR. MULRONEY

Mr. Speaker: I am in receipt of two notices of points of order. First the Right Hon. Leader of the Opposition.

Right Hon. John N. Turner (Leader of the Opposition): The Prime Minister just said that he can smell a rat. That is not what we learned over the weekend when Mrs. Mulroney said he had no sense of smell.

An Hon. Member: He can't even smell a diaper.

Mr. Turner (Vancouver Quadra): If he had a good nose, he would know this de Havilland deal stinks.

Mr. Gauthier: That's right.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: Order.

Mr. McDermid: Order.

Mr. Turner (Vancouver Quadra): My point of order is that the Prime Minister's favourite pastime of misquoting Hon. Members on this side of the House—

Mr. Hnatyshyn: Order.

Point of Order—Mr. Kaplan

Mr. Turner (Vancouver Quadra): —particularly when they are out of the House. This afternoon he claimed that I had recommended during the election campaign the sale of de Havilland and Canadair—

Mr. McDermid: That's not a point of order. That's a point of debate.

Some Hon. Members: That's debate.

Mr. Turner (Vancouver Quadra): What I said, and I have reviewed my statements very carefully—

Some Hon. Members: That's debate.

An Hon. Member: It's a point of order.

Mr. Turner (Vancouver Quadra): It is a point of order. What I said, Mr. Speaker, was quite clear. I wanted co-production agreements with international partners. I wanted joint ventures with international partners. But I wanted the retention of control left in Canada, and that has been quite clear right throughout the nation.

Some Hon. Members: Hear, hear!

Mr. Speaker: That is not a point of order at all.

An Hon. Member: No, no.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. The Hon. Member for York Centre (Mr. Kaplan).

An Hon. Member: No, no.

An Hon. Member: We have a point of order.

Mr. Gauthier: Sit down.

Mr. Speaker: Order.

Mr. Foster: This isn't show and tell time.

Mr. Speaker: Order, please. I will deal with the points of order in the order in which I receive them. The point of order next was from the Hon. Member for York Centre.

TABLING OF DOCUMENT QUOTED BY MR. DE COTRET

Hon. Bob Kaplan (York Centre): Mr. Speaker, during the Question Period the President of the Treasury Board was asked for some of the terms of the de Havilland sale to Boeing which he has been withholding.

Point of Order—Mr. Mulroney

In giving royalty figures, he read from a document. I refer to Citation 327 of Beauchesne's Fifth Edition, and ask that the document from which the Minister was quoting, the terms and conditions of the deal, be laid upon the Table as tradition requires.

Mr. de Cotret: Mr. Speaker, if I had a chance to copy my notes, I would be happy to table them, but it is hardly a document. They are handwritten notes.

An Hon. Member: It's not a state document.

An Hon. Member: He just copied them.

Mr. Speaker: Order, please. I think the Hon. Members know full well the citation refers to state papers or other such documents. Handwritten notes are not covered by that rule.

ALLEGED MISQUOTATION BY MR. MULRONEY

Mr. Speaker: The Prime Minister (Mr. Mulroney) wishes to raise a point of order.

Right Hon. Brian Mulroney (Prime Minister): Indeed, I do, Mr. Speaker.

Ms. Copps: Oh, oh!

Mr. Mulroney: As one who believes in true and genuine equality between the sexes—

Some Hon. Members: Oh, oh!

Mr. Mulroney: —I want to say a word in defence of those husbands who share equally in the work of the house with the wife at all times, including changing diapers. That is the way it should be.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order. The Right Hon. Prime Minister (Mr. Mulroney) has a point of order?

Mr. Mulroney: The Leader of the Opposition seems to think that is beneath him—

Mr. Fulton: Come on. This isn't *Saturday Night Live.*

Mr. Mulroney: —but we don't.

Mr. Deans: There was no point of order.

Mr. Mulroney: With regard to the point of order which was raised—

Mr. Deans: But it was not. The Speaker ruled it was not.

Mr. Mulroney: Indeed, there was. And I have a quote here from the Right Hon. Leader of the Opposition to which I was referring.

Ms. Jewett: What's the point of order?

Mr. Mulroney: On May 10, 1984, the Leader of the Opposition—and he represents his Party as well—

Mr. Guilbault (Saint-Jacques): Order.

Ms. Copps: Bye-bye, Brian.

Mr. Speaker: Order, please. With great respect—

Mr. Benjamin: It's all right. They deserve each other.

Mr. Speaker: Order, please. What we have here, I take it, is a dispute as to facts, not a point of order.

Order, please. The Right Hon. Prime Minister is claiming he has a point of order. If he has a point of order, I would be glad to hear it.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. If the Prime Minister now wishes to enter into a dispute with the Right Hon. Leader of the Opposition as to who said what and when, I suggest that it is a matter for debate and not a point of order, with respect.

Mr. Turner (Vancouver Quadra): How about later this afternoon in debate?

Mr. Hnatyshyn: Point of order—

Mr. Speaker: That is equally true for the Right Hon. Leader of the Opposition.

Mr. Hnatyshyn: On a point of order, Mr. Speaker.

Mr. Speaker: On a point of order, the President of the Privy Council.

RIGHT TO RESPOND TO POINT OF ORDER

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I appreciate the fact that in the course of a—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Hon. President of the Privy Council on a point of order.

Mr. Hnatyshyn: Mr. Speaker, in the course of Question Period and debate, I know there are differences of opinion. I want to ask your guidance with respect to the fact that when questions are raised under the guise of points of order, I think

the normal process should allow at least equal time to respond—

Mr. Ouellet: Oh, come on.

Ms. Copps: Sit down.

Mr. Speaker: Order, please.

Mr. Hnatyshyn: —to what was an improper point of order by the Right Hon. Leader of the Opposition.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. All Hon. Members will resume their seats please—and be quiet.

I appreciate fully the point the President of the Privy Council (Mr. Hnatyshyn) is making. As long as Hon. Members choose to bootleg comments through points of order, there is not a lot the Speaker can do about it, except to come in as early as he deems reasonable to indicate that it is not a point of order, and it would clearly be out of order—

Mr. Prud'homme: He has a point of privilege.

Mr. Speaker: A point of privilege is recognized when the Chair hears and recognizes the point of privilege and not before.

It would clearly be out of order to allow, on a matter I have already said was not a point of order, any further conversation. Now, is there a question of privilege being raised by the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart)?

Ms. Copps: Go to it!

* * *

[*Translation*]

PRIVILEGE

ALLEGED POLITICISATION OF DEBATE

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): On a question of privilege, Mr. Speaker. I will not argue with you about points of order in the House. However, concerning the comments the Prime Minister made about me after a meeting to the effect that the workers had said I was trying to politicize the debate, I am convinced they are false. I can assure you that I will get the signature of each representative. But I can tell you, Mr. Speaker, if I may—

[*English*]

Mr. Speaker: Order, please. The Hon. Member claimed the ultimate parliamentary step of a question of privilege. He will now, before he says anything else, tell me precisely what his question of privilege is.

Mr. Prud'homme: That is what he is doing.

Point of Order—Mr. Dingwall

Mr. Speaker: The Hon. Member for Saint-Denis (Mr. Prud'homme) will please—

Mr. Prud'homme: But that's what he was doing.

Mr. Speaker: The Hon. Member is preceding his question—

Some Hon. Members: Oh, oh!

Mr. Speaker: It is difficult enough for me to communicate with the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) without the noise.

May I advise the Hon. Member that he should precede anything else he wishes to say with a point a privilege, not with any commentary or arguments he may wish later—were there to be a question of privilege found—to use in his argument.

[*Translation*]

Mr. Malépart: If you will allow me, Mr. Speaker, I was trying to explain why I raised the question of privilege as a result of what the Prime Minister said about me concerning a meeting.

I conclude, Mr. Speaker, by telling you that the remarks of the Prime Minister to the effect that I was trying to politicize the debate and the remarks of the workers are false. Mr. Speaker, you may be sure that his remarks were those reported by the workers before the TV cameras.

[*English*]

Mr. Speaker: Order, please. Clearly there is no question of privilege.

Some Hon. Members: Oh, oh!

Ms. Copps: Question of privilege, Mr. Speaker.

Some Hon. Members: Shush.

• (1510)

Mr. Speaker: Order, please. The Hon. Member for Hamilton East (Ms. Copps) rises on a question of privilege?

Ms. Copps: Mr. Speaker, again during Question Period the Prime Minister (Mr. Mulroney) made certain allegations about private conversations he had with the Premier of Ontario concerning me. I would like to advise the Prime Minister that private conversations are just that—

Mr. Speaker: No, no. Order, please. Have we now finished with everyone's use of points of order and questions of privilege?

Mr. Dingwall: Point of order.

Mr. Speaker: What is the point of order being raised by the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall)?

Mr. Dingwall: Mr. Speaker, would you be so kind as to indicate why the word "distort" which I used in my first

question and then subsequently withdrew is unparliamentary? I stand to be corrected, but my reading of *Beauchesne* is that it has to be "deliberately distorted". That is my understanding. I did not use that expression.

Mr. Speaker: I am perfectly happy to refer the Hon. Member to *Beauchesne* if he wishes to discuss it with me further. I will be perfectly happy to see him about it. He will know that I asked him to withdraw and that I refused to allow his supplementary because he simply repeated himself.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

PUBLIC ACCOUNTS—NINTH REPORT OF STANDING COMMITTEE

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have the honour to present the ninth report of the Standing Committee on Public Accounts.

TAX REBATE DISCOUNTING ACT—REPORT OF LEGISLATIVE COMMITTEE

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, I have the honour to report Bill C-83, an Act to amend the Tax Rebate Discounting Act, without amendments, in both official languages.

FINANCE, TRADE AND ECONOMIC AFFAIRS—THIRTEENTH REPORT OF STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour to present the thirteenth report of the Standing Committee on Finance, Trade and Economic Affairs, in both official languages.

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

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PETITIONS

PROTECTION OF FORESTRY JOBS

Mr. Jim Fulton (Skeena): Mr. Speaker, I have several petitions. The first one is from a large number of Canadians concerned about what is known as the Gibbon's Bill in the United States, Bill 2451. They are very concerned that the Government of Canada has taken insufficient action to protect Canadian forest jobs in Canada. Some 60,000 jobs are now at risk because of the Gibbon's Bill.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Mr. Jim Fulton (Skeena): Mr. Speaker, the second petition relates to family allowances. The signatories from British Columbia are particularly concerned that the accelerating cut-backs in child benefits will reach $600 million by 1990. This is far too much money to be taken away from the children of this country. The petitioners call on this House to bring back full indexation of universal family allowances and to rescind unfair tax increases.

I also have a petition from a large number of signatories. It may or may not be acceptable because some of the addresses are not as legible as perhaps they should be. However, the petitioners ask that the Prime Minister (Mr. Mulroney) restore full indexation of family allowances and the child tax credit because the proposed measures will take $55 million away from children in Canada this year.

My final petition is related to the family allowance issue. A large number of Canadians from Brampton, Malton and Toronto are concerned that child benefit cut-backs will take $600 million per year away from Canadian children by 1990.

[*Translation*]

Mr. Carlo Rossi (Bourassa): Mr. Speaker, I have petitions from the undersigned, residents of the federal ridings of Vancouver East, Montmorency-Orléans in Quebec, Berthier-Maskinongé-Lanaudière in Quebec, and Lac-Saint-Jean in Quebec, who urge the Government to restore the full indexation of family allowances and the child tax credit. And as in duty bound your petitioners will ever pray.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I have the honour today to present a petition on behalf of residents of Kapuskasing, Valrita, Harty and Hearst in my constituency.

My constituents object to the deindexation of family allowances. They urge the Prime Minister to withdraw Bill C-70 immediately.

[*English*]

CONCERN ABOUT FUTURE OF CN MONCTON SHOPS

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, I have the honour and privilege to present a petition signed by approximately 1,670 citizens from the federal riding of Moncton. They express their concern over the future of the CN shops in Moncton. They are concerned that the current assessment of maintenance capacity may have negative implications for the hundreds of people employed in these shops and call upon Parliament to stop any move to downgrade in any way those facilities.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Mr. Derek Blackburn (Brant): Mr. Speaker, I have three petitions. The first one is signed by several persons from New Brunswick. They call upon the Government to restore full indexation of family allowances.

The second petition is from citizens from Ontario. The operative clause says that the undersigned petitioners humbly pray and call upon the House of Commons to reinstate full indexation of universal family allowances and rescind unfair tax increases.

The third petition is from residents in British Columbia who petition the House for the same purpose. They deplore the fact that $600 million annually will be taken from mainly needy children across the country.

Mr. George Henderson (Egmont): Mr. Speaker, I have the honour and duty to present a petition from a group of constituents of Richmond-South Delta who protest deindexation of family allowances. I have another petition from a group of people in Perth asking that Bill C-70 be withdrawn. I have another one from Hamilton West which asks that the same Bill be withdrawn. I have another one from Sarnia-Lambton regarding Bill C-70. They ask that indexation be maintained. I have a petition from Halifax concerning restoration of full indexation to family allowances. Finally I have a petition from a group from Provencher who ask that the Prime Minister (Mr. Mulroney) do the honourable thing and restore full indexation to family allowances and child tax credits.

OPERATION OF MORGENTALER CLINIC IN TORONTO

Mr. David Daubney (Ottawa West): Mr. Speaker, I have a petition signed by 20 residents of Ottawa West who decry the continued operation in the City of Toronto of the Morgentaler clinic and the failure of the Province of Ontario to enforce Section 251 of the Criminal Code.

FULL INDEXATION OF FAMILY ALLOWANCE AND CHILD TAX CREDIT

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have the honour to present several petitions on the subject of family allowances. The first is from a number of citizens from Saskatoon and other communities in Saskatchewan. In their opinion, deindexation of universal family allowances and massive cut-backs to child benefits are an unfair attack on women and families with children, especially single-parent mothers.

The next one is from Peterborough and Lindsay, Ontario. The petitioners say that family allowance deindexation will not be offset by changes to the child tax credit. Even the poorest families will be worse off by 1990. They call for full indexation of family allowances and that unfair tax increases be rescinded.

The next is from a number of communities in the lower mainland of British Columbia, from North Vancouver, West Vancouver, Vancouver Centre and Vancouver East. They talk about the accelerating cut-backs in child benefits which will reach $600 million by 1990.

Mr. Speaker: Order, please. This is the same subject and the Hon. Member needs only to say that it is a petition on the same subject from somewhere else rather than read the petition.

Ms. Mitchell: These people from the lower mainland ask the House of Commons to reinstate full indexation of universal family allowances and rescind unfair tax increases.

• (1520)

The next petition is a different one signed by quite a number of people from Ward 5, North York, Downsview, Ontario. These people ask the Prime Minister (Mr. Mulroney) and the House of Commons to restore full indexation to the family allowance and child tax credit. They say that this budget measure will take $55 million away from family benefits by 1987.

The next petition is from the Strathcona area of my riding in Vancouver and also from North Vancouver. It also calls for full indexation of universal family allowance—

Mr. Speaker: Order, please. With great respect, the Hon. Member has done this before. She knows that she must be as brief as possible. Therefore, if she has more petitions, I invite her to conclude within about 30 seconds, otherwise I will have to go to someone else.

Ms. Mitchell: The final petition is a different one from Women Against the Federal Budget. They say that children are everyone's responsibility and they strongly oppose budget proposals to reduce family allowances. This petition is from Halifax.

[*Translation*]

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, I have the honour to present a petition from a few members of the *Cercle des fermières* in my riding who ask the Government to maintain the full indexation of family allowances.

[*English*]

Mr. Rod Murphy (Churchill): Mr. Speaker, I have a petition on the same subject matter as that of the Member who just spoke. It is from Canadians in Thompson, Manitoba, who indicate that they are also against the Budget of May 23 and call upon the Government to reinstate full indexation of family allowances and to ensure that those people who are not paying their fair share of taxes do indeed pay their share of the cost of operating the country.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I have petitions from two places in my riding; Southey, Saskatchewan, in the south end of my riding and Lanigan, located in the middle of the riding. Both petitions are on the same subject. They ask that the House of Commons consider that the deindexation of the universal family allowance and the

massive cut-back in the public commitment to child benefits are an unfair attack on women and families with children, especially single-parent mothers. The petitioners ask that the House of Commons reinstate full indexation of the universal family allowance and rescind unfair tax increases on families.

REINSTATEMENT OF DEPARTMENT OF ENVIRONMENT EMPLOYEES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have a petition on a different subject. It relates specifically to the decision of the Ministry of the Environment to cut back employees at the time when we are facing the most serious pollution problems we have ever seen in the country. The petition calls upon the Government, and more specifically on the Minister of the Environment (Mr. McMillan), to reinstate those people who have been laid off, four of whom are from the Canada Centre for Inland Waters in Burlington. The petition is signed by more than 200 people and calls upon the Government to reinstate these people immediately and to freeze any further cut-backs until we deal with the most serious pollution problems that we are facing in the Great Lakes area.

MAIL DELIVERY SERVICE IN WILLOWDALE, ONT.

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I have the honour to present a petition signed by 140 constituents of my riding of Don Valley East who reside on Postal Walk 127, Willowdale, Postal Station B. The residents of this area are asking that Parliament provide swift action regarding the application of a height requirement regarding postal door slots and that the current mailman on that route, having lost the trust and respect of the residents he serves, be transferred to another postal walk.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have the honour to present three petitions, two from citizens of Halifax, Nova Scotia, and one from citizens of Woodstock and Ingersoll, Ontario. The petitioners say that the deindexation of the family allowance will not be offset by changes to the child tax credit and that even the poorest families will be worse off by 1990 and will fall further and further behind. Therefore, they call on the House of Commons to reinstate full indexation of the universal family allowance and to rescind the unfair tax increases.

Mr. Maurice Foster (Algoma): Mr. Speaker, I have the pleasure to present a petition signed by many, many residents of Manitoulin Island who call upon the Government to withdraw Bill C-70 to deindex family allowances. They point out that children are everyone's responsibility and that the principle of universality must be maintained.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have a number of petitions with regard to the family allowance which are signed by hundreds of people from my riding and throughout the City of Winnipeg. The petitioners call upon the Government to reinstate the full indexation of the family allowance and point out that the Government's actions will be taking money away from families and children.

[*Translation*]

Mr. Guy St. Julien (Abitibi): Mr. Speaker, it gives me pleasure to table today a petition from Mrs. Danielle Coulombe, Val-d'Or President, on behalf of 104 Canadian women who ask that family allowances and the child tax credit be reinstated.

[*English*]

CALL FOR INQUIRY INTO USE OF NANOOSE BAY TEST RANGE

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I have three different petitions to present. The first is from residents of Vancouver Island and is with regard to the Maritime Experimental and Test Range at Nanoose Bay, British Columbia. The petitioners are concerned that the policy of the United States Navy of neither confirming nor denying the presence of nuclear weapons on board U.S. vessels is unacceptable. They call for a full public inquiry before the present Canada-United States agreement is renegotiated.

FULL INDEXATION OF FAMILY ALLOWANCE AND CHILD TAX CREDIT

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I have another petition from residents of Ontario who are members of Operation Justice, Families with Children, who call upon the Right Hon. Prime Minister (Mr. Mulroney) to restore full indexation to the family allowance and child tax credit. This budget measure will take away millions of dollars in family benefits by 1987.

I have a third petition, Mr. Speaker, which is also with regard to the family allowance. It points out that the present proposals of Bill C-70 will result in massive cut-backs in the public commitment to child benefits which constitute an unfair attack on women and families with children, especially single-parent mothers. The petitioners call upon the Government to reinstate full indexation of the universal family allowance and to rescind unfair tax increases.

[*Translation*]

SAFETY OF CHANOINE-CÔTÉ SCHOOLCHILDREN

Mr. Marcel R. Tremblay (Quebec East): Mr. Speaker, I have the honour to present a petition signed by 706 residents of my Quebec East constituency.

Following the initiative of the Chanoine-Côté primary school committee, this petition is a request to ensure the safety of all children, especially those who have to cross the double

railway tracks on Plante Avenue, in Ville-Vanier, at least four times a day to go to school.

I am also sending a copy of this petition to the office of the Minister involved, namely the Minister of Transport.

[*English*]

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I have the honour to present petitions from persons living in Langley and Surrey, British Columbia, and various other parts of the Vancouver metropolitan area. These petitioners protest the decision of the Government to deindex the universal family allowance and to make cut-backs in the public commitment to child benefits. They point out that this will have the effect of reducing benefits to even the poorest families by 1990 and call upon the House of Commons to restore full indexation. The petition from the Vancouver area comes from Operation Justice, Families with Children and underscores this point.

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I have the pleasure to table in the House a petition on behalf of some 400 citizens of various communities in Essex County including Amhurstberg, Kingsville, Puce, Maidstone, Belle River, Windsor, Tecumseh, and St. Clair Beach. These people add their names to the hundreds who have already exercised their ancient and undoubted right to petition the Government by condemning it for its attack on women, children and the poor and by seeking a response from the Government on their demand that there be a return to a fairer tax system and that complete indexation of the cost of living of family allowances be maintained.

[*Translation*]

REDUCTION OF CUSTOMS EMPLOYEES AT BORDER POINTS

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I have the honour and the duty to present to this Honourable House three petitions on three different matters.

The first—

[*English*]

—is from residents of Fort Frances and it calls upon this House to prevent the Customs and Excise Section of the Department of National Revenue from proceeding with plans to reduce the number of Customs employees at border points because of the adverse effect it will have on the tourist industry in that area.

RAIL PASSES FOR CP PENSIONERS

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, the second petition I have is from residents of Ottawa and Ignace, Ontario, and calls upon the House to use its influence to assist CP Rail pensioners and survivors of pensioners in convincing that company that the proposed withdrawal of employee and survivor pensioner travel passes is unjust and unfair and a breach of the implicit contract which existed between those parties.

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. John Parry (Kenora-Rainy River): The third petition, Mr. Speaker, will come as no surprise to you or to any other Member of this House. It is from residents of St. Lawrence and calls upon the House to reinstate full indexation of universal family allowances and to rescind the unfair tax increases.

* * *

• (1530)

PENSION BENEFITS STANDARDS ACT, 1985

MEASURE TO ENACT

Hon. Ray Hnatyshyn (for the Minister of Finance) moved for leave to introduce Bill C-90, an Act respecting pension plans organized and administered for the benefit of persons employed in connection with certain federal works, undertakings and businesses.

Mr. Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

WATER EXPORT AND DIVERSION ACT

MEASURE TO ENACT

Hon. Chas. L. Caccia (Davenport) moved for leave to introduce Bill C-257, an Act respecting the conservation, export and diversion of water resources.

Mr. Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Caccia: Mr. Speaker, briefly, this Bill sets out criteria to be taken into account when examining water export and diversion: the long-term water requirements of Canadians; the impact of a gradual increase in global temperatures; the impact of diversion projects on the interests of our native people; the ecological and economic impact of water exports and the political consequences of creating a foreign dependence on Canadian water supplies.

According to this Bill, the ultimate power to approve or reject these criteria would lie with Parliament. In essence, Mr. Speaker, the intent of the Bill is to make each water export proposal subject to full public scrutiny and debate.

Motion agreed to, Bill read the first time and ordered to be printed.

Order Paper Questions

[*Translation*]

COMPETITION TRIBUNAL ACT

MEASURE TO ENACT

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post) moved for leave to introduce Bill C-91, to establish the Competition Tribunal and to amend the Combines Investigation Act and the Bank Act and other Acts in consequence thereof.

Mr. Speaker: Does the Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I wish to advise the House that we will be replying to Questions Nos. 454 and 456 today.

[*Text*]

AIR TRANSPORTATION COMPANIES—SIOUX LOOKOUT DISTRICT

Question No. 454—**Mr. Parry:**

1. In each of the past three years (*a*) what amount in dollar value of standing offers has the Department of Indian Affairs and Northern Development had with air transportation companies in the Sioux Lookout District (*b*) what is the dollar value of the services actually used on each of the offers?

2. During the past three years (*a*) what was the amount of money spent by the Department of National Health and Welfare's Sioux Lookout Zone Hospital on air charters (*b*) what was the dollar value of the Zone Hospital's charter services supplied by charter operators from Sioux Lookout?

Hon. Ray Hnatyshyn (President of the Privy Council): I am informed by the Departments of Indian Affairs and Northern Development and National Health and Welfare as follows:

1. See lists below.

2. (*a*) 1982-83 $162,335
1983-84 $200,950
1984-85 $248,588

(*b*) 1982-83 $ 82,336
1983-84 $127,799
1984-85 $143,905

The Hospital itself does not pay for air charter services. All such costs are charged to the Zone office.

Air Transportation Standing Offer
Contracts—Sioux Lookout District

Supplier 1982-83:

Contractor		(*a*) Contract	(*b*) Dollars Spent
Aero Trades		81,828.00	58,500.00
Airdale Limited		26,210.26	26,210.26
Austin Airways		85,000.00	76,025.19
Austin Airways		362,340.14	254,106.26
Bearskin Airways		150,000.00	144,614.91
Bearskin Airways		157,163.73	114,391.14
Big Hook Air		7,500.00	3,741.20
Big Trout Air		25,000.00	21,174.50
Big Trout Air		1,224.40*	1,224.40
Campbell Air		847.00*	847.00
Central Airways		90,000.00	78,840.68
Green Airways		12,500.00	2,598.40
Green Airways		718.90*	718.90
Ilford Riverton		660.00*	660.00
Midwest Helicopter		8,500.00	8,500.00
Pikangikum Airways		15,000.00	9,846.86
Ranger Helicopter		7,334.50	7,334.50
St. Air Ltd.		847.00*	847.00
Slate Falls Airways		137,746.35	137,746.35
	Totals	$ 1,170,420.28	$ 947,927.55

1983-84:

Aero Trades		46,827.18	691.20
Austin Airways		67,500.00	51,689.05
Austin Airways		295,582.84	232,331.17
Bearskin Airways		162,500.00	120,525.13
Bearskin Airways		251,200.00	244,071.96
Big Hook Airways		15,000.00	5,907.90
Big Trout Airways		30,000.00	16,806.50
Calmair		50,000.00	39,780.76
Central Airways		100,000.00	72,789.95
Central Airways		644.00*	644.00
Ontario Central Air		12,500.00	—
Pikangikum Air		17,500.00	8,466.16
Pikangikum Air		212.00*	212.00
Sabourin Airways		22,016.16	17,978.66
Slate Falls Airways		107,500.00	71,971.47
	Totals	$ 1,178,982.18	$ 883,865.91

Supplier 1984-85:

Contractor		(*a*) Contract	(*b*) Dollars Spent
Airdale Limited		144,424.97	144,424.97
Austin Airways		77,500.00	61,659.03
Austin Airways		238,864.94	212,963.78
Bearskin Airways		134,500.00	75,374.68
Bearskin Airways		158,561.16	158,561.16
Big Hook Airways		15,000.00	1,037.40
Big Trout Airways		40,000.00	12,252.01
Big Trout Airways		1,217.45*	1,217.45
Central Airways		97,500.00	84,800.56
Central Airways		2,627.20	2,627.20
Pikangikum Airways		20,000.00	5,306.00
Pikangikum Airways		999.00*	999.00
Ilford Riverton		122,050.00	120,039.40
Nunasi-Central Airlines		12,500.00	0
Sabourin Airways		12,500.00	5,575.50
Sabourin Airways		6,720.90	6,720.90
Slate Falls Airways		90,783.95	90,783.95
Slate Falls Airways		439.80*	439.80
Tudhope Airways		5,000.00*	0
	Totals	$ 1,181,189.37	$ 984,782.79

* Awarded by Indian and Northern Affairs Canada.

All other contracts awarded by Supply and Services Canada.

MEDICAL OFFICERS

Question No. 456—**Mr. Heap:**

How many medical officers are available to serve (*a*) the Caribbean and Central American region (*b*) Europe and Britain for the purpose of verifying medical examinations for prospective immigrants to Canada (*c*) in what countries do these officers reside?

Hon. Jake Epp (Minister of National Health and Welfare): (*a*) Two medical officers.

(*b*) Eight full-time medical officers and one half-time officer.

(*c*) Caribbean: one medical officer resides in Jamaica. Central America Region: one medical officer resides in Mexico. Britain: three medical officers reside in England. Europe: one medical officer resides in Greece, one medical officer resides in Germany, one medical officer resides in Italy, two full-time and one half-time medical officers reside in France.

[*English*]

Mr. Boudria: Mr. Speaker, I rise on a point of order. Again I must rise and ask the Parliamentary Secretary to the President of the Privy Council (Mr. Lewis) or the President of the Privy Council (Mr. Hnatyshyn) why they are not answering questions Nos. 450 and 451, subsequently renumbered 487 and 486. Why are they not answering questions Nos. 452 and 453? All these questions pertain to the expenses of the former Minister of the Environment when she travelled to Paris in April and to her other junkets in Europe. I know this is terribly embarrassing, Mr. Speaker, but why does the Government refuse to answer these important questions about which the people of Canada have a right to know?

Mr. Speaker: Order, please. This is becoming a speech.

Mr. Lewis: Mr. Speaker, I wish to advise the Hon. Member that a great deal of time and attention is being taken to establishing what questions were asked.

Some Hon. Members: Oh, oh!

Mr. Lewis: The House will remember that these questions had to be resubmitted after being ruled out of order and this has caused some delay. We are applying ourselves to answering the questions and I expect they will be answered soon.

Mr. Boudria: You had the answer in your head the other day. Why don't you tell the truth?

Mr. Speaker: Order, please. Order.

[*Translation*]

The questions enumerated by the Hon. Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

REPRESENTATION ACT, 1985

MEASURE TO AMEND

The House resumed consideration of the Motion of Mr. Hnatyshyn that Bill C-74, an Act to amend the Constitution Act, 1867 and the Electoral Boundaries Readjustment Act and to provide for certain matters in relation to the 1981 decennial census, be read the third time and passed; and the amendment of Mr. Prud'homme (p. 9258).

Mr. Speaker: At one o'clock the Hon. Member for Thunder Bay-Nipigon (Mr. Epp) had the floor and had five minutes remaining. The Hon. Member for Thunder Bay-Nipigon.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, when we rose at one o'clock for the lunch break, I was exploring the way in which the Government in pushing through this redistribution Bill is demonstrating tyrannist tendencies which when the Opposition in the last Parliament it made much of. I was exploring the way in which the redistribution Bill knocks out one of the very cornerstones of the representational system that we have observed since Confederation in using the population of Quebec and a specified number of seats, namely, 75, to go to 79 as the basis for deciding how many representatives other provinces should have and how large the Parliament of Canada should be.

It is specifically the change that has taken place in that particular relationship that is the basis for the motion to refer to committee the Bill that is before us this afternoon. The motion to refer the Bill to the Standing Committee on Privileges and Elections for further consideration of Clause 2 is what this amendment speaks to. It is about that I want to say a little more.

If we take a look at Part I of Bill C-74, we note the assignment of a certain number of seats, that is to say 279 as the basis to be used in dividing into the total population of Canada for the number of seats.

In rule 3 we read:

If the total number of Members that would be assigned to any province by the application of rule 1 is greater than the total number assigned to that province by the last preceding readjustment of the representation of that province made in accordance with this Act, the number of additional Members that would be so assigned shall, unless the number of additional Members is one, be reduced so that the actual number assigned is equal to one-half of the additional number that would be so assigned plus, where the number of additional Members that would be so assigned is an odd number in excess of one, one other Member.

It is this rule 3 which represents a deflation of the proper representation of Members in the House of Commons. It is here that the residents, Canadian citizens, living in the provinces of Ontario, Alberta and British Columbia have the clearest grievance with the Government. It is here that their expectation that population migration in Canada—adding to the numbers—should lead to proportionate increase in the number of Members they have in the House of Commons. It is here that that expectation is violated.

A Government that is obsessed with deficit reduction, withholding the line on expenditures wherever it can, is a Government that is prepared to violate the principles of the Canadian Constitution. That is what the Government is proposing in this Bill. The astounding thing is that Members who have been so outspoken in the past when in opposition in defence of Parliament, who present themselves often as the only ones who speak for Parliament, are now prepared to do something as fundamental as violating the structure of Parliament and are rejecting the right of people province by province where there is movement to see additional Members. They are quite prepared to see those expectations blasted and the Constitution of the country violated in these areas. The result for Members in northern Ontario is that the movement to Metro Toronto and to other areas, which deserves recognition, will lead to some readjustment of seats. We in northern Ontario do not look forward to a worsening of our representation or a violation of the rights of citizens to be represented properly in Parliament. We do not look forward to seeing that right violated by a penny-pinching Government which refuses to tax properly and cannot hold back on expenditures in other areas, to save a few hundreds of thousands of dollars by keeping down the growth of the Parliament of Canada; by a Government which is prepared to sacrifice principle in the Constitution of the country for budgetary reasons; by a Government which deserves to be turfed out by the people if they only had a chance.

• (1540)

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member but his time has expired. There is still the period provided for questions and comments. Since there are no questions or comments, I will recognize the Right Hon. Leader of Her Majesty's Loyal Opposition on debate.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, it is always good to see you in the chair. I wish you, and through you other Members of the House, the best of the Christmas season. It seems to be the quietest time to do it.

The proposal of the Government to impose closure on Bill C-74, an Act which in effect amends the Constitution of the country with regard to the number of Members who have the right to sit in this Chamber, cuts very deeply into the ability of the House to represent adequately the people of Canada. The House of Commons, its make-up, its essence and how we operate should not be tampered with in a careless, callous and cavalier fashion.

I warn those who sit on all sides of the House, particularly those who sit on the back-benches of the Conservative Government, to take heed and pay close attention to what the Government is attempting to do, because it affects all of us and our ability to represent adequately the people who did us the honour of sending us to the House. I look across to those benches and I see one or two Members who happen to know something about the Bill. Perhaps one of them is delegated as a hit man later this afternoon; we will see what he wants to do. This is about the fifteenth time I have spoken on a Bill or a motion.

Ms. Copps: Unlike the Prime Minister (Mr. Mulroney).

Mr. Turner (Vancouver Quadra): Yes, unlike the Prime Minister (Mr. Mulroney) who has spoken only twice—once on Leaders' day and once, for 15 minutes, to give us his vague ambiguities on free trade. I say to the Conservative back-benches and to the book-ends which surround us that they ought to be speaking on a Bill of this importance. They ought to be speaking as well on some of the Bills and other measures against which closure has been applied. I will speak to that. I think it is relevant to this third reading, because we are under the hammer of closure when we speak in the House and before Your Honour. We do not hear much over there. We do not hear much from these silent, invisible, anonymous men and women who pose as back-benchers in the Conservative Party.

This is the first time in the history of the House that a Government has made redistribution a partisan issue. At all times previously, redistribution, a measure to redivide the seats of the House of Commons, has been done in a non-partisan, impartial manner. There was all-Party agreement, in fact for 30 years. I can recall our Leader in the Senate, the Hon. Allan MacEachen, negotiating the deal with the late John George Diefenbaker, who was very close to Your Honour. I had the privilege of knowing him well. That accord made by Mr. Diefenbaker and Mr. MacEachen held over successive redistributions in a non-partisan fashion for the last quarter century. Under the terms of the agreement worked out by all Parties in the House, that formula, technically called the amalgam formula, but familiarly known to those of us who have been in the House for a number of years as the Diefenbaker-MacEachen formula, provided for an orderly adjustment in seat distribution following every census.

Following the 1981 census, the wheels were set in motion once again. All the work had been done, the commissioners were appointed, hearings were held, maps for the various constituencies across Canada were redrawn, and the proposals were being brought back for final agreement in the House. At that time only a short debate was required to complete that process. Suddenly, out of nowhere, out of the magic confines of the back rooms of the Conservative Party, the Government decided to change all the rules in the middle of the game.

An Hon. Member: Why?

Mr. Turner (Vancouver Quadra): Yes, that question might well be put. All that was required was a short, conclusive debate in the House of Commons. However, the Government reopened the matter in its partisan and insidious greed and produced a White Paper. That paper went to committee—all the work had been done but it was reopened—where many changes were discussed. Then the Government introduced Bill C-74 which was proposed in the White Paper. However, the Bill reflected the White Paper completely. None of the changes discussed in committee by all Parties were reflected or incorporated in the Bill. No account was taken of the argu-

ments made in committee to improve the redistribution principle.

I believe the Bill before the House is a bad Bill in principle. It ends the redistribution process which is already under way, ready to function and needing only a short debate to conclude it and to legitimize it. It starts off another whole round of hearings and discussions.

I have heard the arguments of Government members. They want to save money. They say Parliament is too expensive. I venture to say that we get better value for Parliament than we are getting from this Government.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Under your administration, Sir, we get better value for dollars than we are getting for ministerial staffs and a bloated Prime Minister's Office.

We were told that increasing the membership to 310 Members would be estimated to cost $90 million over the next 10 years. The government proposal will cost an extra $41.7 million. We have here a saving over what had been worked out by all-Party agreement as against this proposal now before Your Honour, of $48.3 million over that period or $4.8 million per year.

When we look at the budget of the Prime Minister's Office, it is $7 million for 1985-86. That does not include other ministerial staff. It far exceeds the potential saving between what was agreed upon by all Parties and the cost envisaged by the Bill. This so-called great economizing measure is proposed by a Government which threw away $1 billion on a tax deal for Gulf Oil, a Government which blew another $1 billion to $2 billion on the first bank bankruptcy in the country for 60 years, a Government which does not know what the words competence, good management and good husbanding mean. It comes to the House and tries to tinker with the democratic process by painting a phoney argument for economy; that is what we have before us. I know the people of Canada want money for value—

An Hon. Member: Value for money.

Mr. Turner (Vancouver Quadra): Value for money, thank you. Let us look at the way Parliament works, generally speaking, with the reforms which have been introduced by our colleague on the Conservative benches, the Hon. Member for St. John's East (Mr. McGrath). We will look at those reforms very carefully. We are trying to give the people of Canada value for money in the way we operate the House. However, you cannot put a price on democracy. You cannot justify a partisan measure overriding a non-partisan piece of work that was ready to be implemented on the phoney grounds of economy.

• (1550)

According to the redistribution—I should call it the re-redistribution—in Bill C-74, if it is passed the new boundaries will not be known until the summer of 1988, according to the Chief Electoral Officer. It will be just weeks or months before the usual expiry of a term of a majority Government. But who knows, the way the Prime Minister is addicted to the polls, if he saw a little blip he might go at any time. As a matter of fact, I recommend that he go sooner than later because it is not going too well for him these days.

Some Hon. Members: Hear, hear!

Mr. Penner: Bring it on.

Mr. Crosbie: You certainly went according to the polls back in June of 1984. You have forgotten that now.

Mr. Rossi: Go back to sleep, John.

Mr. Crosbie: You were leading 11 per cent in the polls. What happened then?

Mr. Turner (Vancouver Quadra): The last time the Minister of Justice (Mr. Crosbie) and I were here in the Chamber alone—there is usually a great audience on both sides of the House when we speak—the Minister of Justice was bringing in his so-called reform of the Senate. That was a great measure and he had a head of steam. However, it is an empty engine right now, puffing and huffing—

Mr. Crosbie: You will never see the Senate again. None of you.

Mr. Turner (Vancouver Quadra): I told the Minister of Justice not to do it because there will be a place for him there one day. Don't eliminate the very House that may be your haven.

Just weeks or months before a general election these boundaries will finally come into effect if this Bill is passed in the House. There will be mass confusion in the camps of all three political parties as we attempt to find out under which boundaries we will be working. If an election is called early, it will be the current boundaries. Will it be the boundaries agreed to under the amalgam method or Diefenbaker-MacEachen formula or will it be the new Tory boundaries—the new gerrymander boundaries? Will we be operating under the new artistically geographically manipulated boundaries?

The cost of the new Tory boundaries is approximately $5 million or $6 million which is in addition to that which is already spent.

[*Translation*]

Mr. Speaker, the most important thing this Bill does is to take away from the House its right to discuss the redistribution of electoral districts. From now on, all decisions on the subject will be taken by a committee, not by this House and not before Your Honour, Mr. Speaker, and the real reason why the Government wants to bring down the hammer of closure on debate is because it wants to have this Bill adopted. In fact, its reasons are very simple.

First of all, the Government wants to appoint 295 new Conservative returning officers, and since the number of

vacancies is very limited, the Prime Minister has found a way to get around this by creating 295 new jobs. All he has to do is have the legislation adopted and limit debate. What a nice Christmas present for 295 party faithful! What a nice Christmas present indeed!

And the second reason is that the Government wants to redistribute electoral districts to its own advantage. It has played around with the seats and manipulated the geographical boundaries of our ridings. They are going to analyze the election results, poll by poll to locate their supporters. They are going to isolate those who voted against them, but as far as we are concerned, Mr. Speaker, we cannot tolerate these manipulations, because they are an affront to the very principle of democratic representation.

Mr. Garneau: We'll beat them anyway!

Mr. Turner (Vancouver Quadra): I am not going to analyze the results province by province. I am sure that for you, Mr. Speaker, Alberta is very close to home. But as for Quebec, Quebec is losing four seats compared with what it had according to the Diefenbaker-MacEachen formula, already agreed to by all parties in the House and practically finalized, until the Conservative Government, partisan as always, brought in its own objectives.

Now this is a point that particularly concerns you, Mr. Speaker. As you know, you are responsible for appointing two commissioners in each province to monitor the readjustment of electoral boundaries. They are your responsibility. It is very important that these people be completely neutral, and that you can count on the impartial advice of your staff in appointing them and do not have to ask the Government to suggest candidates. You may be sure we intend to monitor the process very closely.

We have to ask ourselves what the Government's priorities are. I know the Conservative backbenchers don't even know the answer to that question. I am sorry that one of our House experts on the subject, the Hon. Member for Saint-Denis (Mr. Prud'homme), is not here—he is chairing a committee of the House that is discussing employment equity. But he would probably agree with us and say: Why are they giving this Bill priority? If adopting the amendments arising from the Budget is so urgent, if it is so terribly important to cut back and de-index family allowances, if it is so important to introduce a Bill presented by the Minister of Justice (Mr. Crosbie) to reform divorce proceedings, and all kinds of other measures being insisted upon by the Government House Leader, why adjourn debate on the principle of the Bill for this kind of partisanship? Is it all that urgent? It is just a joke that the Government is asking for and imposing closure to hammer through all kinds of so-called important pieces of legislation—

[*English*]

—after other matters which are more urgent.

Why is there priority given to this Bill when we are talking on third reading? Yesterday, when the Government came in with its seventh closure motion, we had enough. We used whatever legitimate facilities that were available to an opposition, outnumbered as we are in the House of Commons, to ensure that there be adequate debate and that the people of Canada, after hearing all sides of the question in the clash of that debate be able to form an opinion.

Yesterday, after two hours of debate at the report stage of the Bill to cut family allowance, notice of time allocation was proposed on this Bill for the second time. We are absolutely outraged because this is the Bill that deindexes the family allowances, takes away the protection from inflation for families, particularly those low and middle income families. It takes away that protection. In its arrogance, the Government has already printed the cheques and made them ready to mail in contempt of Parliament, before it has had a chance to discuss that Bill.

Some Hon. Members: Shame.

Mr. Turner (Vancouver Quadra): Since October, the Government has invoked closure seven times. Let me cite for the record the Bills on which closure has been invoked. One is Bill C-62, concerning employment equity. I have mentioned Bill C-70 dealing with family allowance. Time allocation was imposed twice, once at second reading and once at the report stage. Another is the Bill we are discussing today, Bill C-74 dealing with electoral boundaries. Another is Bill C-79 with respect to depositors compensation. The Government imposes closure on the depositors compensation Bill when we do not even have the names of who we are paying. Parliament is being asked to give a blank cheque of up to $1 billion to people across the country whose names we do not even know.

• (1600)

Some Hon. Members: Shame!

Mr. Turner (Vancouver Quadra): Closure was also imposed on Bill C-70, the Excise Tax Bill. Again, closure was imposed on Bill C-84, the Income Tax Act, the Bill which reflects the major provisions of the Budget. Those provisions are clear and include the personal surtax, the corporate surtax and the deindexation of the system. That is to say, every tax bracket has now been deindexed by 3 per cent per year and that means that we have the most massive, hidden increase in income tax in the history of this country. Four years from now, there will be an extra $11.5 billion in taxes collected from individual Canadians and the Minister did not have the guts to say that he was raising taxes.

As well, the Income Tax Bill contains the capital gains exemption which provides $500,000 over a lifetime for those wealthy or fortunate enough to be able to achieve on the disposition of an asset a capital gain. That benefit is not directed to—

Mr. Lewis: Mr. Speaker, I rise on a point of order. If you were to check Beauchesne's Citation 320 at page 107, you

would notice that it is unparliamentary to suggest that a Member does not have the guts to do something.

The Acting Speaker (Mr. Paproski): I will have to look at that. However, I would hope that the right hon. gentleman could continue.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I can say that this is a gutless Government and ask the Hon. Member to try to make that into an unparliamentary word.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): This $500,000 exemption over a lifetime is for those wealthy and fortunate enough to receive such an exemption and the asset that is disposed does not have to be a Canadian asset. It does not have to be a small Canadian business owned by Canadians or even a business listed on the Canadian Stock Exchange. It can be a condominium in Florida, a piece of art from Europe or a business in Hong Kong. It is an absolute giveaway and against that—

Mr. de Cotret: You were in favour of it.

Mr. Turner (Vancouver Quadra): I was in favour of the capital gains tax exemption for the farmers. I would like to congratulate the President of the Treasury Board (Mr. de Cotret) for staying here and responding so actively in this debate. When I had the honour of being the Minister of Finance in 1974, I eliminated the capital gains tax on the sale of a family farm from one generation to another and anyone who wants to maintain the health of the family farm will applaud that particular measure.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The average Canadian family will be taxed an extra $350 to $500 per year while those wealthy enough to obtain capital gains have a lifetime cash bonanza of $500,000. There was closure on Bill C-84, the Bill which contained that provision. The personal surtax, the abolition of the $50 federal tax credit, the reduction on the child care exemption and many other measures were covered by Bill C-84 against which closure was applied after two days of debate on second reading and after having reduced by fiat of the Minister of Finance (Mr. Wilson) the hearings of the committee to one week. The most important Bill to come before Parliament every year is the Bill reflecting the Budget.

Mr. Johnston: Two and a half hours for clause by clause.

Mr. Turner (Vancouver Quadra): There were 64 separate measures, 168 clauses and 200 pages in the Bill. The Minister of Finance asked the Members of Parliament who have the responsibility to impose taxation measures to review that Bill in that time.

I can never remember closure having been moved on a finance measure. I had the honour of presenting five Budgets in this House. I would have considered it absolutely obscene to impose closure on a tax measure.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Every tax expert in the country wants to talk about this Bill because it is a shambles. My friend, the Hon. Member for Saint-Henri-Westmount (Mr. Johnston), who is our finance critic also happens to be a very reputable tax lawyer. He can tell us that there are now four tax codes in Quebec. There is the Quebec Income Tax Act, the federal Income Tax Act, the personal exemption for the $500,000 bonanza and the minimum tax. It will be an absolute shambles for the absolute taxpayer to try to understand what is happening.

I will list the Bills the Government wants passed by the end of the week. It wants Bill C-70, the Family Allowance Bill upon which it has imposed closure. That is the Bill that deindexes and cuts the family allowances. The Government wants Bill C-74, the Electoral Boundaries Bill which is before the House at the moment. It wants Bill C-79, the Depositors' Compensation Bill, that Blank cheque of $1 billion written to people we do not know. It wants Bill C-80, the Excise Tax Bill. It wants Bill C-83, the tax discounting Bill and it wants Bill C-84, the Income Tax Bill I have described, the main Budget Bill. That is what the Government wants in one delicious week. Have you ever heard anything like that before in your life, Mr. Speaker?

The Government justified imposing closure on the Income Tax Bill because it said that the Budget was introduced in May. The Bill containing the details of the Budget was only given to the House on November 26. It has only been before us for about two weeks. The most important bit of legislation to come before a free, democratic assembly annually has had closure imposed on it after only two weeks. The Government castrated the committee, limited discussion and refused the people of Canada the right to testify and give opinions.

Some Hon. Members: Shame.

Mr. Turner (Vancouver Quadra): Mr. Speaker, you must be relieved that you are not a part of this gang and that you can sit here impartially and preside over a free assembly. Do you know what the House Leader wants in addition to all that?

Mr. Lapierre: He wants a vacation.

Mr. Turner (Vancouver Quadra): He needs a vacation. However, he wants a 64-page package of procedural reforms approved. We have studied these—

Mr. Lewis: But you want to reform the House.

Mr. Turner (Vancouver Quadra): We're all for reform. In general terms, we like the report presented by the Hon. Member for St. John's East ably assisted by the Hon. Member for Papineau (Mr. Ouellet) and indeed the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie). They did a great job, but this 64-page package takes the best of the reform suggestions put by the Hon. Member for St. John's East and presents it to the House conveniently leaving out those procedures recommended by the Hon. Member that were not favourable to the

government side. If the report of the Hon. Member for St. John's East and the Hon. Member for Papineau were before us, we would take a look at it. However, this doctored, manicured, censored type of reform that the House Leader is bringing forward is a partisan, diluted document which we are not going to buy.

What about closure? I looked up the records regarding closure. It is a legitimate tool available to a Government. It is something that a Government can use from time to time but only after adequate debate.

Mr. Lewis: That's a good trick.

Mr. Crosbie: You should be picking these things up for your leader.

Mr. Rossi: Is that what you do for Brian?

Mr. Turner (Vancouver Quadra): The Minister of Justice saw me drop my notes. If it had happened to him, he would not have been able to bend down to pick them up. In fact, he would have been well advised to leave them on the floor where they fell.

Mr. Crosbie: It's easy to amuse this crowd over here.

Mr. Berger: He and Pat Carney could have picked them up.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): Mr. Speaker, you offered me some good seats for the Grey Cup game and I appreciated that. Every once in a while, we have to hear from a few people from the bleachers. We need the Minister of Justice here to add a little comedy to the day.

The weapon of closure should only be used after adequate debate and after the issues have been thoroughly debated and presented to the people of Canada through Parliament so that the people can make a sane, cool, collected judgment on the merits of a piece of legislation.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): This Government enjoys the largest majority in Canadian history: 211 Members against 30. For a Government with the largest majority in Canadian history having had to succumb to using closure seven times in the last five weeks is an admission of mismanagement and lack of competence.

Some Hon. Members: Hear, hear!

• (1610)

Mr. Turner (Vancouver Quadra): Mr. Speaker, because I know you would want me to be fair I have reviewed the use of closure by Liberal Governments for the period 1969 to 1984. During those 15 years we used it on second reading 15 times. We used it in Committee of the Whole six times. We used it at report stage and third reading 11 times. At third reading only we used it three times. That comes to a total of 35 times in 15 years.

This Government has used it seven times in five weeks. It is trying to use the pressure of the Christmas vacation to push this legislation through.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, because I want to be fair I will introduce some citations to the House, since there are some authorities sitting on the other side.

Mr. Gauthier: Are you going, John?

Mr. Penner: Is it getting to you, John? What happened to the old funnyman?

Mr. Turner (Vancouver Quadra): We have driven the Minister of Justice from the House.

Some Hon. Members: Shame.

Mr. Turner (Vancouver Quadra): Mr. Speaker, have you ever noticed that those who can dish it out cannot take it? That is the way it is in life.

Let me recite the words of the House Leader who, then, was just the simple Member for Saskatoon West.

Ms. Copps: Still is!

Mr. Turner (Vancouver Quadra): I do not think that "simple" is unparliamentary. However, in the case of the House Leader it is devastatingly accurate.

Some Hon. Members: Hear, hear!

Mr. Gauthier: You've brought back John.

Mr. Turner (Vancouver Quadra): Mr. Speaker, this is what the then Hon. Member for Saskatoon West said on the Crow debate. I wish to cite his remarks as reported in *Hansard* of May 16, 1983. Your Honour will recall that at this stage the Crow rate had been under review for about 18 months. These are the words of the Hon. Member for Saskatoon West:

> Throughout the 18 months process of consultation leading up to the introduction of this legislation, the Opposition has been systematically excluded. We now find that on a piece of legislation of this importance the Government has seen fit to introduce closure after two days of second reading debate. I truly wonder about the state of our democracy and question whether the Government will be able to continue to call itself democratic in any way, shape or form.

Mr. Gauthier: Who said that?

Mr. Turner (Vancouver Quadra): That was Mr. Hnatyshyn, the Government House Leader.

Some Hon. Members: Order.

Mr. Turner (Vancouver Quadra): After two days on second reading debate with respect to the Budget the Government introduced closure not 18 months ago but on November 16. Could we find more accurate and relevant words than those?

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, where did Mr. Crosbie go?

Some Hon. Members: Order.

Mr. Turner (Vancouver Quadra): He is gone again. The Minister of Justice is gone again. He is the Minister of Justice and the Hon. Member for St. John's West. In *Hansard* he is referred to as Mr. Crosbie. Sometimes when you are quoting directly from *Hansard* you can use the Hon. Member's name.

I would now like to quote from *Hansard* of April 2, 1981. These are the words of the Hon. Member for St. John's West:

> Mr. Speaker, what we are now debating is another motion by a closure-crazy Government to close debate.

The Minister of Justice has had to swallow his words before and swallow his Party. He has crossed the floor three or four times in his life so that is not unusual for him.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Today, the Minister of Transport (Mr. Mazankowski) was a little testy. We will deal with that in due course. I would like to say for the record that at the hearings of the committee relating to deregulation and to the report entitled "Freedom to Move", our members were in attendance about 95 per cent of the time. We resent very much what the Minister of Transport had to say about that.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): This is what the Hon. Member for Vegreville had to say on July 7, 1981. It was with respect to the Crow debate. He said: "By virtue of a closure motion today, we have a further contempt for an erosion of the spirit and privileges of this institution." Those are memorable words. I did not think Maz was capable of it but they are tremendous words. He went on to say: "I believe tyranny begins when parliamentary debate ends."

That gets you right here, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I could not have said it better. When this Government's short term comes to an end and the Minister of Transport is back to his automobile dealership I think we will hire him as a consultant.

An Hon. Member: As a speechwriter.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I refer you to some remarks which the House Leader reputedly made to some journalists which I think affect the position of the Chair. I wish to draw them to the attention of the House. The House Leader told some journalists that if this package of legislation which he wants through before Christmas is not passed by the House he will call the House back during the normal time for the Christmas adjournment, perhaps as early as next week.

I wish to read to the Chair Standing Order 5 in this respect:

> Whenever the House stands adjourned, if the Speaker is satisfied, after consultation with the Government, that the public interest requires that the House should meet at an earlier time, the Speaker may give notice that being so satisfied the House shall meet—

Thereby, of course, the House will have to come back earlier than the time set out in the rules. Not only is the House Leader repeatedly imposing closure, he is using the full force of his majority to stifle debate and, through his colleagues, he is keeping relevant and necessary documents from us. The President of the Treasury Board could have solved for himself a great many problems by tabling those necessary documents on the de Havilland deal.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The Secretary of State for External Affairs (Mr. Clark) and the Prime Minister could have helped the House and the country by tabling the necessary documents relating to free trade and where we are going. The Minister of State for Finance (Mrs. McDougall) could have helped herself and the House by tabling the names of the uninsured, invisible depositors who will be the beneficiairies of a billion dollar bonanza. Thus, we have closure. We see the use of this immense majority and there is secrecy. We now have an implied threat by the House Leader that he wants to call us back next week.

Let me say to the House Leader, through you, Mr. Speaker, that that can only be done, under the Standing Order which I have just read, if the Speaker is satisfied, after consultation with the Government, that it is in the public interest so to do. It is your decision, Mr. Speaker. It is not the decision of the Government House Leader. I wish to say to Your Honour that you should not feel in any way embarrassed or intimidated by the House Leader because we are not.

Mr. Penner: Certainly not.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): We are going to give Your Honour full support in applying this rule in the way in which it is meant to be applied.

Never in history has any Speaker used this authority, except in the case of a real national emergency, such as a paralysing transportation strike. None of the items on the list of the House Leader which I recited to the House, no matter how important, deal with an emergency in terms of application, time or in terms of their passage to warrant, in our submission to you, Your Honour's exercise of that judgment.

Some Hon. Members: Right on.

Mr. Turner (Vancouver Quadra): Even the income tax legislation which affects the 1985 tax year does not fall into this category. In the past, income tax legislation has often been passed as late as the following February or March. If it had been so urgent to pass this piece of legislation, or the other measures which the Government has recited, why were they

not brought to the House earlier? Why are we playing games with respect to redistribution? Why are we playing games with closure and secrecy and with using the great weight of the greatest majority in Canadian history?

The reason I am bringing this matter to your attention now, Mr. Speaker, is because under the rules you cannot be approached by the Government House Leader while the House is sitting. Standing Order 5 states that that can only be done after the House has adjourned. Only next week, or Friday midnight—whenever the House closes—will the House Leader be able to come to you. At that time we would not have an opportunity to make these arguments to you because the rule states "after consultation with the Government".

● (1620)

I am submitting to you, Mr. Speaker, that the following are the precedents you ought to consider; in 1914 and 1939, when matters of the World War were to be considered, Parliament was not in session and special sessions were called. It was not just a recalling of an adjournment. There were Speeches from the Throne in those special sessions. The same held true in 1950; first, for the railway strike and, second for the Korean War. In 1956 there was a special session called to deal with the Middle East peace-keeping. Those were special sessions. Following are the cases where Parliament was recalled from an adjournment—the veiled threat of the House Leader—August 29, 1966, a railway strike; August 31, 1972, a grain-handlers' strike; August 30, 1973, a railway strike; August 9, 1977, an air traffic controllers' strike; and October 6, 1980, the consideration of a motion to establish a special joint committee of the Constitution. In the latter case, the House was recalled nine days early and the urgency was to get the committee underway before the delivery of the Budget, which was presented on October 28, 1980.

Debate on the Constitution, of course, was not a once in a lifetime matter, but it was the first time in more than a century a Canadian Parliament had been asked to begin so sweeping a change in our basic law. In any case, those citations relate to grave national emergencies, a paralysing transportation strike, grainhandlers' strike and an air traffic controllers' strike, something which goes to the daily convenience and public necessity of this country. Never has that rule been invoked by a Government House Leader, nor applied by a Speaker, just to accommodate the legislative program of the Government—never.

I see some relaxed faces opposite. Those Hon. Members do not want to come back after Christmas any more than anyone else. I say to you, Sir, it would be an amazing affront for the Government to attempt to put the Speaker into this invidious and embarrassing position, particularly when the Speaker has the role in this Parliament of protecting two minorities against the most overwhelming majority in Canadian history.

It may be well—and it is a matter between House Leaders—that some substantial progress can be made on the legislative program this week. However, if the Government continues to abuse the parliamentary system and if it continues to apply the hammer, the closure, the limitation of debate, before we have had an adequate opportunity to review the legislation, then there will be no co-operation coming from this side.

[*Translation*]

But I asked our House Leader to meet with his friend the Hon. Member for Hamilton Mountain (Mr. Deans), the House Leader of the New Democratic Party. There are possibilities to accommodate the Government and the Canadian people. But that could be done without the threat of an emergency session next week, without the threat of closure to limit opportunities for debate, without the massive weight of this Government's overwhelming majority.

Mr. Speaker, you know that all Members here have the right and the responsibility to scrutinize measures introduced in the House in the interest of all Canadians. With respect to family allowances, we are against the action of this Government because we want to protect low income families. We speak strongly against the lack of fairness when it comes to the capital gains tax exemption which favours the rich. We object on behalf of average families because at the same time the Government disregards fairness and upsets the balance of our Canadian parliamentary system.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Don Valley East (Mr. Attewell)—Taxation—Tax reform—Government priority; the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano)—Footwear Industry—Maintenance of quotas—Government position. (*b*) Request that quotas be retained; the Hon. Member for Spadina (Mr. Heap)—Canada Mortgage and Housing Corporation—Housing project in Sackville, N.S.

GOVERNMENT ORDERS

[*English*]

REPRESENTATION ACT, 1985

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Hnatyshyn that Bill C-74, an Act to amend the Constitution Act, 1867 and the Electoral Boundaries Readjustment Act and

to provide for certain matters in relation to the 1981 decennial census, be read the third time and passed; and the amendment of Mr. Prud'homme (p. 9258).

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I appreciate that under the rules there is no opportunity to question the last speaker so I simply want to put two things on the record because I believe they should be put on the record. First, the last time allocation was used was for the debate on Monday, December 9, when Bill C-84, the important income tax Bill, was called. Bill C-84 was called for 11 o'clock in the morning. There was to be one day's debate. Debate was to finish at 4.45 p.m.

I want to point out to the House that the Bill was called but there was no debate whatsoever on that day. In other words, when the day's debate was called, and the question was called, Hon. Members opposite who have complained so much about closure were not there to debate. Therefore, before anyone starts worrying about time allocation and abuse of democracy, they should realize that the abuse of democracy was when Hon. Members opposite were not there to debate the Bill which was called. The second point I want to put on the record—and I think probably the Right Hon. Leader of the Opposition (Mr. Turner) did this unintentionally—was when the electoral commissioners filed their reports in the last Parliament, which commissioners were appointed by the previous Liberal administration, it was my duty as the then Deputy House Leader to file the objections to the commissioner's report.

Ms. Copps: That's true.

Mr. Lewis: Well, I want to go on the record for my Party that we never made any suggestion at that time that there was any gerrymandering of any riding.

Mr. Gauthier: There wasn't.

Mr. Foster: There wasn't any.

Mr. Lewis: There was never any suggestion that the boundaries of any of those ridings were politically misconstrued.

Ms. Copps: Thank you.

Mr. Foster: If those boundaries are fair, why are you changing them?

Mr. Lewis: For that reason I think it is unfair and improper to either impugne the work of those commissioners—

Ms. Copps: No one is impugning your word.

Mr. Lewis: —or to suggest that the commissioners who are going to be appointed under this Bill would follow any other course of action than to do what is right for the Canadian people.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I welcome this opportunity to say a word or two in this debate. I want to begin by saying that much of what was said by the Right Hon. Leader of the Official Opposition (Mr. Turner) was absolutely correct. His analysis, if you will, of the pressure under which we are put as a result of the Government's use of time allocation is an accurate analysis. It is difficult for people to appreciate that the House of Commons, to a large extent, operates on the basis of goodwill, and goodwill is absolutely essential in the House of Commons if the House is to be able to do the necessary work which is expected of it by the people of Canada.

When the Government chooses—and I say this in this case to the Government across the way—to end debates prematurely by use of time allocation, the goodwill which is necessary becomes considerably lessened. That is true of this Government, and I say to the Right Hon. Leader of the Official Opposition, who was not here during the immediately preceding Government, that it was equally true during the time of that Government.

I can remember the numerous times I rose in the House to ask the Government not to move on time allocation and to suggest that it was an inappropriate way to end debate. I want to say, however, in saying that, that I also believe, as I have said on many other occasions, that it is necessary for Hon. Members to be able to discipline themselves. It is necessary for Hon. Members not to simply use up the time of the House without giving due consideration to the over-all program which is before it. I believe it is the responsibility of all Hon. Members to look carefully at the program in front of us and to try to come to grips with the amount of time which may be necessary in order that that program can be adequately dealt with.

• (1630)

I am saying that I agree with what the Right Hon. Leader of the Opposition has said regarding time allocation, particularly in the most recent past. Almost without exception on Bill after Bill it appears that the debate is being closed off. I admit it is not happening in every case but it certainly appears that every time the Government does not get its way it moves very quickly to use time allocation. Not only that, it will extend the sitting through the lunch hours so Bills can be rammed through. That is what causes the dissipation of goodwill which must exist in this House if we are going to do the necessary work. I want the Leader of the Official Opposition to appreciate that in the main I support his argument in that regard. I am, however, concerned about what has happened on this particular Bill.

I know that the Leader of the Opposition is fair-minded in this regard. It was very difficult for us, as the other opposition Party, to read the signals coming from the Liberal caucus. Very difficult. I say that in all fairness. It was hard for us to understand where the Liberal caucus was going on this Bill. My colleagues and I thought that the amendments offered were satisfactory. It was reported to us that the amendments met with the approval of the Liberal critic. They were in fact, in the main, the same amendments he had himself offered as being satisfactory. Therefore, it was difficult for us to suddenly

be faced with an uprising, if you will, after the process was finished. I would say this no matter what side of the House I was on. I am not trying to create a battle between us, I am simply telling the truth.

To go back to the beginning of this issue, we were given a paper to look at. My colleague from Churchill, who was a member of the committee, was unable to attend the initial meetings of that committee and I personally attended those meetings in order to be sure we were represented. The process had got to the point where in the final stages of the discussion of the redistribution Bill, when it got to committee, it was felt by most that it had been given reasonable amount of time. I would now be prepared to accept as true that what is being offered is unacceptable. I am not going to argue one side or the other at this point because it is too late in the debate. However, if that was true, if the amendment offered by the Opposition, which became the focal point for the Opposition as being unacceptable, was in fact unacceptable, then why in heaven's name did the Liberals offer it in the first place? That is my problem. Why argue for something and then, when you get it, turn it into a *cause célèbre* to be used to defeat or stop passage of the Bill? I find that difficult to understand. I like to co-operate, damn it, and support what you are doing. I do support it. But I expect in return that there will be some consistency. If it had not been the intention of the Liberal Party to support the changes finally brought forward as amendments to the House, then they should not have offered them as amendments in the first place.

On top of all that, there would have then been a built-up Opposition. Surely it is not too much to ask that we be able to see where the points of opposition really lie so we can analyze them adequately and make some determination about their validity in order to come to grips with whether or not they are supportable. We were not given that opportunity. The committee worked itsway through and it was only after that, only after the recommendations came to the House having been agreed upon, that suddenly, without any warning, there loomed this massive opposition. To be perfectly frank I find that hard to deal with.

I say now that we would have been perfectly willing to have considered any alternative scheme which was seen as satisfactory. My colleague would have brought that to our caucus, we would have looked it over, and gathered our forces to try and support it. That is all I ask. The process has within it at least three opportunities for debate. However, third reading is not where you start debating the process all over again. That is not where it happens. On third reading you may go back over the arguments you lost. You may want to state your continued opposition to what is happening. However, you do not reopen the entire process at third reading and expect that somehow or other everyone else is going to fall in line.

I say all that with the best of intentions and goodwill. I entirely agree with the attitude of the Leader of the Opposition regarding the way the Government has handled its business. However, I am personally perplexed that we find ourselves in the situation we are now in over this Bill. The Bill was given broad discussion and this point of objection was never raised.

Mr. Foster: We never agreed to this.

Mr. Deans: I am going by the record. If it was raised, it certainly does not appear as if it was. You can disagree with me and I will accept that we disagree on that. However, that is my sense of it, my reading and my understanding of it.

Having said that, let me say something about the Government. Members opposite said, when they ran for office, that they were going to be an open and forthright Government. They said they were going to deal upfront with what could and should be done in Parliament and in the country. Nothing could be further from the truth! There has been no greater disappointment over the last 15 months than this Government's continued attempts to not provide information to the House of Commons. At this moment we are debating two things and I think you will agree with me on this, Mr. Speaker. We are not only debating the content of the Bill, we are debating an atmosphere or mood which has developed over the last while.

Mr. Turner (Vancouver Quadra): Right.

Mr. Deans: We are trying to come to grips with it, find a way around it. However, going back as far as I can, every time we ask the Government to produce documentation to show conclusively how it arrived at the decisions it is taking, the Government has refused. Every single time. The Government says it is open. It says it is prepared to co-operate, to provide the documentation. However, on almost every single occasion that we asked for information regarding several issues over the last 15 months it has refused. I take you back not too far to the bank bail-out. Look at the tremendous problem we had in trying to arrive at an understanding over how the investigation would be undertaken. That was much like the position we are in again today. Here was the Government with a crisis on its hands and an Opposition—I was in on the negotiations—which said that it wanted to look at this objectively. Yes, also politically, I admit. That is, after all, what we are involved in. There is nothing wrong with looking at something from a political perspective; we are in fact in politics! Yes, we would anticipate differences of opinion will arise because of different ideologies as we view certain actions of the Government. However, all we asked in the bank bail-out situation was that we be given the relevant information. However, we had to drag it out inch by inch. We were refused at every turn. Every time we said: Can we have this document? No, you cannot get this document. Could we have that document? No, you cannot have that document. In the end all of the documents that we, in the House of Commons, asked to see have been presented to the Estey Commission—every single last bloody one of them. Now they are all public. However, would the Government be forthcoming and sufficiently trusting in the parliamentary process to provide the information to the House of Commons? Not likely. No, Sir. It could not do that. That was a bone of contention.

• (1640)

At that point I started to wonder about the forthrightness and openness of the Government. We were not asking for secret information. We were asking for the information the Government used to make a decision which will cost the taxpayers of Canada approximately $1 billion, which the Government neither committted itself to spending nor could have anticipated that it would spend. It was an extraordinary expenditure. I believe that we, in the House of Commons, are entitled to know everything there is to know about the background material to support a request by the Government that it be allowed to spend $1 billion that it had not anticipated it would need to spend.

We said that the original bail-out and the subsequent collapse of the bank should be treated in the same way it would be if it were a bankruptcy. We said that those who wanted to make a claim should come forward and make it openly and be paid in accordance with whatever is available to pay them. That is the normal business practice.

Mr. Turner (Vancouver Quadra): Under the Winding-up Act.

Mr. Deans: That is the normal business practice and when we said that we should follow the normal business practice the Government looked at us as if we were mad. It said: "My good God, we cannot possibly tell you who is going to get the money". That is because the Government does not want to. It is not because there is any law against it or because there is any rule governing it. People tell me that the Bank Act does not allow it. This no longer falls under the Bank Act. That is the kind of thing which causes people to begin to withdraw from the co-operative spirit which is necessary to make the House of Commons operate effectively.

We then discovered that there are hundreds of millions of dollars that could be collected in taxes that are not being collected as a result of pre-tax rulings. We do not want to know anything about the people involved, but want to know how much is not being collected in order that we can come to grips with what this really means to the economy of Canada. Why is it that those who work for a living can be taxed at source but others can somehow work out fancy arrangements to save hundreds of millions of tax dollars without anyone understanding or knowing anything about it? We asked for some information with regard to that and the Government said: "Oh, no. You cannot have that. That is bad. You should know a thing like that". That is where we end up in that situation and it again undermines the very essence of co-operation that is so necessary for the House to operate.

We cannot, of course, get the details on de Havilland. We will get them if we ask the right questions every day.

Mr. Turner (Vancouver Quadra): Morsel by morsel.

Mr. Deans: The Leader of the Opposition says: "morsel by morsel". The President of the Treasury Board (Mr. de Cotret) says that he is giving us the answers. Let me assume for a moment that he is. However, surely I do not have to sit up night after night every night of the week thinking up every conceivable question and asking it in the House of Commons to get to the bottom of the deal. That is outrageous and stupid. If the information was going to be given to me anyway, why can I not have the documents? That is all I am asking. I do not want to get into a personality battle over it. I understand that there may well be certain things which cannot be provided because of the delicate nature of the negotiations. I can appreciate that. I am not stupid, and neither are my colleagues. All we ask is to be treated in the way that we are intended to be treated by virtue of the fact that we ran for and got elected to Parliament. We are supposed to be trusted. We are supposed to be able to critically analyse the situation, not after the fact, but before the deal is completed.

I will close, Mr. Speaker, by saying that what is wrong in the House today is simply a lack of co-operation and a lack of understanding which I think the Government has fostered.

The Acting Speaker (Mr. Paproski): It being 4.45 o'clock p.m., pursuant to order made in accordance with the provisions of Standing Order 84 on Monday, December 16, 1985, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the third reading stage of the Bill.

The question is on the amendment. Mr. Prud'homme, seconded by Miss Nicholson (Trinity) moved:

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

"Bill C-74, An Act to amend the Constitution Act, 1867 and the Electoral Boundaries Readjustment Act and to provide for certain matters in relation to the 1981 decennial census, be not now read a third time but that it be referred back to the Standing Committee on Privileges and Elections for the purpose of reconsidering Clause 2."

Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the amendment please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Call in the Members.

• (1710)

And the division bells having rung:

Mr. Speaker: Order. May I say to the House that this was a 15 minute bell, delayed strictly for no other reason than the dilemma in getting the buses up the hill in the snow. It is not to be taken as suggesting that in the future we are in any way changing the practice with regard to a 15 minute bell.

The House divided on the amendment (Mr. Prud'homme) which was negatived on the following division:

(Division No. 151)

YEAS

Members

Allmand
Althouse
Angus
Axworthy
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Broadbent
Caccia
Chrétien
Copps
Deans
de Corneille
de Jong
Dingwall
Epp (Thunder Bay-Nipigon)
Finestone
Foster
Frith
Fulton
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Henderson
Hopkins
Isabelle
Jewett
Johnston (Saint-Henri-Westmount)
Kaplan
Keeper
Langdon
Lapierre
MacLellan
Malépart
Manly
Marchi
Mitchell
Murphy
Nystrom
Orlikow
Ouellet
Parry
Penner
Pépin
Prud'homme
Robichaud
Robinson
Rodriguez
Rossi
Tobin
Turner (Vancouver Quadra)
Waddell
Young—58.

NAYS

Members

Andre
Attewell
Belsher
Bertrand
Binns
Bissonnette
Blackburn (Jonquière)
Blais
Blais-Grenier
Blenkarn
Bouchard
Bourgault
Boyer
Bradley
Brightwell
Brisco
Browes
Cadieux
Caldwell
Cardiff
Champagne (Saint-Hyacinthe-Bagot)
Charest
Clark (Brandon-Souris)
Coates
Cochrane
Collins
Comeau
Cook
Cooper
Corbett
Cossitt
Crofton
Dantzer
Darling
Daubney
de Cotret
Desjardins
Dick
Domm
Dorin
Duplessis
Edwards
Ellis
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Fraleigh
Fretz
Friesen
Gagnon
Gass
Gervais
Gormley
Gottselig
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault (Drummond)
Gurbin
Halliday
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Hockin
Horner
Howie
Jacques
James
Jardine
Jelinek
Johnson (Bonavista-Trinity-Conception)
Kelleher
Kempling
Kilgour
King
Ladouceur
Landry
Lanthier
La Salle
Lawrence
Layton
Lesick
Lewis
MacDonald (Kingston and the Islands)
MacKay
Mantha
Marin
Mazankowski
McCain
McDermid
McGrath
McInnes
McKinnon
McKnight
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nickerson
Nielsen
Oberle
Oostrom
Paproski
Pennock
Pietz
Plourde
Porter
Price
Ravis
Redway
Reid
Reimer
Ricard
St. Germain
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Sparrow
Stewart
Tardif (Charlesbourg)
Taylor
Thacker
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Tupper
Turner (Ottawa-Carleton)
Vincent
Warner
White
Wilson (Swift Current-Maple Creek)
Winegard
Wise—144.

Mr. Speaker: I declare the amendment lost.

Mr. Gray (Windsor West): Mr. Speaker, I rise on a point of order. I wonder if the House would be disposed to have this vote counted on the main motion, obviously, but unfortunately reversed, and provided that all the names are recorded as if there had been a normal vote.

Mr. Nicholson: Mr. Speaker, I rise on a point of order. If there is a disposition in the House to accept that, I would like to have my vote counted with the correct side.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. Save and except for the problem of interpretation which that poses, the question is as follows: Mr. Hnatyshyn, seconded by Mr. Clark (Yellowhead) moves that Bill C-74, An Act to amend the Constitution Act, 1867 and the Electoral Boundaries Readjustment Act and to provide for certain matters in relation to the 1981 decennial census, be now read a third time and do pass. Shall I take the vote in reverse with the addition of the Hon. Member for Niagara Falls in the affirmative?

Some Hon. Members: Agreed.

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

(Division No. 152)

YEAS

Members

Andre
Attewell
Belsher
Bertrand
Binns
Bissonnette
Blackburn (Jonquière)
Blais
Blais-Grenier
Blenkarn
Bouchard
Bourgault
Boyer
Bradley
Brightwell
Brisco
Browes
Cadieux
Caldwell
Cardiff
Champagne (Saint-Hyacinthe-Bagot)
Charest
Clark (Brandon-Souris)
Coates
Cochrane
Collins
Comeau
Cook
Cooper
Corbett
Cossitt
Crofton
Dantzer

Members

Darling
Daubney
de Cotret
Desjardins
Dick
Domm
Dorin
Duplessis
Edwards
Ellis
Elzinga
Epp
(Provencher)
Fennell
Ferland
Fontaine
Fraleigh
Fretz
Friesen
Gagnon
Gass
Gervais
Gormley
Gottselig
Gravel
Gray
(Bonaventure-Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault
(Drummond)
Gurbin
Halliday
Hamelin
Hamilton
Hardey
Hawkes
Hicks
Hnatyshyn
Hockin
Horner
Howie
Jacques
James
Jardine
Jelinek
Johnson
(Bonavista-Trinity-Conception)
Kelleher
Kempling
Kilgour
King
Ladouceur
Landry
Lanthier
La Salle
Lawrence
Layton
Lesick
Lewis
MacDonald
(Kingston and the Islands)
MacKay
Mantha
Marin
Mazankowski
McCain
McDermid
McGrath
McInnes
McKinnon
McKnight
McMillan
Merrithew
Minaker
Mitges
Moore
Murta
Nicholson
(Niagara Falls)
Nickerson
Nielsen
Oberle
Oostrom
Paproski
Pennock
Pietz
Plourde
Porter
Price
Ravis
Redway
Reid
Reimer
Ricard
St. Germain
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Victoria-Haliburton)
Scott
(Hamilton-Wentworth)
Scowen
Shields
Sparrow
Stewart
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Tremblay
(Québec-Est)
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa-Carleton)
Vincent
Warner
White
Wilson
(Swift Current-Maple Creek)
Winegard
Wise—145.

NAYS

Members

Allmand
Althouse
Angus
Axworthy
Benjamin
Berger
Blackburn
(Brant)
Blaikie
Boudria
Broadbent
Caccia
Chrétien
Copps
Deans
de Corneille
de Jong
Dingwall
Epp
(Thunder Bay-Nipigon)
Finestone
Foster
Frith
Fulton
Gagliano
Garneau
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Heap
Henderson
Hopkins
Isabelle
Jewett
Johnston
(Saint-Henri-Westmount)
Kaplan
Keeper
Langdon
Lapierre
MacLellan
Malépart
Manly
Marchi
Mitchell
Murphy
Nystrom
Orlikow
Ouellet
Parry
Penner
Pépin
Prud'homme
Robichaud
Robinson
Rodriguez
Rossi
Tobin
Turner
(Vancouver Quadra)
Waddell
Young—58.

Mr. Speaker: I declare the motion carried.

● (1720)

It being 5.20 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

Cyprus

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

EXTERNAL AFFAIRS

ADVISABILITY OF SUPPORTING UN RESOLUTIONS ON CYPRUS

Mr. Neil Young (Beaches) moved:

That, in the opinion of this House, the Government should express concern about the continuing illegal Turkish colonization of Cyprus and the latest secessionist movement of the Denktash regime

1. by supporting measures for the implementation of the United Nations resolutions on Cyprus;

2. by ceasing further negotiations with the Turkish Government on the sale of a nuclear reactor, until the latter complies with the U.N. resolutions on Cyprus and shows a respect for international law;

3. by calling upon the Turkish Government to provide immediate information on missing Cypriots;

4. by calling upon the Turkish Government to respect the human rights provisions of the Helsinki accord, especially in regards to Cyprus;

5. by calling upon the Turkish Government to cease immediately, further colonization of Cyprus and to withdraw all illegal colonists transplanted with a view to changing the demographic nature of the Island; and

6. by condemning the new secessionist movement of the so-called "Federated State of Northern Cyprus".

He said: Mr. Speaker, I am pleased to be given an opportunity to present this motion to the House in order to give the House the opportunity of considering the request that I put forward in a motion.

The Acting Speaker (Mr. Paproski): Order, please. If there are to be conversations, I hope that they would be held behind the curtains. Order, please. The Hon. Member for Thunder Bay-Nipigon (Mr. Epp) and the Hon. Member for London West (Mr. Hockin), please get behind the curtain and stop the chatter. The Hon. Member for Beaches (Mr. Young) has the floor.

Mr. Young: Thank you very much, Mr. Speaker. The idea of putting this motion arose out of a function I attended in July of this year. It was a function organized by the Cypriot Federation of Canada along with the Hellenic-Canadian Federation of Ontario, the Cypriot Community of Toronto and the Greek Community of Metropolitan Toronto. This function was entitled "Justice for Cyprus". It was attended by Hon. Members from all sides of the House including my good friend, the Hon. Member for York East (Mr. Redway), and others. I do not want to take too long making my comments because I understand that many other Hon. Members want to say a few words about this motion. I would like to give them the opportunity to do so.

The question of Cyprus and its invasion by Turkey has been raised in the House several times by Hon. Members on all sides of the House, including the Hon. Member for Broadview-Greenwood (Ms. McDonald) and the Hon. Member for Brant (Mr. Blackburn.). It is well known that there have been many communal differences in Cyprus, some of which are of a long-standing nature. Nevertheless, there has also been a considerable period of time during which the two communities

have lived together fairly peacefully side by side. I am convinced that given a chance, those two communities would do so once again but only once the Turkish troops get off the island.

At the function to which I referred, all the participants made it a point that prior to the invasion, even though there were differences between the peoples of Cyprus, more often than not through interpersonal relationships they had got along very well over the years. They were quite convinced that they could do so again provided they were given the opportunity to make their own decisions on their own behalf without a strong military presence on the island.

This is the eleventh year since the Turkish invasion of Cyprus; 11 years since Turkey sent its army to occupy 40 per cent of Cyprus and displace one-third of its population or some 200,000 persons. Turkey also captured thousands of defenceless civilians and shot, butchered or raped hundreds and 2,000 of these are still missing. Turkey then brought in a flood of colonists from mainland Turkey to whom the stolen properties of the displaced refugees were handed over. Despite worldwide condemnation of this action by the United Nations General Assembly, the European Common Market and the Commonwealth, Turkey has ignored all resolutions and pleas for justice in Cyprus and has continued to support the Turkish pseudo state which Turkey alone recognizes.

Justice for Cyprus means the removal of Turkish troops and Turkish colonists from Cyprus, the return of the 200,000 refugees, an accounting of the 2,000 missing Cypriots and their release from Turkish jails. It means a free, united Cyprus as stated in UN Resolution 37/253 which was adopted in 1983.

If we are to achieve justice in Cyprus, we must have a clear understanding of who the aggressors and the victims are. This is not a problem between Greek and Turkish Cypriots and it is not an insoluble problem as the Turkish Government would like to portray it. It is nothing but the occupation by an aggressor of a small island country with a limited defence.

At every appropriate occasion, the Canadian Government at the UN and during Commonwealth discussions on the Middle East and Cyprus should raise the issue of Cyprus with other countries and particularly with NATO and the United States. There can be justice for Cyprus. The problem can be solved but only through outside mediation and influence, particularly through the United States. If the Canadian Government has as close a relationship with the United States administration as it says it has, and if Canada has a direct interest in Cyprus, Canada can indeed bring about a just solution for Cyprus and all of its citizens, both Greek Cypriots and Turkish Cypriots.

Although the island was invaded 11 years ago, during all this time the Government of Turkey and the Turkish Cypriots have ignored several resolutions put by the United Nations and the European Parliament which call for a just settlement. Turkey is also waging a campaign of intimidation against Greece and threatens the integrity of several Greek islands along the western coast. The continuation of Turkish aggression contemplates a threat to peace in the part of the world and goes against the collective interests of the western alliance.

It is because of the global concern over what has been occurring on Cyprus that the UN General Assembly adopted on May 13, 1983, Resolution 37/253. The vote on that resolution was 103 in favour with five against and 20 abstentions. I believe it is important that that resolution be recorded here. Therefore, I intend to make the House aware of it. The General Assembly Resolution reads as follows:

Having considered the question of Cyprus,

Recalling its resolution 3212 (XXIX) of 1 November 1974 and its subsequent resolutions on the question of Cyprus,

Recalling the high-level agreements of 12 February 1977 and 19 May 1979

Reaffirming the principle of the inadmissibility of occupation and acquisition of territories by force,

Greatly concerned at the prolongation of the Cyprus crisis, which poses a serious threat to international peace and security,

Deeply regretting that the resolutions of the United Nations on Cyprus have not yet been implemented,

Recalling the idea of holding an international conference on Cyprus,

Deploring the fact that part of the territory of the Republic of Cyprus is still occupied by foreign forces,

Deploring the lack of progress in the intercommunal talks,

Deploring all unilateral actions that change the demographic structure of Cyprus or promote faits accomplis,

Reaffirming the need to settle the question of Cyprus without further delay by peaceful means in accordance with the provisions of the Charter of the United Nations and the relevant United Nations resolutions,

1. Reiterates its full support for the sovereignty, independence, territorial integrity, unity and non-alignment of the Republic of Cyprus and calls once again for the cessation of all foreign interference in its affairs;

● (1730)

2. Affirms the right of the Republic of Cyprus and its people to full and effective sovereignty and control over the entire territory of Cyprus and its natural and other resources and calls upon all States to support and help the Government of the Republic of Cyprus to exercise these rights;

3. Condemns any act which tends to undermine the full and effective exercise of the above-mentioned rights, including the unlawful issue of titles of ownership of property;

4. Welcomes the proposal for total demilitarization made by the President of the Republic of Cyprus;

5. Express its support for the high-level agreements of 12 February 1977 and 19 May 1979 and all the provision thereof;

6. Demands the immediate and effective implementation of resolution 3212 (XXIX), unanimously adopted by the General Assembly and endorsed by the Security Council in its resolution 365 (1974) of 13 December 1974, and of the subsequent resolutions of the Assembly and the Council on Cyprus which provide the valid and essential basis for the solution of the problem of Cyprus;

7. Considers the withdrawal of all occupation forces from the Republic of Cyprus as an essential basis for a speedy and mutually acceptable solution of the Cyprus problem;

8. Demands the immediate withdrawal of all occupation forces from the Republic of Cyprus;

9. Commends the intensification of the efforts made by the Secretary-General, while noting with concern the lack of progress in the intercommunal talks;

10. Calls for meaningful, result-oriented, constructive and substantive negotiations between the representatives of the two communities, under the auspices of the Secretary-General, to be conducted freely and on an equal footing, on the basis of relevant United Nations resolutions and the high-level agreements, with a view to reaching as early as possible a mutually acceptable agreement based on the fundamental and legitimate rights of the two communities;

11. Calls for respect of the human rights and fundamental freedoms of all Cypriots, including the freedom of movement, the freedom of settlement and

the right to property and the instituting of urgent measures for the voluntary return of the refugees to their homes in safety;

12. Considers that the *de facto* situation created by the force of arms should not be allowed to influence or in any way affect the solution of the problem of Cyprus;

13. Calls upon the parties concerned to refrain from any unilateral action which might adversely affect the prospects of a just and lasting solution of the problem of Cyprus by peaceful means and to co-operate fully with the Secretary-General in the performance of his task under the relevant resolutions of the General Assembly and the Security Council as well as with the United Nations Peace-Keeping Force in Cyprus;

14. Calls upon the parties concerned to refrain from any action which violates or is designated to violate the independence, unity, sovereignty and territorial integrity of the Republic of Cyprus;

15. Reiterates its recommendation that the Security Council should examine the question of implementation, within a specified time-frame, of its relevant resolutions and consider and adopt thereafter, if necessary, all appropriate and practical measures under the Charter of the United Nations for ensuring the speedy and effective implementation of the resolutions of the United Nations on Cyprus;

16. Welcomes the intention of the Secretary-General, as expressed in his report . . . to pursue a renewed personal involvement in the quest for a solution of the Cyprus problem and, in view of this, requests the Secretary-General to undertake such actions or initiatives as he may consider appropriate within the framework of the mission of good offices entrusted to him by the Security Council for promoting a just and lasting solution of the problem and to report to the General Assembly at its thirty-eighth session on the results of his efforts;

17. Decides to include in the provisional agenda of its thirty-eighth session the item entitled "Question of Cyprus" and requests the Secretary-General to follow up the implementation of the present resolution and to report on all its aspects to the General Assembly at that session.

Some 86 voted in favour of this resolution, eight against and 25 abstained.

Hon. Members may be interested to know that on October 1 of this year the United States Senate adopted a similar resolution on Cyprus. The Senate resolved the following:

(*a*) The Senate hereby congratulates the people of Cyprus on the twenty-fifth anniversary of their independence.

(*b*) It is the sense of the Senate that the United States reaffirms its continuing commitment to a just resolution of the Cyprus dispute, and its support for the efforts of the Secretary-General to bring peace to that troubled nation.

At the outset I said that I did not have any intention of taking too long since other Members wish to speak on this matter. What I do say is that the arguments presented by the United Nations General Assembly are much more eloquent than ones I could put forward to the House. This is why it is important that I read the resolution into the record.

Also, it seems to me that as a country we have substantial influence and respect in international circles. That respect goes hand-in-hand with a high degree of credibility in the international arena. It seems to me that we should be using that credibility to use whatever influence we have on other nations to bring about a peaceful resolution of the problems in Cyprus. The number one call is for the withdrawal of Turkish troops from the island so that Cyprus itself can get on with making the decisions which will affect the lives of its people and future generations.

[*Translation*]

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I am pleased to take the floor to comment briefly on the same subject. I would suggest this problem has been with us for a long time and it does not seem it will be settled soon.

I have no difficulty with Motion No. 215 of the Hon. Member. I think his motion before the House is logical, but there was really no need to refer to the CANDU reactor issue since it is the subject of a dispute which has nothing to do with the Island of Cyprus. I think the Hon. Member would have been better advised not to include that reference in his motion.

I think that the position of my Party and of the country in this debate . . . We believe the people of Cyprus must decide their own future and that there is no need at all—yesterday, today or tomorrow—to have the Turkish army intervene and have 40 per cent of the Cypriot territory occupied by the Turks.

● (1740)

The unilateral declaration of independence for the northern part of the Island of Cyprus has simply become a totally irrelevant element which does nothing to help matters. The problem ought to be resolved along the lines of the United Nations resolution which would enable all Cypriot citizens to express their views concerning the political solution of this problem which unfortunately has existed for a very long time.

Canada started to offer the services of Canadian Forces to keep peace in that country a long time ago. In my opinion, Canada's contribution to peacekeeping in that difficult situation which has prevailed for over twenty years on the Island of Cyprus should be made available to other parts of the world. And I think we should look at Cyprus and realize that U.N. intervention has to a considerable extent prevented loss of life and that the invasion that took place a few years ago proves that military intervention only makes matters worse instead of dealing with the problem, and that in the circumstances, Canada should continue to provide the services of its troops to keep the peace between the warring factions.

At this point, I believe I would say that I prefer Canada to intervene under the aegis of the UN, because when it is done at the invitation of the warring factions, we are making it impossible for the United Nations to maintain its credibility and intervene in an effective manner. Perhaps because the UN no longer has the prestige it enjoyed, let us say, 25 years ago countries are now intervening as the Turks did in the northern part of Cyprus, and we have seen the results. Thousands of people were displaced. Thousands of people have disappeared. Families want to know whether a person has disappeared or is in prison or what has happened to them. In the resolution, the Turkish Government is being asked to provide all the information they have on these individuals so that the human tragedy that has been going on since the intervention by the military can in some way or other be brought to an end.

Mr. Speaker, I do not intend to make a long speech. I think my party's position on the subject is well known, and I know

that the present Government's policy is not any different from the one we have supported to date. To clarify my position, perhaps I could read, for the benefit of the House, a short speech, a matter of minutes, which clearly established the Trudeau Government's position. Or perhaps I could simply refer the House to a speech made on November 17, 1983 by the Permanent Ambassador to the UN at the time, Mr. Gérard Pelletier, who clearly and succinctly summarized the Government's position. I could quote a few paragraphs that might be helpful to the people listening to this debate.

The Government's position was, and I believe it still is—and perhaps the Parliamentary Secretary will confirm this later on—that we profoundly regretted the unilateral declaration of independence on November 15 of the so-called Turkish Republic of Northern Cyprus. We are not prepared to recognize this so-called state on Cyprus. We continue to recognize a single Republic of Cyprus, whose sovereignty and territorial integrity should be respected by all concerned. The unilateral declaration of independence has disrupted negotiations that are already delicate and difficult enough as it is. It is the unfortunate result of a situation previously described by the ambassador in June before the Council, that is, the two communities on Cyprus and certain other parties to the Cypriot dispute have not shown the requisite resolve to search for a compromise which, though difficult, will be necessary to find a valid political solution.

Although we are aware of the impatience and frustration felt by the parties as a result of the lasting stalemate, we cannot agree however that those sentiments warrant such a disproportionate reaction. The action of the Turkish Cypriot community jeopardizes chances for a fair and equitable solution within a unified Cypriot State, and for well deserved peace and prosperity.

Canada strongly deplores this unfortunate situation because our participation in the United Nations Force goes such a long way back. Indeed this force was created to maintain peace and pave the way for a solution to the Cypriot problem, not a unilateral solution but one which would be prepared and accepted by all parties concerned.

In my opinion, Mr. Speaker, it is a fair and reasonable position. The military intervention is not justified in these circumstances. We have to go back to the United Nations resolution and hope that the Cypriot problem will be solved by all the citizens of the Island of Cyprus in such a way that lasting peace might make people forget this unfortunate situation which has endured for too long but which, in my opinion and that of my Party, cannot be solved by a military intervention such as the one that took place on the Island of Cyprus.

[*English*]

Mr. Chuck Cook (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I will be very brief in my comments on this issue because there are two other Hon. Members who would like to speak in this debate and from whom I would like to hear and, unfortunately, with the vote, there is not much time left. I will have a brilliant speech ready next time the Cyprus issue comes up. But it will not be this evening.

There are two or three points I would like to make. First, Canada's stand on Cyprus is not ambiguous at all. Our efforts have always aimed at helping the peace process and facilitating the UN Secretary-General's efforts. Second, Canada regrets deeply such actions as the 1974 foreign interventions or the 1983 unilateral Declaration of Independence. Third, Canada has supported resolutions aiming at the withdrawal of foreign military personnel on Cyprus except those provided for in the Cyprus Constitution.

The UN Secretary-General is actively pursuing his efforts to reconcile the two communities. Any unsolicited and one-sided action by Canada at this delicate point of the discussions would undermine his initiative and be counter-productive. In his recent speech at the Fortieth United Nations General Assembly, the Cyprus Foreign Minister called for all to support the Secretary-General and to "assist him in finding a solution to the problem". The motion presented today does not seem likely to have such effect.

Canada is a key member of the United Nations force in Cyprus. Its contingent patrols the most sensitive sector of the "green line". While Canada itself recognizes only the Republic of Cyprus, the Canadian contingent must maintain its credibility in the eyes of the Turkish as well as the Greek Cypriots. The adoption of this motion could raise questions as to Canadian impartiality as peace-keepers.

The lives of 25 Canadian servicemen have been lost in Canada's efforts to bring peace to the country of Cyprus. Tens of millions of Canadian dollars have been spent in our peace-keeping efforts over the years. Passing this motion would undermine that impartiality which Canada must maintain if we are to have a loud and clear voice in bringing peace to that troubled island.

Mr. John Oostrom (Willowdale): Mr. Speaker, let me again point out that Canada has many years of experience in Cyprus and that its position has been carefully elaborated over the years. We feel that under the circumstances, this position is the one most likely to help the Secretary-General of the United Nations who has been mandated to bring about a reconciliation in Cyprus. The Cypriot question is a very complex one. Not only is it the result of many centuries of sometimes difficult cohabitation between Greek and Turkish Cypriots, but it is also a product of the often violent relations between two peoples whose language, religion and culture differ considerably.

• (1750)

[*Translation*]

The vagaries of history kept Cyprus from becoming part of Greece like other islands in the Aegean and Mediterranean in the nineteenth and twentieth century, and in 1878, Cyprus came under the control of Great Britain. Nevertheless, there is

still a profound attachment to the Greek language and culture and to the Greek Orthodox religion. At the same time, a Turkish presence on the island since the 15th century had produced a cohesive and strong minority, 18 per cent, with strong ties to the Turkish language and culture and to Islam.

[*English*]

We are all familiar with the painful process which led to the independence of Cyprus. Hellenism has been there for a long time but not until 1931, it is felt, was a desire for enosis, uniting Cyprus with Greece, expressed with any seriousness. After the war Britain began to decolonize and grant independence to its colonies one by one. A campaign in favour of enosis, accompanied by terrorist attacks against British interests, was launched in Cyprus in 1955. The Turkisk Cypriots, fearing abandonment by England, tried to resist the pressure for enosis and independence and called for the maintenance of the *status quo* or, failing that, partition of the island. They finally agreed with the Greek Cypriots on a draft constitution in which the right of the minority were protected. Moreover, when independence was achieved, Cyprus signed with London, Ankara and Athens a treaty which gave the three countries the right to inspect implementation of the agreements. The institutions put in place in 1960 by the Zurich and London agreements have not worked. The Turkish Cypriots claim that they have systematically been excluded from important decisions and that their rights have not been respected, while the Greek Cypriots contend that the Turkish Party has refused to cooperate and abused its veto powers.

We do not have the time to review in this House the many events which have marked the past 21 years. In 1964 civil war was raging and the Government of Cyprus, having consulted with the three guarantor states, appealed to the United Nations. Canada has witnessed most of these events. From 1964 through 1974 Canadian soldiers, like their counterparts from other contributing countries, were assigned to positions in the cities, towns and villages where Greek and Turkish Cypriots were fighting. Their main job was to keep the peace, prevent fresh outbreaks of fighting and create conditions conducive to reconciliation.

After the events of 1974 the Island was divided in two. The UN force was re-deployed along the cease-fire line. The Canadian troops were given the difficult mission of patrolling the old sector of Nicosia where the enemy positions are sometimes only a street's width apart and where the presence of many buildings in ruins makes it very difficult to exercise surveillance over the fortifications and the cease-fire line.

[*Translation*]

Mr. Speaker, before I go on with my speech, I must pay a well-deserved tribute to those 23,000 young Canadians who, with dignity and courage, have performed an extremely dangerous and I would say frustrating task. It is inspiring to see these soldiers and officers, trained to defend their country against the enemy and if necessary, attack that enemy, acting as referees between opponents whose motivation and courage make them formidable fighters.

[*English*]

One's concept of the role played by the UN force in Cyprus can vary depending on one's own perception of things. This international force, which has numbered as much as 6,800 and is now 2,340 strong, has not always been able to prevent skirmishes from degenerating into widespread combat. It was powerless in the face of the events of 1974. As I said, there must be a reciprocal political desire before the UN force can fulfil its mission. However, many of the soldiers could testify to the lives they have saved, the supplies they have brought to isolated villages, and the hundred of refugees whom they have led to a safe zone. Many times they have passed from one zone to another bringing mail, helping isolated family members visit one another, and watching over the aqueduct work in Nicosia which is proceeding without regard for the Green Line. In short, they are maintaining against all obstacles a state of peace and communications which will enable the political leaders and the UN representatives to continue the dialogue. These soldiers could also tell you about the long nights and days they have spent patrolling the cease-fire line between two rows of fortifications strewn with death-traps. These Canadians are professional soldiers and are always on the look-out for attempts by either side to strengthen an outpost or a barricade, or to move a portion of the cease-fire line. They are also diplomats who, on behalf of the UN, negotiate with each party to resolve initiatives or misunderstandings which might change the *status quo* and precipitate a confrontation. In 1984 only one life was lost along this line. In 1985, none. Those who feel these troops need not be there have only to imagine what would happen if they were withdrawn or even if their numbers were reduced.

Others feel that Canada is not doing enough. Earlier on, when I mentioned the cost of Canadian participation in this peace-keeping force, I left out what it costs Canada indirectly to send these troops to Cyprus rather than keep them here. Consider also that the services provided by the soldiers are not available to the Canadian people, so that the total cost, not always quantifiable, is actually higher than it appears to be. In sum, those who would like to see Canada take a position on the actions of the parties involved need only ask our soldiers what effect this would have on their ability to keep the peace. I would also ask them to reflect on the effects this motion would have on the mediatory work being done by the UN Secretary-General since the summer of 1984, to mention only the most recent of his initiatives. The Cypriot communities, as well as the Greek and Turkish Governments, recently reiterated their confidence in the Secretary-General's efforts. He earnestly desires to see each party negotiate seriously, with no outside interference and with a willingness to once and for all re-establish the minimal confidence required to produce valid concessions. The two Cypriot communities seem to agree on the principle of setting up a federal state. Yet to be determined is the exact nature of this state, the reciprocal rights each part would have, and the guarantees which would ensure the survival of this federal state and the security of its citizens.

[*Translation*]

Because they are so far removed from Cyprus, Canadians have trouble understanding what is at stake in a situation that has existed for over 20 years. However, they do realize that any definitive failure of the UN's efforts in Cyprus would have devastating consequences, not only for the Cypriots but for the world community and world peace.

[*English*]

Before it is too late we must lend all the support we can to the only person who has a chance to bring the two communities back to the negotiating table and keep them there. For the sake of future generations, patience and confidence must be evident among all involved. Threatening or inflammatory declarations, and attempts by the parties to strengthen their positions by drawing the international community into the conflict, are contrary to the objectives of Mr. Perez de Cuellar and the methods he would see used. For its part, Canada will continue to support with all its resources and prestige the multilateral approach to finding a solution. It will, if asked, continue to lend assistance in the field and quietly encourage the parties involved. In this way, and not by passing motions like the one before us, we will best contribute toward a just and appropriate solution to the problems of Cyprus.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

TAXATION—TAX REFORM—GOVERNMENT PRIORITY

Mr. Bill Attewell (Don Valley East): Mr. Speaker, on November 27 I wanted to ask the Minister of Finance (Mr. Wilson) a question about tax reform. In his absence, I asked the question of the Minister of State for Finance (Mrs. McDougall). In my question I indicated how confused Canadians are about our tax system and how disappointed they are, and I used other adjectives as well. I did not consider the reply I got to be totally satisfactory. I would now like to outline some of my further thoughts on this vital topic in Canada.

I had the privilege of visiting Washington last spring with a number of colleagues to study the important issue of tax reform. I found it a very worthwhile meeting. As you know, President Reagan has set tax reform as a very, very high priority of his administration and the Americans are moving along that path. It is not easy. We saw several different versions of the so-called minimum tax and flat-rate tax in the United States. However, I believe they have the will and determination to follow through with that. I am confident that we will see the same determination in our country. The Prime Minister (Mr. Mulroney) has said that we will move along that path and I think it is time we got that process underway.

I would like to talk about a few of the problems with our current system and give a few examples of it. I attended the meeting of the Standing Committee on Finance, Trade and Economic Affairs last evening at which we dealt, clause by clause, with Bill C-84. I will give you just one example of an amendment which we were considering. It reads:

(B) the corporation is, throughout the year, a Canadian-controlled private corporation whose taxable income for the immediately preceding taxation year together with the taxable incomes of all corporations with which it was associated in the year for their taxation years ending in the calendar year immediately preceding the calendar year in which the taxation year of the corporation ended does not exceed the aggregate of the business limits (as determined under section 125) of the corporation and the associated corporations for those preceding years, or"

That is just one example, Mr. Speaker, of the complexity of the Income Tax Act.

With great respect to several of the architects of that Act over the years, I think we have ended up with a band-aid solution. There has been change after change after change. I would defy any tax lawyer or tax accountant in the country to try to comprehend that entire Act. The provision which the Government is moving forward with through the last Budget, the lifetime capital gains exemption of $500,000, is a proposal which I personally feel is a good one. However, as we discussed Bill C-84, that one proposal alone touched on over 130 parts of the Act. Therefore, you can see the complexity of it.

Individuals, as well as companies, have a hard time filling in tax returns. Many of them have given up and have had to go to various tax preparation companies. I think that in itself speaks to the unnecessary complexity of the law.

As the Government deals with tax reform, I believe it should move ahead on the basis of revenue neutrality. In other words, Canadians should not perceive that we are changing the tax provisions just to get more taxes into the Treasury of the country. When we do embark on this in a serious way we should follow the principle of revenue neutrality. When the total changes are made, the Government collects the same amount of money.

• (1805)

Some of the things we should be thinking about and considering, which I call important principles, include the current minimum tax. It has a principle in it, to which I object, having to do with the gross-up of dividends on which people are being taxed. I do not think Canadians should be taxed on money they do not receive.

As we review this whole topic we should look at a consolidated return for corporations. With my business background, I recall when one deals with the acquisition or selling of a company that the first area to be explored is that of the tax consequence. You do not look at the market-place, how long the company has been in business or what the sales force is like, you look at what the tax situation is. Is there a tax loss carry forward? It is almost like a shell game when annual returns are filed, Mr. Speaker, shifting assets into different

companies so tax can be minimized. A simple thing, like a consolidated tax return, as they have in the United States, would go a long way toward that very point.

I have a number of other points I want to make on this issue, but let me conclude by saying that as we embark on this important initiative we must ensure that Canadians perceive it as being fair and equitable. They do not at this stage. We have something in the order of over 25,000 employees in Revenue Canada in the excise area—I do not want anybody to lose his or her job—which speaks of the mammoth job at hand, while we have over 12 million people trying to fill out returns. I submit our system is far too complex. We need to get on with strong backing and a strong initiative on tax reform in Canada.

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, our Government has shown that it takes the development of a fair and efficient tax system seriously by introducing and proposing a number of initiatives on this issue. These continuing series of steps considered in aggregate represent major advances in fairness.

One of the first actions taken by the Government was to put an end to the abuses of the quick flip mechanism associated with the scientific research tax credit. These abuses by certain individuals and corporations had resulted in a significant loss in revenue for the treasury.

The Government has implemented a number of reforms in the area of tax administration. The November 1984 economic statement introduced measures designed to improve the fairness of tax administration. These measures include requiring a taxpayer to be refunded any overpayment of income tax resulting from a successful appeal—even if under further appeal—restricting the authority of officials for search and seizure, to be consistent with the spirit of the Canadian Charter of Rights and Freedoms. The Government does not believe in being Draconian in its pursuit of the tax dollar, and has made changes to humanize the tax collection process.

The May 23 Budget contained a number of proposals directed toward increasing the fairness of the Canadian tax system. Measures relating to these proposals were tabled in the House with the November 21, 1985 Notice of Ways and Means Motion. Two major measures relating to fairness between taxpayers are the restriction on use of the capital cost allowance losses from certain types of businesses for individuals, and the extension of the income attribution rules to income from property acquired from the proceeds of interest-free loans.

In an effort to prevent tax avoidance, the Minister of Finance (Mr. Wilson) announced on November 26, 1985 a measure to prevent the use of trusts to market security issues in a way that income and capital returns to investors are distributed tax free.

• (1810)

On December 4, 1985 a major step was taken when the minimum tax legislation was introduced. It guarantees that high income individuals will not escape paying income tax. In addition, on the same day, the Minister of Finance introduced measures ending the use of partnerships in corporate takeovers for increased tax deductions and clarifying the law on the limits imposed on foreign property investments by pension funds. These measures are designed to make the tax system more fair and to safeguard federal revenue.

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member, but his time has expired.

[*Translation*]

FOOTWEAR INDUSTRY—MAINTENANCE OF QUOTAS—(A) GOVERNMENT POSITION (B) REQUEST THAT QUOTAS BE RETAINED

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, on October 23 I put a question to the Minister of Regional Industrial Expansion (Mr. Stevens), asking him to act responsibly and maintain quotas in the footwear industry. Now we know that the Government decided to eliminate the quotas, and immediately afterwards, Mr. Speaker, I went to my riding, the riding of Saint-Léonard-Anjou, which has three shoe factories employing 1,000 workers. One of the comments made by the shoe manufacturers in my riding and which they asked me to take down was that, in fact, the worker stands to lose by this decision, because the manufacturers can go on designing Canadian shoes here and have them manufactured in Brazil and then import them into Canada, which they can do because there are no more quotas.

Mr. Speaker, that is the situation at the present time. These are jobs that have been lost as a result of this decision. In fact, Mr. Speaker, this has been confirmed by a report from ILO, which says that eighteen industrialized countries are now experiencing increased job losses in the footwear industry as a result of imports from developing countries.

Mr. Speaker, this indeed confirms statements by manufacturers who intend to stay in business despite the fact the quotas have been lifted. They are going to have the shoes manufactured in developing countries, but our workers, our Canadian workers are going to lose their jobs.

Mr. Speaker, workers in the Canadian footwear industry as well as manufacturers, tanners and suppliers are very disappointed and even concerned, not only because of this Government's very poor policy on import quotas on shoes but also because of the specious arguments invoked since then in the House to justify the Government's decision.

Manufacturers and workers are asking the following question: Why is the Government trying to mislead the House and the public by pointing out that the quotas have cost consumers between $450 million and $500 million? Why does it refer to figures from a theoretical study without taking into consideration the way the shoe market operates or the real price of shoes? Why does it use overestimated figures based on an

econometric evaluation—not to mention projections for the years 1984 and 1985—yet fail to mention that, according to the Tribunal, econometric evaluation procedures give results which can never be considered to be totally accurate? Why does it not keep Members aware of that? Why does the Tribunal refer to figures based on an econometric evaluation whose results cannot be considered to be totally accurate?

The Government knew that it was because the Tribunal was unable to obtain figures from retailers and importers, as it indicated in its report. Why did the Government fail to advise the House about what the Tribunal said concerning the price consumers have to pay for shoes?

I could go on, Mr. Speaker, and say that Canadians deserve more than mere theoretical studies. They deserve to know the truth because 20,000 workers will be affected by this decision.

In conclusion, Mr. Speaker, I would like just for the record to quote the promise made on May 4, 1984 by the Right Hon. the Prime Minister, who was then Leader of the Opposition. Here is an article from the newspaper *La Tribune*:

> On Wednesday Conservative Leader Brian Mulroney told the daily newspaper *La Tribune* that a Conservative Government would not abolish import quotas imposed by Canada in the footwear and textile sectors.
>
> "The quota policy would remain unchanged", said Mr. Mulroney because he is not in favour of free-trade in those sectors.
>
> He added that he would not give in in spite of pressures that might be applied by the Common Market countries or the United States to loosen quotas on shoes or textile products in Canada.
>
> "I will not miss the opportunity to say so to President Reagan when I confer with him in Washington next month. I will see to it that our interests are protected at all times. A friendship has its price. Neighbours like us are worth a lot", said the Conservative Leader.

What a joke, Mr. Speaker! After 15 months in office he abolishes quotas, yet on May 4, 1984 he had clearly stated he would maintain them, even in spite of pressures from the Americans and the European Common Market.

● (1815)

Mrs. Monique Landry (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I am pleased to answer the question raised by the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano) on October 23, 1985, and to refer to the decision taken by the Minister for International Trade (Mr. Kelleher) and announced in the House of Commons on November 20, 1985 concerning the Government's future policy on shoe imports.

In his announcement the Minister mentioned the Canadian Import Tribunal report which had been commissioned by the previous administration and according to which the Canadian shoe industry, with the exception of shoes for women and young girls, can compete successfully on international markets. In light of the tribunal findings, the Government came to the conclusion that it would not be in the best interests of the country to continue to restrict imports throughout the whole industry.

[*English*]

Accordingly, effective December 1, 1985, import controls are being continued for a further three years only with respect to women's and girls' dress and casual footwear. Quotas for this sector will be phased out to annual growth provisions of 6 per cent the first year, 8 per cent the second year and 10 per cent the third year.

The Minister for International Trade (Mr. Kelleher) stressed that adjustment assistance programs would be available for communities, employees and companies. Furthermore, the industry currently benefits from a tariff of around 23 per cent on footwear imports and will continue to have recourse to the provisions of the Special Import Measures Act.

CANADA MORTGAGE AND HOUSING CORPORATION—HOUSING PROJECT IN SACKVILLE, N.S.

Mr. Dan Heap (Spadina): Mr. Speaker, I want to explain further the gross error of the present Government as well as the previous Government in regard to the shell housing program in places like Sackville, Nova Scotia. About 1972 there were a number of houses built. At least 23 have been identified as having trouble now, in which the Canada Mortgage and Housing Corporation approved the contractors who constructed the shell and then the shell was sold to the customer—the homeowner-to-be—who is responsible for completing the interior work.

CMHC approved the whole arrangement and approved the contractors. CMHC was responsible for inspecting the houses. The people who bought the houses and are living there yet say that there was no inspection until the end. In the end, the inspector came around, drove up in his car, met with the builder who drove up in his truck or car, but did not go into the house, and signed the inspection documents. In other words, they covered for the fact that he had not inspected it. As I say, this was done under the jurisdiction and with the approval of CMHC. It turns out that the roof was very badly designed. It was designed in such a way that it was bound to rot for lack of ventilation. On one street, 23 of the roofs of that design and construction are rotting in that way. One has already fallen in and others have had to be replaced so that they would not fall in. After complaints that began in 1974 and 1975, it took the Government until 1985 to do anything about it, whichever Government was in power.

● (1820)

The fact is that CMHC was responsible from start to finish, up to the point where the project was handed over to the unsuspecting home owners who foolishly trusted a government body to tell them they were buying sound houses. The present Government has treated them almost as shabbily as the previous Government which produced the bad housing.

Some of the home owners have had to double the amount of their mortgages in their later years in order to fix houses which were faulty when they were sold to them under the jurisdiction and direction of CMHC. Some extra rehabilitation money has

been given but it amounts to no more than $2,000 per house for roofs which cost $10,000, $15,000 or $18,000. They should have been fixed before and should not have been charged to the home owners at all. It is the responsibility of CMHC.

The Minister promised to report on this situation to a local Member of the Legislature but repeatedly refused to forward that promised report. His words were that he expected to be able to provide the Member of the Legislature with the results of his investigation by early June. It is December and there is no report. My office requested this report by letter on November 26, by phone on November 26 and December 2, by letter on December 6, in a speech on December 10, in a question on December 12 and in phone calls Friday, Monday and today, and never once did the Minister respond to the request for a report, let alone make the report public.

Clearly the Minister responsible for CMHC is as ashamed to report on the matter as he would have been if he had been the Minister responsible at the time this disgraceful building project was created. The Government has inherited all the power, prestige and revenues of the previous Government and it inherited with that its debts, both legal and moral, of which this certainly is one. The Government owes new roofs to the owners of those houses in Sackville and if it slides out of providing those roofs it is defaulting on a moral obligation and that will bring disgrace to the Government.

Mr. Joe Price (Parliamentary Secretary to Minister of Labour): Mr. Speaker, the Hon. Member suggested that the Minister and his staff members have a lack of sensitivity or have shown a lack of co-operation. I should remind the Hon. Member, as he certainly knows, that the Minister does indeed take the Hon. Member's representations very seriously and that the Minister and the members of his staff have responded to his inquiries very promptly. As an example, today members of the Minister's staff were, as they were on many other occasions, in contact with the Hon. Member's staff to assist the Hon. Member in his endeavours on behalf of the people he represents.

I would like to respond further to the matter raised by the Hon. Member which, of course, concerns the problems being experienced by the homeowners in a housing project in Sackville, Nova Scotia. The project in question consists of some 22 semi-detached units which were built in the early 1970s as part of a joint federal-provincial program known as shell housing. The basic idea underlying the program was to bring housing units to a stage of construction which permitted occupancy. The owner occupants then completed the work creating equity in the properties at the time of completion. Under the program, CMHC provided loans to builders who were responsible for the shell of the units and to persons with a previously agreed income at an agreed maximum price.

• (1825)

The problem of deterioration in some of the units was brought to the attention of CMHC earlier this year. As a result of that representation an inspection was carried out which found that in some of the units rotting had occurred due to moisture entering the roof system. Contrary to the Hon. Member's suggestion, these observations have been communicated to the Hon. Member for Halifax West (Mr. Crosby) who, I might add, has made representations to the Minister on behalf of his constituents. As well, these observations have been made known to the local MLA, Mr. Holm.

The actual report was produced for CMHC internal use and, as such, is not a document for public consumption.

The federal Government has no liability in this matter. However, despite that, CMHC has undertaken to do its utmost to respond to the needs of these homeowners within the parameters of existing programs. Many of the occupants have considerable equity in their homes and, where feasible, CMHC will work with lenders and the homeowners to extend mortgages to cover the costs of repair. In the case of hardship, CMHC is prepared to arrange adjustments to loan repayment terms. CMHC has also reallocated available funds in the Residential Rehabilitation Assistance Program to Halifax County for this project.

The Acting Speaker (Mr. Paproski): I regret to advise the Hon. Member that his time has expired.

[*Translation*]

The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order (3)1.

The House adjourned at 6.27 p.m.

HOUSE OF COMMONS

Wednesday, December 18, 1985

The House met at 2 p.m.

● (1405)

STATEMENTS PURSUANT TO S.O. 22

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—CULTURAL INDUSTRIES

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the Government's "Yes we are, no we aren't" game on the selling of our cultural industries to the United States is beginning to wear a bit thin with the arts community and with the public in general. Every day the situation is becoming more and more Alice in Wonderlandish or, as Alice herself would say, it gets "curiouser and curiouser".

Earlier this winter leading members of the arts community met with the Secretary of State for External Affairs (Mr. Clark) and were disappointed by his determination not to exclude Canada's culture from free trade talks with the U.S. Then the new head of the Canada Council in a speech in Toronto supported free trade pointing out all of the potential advantages to us. He told us: "We were going to get it, like it or not".

A few weeks ago the Prime Minister (Mr. Mulroney), cosily ensconced in the bosum of *Time* magazine in Chicago, denied everything. That night the idea of giving up on our unique cultural identity to the U.S. was unthinkable. Now the U.S. Ambassador has put our cultural industries firmly back on the free trade table. So what is it, Mr. Speaker? What is the policy? Why all the evasion in the House of Commons? Why not set the policy down for all to see?

One of Lewis Carroll's characters fits the Government's actions so well at this time. "Contrariwise", said Tweedledee, "If it was so, it might be, and if it were so, it would be, but as it isn't, it ain't. That's logic". Tweedledee must have been a very good Conservative, Mr. Speaker.

CUSTOMS AND EXCISE

IMPORTATION OF UNITED STATES MAGAZINE DEGRADING INDIAN WOMEN

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have a very serious matter that I want to bring to the attention of the House in a way that I hope will lead to action.

While in Winnipeg last weekend a number of Indian women brought to my attention the recent edition of *Hustler* magazine. It contains an eight page pictorial which is degrading and exploitive of Indian women. It portrays an Indian woman being raped and sexually abused. It identifies this woman as a squaw and a redskin, words which have very strong negative connotations.

This House would surely not approve of such images for circulation. Yet this is the same issue of *Hustler* magazine from which customs officials pulled 12 pages because they degraded women. Why do the same standards not apply to Indian women? If you can pull the pages that apply to women in general, why not pull pages that exploit Indian women?

Customs officials managed to stop a pinball machine from coming into this country because it had a degrading portrayal of Indian women on the pinball machine. Why not apply the same standards to *Hustler* magazine?

I have sent a copy of this magazine to the Minister responsible. I want some action. I would like to see him pull the magazine from the shelves. I want him to review his policies and procedures to ensure this does not happen again. Indian women will no longer stand for this kind of degradation and exploitation.

* * *

HUMAN RIGHTS

POLAND—FOURTH ANNIVERSARY OF IMPOSITION OF MARTIAL LAW

Mr. John Reimer (Kitchener): Pursuant to the May 7 statement to the House, I would like again to draw to the attention of all Members of Parliament the incessant, unjustifiable, and brutal violations of human rights taking place in Poland.

Friday, December 13, marked the fourth anniversary of the 1981 Soviet imposition of martial law upon the Polish people. Since that date, their ongoing oppression has taken many forms, from the denial of even the most fundamental of freedoms to beatings, imprisonment, torture, and even murder.

Given Canada's abhorrence of such conduct and its historic and international reputation as a champion of human rights, it

is absolutely imperative that we do all within our power to ensure that the plight of the Polish people is constantly kept alive in world opinion.

Therefore, I urge the Government of Canada, through efforts at the United Nations and direct representations to both the Polish and Soviet governments, to let it be known that Canadians will tolerate nothing less than complete compliance with the Helsinki Accords, the cessation of Soviet intervention, and the full restoration of the democratic will of the people of Poland.

Let Poland be Poland, governed by its own people.

* * *

AGRICULTURE

ATTACK ON MEAT INSPECTION SERVICE—CONSEQUENCES FOR LIVESTOCK BREEDER

Mr. A. H. Harry Brightwell (Perth): Mr. Speaker, in the last weeks the House and the nation have heard the unwarranted attack on the meat inspection service of Canada. This attack was violent and short-lived as the Minister of Agriculture (Mr. Wise), veterinarians, and agricultural associations rose to the defence of the meat inspection service, a service unsurpassed by any in the world.

Indirectly there was also an attack on the producers of buffalo meat that will cause long-term damage. It also damaged still another business, the beefalo business, like that of Manfred Kettler of Ashton, who has a very small farming operation. Until now Mr. Kettler could sell this meat from the cross between buffalo and cattle at a premium because of the superior quality of that meat. His current orders have been cancelled.

Yesterday we heard the Right Hon. Leader of the Opposition (Mr. Turner) praising his backbenchers and criticizing government backbenchers. On this side we speak when we have facts and can contribute to good government. I cannot believe the right hon. gentleman could praise his backbenchers who, in this case, were ignorant of the topics they discussed and did not care who suffered long-term hurt in their uninformed scramble for short-term political gain.

* * *

NATIVE PEOPLES

FUNDING OF ALCOHOL AND DRUG ABUSE PROGRAM

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, at a press conference which I attended last week, the National Association of Native Friendship Centres officially released their urban research study on alcohol, drug, and solvent abuse. This excellent study documents serious health needs of native people in our cities, which are not being adequately met at the present time with any of our existing programs.

In 1982 the federal Government established the National Native Alcohol and Drug Abuse Program to assist native communities in their efforts to combat the problem of substance abuse. This is an excellent program and it has had a good measure of success. However, as the Association's study shows, significant needs exist as well among native people who live in urban areas, and the Native Alcohol and Drug Abuse Program does not provide the help and counselling services needed by the native friendship centres to combat this problem.

• (1410)

Earlier this year the Minister expressed the Government's commitment to the Native Alcohol and Drug Abuse Program and gave his assurance that the funding needed to carry out this important work would be provided. In fact he called it a "growing program", and in this context I ask the Minister seriously to consider expanding the resources of this program so that it will include the needs of native people who live in the urban environment.

* * *

SOCIAL SECURITY

CRITICISM OF GOVERNMENT POLICY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the Government says it values the family. It would like us to believe its promise to deliver more help to the poor. Government members mouth the rhetoric of equality for women. However, actions speak louder than promises.

The reality is that the Government is intentionally taking support away from families raising children while giving away literally hundreds of thousands, in fact millions if not billions of dollars to the wealthy, the privileged, and the corporate. Erosion of the family allowance is but one part of the over-all strategy which will continually widen the gap between rich and poor. It sacrifices children for deficit reduction and reduces the one program which recognizes the child rearing work of women.

Tories feel smug because they are sure they have pulled the wool over the eyes of ordinary Canadians relying on the common myth that universal social programs give money to the wealthy. Bill C-70 exposes that myth. The deindexation of the family allowance takes its heaviest toll on the poor. Families with incomes under $10,000 will contribute 14 per cent of the money saved by this program while families with incomes over $80,000 will contribute a paltry 1 per cent.

Canadians know the Government has chosen to attack the most vulnerable group in society: women and children. They have watched as the Government has made a mockery of consultation, but Canadians have not been fooled.

AGRICULTURE

AGREEMENT ON PRICE OF 1985 TOBACCO CROP

Mr. Bruce Halliday (Oxford): Mr. Speaker, following three consecutive days of bargaining last week, an agreement on the 1985 tobacco crop was reached between the Ontario flue-cured tobacco growers and the four major tobacco manufacturers. The agreement came after the Ontario Government failed to intervene and the federal Agriculture Minister took the extraordinary step, far beyond his statutory obligation, of mediating the negotiations personally.

The Minister's decisive role will result in the tobacco markets opening as early as possible in January. This is certainly good Christmas news for the Ontario tobacco-producing industry. In fact the producers were able to win a contract for 1985 of $320 million, representing a revenue increase of 10 per cent over the 1984 contract.

I was particularly pleased to see that all parties involved in the negotiations were reasonable and co-operative within the forum provided by the Minister of Agriculture (Mr. Wise). It is certainly a significant accomplishment that such a resolution, which came through the Minister's efforts, should be reached after ten days of negotiations considering the previous nine months of unsuccessful bargaining between the producers and manufacturers.

Many of my constituents from Oxford as well as concerned parties from surrounding constituencies have been calling to voice their appreciation of the Minister for the role he played. I take this opportunity to put this appreciation on the record as it certainly comes from the grassroots of the tobacco-producing industry in Ontario.

* * *

THE ECONOMY

OECD'S FAVOURABLE REPORT

Mr. William G. Lesick (Edmonton East): Mr. Speaker, have I got good news for you. Today the Organization for Economic Co-Operation and Development report gave Canada excellent marks for economic recovery and continued progress. The Government can be justly proud of the measures it has taken to bring about a brighter future for all Canadians. The report indicated that Canada has registered several notable successes, including the highest growth rate in GNP since 1976. Our Gross National Product is one of the best among the organization's 24-member countries.

What are the prophets of doom and gloom on the Liberal and Socialist benches doing? They cannot take good news. They will not give credit where credit is due. Tell me, Mr. Speaker, do you ever hear the Liberals or the NDP tell Canadians about the 416,000 new jobs, or the continued low inflation, or the declining interest rates? No. Why should they? It is good news and, God knows, they are not used to it.

We have record high housing starts, increased business investment, and the stock market is booming. That all means jobs and growth.

• (1415)

We are the first Government to make an effort to reduce the deficit. The OECD recognized this, but not the Liberals or the NDP. This Government has made the right decisions. Even though the Liberals and the NDP will not admit it, we know the rest of the world knows it.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF AMBASSADOR CLAYTON YEUTTER, U.S. TRADE REPRESENTATIVE

Mr. Speaker: May I bring to the attention of Members of the House the presence in our gallery today of Ambassador Clayton Yeutter of the United States of America whose position is equivalent to that of our Minister for International Trade.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

CROWN CORPORATIONS

SALE OF DE HAVILLAND—REQUEST FOR REFERRAL TO ONTARIO SECURITIES COMMISSION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the absence of the Prime Minister I am constrained to put my questions to the Deputy Prime Minister.

The Deputy Prime Minister likes to play very close to his brief and cite *Hansard* in response to any question he can. I would like him to refer to *Hansard* of yesterday which quite clearly sets out that the President of the Treasury Board flatly contradicts those statements found in the prospectus to prospective purchasers with relation to the prospective financial state of de Havilland in the next two or three years. There is a flat contradiction there. Since the exchange in the House yesterday, has the Government reviewed the contradiction which exists between the statement of the Minister and the prospectus? If the Government has not so reviewed the matter, will it refer the whole issue to the Ontario Securities Commission so that the prospectus can be analyzed?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the numbers which were referred to in the House yesterday dealt with projections which were made just about one year ago, or slightly more than one year ago. They were revised by de Havilland themselves—

Some Hon. Members: Oh, oh!

Mr. de Cotret: The numbers were revised. I tell all Members that at that time we expected to have a loss for de Havilland of some $65 million in 1985 and a loss of roughly $14 million in 1986. Today the facts show that in 1985 the loss is expected to be $83 million and the projected loss for next year is expected to be $50 million, which is what I have said in this House all along. That just shows the extent to which long-term projections which are made in advance with respect to this particular industry can be somewhat off. That is all.

Some Hon. Members: Oh, oh!

REQUEST FOR REFERRAL TO AUDITOR GENERAL

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I think the Minister is so far off the mark here that he owes an explanation to the House.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The figures which he has again recited before Your Honour flatly contradict the figures which appear in a prospectus which was circulated to prospective purchasers of de Havilland. Either the Minister is misrepresenting the facts or the prospectus misrepresents the facts.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): I would again ask that the Deputy Prime Minister refer this whole matter to the Auditor General, who has a role to audit the CDIC, or refer it to the appropriate federal or provincial authorities in order to get some reconciliation here.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I object strongly to the allegations made by the Right Hon. Leader of the Opposition.

Some Hon. Members: Hear, hear!

Mr. de Cotret: We never misrepresented the facts.

Ms. Copps: You did so.

Mr. de Cotret: We had a very reputable firm make an objective analysis of the facts as it saw them at that time more than 12 months ago.

An Hon. Member: You misled the House.

Mr. de Cotret: That was not a mispresentation. In this House I have reaffirmed time and time again the numbers which I am affirming today. That is not a misrepresentation in any way, shape, or form. There is no reason to question the integrity of honest Canadian firms which are doing work objectively for this Government or any other Government.

Ms. Copps: It's your integrity we are questioning.

Some Hon. Members: Shush.

Mr. Turner (Vancouver Quadra): Mr. Speaker, is the Minister suggesting that this prospectus was not used by the investment bankers concerned to invite offers for the purchase of de Havilland and that it was not used with Boeing and other prospective purchasers? If that is what he is saying, then let's have it.

REQUEST FOR COMMITTEE REFERRAL

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I say this to the Deputy Prime Minister. Because of the confusion and contradictions we find here, will the Minister not allow this whole matter to come before a parliamentary committee within the 90 days permitted for the conclusion of the sale so that Parliament can have all the requisite documents and so that Parliament can summon the Minister and the investment bankers to find out how these figures were arrived at?

Some Hon. Members: Hear, hear!

• (1420)

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the point is very simple—

Mr. Gauthier: Yes or no?

Mr. de Cotret: We made all the information available to all of the potential bidders throughout the process. At the beginning we made the information talked about by the Right Hon. Leader of the Opposition available to all of the potential bidders at that time. Throughout the process, when the forecast changed—and forecasts do change—

Mr. Gauthier: Ministers also.

Mr. Turner (Vancouver Quadra): Show us those other documents.

Mr. de Cotret: A former Minister of Finance should know that forecasts change every once in a while. He has had that experience.

An Hon. Member: He was in the film industry, wasn't he?

Mr. de Cotret: We have made all the information available as the event unfolded—

Mr. Gauthier: Change the Minister.

Mr. de Cotret: —and no prospective bidder was prevented from access to that kind of information at any point in the process.

WORLD PRODUCT MANDATE

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is also directed to the President of the Treasury Board. One of the terms he has particularly bragged about is the world product mandate he has guaranteed for de Havilland for its

products. Why, in that case, does the perspective offer to purchasers the advantage of being able to make de Havilland planes in other countries and not exclusively in our country?

Hon. Robert de Cotret (President of the Treasury Board): I have tried to explain—

An Hon. Member: You never did.

Mr. Gauthier: You didn't succeed.

Mr. de Cotret: —to the Right Hon. Leader of the Opposition. I obviously did not get my message across.

Mr. Turner (Vancouver Quadra): Nor to the country you haven't got your message across.

Mr. de Cotret: But I've tried to explain to him what a world product mandate is.

An Hon. Member: Do it again.

Mr. Rossi: Open up and come clean.

Mr. de Cotret: Let me try again.

An Hon. Member: The Leader of the Opposition is very slow.

Mr. de Cotret: A world product mandate means that the product lines which are currently under production at de Havilland in Canada will be kept in Canada; that the technology which is used in producing those product lines will be retained in Canada; and that the Canadian firm, de Havilland, will have the only mandate to sell those aircraft, and the technology embodied in those aircraft, across the world. That is a world product mandate. That's clear.

Mr. Deans: How is that different from what it has now?

FOREIGN PRODUCTION—MINISTERIAL APPROVAL

Hon. Bob Kaplan (York Centre): Mr. Speaker, it says in the information statement put out by the Minister—undated—"No foreign production will be allowed without the approval of the Minister". Now why is foreign production contemplated at all?

Some Hon. Members: Oh, oh!

Mr. Kaplan: Boeing is getting all of this technology for free. It has been written off. Why does the agreement not say clearly that no foreign production of this equipment, which Boeing gets for nothing and for which the Canadian people have paid nearly $1 billion, will be done outside of Canada, period? Why isn't that the deal?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, apart from the preamble, which contained in itself a number of assertions and questions, let me say first that the book value of de Havilland is less than $150 million at the time of which we are speaking.

An Hon. Member: Says who?

Mr. de Cotret: Second—

Mr. Kaplan: The land is there.

Mr. de Cotret: No, no, don't get on the land question. The land value is minimal compared to the book value of the corporation.

Some Hon. Members: Oh, oh!

Mr. de Cotret: Second—

Mr. Gauthier: Peanuts.

Mr. Chrétien: I'll pay you two bucks for it.

Mr. Speaker: Order, please.

Mr. Chrétien: Peanuts.

Mr. Speaker: Order.

Mr. Chrétien: Let's make a deal, Robert. We can sign the deal right now.

Mr. Speaker: Order, please. It is perfectly clear that the answer is not wanted. And it is becoming clearer.

An Hon. Member: He's out to lunch.

Ms. Copps: Still.

Mr. Speaker: Order. Does the Minister want to finish his answer?

Mr. de Cotret: The land value is immaterial to this question. It's part of the deal. And, quite honestly, when we talk about the hundreds of millions of dollars which were poured into the corporation, I think, Mr. Speaker, it is totally misleading to suggest that the money went exclusively to finance technology. The money went largely to finance operating losses. Canadians have paid over $800 million over the last several years to maintain that company and are scheduled to pay another $200 million in the coming year. We now have the most successful company in the world in this field willing to give its management, technological and R and D expertise to support the employment and growth of this company.

* * *

● (1425)

CORPORATE AFFAIRS

FUTURE OF GULF REFINERY IN MONTREAL

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs.

[*Translation*]

The existing refinery facilities are essential to Quebec, according to several experts. Since Ultramar would close down the Gulf refinery in Montreal if its takeover bid is approved, has the Minister recommended that the Minister of Regional Industrial Expansion intervene to prevent a takeover that would result in the loss of 490 jobs?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): The Director responsible for enforcement of the Combines Investigation Act and for examining this transaction reached the conclusion that competition had been restricted owing to the elimination of one competitor, and he was therefore making his comments in his official capacity and transmitting them to the authorities and to the Minister responsible for Investment Canada, for subsequent decision by the Government.

[*English*]

REQUEST THAT GOVERNMENT INTERVENE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I am asking for a clear statement of Government policy. The newly elected Government of the Province of Quebec indicates that it disapproves of the takeover bid by Ultramar because it will result in a loss of jobs. As well, there will be a reduction in competition in Quebec which will result in increased consumer costs if this deal is proceeded with. Since we do not want either increased costs to consumers or a loss of jobs, will the federal Government do its job and make sure this takeover bid is not proceeded with?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, it is the responsibility of the Government and the Minister responsible for Investment Canada to consider all the points he has to take into account in order to make a decision. Competition is only one aspect of this issue. The Minister responsible will look into the other points which should be considered and he will give us his decision later on.

PROTECTION OF JOBS IN MONTREAL

Hon. Edward Broadbent (Oshawa): Mr. Speaker, pricing is one thing and we need competition here. That is very clear from studies with which the Minister is very familiar. I am also concerned about the job situation. There was another takeover bid which would guarantee that those jobs stay in the Province of Quebec. We would thereby protect jobs and the consumer. Therefore, I repeat, will the Government take the appropriate action and encourage the bid which would keep the jobs in Montreal instead of the bid which would lose them?

[*Translation*]

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, first of all, following recommendations by the Minister of Consumer and Corporate Affairs, the Ultramar-Gulf case is now under review by Investment Canada. As soon as the review is over, that information will be released.

* * *

[*English*]

CROWN CORPORATIONS

SALE OF DE HAVILLAND—ESTIMATED SALES OF DASH-8 AIRCRAFT

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the President of the Treasury Board. Earlier he said that forecasts change. The Government forecast on the bank bail-out cost us $1 billion.

The de Havilland prospectus states that there is a worldwide potential to sell around 300 Dash-8 aircraft by 1994, and that the company is operating on the basis of that estimate. Will the Minister admit that the royalties he has bragged about are just window-dressing? They are not real because the royalties start at 400 units and the prospectus estimates sales of only 300 units by 1994.

Hon. Robert de Cotret (President of the Treasury Board): Again, Mr. Speaker, the Hon. Member is making reference to a document produced well over a year ago.

Mr. Guilbault (Saint-Jacques): That is your problem.

Mr. de Cotret: I have not bragged—

Mr. Gauthier: Show us the documents.

Mr. de Cotret: Yes, I have bragged. I bragged about one thing and I am not at all ashamed to brag about it again. This deal will create more investment, more jobs, and more job security for the employees of de Havilland than they had under Crown ownership. That is the important thing. I will brag about that as long as you want.

Some Hon. Members: Hear, hear!

• (1430)

REQUEST FOR PARLIAMENTARY REVIEW

Mr. David Berger (Laurier): Mr. Speaker, the Minister said earlier that the forecast has changed and that higher losses are projected. Is he now telling us that the forecast has changed again and that higher sales are projected? It is clear that the de Havilland deal is unravelling before our eyes every day.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Berger: Has the Government not learned from the bank fiasco that it acts in haste at the peril of the Canadian taxpayer? Will he not submit the sale to a full parliamentary review prior to closing?

Some Hon. Members: Hear, hear!

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the answer to the last of the three questions is no. I have made that very clear before. The answer is absolutely no.

Mr. Chrétien: Arrogant.

Mr. de Cotret: In answer to the first question as to whether the forecast is changing; yes, it is changing. With regard to whether the 400 is changing; yes, it is changing. It is changing because over that period of time we have identified and been able to negotiate, with a world class producer, a deal that will accelerate the whole process, open new markets, and create new jobs and new investment. Yes, that will accelerate what we had in that prospectus and, hopefully, lead to a more stable employment situation in the whole industry.

Some Hon. Members: Hear, hear!

TAX RULING INQUIRY

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is also for the President of the Treasury Board. I say to him that if this deal could stand public scrutiny he would have sent it to a parliamentary committee three weeks ago.

Will the Minister confirm that the Boeing deal is now held up pending a tax ruling and that the Government and Boeing are seeking a tax ruling that will allow Boeing to take tax losses of de Havilland and, in some obscure way, apply them to the leasing of de Havilland planes to Canadian consumers? Where is that covered in the Income Tax Act?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, in answer to the Hon. Member's question, the deal is not being held up in any way by any tax ruling.

MINISTER'S PRESS CONFERENCE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, will the Minister then explain the comments he made in his initial press conference indicating that Boeing was going to be prevented from applying some of these tax losses in some directions and allowed to apply them in other directions, both of which provisions are not covered under the Corporations Tax Act? Can he explain that? Has the Cabinet made a special promise to Boeing that it can get special treatment on the tax losses of de Havilland worth $400 million?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, first of all, there is no special $400 million tax concession.

Mr. Foster: How much?

Mr. de Cotret: Second, Mr. Speaker, Cabinet has not been asked to make a decision in this matter. Third, a tax ruling is being sought by Boeing and de Havilland, as we have outlined from the beginning, that limits, as I have mentioned in the House before, the potential of using the tax loss carry-forward for the good of the sale of de Havilland products in Canada. That is proceeding. It is not holding up the agreement. It is not holding up any legal procedures or the signing of any documents. It is going along in the normal way and will not cost anywhere close to the $400 million which the Member suggests.

Mr. Cassidy: How much will it cost?

* * *

[*Translation*]

INDUSTRY

REQUEST THAT GOVERNMENT REVIEW TRANSACTION BETWEEN GULF AND ULTRAMAR

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Minister of State for Small Businesses. The Montreal East Survival Committee, the Official Opposition, the Premier of Quebec and the Director of Combines Investigations are asking the Government to block the transaction between Gulf and Ultramar.

My question is as follows: Now that we know the truth, could the Minister inform the House whether the Government is prepared to take immediate action to oppose the transaction between Gulf and Ultramar, in order to save 450 jobs and protect consumers in Quebec?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, first of all, I can inform the Hon. Member for Montreal-Sainte-Marie that we have shown our concern for the people in his area who work in the petrochemical industry at Gulf in Montreal. We met with them this week. In fact, he was there. All aspects of the case were discussed and assessed, and we listened to what these people had to say.

After ordering an investigation, the Minister of Consumer and Corporate Affairs has now submitted the results to the Minister of Regional Industrial Expansion who is responsible for Investment Canada. The case will be reviewed, and as soon as an answer is forthcoming it will be made public.

INQUIRY IF MINISTER IS WILLING TO RECOMMEND TRANSACTION BE NULLIFIED

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I have a supplementary. Are Ministers appointed to make decisions or does this Government leave it all up to their officials? The Minister attended the meeting on Monday, where representatives told him that the refinery would be closing down this Friday if no decision was made by then. Is the Minister prepared to assume his political responsibilities and recommend that the takeover bid be cancelled, in order to keep this refinery open in Montreal East? Is the Minister capable of assuming his responsibilities?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, you may have noticed how the Hon. Member asks his questions and the arrogance with which he is trying to politicize this debate. Mr. Speaker, the Government has shown its concern for workers in Montreal as it has elsewhere. We have created 416,000 new jobs in the last twelve months. What does he have to say to the people in Montreal about that—83,000 in Quebec alone? We are doing something about it.

REQUEST THAT MINISTER RECOMMEND TRANSACTION BE BLOCKED

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I also have a supplementary question for the Minister of Consumer and Corporate Affairs concerning Ultramar and Gulf's Montreal East refinery. Is the Minister now prepared to make a recommendation to the Minister responsible for Investment Canada aimed at blocking the deal between Ultramar and Gulf Canada and keeping the 490 jobs in Montreal East? Is he now prepared to make that recommendation?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I answered that question a moment ago. The Minister responsible for Investment Canada must take a number of factors into consideration, including competition. On that basis, the Director of Investigation under the Combines Investigation Act submitted a report to the effect that the competition factor was negative. There are other points to clear up, however, and the Minister will weigh the pros and cons before announcing his decision at the appropriate time.

MINISTER'S POSITION

Mr. Lorne Nystrom (Yorkton-Melville): I am aware of that, Mr. Speaker, but I have no idea how Investment Canada officials will react. All I want to know is whether the Minister himself is now prepared to recommend that the Montreal deal be blocked so as to save the 490 jobs.

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, I am at a loss for words: the answer was clear and precise, but they do not want to understand. The Minister of Consumer and Corporate Affairs has stated quite clearly that he has ordered an inquiry. The facts are there and he submitted them to the Minister of Regional Industrial Expansion who is responsible for Investment Canada. The matter is under review and we will make an announcement in due time. That is clear.

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—STATEMENT ATTRIBUTED TO U.S. NEGOTIATOR ON CULTURAL MATTERS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I want to ask the Minister for International Trade a question about a current report by the Canadian Press which attributes to Ambassador Clayton Yeutter, the chief negotiator in the free trade negotiations with Canada, the following statement. He said that if the two countries start limiting the scope of negotiations before they even begin, they could be "shooting ourselves in the foot". He said that as important as cultural matters may be to Canada, he hopes they do not overwhelm important economic issues and that the term "culture" should be defined in such a way as to leave it on the negotiating table. Does the Minister agree with that statement?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I advise the right hon. gentleman that the Prime Minister laid that to rest in Chicago. It has been repeated here in the House many times that our cultural sovereignty is not on the table. Our cultural identity is not on the table and it is not at risk in these discussions.

Some Hon. Members: Hear, hear!

MINISTER'S STATEMENT ON CULTURAL SOVEREIGNTY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, how does the Minister reconcile his statement made just now in the House with what he is reported by Canadian Press to have said in response to Mr. Yeutter? It reads:

● (1440)

Kelleher reiterated that the Government does not plan to do anything to hurt cultural sovereignty, but said at this point it will not take any specific cultural industries off the negotiating table.

How does he reconcile that statement with the Prime Minister's Chicago statement?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, there is nothing to reconcile. We have said in the House many times that we are not taking specific cultural industries off the table.

Some Hon. Members: Oh, oh!

Mr. Kelleher: But we have said quite clearly that nothing that we will do will impair our cultural sovereignty or our cultural integrity. We intend to stand by that now and during the discussions. You have no concerns whatsoever in that area.

HEALTH

TINNED TUNA—DETENTION OF CANS PACKED IN 1984

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In view of the fact that it was recently reported that Star-Kist is now in the process of recalling another 19,000 tins of tuna from the shelves, or has recently done so, and in view of the fact that a government official has said that this action follows recommendations by the Department of Health and Welfare which resulted from consumer complaints, will the Minister confirm that has indeed happened?

Hon. Jake Epp (Minister of National Health and Welfare): Yes, Mr. Speaker. I, along with my colleague, the Minister of Fisheries and Oceans, announced today the detention of two lots of 6.5 ounce cans of chunk light tuna packed in water. I have the lot numbers here. They were canned on June 30, 1984, and July 11, 1984.

Some Hon. Members: Oh, oh!

Some Hon. Members: Shame!

Mr. McDermid: Who was the Prime Minister then?

Mr. Speaker: Order, please.

Mr. Crosbie: Tuna Turner.

Mr. Mazankowski: Who was the Prime Minister then?

Mr. Speaker: Order, please.

PLACEMENT ON STORE SHELVES

Mr. Ian Waddell (Vancouver-Kingsway): Whether it is bad Conservative tuna or bad Liberal tuna, it seems to me that the Canadian people are getting tired of this kind of action. Will the Minister tell the House how this tuna got on the shelf? Does he anticipate that there will be further recalls of bad tuna, whether Liberal or Conservative tuna?

Mr. Beatty: The Liberals are singing a different tuna now.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I want to point out to the Hon. Member, to the House and the public generally, that it is intolerable that fish products or food products that are rancid and do not meet the standards that I believe society demands are either placed on our shelves or can be purchased by Canadians. That is the basis on which the Government is operating and that is why these two lots have been put in detention. Obviously the Minister of Fisheries and Oceans and myself will take every step we can, through our officials and our Departments and through the power of the Government, to make sure that those principles are not violated.

Some Hon. Members: Hear, hear!

Oral Questions

THE DISABLED AND THE HANDICAPPED

ACCOMMODATION IN THE WORKPLACE

Mrs. Mary Collins (Capilano): Mr. Speaker, my question is directed to the Minister of Justice. Yesterday's Supreme Court decisions on the O'Malley and Bhinder cases were welcomed in part because they affirm the concept that unintentional or systemic discrimination falls clearly within the Ontario Human Rights Code. However, the Court's decision with respect to an employer's obligation to provide reasonable accommodation leaves unclear the jurisdiction of the Canadian Human Rights Commission and could be devastating to thousands of disabled people who require reasonable accommodation in the workplace.

Will the Minister, in accordance with the recommendations of the *Obstacles Report* and recommendation 80 of the *Equality for All Report*, put forward on an urgent basis amendments to the Canadian Human Rights Act to ensure that employers will continue to be expected to make reasonable accommodations—

Mr. Speaker: Order. The question is very long.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, this is the first serious and intelligent question that has been asked in the House today.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): It is not likely to be the best answer.

Mr. Crosbie: I am delighted that at least one Member of the House has a serious and intelligent question to ask, the answer to which is, Mr. Chairman—Mr. Speaker—Your Reverence—

Some Hon. Members: Oh, oh!

Mr. Crosbie: Yes, it is under consideration and I think the hon. lady will welcome the action we take when we take it, but I cannot reveal the nature of that action right now.

* * *

[*Translation*]

CORPORATE AFFAIRS

APPARENT CONTRADICTORY STATEMENTS BY TWO MINISTERS

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Minister of State for Small Businesses. He just informed us that the facts are there and that everything is crystal clear. I want to ask the Minister how he can reconcile his statement with the statement made by his colleague of Consumer and Corporate Affairs yesterday, who said that contrary to what the industry is saying, the refineries were not able to refine enough petroleum to meet the demand in Quebec, and the two statements of his colleague, the Minister of Energy, Mines and Resources, who said in the House, and I

quote: "Mr. Speaker, the decision to shut down the refinery was made because of surplus capacity." How can he reconcile these two approaches coming from the same Government?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I would like to point out to my hon. friend that the comments attributed to me were actually made by the Director of Combines Investigations, following a study of this takeover bid. Those were not my words but his own comments, made from an entirely neutral and independent position.

MINISTER'S POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, in fact, the Minister was speaking on behalf of the Director yesterday when he held his press conference. I would ask the Minister: Does he agree with these remarks, yes or no?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, in answering this question yesterday I said that any negative impact on competition that in turn would have a detrimental effect on the consumer was a matter of great concern to me.

* * *

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

FEDERAL PAYMENTS TO PROVINCES—MINISTER'S POSITION

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of Finance. Again it deals with his decision to act unilaterally with regard to transfer payments to the provinces. Does the Minister not agree with what he said in the House on March 23, 1982, as reported at page 15758 of *Hansard*:

> This is not time for confrontation and it is no time for unilateral action.

In other words, this is a matter which should be negotiated with the provinces rather than the federal Government imposing it upon the provinces.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me take the Hon. Member back to the basic reason why we have taken this decision. I think it is set out very clearly, if he wants to read the front page of today's *Globe and Mail*. We are trying to get the economy moving better and the OECD report says that the economy's performance is doing very, very well.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): If we can continue in this direction we will be better able to afford these programs. An OECD economist went on to say that, in an unusual practice, the report did not include a chapter of recommendations to policy makers because there were very few recommendations they could make. We were doing everything right. That is what we will continue to do.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

EFFECT ON MEDICAL CARE COSTS

Mr. Rod Murphy (Churchill): Mr. Speaker, my concern is not that he can read the *Globe* but that he can live up to the statement he made in the House when he was in opposition.

Will the Minister not admit that by imposing artificial limits on the amount by which transfer payments will increase he is ignoring the fact that it is known that the cost of medicare services will go up by more than he is promising the provinces?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not think that the numbers that the Hon. Member has referred to are artificial. In fact I would say to him that the increase in the GNP of 4.5 per cent this year is not artificial. The reduction in interest rates by 3 percentage points is not artificial. The increase in investment spending of 11 per cent is not artificial. The increase in housing starts of 25 per cent is not artificial. The real drop in the deficit this year is not artificial.

Mr. Speaker: Order, please.

Some Hon. Members: Hear, hear!

Mr. Rossi: Bank failures are not artificial.

* * *

• (1450)

FINANCE

BALANCED BUDGET INITIATIVE

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is directed to the Minister of Finance. Last Friday, December 13, President Reagan signed an historic public debt statute amendment, whereby the United States must achieve a balanced budget by 1991. Even though this amendment excludes the cost of servicing the debt, it is a major step forward. Given the size of our debt, my question is:—

Mr. Speaker: Thank you.

Mr. Attewell: Will we take an initiative such as this one, which I strongly endorse? If so, when will we be doing it?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member is asking a very pertinent question. In fact, what we have been doing by our actions is moving in the direction which the Gramm-Rudman Bill has proposed. This year the level of government spending, exclusive of interest costs and transfer payments to individuals and persons, will be

absolutely flat. A year ago, under the previous administration, it increased by 10.8 per cent. We will continue in that direction. As we continue in that direction, we will be able to get the deficit under better control.

I forgot one statistic in my last answer. Three hundred—

Mr. Speaker: Order, please.

* * *

GOVERNMENT APPOINTMENTS

REQUEST THAT NO APPOINTMENTS BE MADE DURING CHRISTMAS PARLIAMENTARY RECESS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Deputy Prime Minister. It concerns patronage. We are fast approaching the anniversary of last year's orgy of political patronage, wherein 150 faithful of the Tories were appointed to the public trough. Will the Deputy Prime Minister, here and now, commit himself to not appointing anyone during the Christmas break, so as to permit the Parliament of Canada to be fully apprised of the political appointments of the Government, in the spirit of reform announced by his Leader last September 9? Yes, or no?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I am almost tempted to say what break, but I won't.

Mr. Prud'homme: You are right; we will be here next week.

Mr. Hnatyshyn: However, I would like to say to the Hon. Member seriously that, as he knows and as his House Leader will have told him, it is my intention to table amendments to the Standing Orders in respect of the reform package which was brought in by the very distinguished Committee on House Reform. Included in that package, the Hon. Member will also know, is the whole question of the opportunity for standing committees to review Order in Council appointments. This is a progressive step taken by the Government. I invite the Hon. Member and his Party to allow these particular improvements to our policies and procedures to be passed quickly—

Mr. Gauthier: Let's discuss them first.

Mr. Hnatyshyn: —so that we can get on with the job early next year.

Mr. Boudria: Mr. Speaker, that is not what I asked. Let me give the Government House Leader another chance.

[*Translation*]

INQUIRY IF POLITICAL APPOINTMENTS WILL BE MADE DURING HOLIDAY SEASON

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, can the Minister confirm today, here and now, that his Government will not indulge in an orgy of partisan appointments during the holidays, safely hidden from the Press Gallery and Opposition Members? Yes or no?

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, the answer is no.

* * *

[*English*]

HEALTH

REMOVAL OF CANNED TUNA FROM STORE SHELVES—REASON FOR INSPECTION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Just a few minutes ago he pointed out that the tuna which is now being removed from the shelves was canned in the middle of the summer, I believe he said, of 1984. He will recall that that is approximately the same period that the other very bad tuna was canned; within two months of the tuna which was removed from the shelves in September. I would just like the Minister to clarify it. Could he tell us why this tuna is now being removed from the shelves, and could he produce for the House the inspection reports which were done at the time?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I think the first comments of the Leader of the NDP are not accurate. The second point I should like to make is that the tuna in question, which was canned at the time the former Government was in charge—

An Hon. Member: That is when John Tuna was Prime Minister.

Mr. Crosbie: Tiny Tuna Turner.

Mr. Epp (Provencher): What I want to say to the hon. gentleman is that, when he was Prime Minister, this tuna in question was never inspected by his inspectors.

Some Hon. Members: Shame, shame!

Mr. Turner (Vancouver Quadra): We were in the middle of an election campaign.

Mr. Epp (Provencher): The point that I make, coming back to the question—

Mr. Turner (Vancouver Quadra): What is the point? Was it brought to the attention of the Minister?

Mr. Epp (Provencher): Coming back to the question of the Leader of the NDP, there was a consumer complaint last week, and immediately both Fisheries and Health and Welfare checked the lot numbers, and that is why there was a news release.

PROTECTION OF CONSUMERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, just so that Canadian do not run into this every two or three months with tuna products, is there any conceivable reason, in the

judgment of the Minister, that Canadians should have any apprehension during the Christmas period or beyond about purchasing any other can of tuna in the country?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, both Fisheries and the Health Protection Branch of Health and Welfare are checking the stock of the company in question. I want to assure the Hon. Member that the work is ongoing and the monitoring is ongoing. I can assure both him and consumers that, to the best of our knowledge, with all the details we have and all the work we are doing, both the inspection system and our monitoring are fulfilling the exact requirements which he has mentioned.

* * *

CHILDREN

CONVENING OF CONFERENCE ON MISSING CHILDREN

Mr. Howard Crosby (Halifax West): Mr. Speaker, I have a question for the Solicitor General. This week he announced some important new measures in respect of missing children across Canada. One of those is the convening of a national conference on missing children. Can the Solicitor General indicate when this conference might be held? I say the sooner the better, because missing children are a problem in every urban centre across Canada, and I think action should be taken as quickly as possible.

Hon. Perrin Beatty (Solicitor General of Canada): Yes, Mr. Speaker, I can. I think it would be appropriate for me to start by paying tribute to the Hon. Member for Halifax West for his efforts on behalf of missing children.

Some Hon. Members: Hear, hear!

Mr. Beatty: We will be convening the conference early in the new year, as early as possible. Perhaps the best Christmas present which the Government can give to parents across the country is the assurance that everything we can possibly do to protect their children will be done just as quickly as possible.

Some Hon. Members: Hear, hear!

* * *

CANADIAN NATIONAL RAILWAYS

FUTURE OF REPAIR SHOPS IN MONCTON, N.B.

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, my question is directed to the Minister of Transport. Are the CN shops in Moncton up for sale?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, not that I am aware of.

REPORTED VISIT BY GENERAL ELECTRIC OFFICIALS

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, could the Minister explain, then, why there was a secret visit by officials from General Electric to the CN shops on the weekend? Furthermore, could he give us the assurance that there is no secret agenda in relation to the CN shops in Moncton?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am not aware of a so-called secret visit. I will certainly check with CN to see whether there is any validity to the statement which has been made, and report back to the Hon. Member.

* * *

GRAIN

USE OF PRINCE RUPERT GRAIN TERMINAL NO. 1

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is also directed to the Minister of Transport. As he knows, Prince Rupert Grain Terminal No. 1 has been moth-balled for almost a year. The Government of Alberta contracted Price Waterhouse to evaluate profitable ways of operating the facility. They have completed that report and have concluded that the facility can reasonably and profitably ship 500,000 tonnes per year of feed pellets. Will the Minister take some steps—the elevator has been closed almost the whole year—to see it reopened since it can be operated profitably with available feedstocks?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I appreciate the interest of the Hon. Member. I hope he is doing his part to try to find an alternative use for PRG No. 1 as well. A number of parties have expressed an interest in the utilization of this facility. I have acted as a facilitator, to try to get the members of the consortium and the interested parties together. We will continue to be working in that regard because it is our desire to see the facility remain open and operational.

POSSIBLE STORAGE OF ORE

Mr. Jim Fulton (Skeena): Mr. Speaker, I have a very short supplementary question. As the Minister knows, PRG is now stripping grain terminal No. 1; it is taking off the dryer and moving it. As he also knows, there is a proposal to move various kinds of processed ore through the facility. Can he assure the House, first, that the facility will reopen using feedstocks and, second, if ore is to be stored there, that it will not hamper the operation and viability of that facility for grain and feed products?

• (1500)

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am not sure that it would be a requirement of the facility to have a dryer for the movement of ore through it.

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honor to inform the House that the petitions, with the exception of 13, presented by Hon. Members on Tuesday, December 17, 1985, meet the requirements of the Standing Orders as to form.

Certain petitions presented by the Hon. Member for Skeena (Mr. Fulton), the Hon. Member for Vancouver East (Ms. Mitchell), the Hon. Member for Louis-Hébert (Mrs. Duplessis), the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly), the Hon. Member for Bourassa (Mr. Rossi), the Hon. Member for Egmont (Mr. Henderson), the Hon. Member for Hamilton East (Ms. Copps) and the Hon. Member for Don Valley East (Mr. Attewell) do not meet the requirements of the Standing Orders as to form.

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POINTS OF ORDER

ALLEGED UNPARLIAMENTARY STATEMENT BY MR. GAUTHIER

Mr. Speaker: I am in receipt of a notice of a desire to raise a point of order from the Hon. Minister of Transport (Mr. Mazankowski).

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I would like to draw your attention to an exchange that took place in the House yesterday as reported on page 9523 of *Hansard* in the upper left hand corner. There is a statement attributed to the Hon. Member for Ottawa-Vanier (Mr. Gauthier) that I believe is not only unparliamentary but also quite unworthy of the Hon. Member, a Member for whom I have a great deal of respect. I am sure he would want to check the record and make the appropriate withdrawal.

Mr. Gauthier: I am checking *Hansard* now. I never said it was deliberate, did I? I would not want to call my friend a liar, I would never do that. I retract the statement if I gave that impression.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Speaker: On a point of order.

CORRECTION OF REPLY GIVEN DURING QUESTION PERIOD

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, I trust this is the right time to raise this matter. First of all, I want to apologize for having misled one of my hon. friends this afternoon, namely the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart), and I wish to withdraw what I said: I mentioned 81,000 jobs for Quebec instead of 130,000.

ROUTINE PROCEEDINGS

[*English*]

TRANSPORT

PRESENTATION OF SIXTH REPORT OF STANDING COMMITTEE

Mr. Pat Nowlan (Annapolis Valley-Hants): Mr. Speaker, I have the honour to present the sixth report of the Standing Committee on Transport in the two official languages.

Mr. Angus: Mr. Speaker, I rise on a point of order. I wonder whether you are aware that that report is a report of the Conservative members of that committee only. It is not signed by members of the New Democratic Party or the Liberal Party.

Mr. Speaker: Order, please. Is the Hon. Member rising on a point of order to attest that the committee report is being improperly tabled or is he simply making a statement on a point of order?

Mr. Angus: Mr. Speaker, I was just asking whether you were aware of the fact.

Mr. Speaker: I am afraid that questions to the Speaker are out of order.

Mr. Tobin: Mr. Speaker, I simply want to point out that that is a report of the Conservative members of the committee and not of members of the Liberal Party.

Mr. Speaker: Order.

Mr. Nowlan: Mr. Speaker, I rise on the same point of order.

Mr. Speaker: There is no point of order on which to rise.

Mr. Nowlan: I asked to be heard, Mr. Speaker.

Mr. Blaikie: It was not a point of order.

Mr. Speaker: Order, please. Does the Hon. Member for Annapolis Valley-Hants (Mr. Nowlan) have a separate point of order he wishes to raise?

Mr. Nowlan: Mr. Speaker, I have a separate point of order which absolutely obliterates any pretentious point of order on the opposite side. The report is a duly presented committee report by unanimous vote. If the heat in the kitchen is too much—

Mr. Speaker: Order, please.

Mr. Deans: Mr. Speaker, I rise on a point of order. I believe I have a point of order in this case.

Some Hon. Members: Oh, oh!

Mr. Deans: The Hon. Member for Annapolis Valley-Hants (Mr. Nowlan) indicated that it was a unanimous report of the committee. The Member said clearly it was a unanimous

report of the committee. I want to point out that that is quite untrue.

Mr. Speaker: Order, please. None of these have been proper points of order and I think all of the Members involved know it.

* * *

PETITIONS

RAIL PASSES OF CP PENSIONERS

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I have the honour to present a petition today signed by more than 50 residents of Schreiber, Ontario. These petitioners condemn the decision of CP Rail to cancel the rail passes of CP pensioners who retired prior to 1978. These pensioners, family and friends ask that Parliament help them in their fight for their rights since they are not represented at any collective bargaining table.

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Jim Fulton (Skeena): Mr. Speaker, I have three petitions for the House today. The first one is from British Columbia, of course. The petitioners are concerned about the effect that deindexation on family allowance will have on them and their families. They are particularly concerned that the cut-backs will take $600 million a year away from their children by 1990.

The second petition is from Ontario. These petitioners are also concerned about the need for this House of Commons to reinstate full indexation of universal family allowances and to rescind the unfair increases that have been brought in since the Conservatives were elected.

The third petition is from Nova Scotia. Interestingly enough, Mr. Speaker, Nova Scotians are very concerned about getting full indexation of family allowances, again because so many hundreds of millions of dollars will be taken away from children by 1990.

Mr. Speaker: Order, please. The Hon. Member for Beaches (Mr. Young).

Mr. Neil Young (Beaches): Mr. Speaker, I have two petitions to present, both are identical. One is from residents of various centres in British Columbia and the other one is from various centres in Nova Scotia. All of the petitioners state that the deindexation of universal family allowance is an unfair attack on women and families. They further state that this attack will not be offset by changes to the child tax credit and that other tax increases in the May Budget will place an unfair burden on low and middle-income earners.

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I have three petitions today. One is from a number of residents in my own constituency of New Westminster-Coquitlam and a very large number of petitioners from Surrey-White Rock-North Delta, humbly begging us not to allow any deindexation to take place in family allowances.

The second petition is a similar petition from a number of petitioners in New Brunswick.

The third is from a number of petitioners in the Province of Quebec also requesting that there be no deindexation in family allowances.

UNEMPLOYMENT INSURANCE—PENSION INCOME DEDUCTIONS

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my petition is from constituents in my riding of Grand Falls-White Bay-Labrador who are calling upon Parliament to petition the Government to rescind the order that will come in on January 1 whereby pension income will be considered as income for unemployment insurance purposes. This will have a great impact on a lot of middle-aged workers who want to take early retirement and cannot do so.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Mr. Vic Althouse (Humboldt-Lake Centre): I have four or five petitions here, Mr. Speaker, representing the views of residents from my constituency, the towns of Young, Watrous, Semans, Govan, Nocomis and Lockwood. They point out that the family allowance deindexation will not be offset by changes to the child tax credit and that even the poorest families will be worse off by these changes. They, therefore, request the House of Commons to reinstate full indexation of the universal family allowance program and to rescind the unfair tax increases that were proposed.

• (1510)

CONCERN ABOUT FUTURE OF CN MONCTON SHOPS

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, Liberal Members have been amazed lately at the constant representations made by citizens of the City of Moncton who are terrorized by the—

Mr. Speaker: Order, please. Could I just have the petition, please?

Mr. Tobin: I have a petition to present today on behalf of residents of Moncton who want to bring to the Government's attention the constant rumours that are striking fear into the hearts and souls of the people of Moncton regarding lay-offs from the CN shops in Moncton and they petition that the Minister make a clear and unequivocal statement indicating that the future of the shops in Moncton will be sound.

I have a second petition from the people of Moncton. Several hundred residents of that community petition the Government to make an unequivocal, clear statement regarding the future of CN's operations in Moncton to ensure that the 1200 jobs that are at stake there shall be stabilized and the people of Moncton will be able to sleep at night and enjoy

Christmas because at this point, they have not received a clear statement.

Mr. Speaker: Order, please.

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I have a petition from a number of people from the constituency of St. Albert including people from the communities of Leask, Shelbrook, Mont Nebo and Canwood. The undersigned humbly pray and call upon the House of Commons to reinstate full indexation of universal family allowance and to rescind the unfair tax increases.

INQUIRY INTO USE OF NANOOSE BAY TEST RANGE

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I have three petitions to present today. The first two deal with the Canadian Forces Maritime Experimental and Test Range at Nanoose Bay. The first petition points out that the test range causes environmental damage to Nanoose Bay and adjacent areas and that it is of doubtful economic value. It calls upon the Government not to renew the agreement between Canada and the United States authorizing the joint maintenance and use of the said test range and to bring to an end all weapons testing at the said test range.

The second petition also deals with the Nanoose Bay test range and calls for a full public inquiry before the agreement is renegotiated and signed.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, the third petition is from a number of residents of British Columbia and concerns the deindexing of the family allowance, pointing out that this constitutes an unfair attack upon families and especially upon single-parent mothers, that the deindexing is being balanced by tax giveaways to large corporations and calling on the Government to rescind the deindexing and the unfair tax increases.

[*Translation*]

Mr. Dan Heap (Spadina): Mr. Speaker, I have here a petition from Canadian residents at the Centre Marie-Salomé in Québec, who are opposed to deindexation of family allowances and to the unfair increases in sales tax, excise tax and income tax, and who humbly pray that full indexation of family allowances be reinstated and unfair tax increases be revoked.

[*English*]

I also have a petition from people from a number of places in Ontario including Brantford, Waterford, Simcoe, Turkey Point, Port Dover, as well as people from British Columbia including Vancouver, Richmond and White Rock, pointing out that the reduction of the effective buying power of the family allowance along with the new taxes on low-income houses will hurt low-income families severely and they request that the Government rescind the tax increases and stop the deindexation of the family allowance.

REQUEST FOR WITHDRAWAL OF BILL C-70

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, I have two petitions to present today on two separate topics. The first petition is on behalf of the women's coalition asking the Government to withdraw Bill C-70.

DOOR-TO-DOOR MAIL DELIVERY IN ETOBICOKE NORTH

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, the second petition I have to present is from a group of individuals who reside on Timothy Court, a new street in my constituency of Etobicoke North, and they call upon the Government through Canada Post to provide door-to-door mail delivery given that this street is located in a well established area in the riding and is not a new subdivision.

CONCERN ABOUT FUTURE OF CN MONCTON SHOPS

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I have two petitions to present today. The first is from the residents of the City of Moncton, New Brunswick, who are protesting very loudly and clearly regarding the lay-offs that have taken place at the CN main shops in Moncton. These residents are appalled by the lack of attention and concern the Government is giving that area—

Mr. Speaker: Order, please. It is perfectly reasonable to read the prayer. It is the preamble and the whole speech surrounding it that is out of order.

Mr. Dingwall: Oh, you consider that to be a preamble, Mr. Speaker? I was considering it to be a fact.

Mr. Speaker: Order, please. I am sure the Hon. Member would like to complete the reading of his petition.

Mr. Dingwall: Thank you, Mr. Speaker. They request that the Government bring an end to the constant rumours that strike fear into the minds and hearts of employees and citizens of our communities by taking appropriate action to ensure that there will be no further downsizing or closure of the CN main shops in Moncton, New Brunswick.

My second petition is from additional residents of the City of Moncton who, like the previous petitioners, are appalled with regard to the closure—

Mr. Speaker, do you have a problem?

Mr. Speaker: Please. I recognize the Hon. Member for Vancouver-Kingsway (Mr. Deans).

Mr. Dingwall: Mr. Speaker, I rise on a point of order.

Mr. Speaker: I recognize the Hon. Member for Vancouver-Kingsway.

Mr. Dingwall: I respectfully request to rise on a point of order.

Mr. Speaker: I recognize the Hon. Member for Vancouver-Kingsway.

Mr. Dingwall: I respectfully request to rise on a point of order.

Mr. Andre: You haven't shown respect for anything.

Mr. Dingwall: Oh, shut your mouth.

Mr. Speaker: Order. Order, please. What is the point of order of the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall)?

Mr. Dingwall: Mr. Speaker, I thought you were motioning to me and that is why I asked the question as I did. You have a habit of motioning to Hon. Members and I was trying to interpret what the motion meant and that is why I was asking the question.

Mr. Speaker: That's right. I do not think I need to say that there was not a point of order there.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I have three petitions from the riding of Vancouver-Kingsway to present. The petitioners pray and call upon the House of Commons to reinstate full indexation of universal family allowances and to rescind the unfair tax increases. I would like to table those petitions on behalf of my constituents.

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased to rise to present a series of petitions on behalf of Canadians across the country who are asking the Government to move back on its deindexation plans for family allowances and to return to the promise that was made to them during the election campaign. I have petitions from Windsor West, from Saskatoon East, from Mississauga, from Mississauga South and from Saskatoon East.

[*Translation*]

POSSIBLE CLOSURE OF CN MONCTON SHOPS

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I have the honour of tabling a number of petitions from residents in the ridings of Moncton and Westmorland-Kent, in New Brunswick.

The first petition contains 400 names and the second probably 500 names. These people are very concerned about the present situation at the CN shops in Moncton.

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I have two more petitions from residents in my riding of Westmorland-Kent, namely from Haute-Abujagane, Shediac, and Robichaud, who are asking the Government to apply full indexation to family allowances.

REQUEST FOR WITHDRAWAL OF BILL C-70

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have a few petitions I would like to present to the House this afternoon.

The first, from the Ontario Vankleek Hill area in my riding, concerns Bill C-70 and the petitioners ask the Government to withdraw the Bill.

The second comes from the riding of Montreal-Sainte-Marie which is so ably represented in the House, and asks for the same thing.

This one comes from the beautiful riding of Glengarry-Prescott-Russell. Another one from the riding of Hull-Aylmer. One from the riding of Louis-Hébert, and one from the riding of Western Arctic in the Northwest Territories.

All these petitioners urge the Government to withdraw Bill C-70.

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, hundreds of residents of my riding also signed a petition asking that nothing be changed in the current situation concerning family allowances. They strongly denounce the Government's intention to deindex family allowances. Those hundreds of people reside in my riding, more specifically in Richmond, Windsor, Brompton, Bishopton, Stoke, Saint-Denis, Asbestos and Disraeli. I have the honour to present their petition to the House.

• (1520)

[*English*]

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I have four petitions to present today. The first one is from British Columbia. It protests the accelerating cut-backs in child benefits which are projected to reach $600 million annually by the year 1990, on top of sales tax increases, excise tax increases and income tax increases. The petitioners consider this to be unfair. They state that it places an extraordinary burden on middle and low income households. The petition is signed by residents of Delta, Surrey, Richmond, Burnaby and Vancouver.

The second petition I have is a petition which asks Parliament to restore full indexation to the family allowance and child tax credit. It is signed by residents of York-Sunbury in New Brunswick.

[*Translation*]

Mr. Speaker, my third petition, which protests against de-indexation of family allowances and the Government's public retrenchment from the child tax credit, which constitutes an unfair attack against—

[*English*]

Mr. Speaker: Order, please. I take it this is another petition on exactly the same subject. The Hon. Member merely need say that and where it is from.

[*Translation*]

Mr. Langdon: Mr. Speaker, there is some emphasis here on the status of women and the petition is from Montreal.

[*English*]

OPPOSITION TO 1985 BUDGET PROVISIONS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, the fourth petition criticizes the hand-outs made in the Budget of last May, such as the $500,000 tax-free capital gains exemption, greater RRSP deductions—

Mr. Speaker: What is the petition, please? Perhaps I should say this once clearly. The Hon. Member should make a brief summary of the subject clearly indicating what the petitioners are asking for, that is, the prayer, and perhaps where it comes from. That is it. I should take very little time. Otherwise it becomes difficult for the House, which is the whole purpose of my attempts to get Hon. Members to be brief with the summaries of their petitions, and that is the only reason.

Mr. Langdon: Mr. Speaker, I appreciate that. I will attempt to follow briefly through this particular petition. It attacks and asks for changes in the budget hand-outs with respect to tax-free capital gains, greater RRSP deductions for high income recipients, the $9 billion in hand-outs to the oil companies and the $1 billion bail-out to the banks. It comes from such towns as Woodstock, London, Ingersoll, Norwich and my former hometown of Tavistock.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a number of petitions from my constituents in the riding of Ottawa Centre and other parts of Ottawa who protest the deindexation of the universal family allowance. They term this move an unfair attack on women and families with children, especially single parent mothers. The petitioners tell the House that even the poorest families will be worse off by 1990. They pray the House of Commons to reinstate full indexation of the universal family allowance and rescind the unfair tax increases.

[*Translation*]

REQUEST FOR WITHDRAWAL OF BILL C-70

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I also have a petition from a group of residents of the province of Quebec, who are also asking that Bill C-70 be withdrawn and full indexation of family allowances maintained.

[*English*]

Mr. Speaker, in total, I have some 350 signatures on a number of petitions which come from many places in Ontario, Quebec, the maritime provinces and western Canada. The petitioners share in the strong objections which have been registered in the House for many months with respect to the deindexing of the family allowance.

Mr. Speaker, 17 are from the town of St. Marys in Ontario, and approximately 50 are from the Province of Quebec, in particularly from Charlesbourg in the City of Quebec. A number are from Jerseyville and Stoney Creek in the Hamilton area. A number are from Vancouver, including Richmond. These petitioners also object to the deindexing of the family allowance. A number of the petitioners are from Halifax, Enfield, Emsdale and other parts of the Province of Nova Scotia.

A number are from the riding of my friend—

Mr. Speaker: I take it the Hon. Member is saying he has several more petitions.

Mr. Cassidy: From Winnipeg.

Mr. Speaker: I thank the Hon. Member.

Mr. Cassidy: Mr. Speaker—

Mr. Speaker: I thank the Hon. Member.

Mr. Cassidy: Thank you, Mr. Speaker.

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I have some additional petitions which I hope to be able to table, causing as little vexation as possible to Your Honour. All of these petitions express a concern which, if disregarded by the Government, will impel a new wave of resentment, if not hostility, toward the present Government—

Mr. Hnatyshyn: Incorrect in order.

Mr. McCurdy: —and its Prime Minister (Mr. Mulroney).

The first of these comes from British Columbia. It is signed by several citizens of Canada who are exercising their ancient and undoubted right to petition this House. They humbly pray and call upon the House of Commons to reinstate the full indexation of the universal family allowance and to rescind the unfair tax increases.

I have another petition which Your Honour will notice is pink and, therefore, in substance, different. It is from New Brunswick and it is signed by a number of people who are exercising their right to petition the Government for a change in policy. They refer to the extraordinary sums of money

which have been accorded the wealthy and huge corporations while at the same time taking funds from the pockets of the poor, of women and of children at the expense of the family. They ask that the indexation of the universal family allowance be retained and that tax measures—

Mr. Speaker: Order, please. I take it the Hon. Member has petitions on one subject, that is, the family allowance?

Mr. McCurdy: Yes.

Mr. Speaker: Therefore, I think the Hon. Member knows he can be more brief than he has been.

Mr. McCurdy: I will attempt, in so far as it is possible to do so, while at the same reflecting with some precision what the concerns of these signatories are—

Mr. Speaker: Order, please.

Mr. Andre: You are supposed to sit down when the Speaker stands up.

Mr. Speaker: The Hon. Member has the right to present the prayer and make a very brief summary. If he wants to read Beauchesne's on this—and perhaps all Members would be helped if they read it—he should. Therefore, I will recognize him to speak for a few seconds longer.

Mr. McCurdy: These people from Ontario humbly pray and call upon the House of Commons to reinstate full indexation of the universal family allowance and to rescind the unfair tax increases.

Some Hon. Members: Hear, hear!

Mr. McCurdy: I have another set of signatures from petitioners in Manitoba who petition the House to reinstate full indexation of the family allowance and to rescind the unfair tax increases.

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I have the honour and privilege today to present four petitions. Because the contents are substantially similar, with your permission, perhaps I might present three of these petitions together, thus avoiding being contentious, tendentious, circumlocutory or gratuitous.

Some Hon. Members: Hear, hear!

Mr. Parry: I would say, by way of preamble, that these petitions are on the same topic as the petitions presented by the Hon. Members for Ottawa-Carleton (Mr. Turner) and Etobicoke North (Mr. Pennock). They humbly pray and call upon the House of Commons to reinstate full indexation of the universal family allowance and to rescind the unfair tax increases.

The fourth petition—

[*Translation*]

—Mr. Speaker, is signed by residents of Montreal who are asking to have full indexation of family allowances reinstated and unfair tax increases revoked.

[*English*]

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I too have the honour today to present once again a number of petitions from different parts in Canada on the whole question of family allowance. The first one is from Edmonton, Alberta. It calls for a fully indexed family allowance. It asks the House of Commons to rescind unfair tax increases.

● (1530)

The next petition is from British Columbia. The petitioners are very concerned as well about the impact that deindexing family allowances will have on families and calls for the full indexation of universal family allowance.

The next petition is from my own riding of Vancouver East, the Strathcona community, which is in Chinatown in Vancouver. It calls as well for fully indexed family allowances and the rescinding of unfair tax increases.

The next petition is from the Province of Saskatchewan. It has quite a number of names. It expresses concern as well about the impact that Bill C-70 will have on families and calls for fully indexed family allowances.

* * *

POINT OF ORDER

TRANSPORT—PRESENTATION OF REPORT OF STANDING COMMITTEE

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I rise on a point of order and I ask that for just one moment you hear what I have to say. It is with regard to the inappropriateness of the tabling of the final report of the Committee on Transport which was received by the House earlier today.

I contend that what is out of order is that the House should not have received the report today. The reason I give is that in the transcripts of the Minutes of Proceedings and Evidence of the Standing Committee on Transport, dated November 24, 1984 and November 29, 1984, on page 1-6, I believe—it is hard to follow the way it is printed—it says that the chairman be authorized to hold meetings to receive and authorize the printing of evidence when a quorum is not present, provided that four Members are present, one of whom must be the chairman or vice-chairman and one of whom must be a member of the Opposition. I contend that the committee violated that rule during the authorization for the printing of the report which has contained within it the printing of evidence. I contend as well that the committee, once having passed it, at no time did rescind that motion and, therefore, the committee was under an obligation to consider and to authorize the printing of the report only in a situation where there was one of the Opposition members present.

I contend further that that was not followed by the committee and, therefore, the report is at the moment improperly before the House of House of Commons.

Hon. Herb Gray (Windsor West): Mr. Speaker, I rise to speak in support of the very useful point made by the House Leader of the New Democratic Party. I believe it is important that committees understand the seriousness of the terms of reference set out by the House when it makes an order referring a matter to committee. If a committee does not follow the order of reference to the letter, then, I respectfully submit, the entire final report of the committee is tainted and is not properly received by this House. Therefore, I think the report is, to say the very least, null and void.

I therefore submit, Mr. Speaker, that this House should go on record as being very concerned about the order of this House to the Committee on Transport not being followed and that it should be deemed that the report in question of the Committee on Transport is invalid.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I will be brief. I regret that I have to address this matter because I do not share the concerns expressed by the House Leaders of the Opposition.

The difficulty is, I believe, that while a question has been raised with respect to whether or not certain evidence has been received with the appropriate number of people or, at least, the correct identity of the Members who represented the Government and the Opposition, the conclusions drawn from the report itself are based upon the evidence which has been published. The difficulty with this matter is not one which is so fundamental as to affect the conclusions which have been drawn.

We have had an indication now that, certainly, members of the Opposition are not totally enthusiastic about the final conclusions of the majority of the committee. Having said that, though, I believe the Minister of Transport (Mr. Mazankowski) put his finger on it yesterday when he pointed out that one of the difficulties in hearing evidence, especially from people who have a very great interest in the topic and who often come many miles for the purpose of giving evidence, is that the attendance by members of the Opposition in some cases was not possible. Accordingly, the evidence was taken, the transcript is there, it is a matter of public record, and I do not think it causes this report to be fatal.

Mr. Deans: Mr. Speaker—

Mr. Speaker: Order, please.

Mr. Deans: If I may, he is raising a false point. He didn't answer—

Mr. Speaker: Order, please. I appreciate the fact that the President of the Privy Council (Mr. Hnatyshyn) is dealing, in the mind of the Hon. Member for Hamilton Mountain (Mr. Deans), with a point other than the point raised by the Hon. Member for Hamilton Mountain. However, I believe I am in a position to say to all Hon. Members that, first, the Hon. Member for Hamilton Mountain is raising a question of order with regard to the way the committee conducted its affairs internally. He knows, I think, that our practices are that that matter should be raised within the committee. Second, the Hon. Member claims that, as a result of that, it would be out of order for the House to receive the report. That clearly cannot be true. It clearly cannot be true that material which is in the report can make a report of a committee not receivable, because the House cannot know that until the report has been received. The House cannot read the report until the report has been received.

Therefore, our practice has been—at least as far as I remember—that when there is a question with regard to the admissibility or the orderliness of a committee's deliberation, that matter would normally be raised on a point of order—I am not saying anything about the quality of the point raised; I am simply dealing now with the timing, if I may—if and when a motion to concur in that committee report is put to the House. Therefore, I would refer the Hon. Member to the citation in Beauchesne's which says, if I may paraphrase briefly, that a committee's report may be found to be not in order—and I am not making any kind of comment or ruling with regard to the grounds which have been raised—even after the report has been received. The citation goes on to say that should that be the case, then a motion to concur would be ruled out of order. Therefore, I suggest to the Hon. Member that his point should be raised at a different time.

Mr. Deans: I accept that. Thank you.

* * *

INTERNATIONAL PEACE AND GOODWILL DAY ACT

MEASURE TO ENACT

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington) moved for leave to introduce Bill C-258, an Act respecting International Peace and Goodwill Day.

Mr. Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Vankoughnet: Mr. Speaker, the purpose of this Bill is to change the name of "Boxing Day", December 26, to "International Peace and Goodwill Day" in honour of Canada's commitment to world peace. December 26 follows the day we celebrate the birth of the Prince of Peace so it is only fitting that we also mark the goal of international peace. There are no political boundaries when it comes to working toward peace, it is a goal we all share. I am proposing this change in name for this existing holiday in order to recognize the importance of our goal and to demonstrate Canada's commitment to world peace.

The naming of the International Peace and Goodwill Day will go one step further and show the world that Canadians are

committed to working toward world peace and maintaining the principles of goodwill.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

● (1540)

JUDICIAL APPOINTMENTS ACT

MEASURE TO ENACT

Mr. Alan Redway (York East) moved for leave to introduce Bill C-259, an Act to amend the Federal Court Act, the Northwest Territories Act, the Supreme Court Act, the Tax Court of Canada Act and the Yukon Act.

Mr. Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Redway: Mr. Speaker, this Bill is put forward in response to concerns raised during the last election campaign as well as by the Prime Minister (Mr. Mulroney) in his statement to the House in September of this year. The purpose of the Bill is to establish a process for the parliamentary scrutiny of federal judicial appointments in order to reinforce the public trust that all judicial appointments are of the highest calibre and that in making those appointments the Government is guided by the highest standards of conduct.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

FAMILY ALLOWANCES ACT, 1973

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

On the Order: Government Notices of Motions

December 16, 1985—The Minister of Agriculture:

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

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

Mr. Speaker: Pursuant to Section (2) of Standing Order 26, this Government Notice of Motion stands transferred to and ordered for consideration under Government Orders at the next sitting of the House.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 400, 485 and 489.

[*Text*]

BOOKLET CONCERNING PRIME MINISTER

Question No. 400—**Mr. Boudria:**

Was the booklet entitled "The Right Honourable Brian Mulroney—Canada's 18th Prime Minister", distributed by the Department of External Affairs and, if so, at what cost to the taxpayer, including photography, printing, publishing and any other associated costs?

Right Hon. Joe Clark (Secretary of State for External Affairs): The booklets were produced in conjunction with the PMO for international journalists attending the Quebec Summit and the Bonn Economic Summit, and for distribution to Canadian posts abroad. Production costs paid by the Department of External Affairs totalled $27,750. Distribution costs to the Department to date have been minimal.

CANADIAN JOBS STRATEGY

Question No. 485—**Mr. Nystrom:**

1. Since its inception, what was the total advertising budget for the Canadian Jobs Strategy program and what amounts were allocated to (*a*) daily newspapers (*b*) weekly magazines (*c*) specialized publications and/or newsletters (*d*) radio and television (*e*) other communication devices such as posters, brochures, displays etc?

2. Which advertising agencies are involved in the preparation of the advertising and who are the principals of these agencies?

3. Is the print advertising prepared by the same agencies involved in developing the ads aimed at radio and television and, if not, which agencies are involved?

Hon. Flora MacDonald (Minister of Employment and Immigration): 1. The total advertising/communications budget for the Canadian Jobs Strategy is $8 million, allocated as follows:

(*a*) daily newspapers	749,000
(*b*) weekly/monthly magazines	595,000
Note: advertising funds were also allocated to weekly newspapers, as follows	515,000
(*c*) specialized publications and/or newsletters	0
(*d*) radio and television	3,291,000
Sub-total (Advertising)	5,150,000
(*e*) other communications devices, such as brochures, direct marketing to employers, and exhibits	2,850,000
Grand total	8,000,000

2. The following advertising agencies are involved with the preparation of advertising: Case Associates Advertising Limited, Toronto, l'Académie Saint-Alexandre Ltée, Montreal, Dome Advertising of Regina and Saga Advertising, Halifax.

The principals of the agencies are:

Case Associates

John Sinclair	— President
Denis Case	— Chairman
Tim Pervin	— Vice president

L'Académie Saint-Alexandre

Gilles Ellie	— Chairman of the Board
Trop Pelequian	— President
Bernard Mouton	— Senior Vice President

Dome

Phil Kershaw	— Vice President, Creative Services
Spence Bozak	— President

Saga

Richard Emberley	— President
Richard Gill	— Vice President

3. The national print and television ads were prepared by the national agencies (Case and l'Académie Saint-Alexandre). Regional print and radio were prepared by all four agencies involved.

SHOWING OF NOVA SCOTIAN ARTIST

Question No. 489—**Mr. Dingwall:**

Did Mr. Tom Forrestall, an artist from Nova Scotia, hold a showing in Europe between the summer of 1979 and February, 1980 and did the Government pay for his trip and, if so (*a*) what was the total cost to the taxpayers (*b*) were other artists from Nova Scotia advised (*c*) for what reason was he selected?

Right Hon. Joe Clark (Secretary of State for External Affairs): The Department's records indicate no showings of Mr. Forrestall's work took place in Europe in the period between the summer of 1979 and February, 1980.

[*English*]

Mr. Lewis: Mr. Speaker, I would like to point out that, in keeping with my undertaking to do everything I can for the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), one of the those answers applies to a question of his. I ask that the remaining questions be allowed to stand.

Mr. Boudria: Mr. Speaker, I rise again to ask the Parliamentary Secretary two things. First, why is the Government not answering Questions Nos. 486 and 487? Second, I want to ask the Parliamentary Secretary to withdraw what he said yesterday, that it was I who caused the delay in answering those questions. That is found at page 9535 of *Hansard*, and it is not true.

Mr. Speaker: Order, please.

Mr. McDermid: That is a matter of opinion.

Mr. Boudria: It is not a matter of opinion.

Mr. McDermid: Merry Christmas to you.

Mr. Speaker: Order, please.

Mr. Lewis: Mr. Speaker, the reason we could not answer that is that we were answering Question No. 400.

Mr. Speaker: The questions as enumerated by the—order, please.

Mr. Boudria: Mr. Speaker—

Mr. Speaker: Order, please. I think the Hon. Member knows that our practice is to allow Members to ask that some urgent consideration be given to a question which has been on the Order Paper for some time. However, the Hon. Member asks the Chair to accept a substantial extension of that practice when it is done every day on the same question, I suggest. I therefore suggest also that I am prepared simply to leave it at that for the moment.

Mr. Gauthier: Mr. Speaker, although I appreciate the point you are making, you must appreciate how frustrating it is for some of us trying to get information from this Government. I have had Questions on the Order Paper since last February and May, important questions dealing with pensions. Now they are coming forward and saying they do not have time to answer the questions. We could be asking them every day and maybe if we did so orally they would answer. Who knows?

Mr. Marchi: Mr. Speaker, in the spirit of Christmas and co-operation, I asked the Parliamentary Secretary a question two weeks ago about a series of questions dating back to last May concerning the First Ministers' conference on multiculturalism. Two weeks ago he suggested that he would bring them to the attention of the Minister. Did he do so and when can we expect to have an answer from him or the Minister?

Mr. Boudria: These answers are unsatisfactory.

Mr. Lewis: Mr. Speaker, I must tell the House that I was left a whole desk-full of questions by David Smith and I am doing my best to work my way through them.

Mr. Marchi: Who is David Smith?

Mr. Lewis: However, I will look into the Hon. Member's question.

Mr. Speaker: On a separate point of order, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria).

Mr. Boudria: Mr. Speaker, I raise this matter with you personally because the answers given to me previously by the Parliamentary Secretary were not normal in the sense that you and I were both notified that the question would be answered that very day one month ago. We are not dealing with a regular situation where a Member routinely stands up to obtain that information.

Mr. Speaker: Order, please. The Hon. Member knows that what we are doing now is recording the answers the Parliamentary Secretary brings forward and seeking consent of the House that the questions remain on the Order Paper.

Mr. Gauthier: Unanswered.

Mr. Speaker: The Hon. Member knows that the practice which has grown up of allowing Members to point out that there is some urgency was intended as a courtesy to Members,

not to create a situation where there would be a debate about Questions on the Order Paper.

Mr. Boudria: He had it in his hand.

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

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

Mr. Boudria: Mr. Speaker, I would ask that Motion No. 16 standing in my name dated November 25 be transferred for debate.

REPORT ON DROUGHT IN WESTERN CANADA

That an humble Address be presented to Her Excellency praying that she will cause to be laid before this House a copy of the report presented to the Prime Minister pertaining to the drought in Western Canada.

Mr. Speaker: Transferred for debate.

Shall the remaining notices of motions for the production of papers be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FINANCIAL INSTITUTIONS DEPOSITORS COMPENSATION ACT

MEASURE TO ENACT

The House resumed from Friday, November 22, consideration of Bill C-79, an Act respecting the provision of compensation to depositors of Canadian Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect of uninsured deposits, as reported (without amendment) from a legislative committee; and Motion No. 2 (Miss Nicholson (Trinity)) (p. 8737) and Motion No. 3 (Mr. Riis) (p. 8738).

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am very happy to speak once again on this Bill. I would like to be able to thank Hon. Members of this House for a full and wide discussion on Bill C-79. However, this Bill was introduced on October 3 and the kind of questioning and debate we have had in this House has done nothing to assist the depositors in these financial institutions. Therefore, I urge Members of the House at this stage to consider speedy passage of this Bill.

I am, I may say, very grateful to at least some members of the legislative committee which studied this Bill. There were members who questioned a number of witnesses on the significance of paying these depositors. There were also some members who chose to boycott that committee. They did not boycott someone who is part of the political process, the Minister or someone from this House who was speaking on the Bill. They chose to boycott the committee on a day when one of the most expert witnesses in this country came to speak to them and explain—

Miss Nicholson: On a point of order, Mr. Speaker, I understood that what had been called was the amendment. Would you be kind enough to clarify for us whether the Minister is speaking to the amendment?

Mr. Deputy Speaker: What is under debate now are Motions Nos. 2 and 3 which have been grouped for debate.

Miss Nicholson: I assume you were listening and you heard the Minister talking about committees. It has not been considered customary to reflect in this House on committee proceedings.

Mr. Deputy Speaker: I am sure the Minister will speak on Motions Nos. 2 and 3 grouped for debate in this House.

Mrs. McDougall: Absolutely, Mr. Speaker. I am simply giving some background and explanation of why it is important that we consider the amendments and this motion immediately.

Because many Members of the House chose not to listen to the information made available in committee to Members of this House, it is important that we clarify one more time the reasons for compensating uninsured depositors and why the amendments are not the kind of thing we are looking for. This Bill has undergone the most exhaustive study, I believe, of any Bill which has ever been before this House. I have spoken in committee twice and once in the Senate committee, all of which was public. I have also spent a day before Mr. Justice Estey who, I think, will have many recommendations to make that will be useful to the Government and the House. It is very important in terms of our bank legislation that we appointed Mr. Justice Estey to examine this issue in full.

• (1550)

We introduced this Bill on October 3 to seek parliamentary authority to compensate the uninsured depositors of the Canadian Commercial Bank, the Northland Bank, and the Canadian Commercial Bank Mortgage Insurance Corporation, should that be necessary, for a number of reasons. I have tried to make these reasons clear before, but I think they bear repeating. Our decision to compensate the uninsured depositors was based on the unique and particular circumstances that these two banks reflect; the fact that they were local banks

started at the height of an optimistic period of economic growth, and the fact that the National Energy Program helped to bring about their demise. We weighed very carefully the impact on confidence in other financial institutions and on the economy if depositors in these two banks were to absorb their losses.

Depositors include municipal Governments, credit unions and labour unions. I am surprised at the disloyalty of members of the NDP to the labour unions which were very involved with these banks. Depositors also included religious organizations, charitable organizations, and cultural institutions representing thousands of individual Canadians as well as hundreds of small businesses. The municipalities involved have suffered terribly from the delay in the passage of this Bill. It is costing the City of Kanata, which is very near to this Parliament, $2,600 a day in lost interest while we sit around and deliberate on a Bill, the purpose and objective of which should be clear to everybody.

Mr. Cassidy: It's been sitting on the Order Paper for weeks.

Mrs. McDougall: In light of these circumstances, Mr. Speaker, compensation to these depositors was a most appropriate action and demonstrates the Government's sensitivity to the needs of the regions of the country, its municipalities, its individuals, farmers, small businesses, and people who saved their money and made a commitment to regional institutions and to Canada. By compensating these uninsured depositors the Government is acting to minimize the devastating impact on those savers and on that economy which this loss of savings would produce.

Nevertheless, Mr. Speaker, compensation is not to be 100 cents on the dollar. The first payment will be made on Royal Assent being given to this Bill and the second will be delayed until April, 1986, and no interest will be paid after September 1, 1985. It is not the Government's intention to set a precedent in compensating uninsured depositors. I might say that that precedent was set when the Home Bank failed and the Liberal Government paid uninsured depositors in 1923.

Over the past weeks I have dealt at length with the concern over the need of the Opposition to know the names of those being compensated through this Bill. I have spoken, and I believe strongly, of the right of depositors to privacy, of the responsibility of the Government to protect this privacy, and of the necessity for the Government to abide by the laws which prohibit the publication of this information.

In the House last winter when we were talking about compensating the uninsured depositors of Pioneer Trust, which we were urged to do by the New Democratic Party, and which we did in limited circumstances because of our sensitivity to that situation, not one single member of the New Democratic Party raised the issue of the names of the uninsured depositors. The names of the uninsured depositors of the Home Bank were also never made public.

Mr. Cassidy: The Home Bank?

Mrs. McDougall: Those uninsured depositors were paid by that Party. The precedent was set in 1923. To violate the confidentiality of the Bank Act would, I believe very strongly, violate these responsibilities and imperil all depositors in the future.

I have tabled a detailed breakdown of the classification of uninsured depositors which should meet all reasonable requirements for information without violating this aspect of confidentiality. The public interest is not served by any further disclosure. Quite the contrary, Mr. Speaker, the public interest would be violated by any further disclosure. I might say, as well, that after 40 years of total inaction the Government has taken a great many actions to improve the financial institution sector of our economy.

On November 27, 1985, we tabled Bill C-86 to increase premiums and reduce the deficit in the Canada Deposit Insurance Corporation. Through that Bill we increased the members of the board of directors by four. As well, Mr. Speaker, we tabled draft legislation on November 27 to give our regulators the power to issue cease and desist orders. It will give the Minister power to block mergers and acquisitions. It will give regulators the power to establish realistic market values on real estate held by financial institutions. We are proceeding with a private sector study of the Office of the Inspector General's mandate and operations, a study undertaken by Coopers and Lybrand. Through the inquiry by Mr. Justice Estey we have undertaken to detail all the facts leading to the failures of these banks and to come up with recommendations which will be very helpful, in fact instrumental, in the formulation of policy of banks in the future.

The former Government took no action in this area for many years. Despite the fact that it added 58 foreign banks in 1980 and revised the Bank Act to introduce regional banks to the country, it never once moved to increase the supervisory powers and capability of our inspectors to regulate our financial institutions properly. I think that the actions of the Opposition in delaying the passage of this Bill because the names have not been published is despicable and is not in the interest of Canadian people. I am very disappointed in the quality of the participation in this debate by the two opposition Parties. I urge the speedy passage of this legislation.

Miss Aideen Nicholson (Trinity): Mr. Speaker, I am really shocked and disgusted at the performance of the Minister.

Mr. Turner (Ottawa-Carleton): And a Merry Christmas to you too.

Miss Nicholson: How can the Minister come into the House and imply that the Opposition is holding up this legislation? I ask you to look at the facts. As the Minister said, she introduced the Bill on October 3. On October 10 the Bill was referred to a legislative committee. On October 28 the legislative committee had its first meeting. What was that enormous group of Conservative Members doing from October 10 to October 28?

After the legislative committee finally met on October 28, the Bill was reported back to the House on November 7. That, surely, cannot be considered an extended examination. After being reported back to the House on November 7, the Bill sat on the Order Paper. The Government did nothing until November 22 when it brought it on late on a Friday afternoon for 14 minutes—

Mr. Gauthier: Fourteen lousy minutes.

Miss Nicholson: —before Private Member's hour was called. Since November 22 it has not been called until today. Now the Minister has the effrontery to try to imply that we have extended this debate. This is the most outrageous thing I have heard in a very long time.

Mr. Marchi: The Minister is laughing.

Miss Nicholson: Yes, it is all very funny to the Minister, but it is not funny to the taxpayers who are being asked to shell out money—

Mr. Penner: That's right, and they are damned mad.

Miss Nicholson: —to nameless, faceless individuals.

The amendment which stands in my name on the Order Paper, which is what this debate is supposed to be about, provides that the names of those who make application for reimbursement under the terms of Bill C-79 be published in the Public Accounts of Canada. This has been our position since the outset. Our Leader introduced an amendment to this effect at second reading of Bill C-79. I will also point out that the Government introduced closure while we were still debating that amendment. Therefore, we never had a full debate on second reading of this Bill either.

We have had a number of opportunities to elaborate on why we think it essential for taxpayers to know who will be benefiting from this $875 million expenditure. I will merely summarize these very briefly today. We have had no answers in the past, and with the Minister's ridiculous performance this afternoon, we certainly have not had an answer today.

• (1600)

The Bill is meant to pay off uninsured depositors in the Canadian Commercial Bank, the Northland Bank and the Canadian Commercial Bank Mortgage Investment Corporation, which also recently went into liquidation. The insured depositors, those whose deposits were less than $60,000, which is the limit on deposit insurance, have already been paid. Those who had a right to payment have been paid. This Bill provides for the so-called sophisticated investor with deposits over $60,000 in one institution, who would normally have no right to compensation, to receive *ex gratia* payments if they come forward and ask for it.

The Government wants Parliament to authorize *ex gratia* payments, to be paid with taxpayer's money to the tune of $865 million, but these people are to remain nameless and faceless. The taxpayer has a right to know. On October 4 the Deputy Prime Minister (Mr. Nielsen) said that the public has a right to know how its tax dollars are spent, that public funds are at all times subject to the scrutiny of Parliament and that the whole purpose of this place is the management of taxpayers dollars. We on this side are in full agreement with that statement. We differ with the Government in that we feel that the principle must be applied consistently.

Mr. Brisco: Mr. Speaker, I rise on a point of order. I hesitate to intrude on the Hon. Member's statement because she has risen in a state of righteous indignation or unctuous indignation, I am not sure which. However, she quoted a figure of $865 million—I am not quite sure—was that the figure you quoted? You were out by $10 million.

Mr. Deputy Speaker: Order. The Hon. Member is raising a point of debate.

Mr. Brisco: It is a point of fact.

Mr. Rossi: Go back to sleep.

Miss Nicholson: The figure in the Bill is $875 million.

Mr. Brisco: You did not say that. You said $865 million.

Miss Nicholson: This Bill deals with former clients of former banks in liquidation and now being dealt with under the Winding-up Act. It simply defeats logic how the Minister can claim that the provisions of the Bank Act regarding privacy for depositors for current clients apply to former depositors of a wound-up institution who are asking the Government for *ex gratia* payments. These people have to make a formal application to get the money. They will not get it automatically as a bank depositor, and once they begin that application process papers will begin floating throughout the Departments and their names will certainly become known sooner or later. What on earth can the Government possibly hope to gain by stifling information to which taxpayers have a right and which will become public eventually?

In fact, the Government does not have a legal or moral leg to stand on. It is in an untenable position which is at odds with the stated desire of the Government, which we share, to promote confidence in our financial system. Withholding information from those who have a right to it, from those who are footing the bill, is not conducive to confidence building. We hope that the Government, in the interest of building confidence and restoring its own credibility in the entire matter of bank failures, will approve this amendment.

Mr. Simon de Jong (Regina East): Mr. Speaker, I wish to speak to the amendment in the Bill presently before the House. In her opening statements, the Minister of State for Finance (Mrs. McDougall) made several interesting observations. First, she claimed that the Opposition has prevented speedy passage of the Bill. That is not quite true because it is the Government, with an overwhelming number of Members in the House and control over the agenda of the House, that determines what is introduced for discussion in the House and in the committees. Surely, with all of its Members, if the

Government does not have the ability to pass legislation through the House it is because of its incompetence.

With respect to incompetence, every day that new information comes forward from the Estey inquiry we begin to realize how thoroughly incompetent the Government and its officials were in dealing with this whole matter.

Mr. Turner (Ottawa-Carleton): Come on. The banks were screwed up.

Mr. de Jong: It can best be described as a keystone cop operation. The Governor of the Bank of Canada, in his testimony, claims no responsibility whatsoever. He says that it is not his job to be able to look into the financial statements of these banks. In fact, he takes great credit in extending further financial support to the CCB on the very banking day prior to the Government pulling the plug. The Bank of Canada continued to provide further equity to the Canadian Commercial Bank on the Friday before the Government pulled the plug the following Monday.

When I asked the Governor of the Bank of Canada about this situation when he appeared before the committee, he said that it was not up to him to know whether or not a bank is solvent. He said: "We depend entirely upon the Inspector General of Banks".

However, what does the Inspector General of Banks tell the Estey Commission? He says that it is not his fault. He said that the Governor of the Bank of Canada has the power to know what is going on with the bank. The Inspector General of Banks told the Estey Commission that he could only rely on the outside auditor. What incompetence. It is amazing that the Government has not fired both of those top civil servants when they are juggling billions of dollars.

This is taking place at a time when the Government is attempting to reduce the deficit by deindexing pensions and the family allowance. It is increasing taxes on dog food so that even the blind have to pay more for the dog food they feed their seeing eye dogs. The Government is getting its nickels and dimes from every corner by hitting average Canadians including the poor and middle class. Yet it only requires a weekend to make a decision about billions of dollars.

What were the reasons behind this decision? The Minister told the Estey Commission that she did not know that the bank was running into trouble in California. Yet the Inspector General of Banks apparently had this information for months. Obviously he never saw fit to pass this vital information on to the Minister. I am amazed that the Minister allows this official to continue in his job. Why has he not been fired for that one display of incompetence?

The Government wants to move this legislation through the House because every day that the Estey Commission sits is a further embarrassment to the Government about this whole matter.

Mr. Turner (Ottawa-Carleton): No way. You are going to learn the truth.

Mr. de Jong: Mr. Speaker, would you ask the Hon. Member for Ottawa-Carleton (Mr. Turner) to shut up. If he has something to say he can rise in his place and give us a speech. If not, I would appreciate it if he would cease his cuckooing.

Was the Government that naive and the officials that stupid—if so, they should be fired—or did the Government and the officials know exactly what they were doing? They knew that the bail-out would not work. They knew that they were just pumping money into a hopeless situation. What would be the rationale for the Government to come forward with a bail-out package which bought this bank a few more months?

• (1610)

Perhaps the purpose behind the whole exercise or this whole facade was to give the banks, particularly the foreign banks, a few extra months to withdraw some of their deposits. Otherwise, instead of a hundred and some million dollars in uninsured deposits being on the books of the CCB, it would have been several hundred million dollars more. All the bail-out did was to provide foreign banks and some of our large commercial banks with an opportunity to lower slowly the amount of money which they had on deposit in CCB. Otherwise, instead of the Government coming to us today and asking for some $800 million to bail out the uninsured depositors, it would have been several hundred million dollars more. Perhaps that was the real intention behind that whole facade.

The amendments we introduced ask the Government to make public the names of the uninsured depositors—the people and the corporations to which the public will be giving hundreds of millions of dollars. I think it is a fair question to ask. It fits in with the whole notion that Parliament is supreme. We as a Parliament—and rightfully so—are the guardians of the public purse. The whole question of public accountability is involved here.

The Minister and the Government say that there are bank Acts and pieces of legislation which provide for the protection of the privacy of these bank depositors. This is not a normal situation. These are not just normal bank depositors. These are people who will be bailed out, 100 per cent on the dollar, for what they had on deposit. They are not just normal bank depositors. What is more important, the supremacy of Parliament or keeping hidden and secret the names of these depositors? The more the Government refuses to give us the information, the more suspicious we in the Opposition and Canadians right across the country become. What is the Government trying to hide? What is so secret about this list?

I, for one, would also like to see the list of all bad loans. Who were the people who really benefited from the Canadian Commercial Bank and the Northland? Who were the ones who took out loans and now have these assets and will not be paying back the full amount to the bank and eventually to the public of Canada? Who are the people who really benefited from the raids on the assets of the CCB?

There is a lot more to be learned about the CCB, about the bail-out, about what the Government did, about what the

Government knew and did not know, about why it acted when it acted, and about why it did not act sooner. For the Government to blame us by saying that the Opposition has obstructed the Government in its attempt to move the legislation forward is nonsense. The Government has held it back so that in the end it could use closure. It does not want full public debate. It is embarrassed by this because it realizes that it will have to continue to increase the taxes on ordinary Canadians and continue to cut programs which benefit ordinary Canadians. Yet, at the same time, it can find billions of dollars for the bail-out of the wealthy. It is shameful, and that is the reason the Government introduced closure. It does not want to see the whole question being debated in the House to a large extent.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): I welcome this opportunity to take part in the debate on Bill C-79 and the amendment. The purpose of this Bill is to promote a sense of confidence and fairness with respect to our financial institutions, and I think that is important.

The Hon. Member for Regina East (Mr. de Jong) referred to incompetence. Well, after listening to a number of debates here in the House, I find that the incompetence reflected in the speeches of some Opposition Members goes beyond the mere fact of their being in the Opposition. I think we should remember that very often, Opposition Members have this bad habit of talking about anything at all except the subject before the House, and then they wonder why they don't have enough time.

In March 1985, Mr. Speaker, six major banks, three governments, the Canada Deposit Insurance Corporation and even the Opposition agreed these two banks had to be helped. They agreed on a plan for restructuring the banks. Then in September, we had a problem. And now, they are against any incentive and any measure aimed at helping our Canadian financial system to maintain its stability and the credibility it has always had. The Opposition is against any measures we want to take in this respect.

They are asking us for a list of depositors. Mr. Speaker, I wonder whether Opposition Members would be very pleased if their bank accounts were made public. I would like them to answer that question. I wonder if they would like it if Canadians across this country could read in the papers that the Member for such and such a riding has or had so much money in his bank account. I feel it is a matter of privacy.

Second, the depositors also include unions. I am not sure the unions would be so happy to know the financial position of another union with whom they are more or less competing. There are charitable organizations to whom the same principle applies. There are savings banks and credit unions and municipal governments. We cannot ... and there are small- and medium-sized businesses. Does it make sense, Mr. Speaker, is it normal for me, as the owner of a small- or medium-sized business who does not have an account with one of those who banks, to know that my competitor had a line of credit of so much and had so much money in the bank and so many deposit certificates? I think we should realize the implications of this request from the Opposition.

Mr. Speaker, my hon. friend from Champlain (Mr. Champagne) made a very interesting discovery. He is a very hard worker, and at the library, he found that in 1925, under a Liberal federal Government, the Home Bank was in the same situation. A total of $5.5 million was paid to depositors, and I will leave it to my hon. friend from Champlain to explain to the Liberal Opposition that what we want now, for the purpose of improving and helping our Canadian financial institutions, is something that had already been done in the past under one of their own Governments.

It is rather strange because, perhaps unlike Members of the Opposition who must spend their weekends in Ottawa, I am lucky enough to travel throughout the beautiful riding of Trois-Rivières every weekend when I can meet my constituents, discuss issues with them—

Mr. Malépart: I also met them.

Mr. Vincent: You met them, yes, we know. Yes indeed, but strangely enough I met them afterwards and they were able to understand when I explained everything to them. Let us stick to the subject under consideration.

When the Hon. Member for Montreal-Sainte-Marie explains something, he does it in his own way, not the way it should be done.

So, Mr. Speaker, I get to meet my constituents on weekends and we talk about national issues such as the bank problem. Strange though it may seem, the people of the riding of Trois-Rivières readily understand the Government's position on that and they agree. They understand that we must have a sound banking system if we want to keep our dollar strong, maintain low interest rates, and benefit from a national economy ten times as buoyant as it was a year and a half ago. As I say, they understand that we must help the depositors of the two western banks. Our national credibility is at stake, the people of the riding of Trois-Rivières can appreciate that, and I am very proud of them.

They also understand that, when we refer to the cost of this measure, we say the gross cost to the Government will be $900 million. I did say "gross cost", Mr. Speaker, because the net cost will be less, perhaps half of that. We do not know yet because all the assets of the two banks have to be recouped first. Mr. Speaker, the residents of the riding of Trois-Rivières can understand that.

You know, Mr. Speaker, it is unfortunate because some banks have incurred substantial losses since September. They incurred substantial losses, once again thanks to Opposition Members who have a way of scaring Canadians with situations

that may adversely affect Canada as a whole. I can tell you that I met with a few bank managers in the riding of Trois-Rivieres, and they were not at all impressed by the utterly negative approach of the Opposition. They have lost money because of all that, and I can tell you that Canadian voters, not just the people of Trois-Rivieres but voters across Canada will remember this in the next election, and especially people in the financial sector.

It is incredible: here we are in December, with people waiting to get 60 per cent of their money as soon as Bill C-79 is passed. Here we are in December, and they still don't know whether they are going to get their 60 per cent for Christmas or whether they are—

Mr. Malépart: Mothers are waiting for family allowance payments, but that doesn't count!

Mr. Vincent: Now I ask you, Mr. Speaker! Do they know what they are doing in the Opposition? We are talking about Bill C-79 and he is going on about Bill C-70. Does that make sense? Come on, sir. Sit down if you want to have the floor. And by the way, the backbenches are in the back!

Mr. Speaker, we are going to proceed with Bill C-79. It is important for Canadians to remember that as well.

Mr. Malépart: They certainly will!

Mr. Vincent: Indeed they will. If you had been here two minutes ago, sir, the Member for Montreal-Sainte-Marie (Mr. Malépart), you would have heard and understood what I just said. You were on the other side of the curtains, but you would have seen that Canadians are not very pleased with an Opposition which, instead of working in a positive way and helping our Canadian banking system and our financial institutions, is just trying to scare Canadians. They do not appreciate such tactics at all.

Mr. Speaker, I am of course opposed to the amendment, and I only hope the Opposition will realize there are people who need their 60 per cent, which they won't get until this Bill is passed, and I wish they would understand . . . We cannot turn back the clock, Mr. Speaker. We must concentrate on building a better Canada, and systematic obstruction and being negative and never positive is not the way to go about it. Yes, we can build just the same, but it will be a lot harder. If only the Opposition would understand this, we would get somewhere.

That is all I had to say, and I hope they will understand.

• (1620)

[*English*]

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I want to make it clear to the House that I am unalterably opposed to this Bill in its present form. That message has been made abundantly clear to me by my constituents by way of letter and by way of conversation. If it is necessary, Mr. Speaker, to resist this Bill right through the Christmas period, I am prepared to stay here and resist it.

The Bill is wrong in principle and it is wrong with what it does with the taxpayers' money. For a Government to make *ex gratia* payments, and in case Canadians do not know what that is, they are hand-outs to people we do not even know how much they are going to get under the name of confidentiality, which is just a nice way of talking about secrecy. It is totally unacceptable. My constituents will not accept it, and I will not accept it.

Mr. McDermid: What did you do on Pioneer Trust, Keith?

Mr. Penner: This motion in the name of the Hon. Member for Trinity (Miss Nicholson) and the motion in the name of the Hon. Member for Kamloops-Shuswap (Mr. Riis), seconded by the Hon. Member for Winnipeg North Centre (Mr. Keeper), are basically the same. They say that after the payments are made we should know who the depositors are who are receiving the money. I would say that of course we should. We should know beforehand who these people are. We should know now who is getting these payments.

If you want confidentiality and secrecy, that is your right as a citizen. If you do not want people to know how much money you are getting from the taxpayers or from the Treasury, you can remain secret but do not expect to get any money. Make up your mind. If you want a payment, let us know who you are and how much you are getting. If you want to keep it secret, if you want your business to be confidential, then no payment.

Mr. Turner (Ottawa-Carleton): What a crock.

Mr. Penner: Listen to my friend across the way. He is such a learned gentleman.

Let us look at what a group of people say who have looked into this question.

The Government of Ontario has been very concerned about the failure of trust companies, just as we have been concerned here about the failure of banks. We have not had any bank failures since the depression. Now we have had two in short order since the Government took office.

Mr. St. Germain: You are the guys who caused it.

Mr. Turner (Ottawa-Carleton): Be fair.

Mr. Penner: Let me tell my friends opposite, if they are so concerned about these depositors, to take a close look at the Dupré Report commissioned by the Government of Ontario. They should take it into account.

Listen carefully to what the Dupré Report says. It states:

> As a means to restore discipline to financial markets, large depositors should be made to take a beating and lose their money when banks and trust companies fail.

I go on to quote:

> We believe that a situation which is tantamount to eliminating all risk in making of deposits is fundamentally unsound—

It will inevitably breed a continuation of the unfortunate failures which have occurred.

The report does not even leave out those precious depositors about whom we have been talking in this House as a reason for passing this Bill, such as universities and municipalities. The report attacks depositors, such as universities, municipalities and school boards that had money in failed institutions. It says that the prevalence of these "presumably sophisticated depositors" among the claimants of ill-fated banks "is testimony to the fact that sophistication in deposit making consists in reaching for the highest possible return in blind indifference to the soundness of the institutions.

The report says that only depositors up to $20,000 should be insured and that those depositing larger amounts, up to $80,000, should only receive only partial payment.

Mr. McDermid: Shame.

Mr. Penner: The Hon. Member opposite says shame. Surely to God it is not a shame to report on a document by a task force funded by the Ontario Government that has been deeply concerned about the failure of financial institutions. That is its recommendation.

My constituents concur with it. After all, the Government is reaching into their pockets and it is going to reach deeper into their pockets in the new year with the income tax increases that are coming out of the May 23 Budget. They resent it. People work hard for their money in the mines, in the bush and in the papermills or driving transport trucks, and now you are asking them to pay out to wealthy depositors, who are not known to us, unknown amounts of money. My constituents tell me to stand up and fight. That is what I am doing. I am fighting and I am objecting. Eight hundred and seventy-five dollars and maybe more will be paid out.

At the same time, in my constituency there is less money for direct job creation to municipalities to create jobs, to get projects done that would help those municipalities. Volunteer organizations are getting nothing. Consequently, there are thousands of people who will not be able to qualify this winter for unemployment insurance.

What will those people do, Mr. Speaker? They will be put on the welfare rolls of municipalities. Here is the Government opposite saying you have to pass this billion dollar Bill because it is concerned about poor municipalities. If it really cared about municipalities, the Government would be doing something about job creation for municipalities. This is the same Government that, when it took office, downgraded regional development programs. The Government does not believe in regional development programs. We have heard that from the Minister of Regional Industrial Expansion (Mr. Stevens). He said for a long time that that is not a responsibility of government. I have heard him say many times that that is nothing but statism. He does not even know the history of Canada. This country was built on regional development policies. If we had not had those policies for a long period of time, we would not even have a nation.

● (1630)

The Government claims that we must pass this Bill because it is concerned about municipalities and credit unions that are losing large amounts of money every day. They wonder if we on this side do not have any concern and sympathy for them. If that is really the concern of Government members, let us bring in a Bill to deal exclusively with those who are in need from among those depositors. Let us determine need and then let us pay them.

Mr. McDermid: Who's going to determine that?

Mr. Penner: We determine that by knowing who they are and by having the facts on the table. You people have forgotten that Parliament operates on the basis of facts and information. We cannot operate on the basis of secrecy with everything hidden. That is the way this Government is functioning.

Mr. McDermid: What happened to your belief in universality?

Mr. Penner: Another reason why I will not support this Bill is because Parliament was misled by the Minister of State for Finance (Mrs. McDougall) who said that if we would support the bail-out, the Canadian Commercial Bank would be put back on its feet and the Government of Canada would get its money back. On the basis of that, we went along with the Minister. Things did not work out that way. The bank failed, another bank failed and now we have to bail out depositors who had deposits in excess of $60,000. These are well-to-do depositors. We are not talking about poor people here. We are talking about people who have deposits in excess of $60,000 and we are supposed to bail them out.

The truth is that the word "incompetency" must apply here. The Government got involved in the money market but it did not understand what it was doing. The House of Commons was misled, but perhaps it was not deliberate because the Minister, using the best information she had, was quite confident that the Canadian Commercial Bank would be viable. However, it failed. In the British parliamentary system, that would mean someone's resignation.

Perhaps the Minister of State for Finance is not the person who should resign because if the stories are true, she resisted strongly the bail-out package. I think those stories are probably true. I have spoken to the Minister and I regard her as being knowledgeable about these matters. She probably put up a good argument against it. However, she was overruled by the Minister of Finance (Mr. Wilson) and the Prime Minister (Mr. Mulroney). Of course, we cannot call for the resignation of the Prime Minister but certainly the Minister of Finance is the one who ought to go because of this situation. Has there been any talk about resignation? No, none whatsoever.

Some Hon. Members: Hear, hear!

Mr. Penner: Hon. Members opposite applaud. They should keep applauding. I hope they have something to applaud about the next time they go to the people.

There is a concern over there for well-to-do depositors. There are a lot of well-to-do depositors but not a word has been said about those people who bought debentures or were shareholders in the bank. What do they get? There has been no concern for them at all. Among that group, there may be some small shareholders and there may be people who held debentures of modest size but there will be nothing at all for them.

Motions Nos. 2 and 3 would certainly improve the Bill a little bit after it is passed by this huge majority that imposed closure on this Bill at second reading even before an amendment introduced by the Leader of the Opposition (Mr. Turner) which also asked for more information was put. Before that amendment had been fully debated and before we turned to the main motion, the Government imposed closure. Motions Nos. 2 and 3 would in a very modest way improve the Bill. Certainly, after the money has been paid out, we expect to know who these people are but it would be much better to know now. Even better, knowing now the names, we could select those depositors who really deserve to get their money back. We could determine how many of them are wealthy and how much money is going to foreign banks with large deposits.

I totally object to this Bill. I am opposed to it. I am prepared to stay here and argue against it as long as possible. A great reformer once said: "Here I stand, I can do no other".

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, it is indeed a pleasure to enter this debate. It is sad that the Government has moved closure on this Bill because this is a matter of very serious concern to Canadians. It is a matter of the utmost importance in terms of economic policy and a mater like this should be debated thoroughly and comprehensively. It is shameful that the Government has imposed closure on the legislation before the House today.

Government Members need to remind themselves that they presented themselves to the people as being a group of people who were competent in the area of economic policy but if there is one thing that the bank bail-out legislation demonstrates, it is the complete incompetence of the Government when it comes to economic matters. Government Members made a decision without knowing all of the facts and without making the necessary efforts to get all of the facts upon which to base the decision. That is an elementary procedure when making a decision of this magnitude.

Why did the Government not get all the facts before it made the decision? Government Members had the opportunity to do so. They could have taken the time to do so but they chose instead to fly by the seat of their pants in a manner that affects the economy and will now affect the pocketbook of every Canadian.

This action and the actions with regard to bank bail-outs in the past demonstrate that when it comes to economic matters, the reputation of Conservative Members is in tatters. They do not have the competence they claim.

Another approach to this legislation before the House is to deal with the policy of the Government to compensate uninsured depositors with dollars that are worth 100 per cent of their value. If people were to know that when they deposit money in a bank, even if their deposits are uninsured, there is no risk involved, they will have less of a tendency to examine the health of the institution into which they are putting their money. I am thinking now of very large depositors like foreign banks and large Canadian banks. There will be less of a tendency to examine the health and worthiness of an institution into which they are putting their money. This in itself will encourage a repeat of the kind of experience we had with the Canadian Commercial Bank.

If there is one thing that stands out in this case, it is the fact that no one bothered to dig in and check the facts. No one bothered to check into the financial health of the Canadian Commercial Bank before it became a matter of public concern although I have spoken to financial analysts who have told me that rumours were circulating a year or two years before the bank collapsed that something was amiss with the bank. Yet no one in a responsible position and no one who is depositing large sums of money in this institution seemed to take the trouble to dig deep and examine the full facts regarding the health of this institution. That simply means that when it comes to banking institutions the type of action which the Government is proposing will encourage this kind of behaviour in the future.

• (1640)

Our amendment calls for a list of all depositors to which a payment will be made under this legislation. We ask for a list of all those people who had uninsured deposits with this bank, that is, deposits larger than $60,000. To be exact, the amount of money we are talking about in this Bill is $875 million. That is pretty close to $1 billion. Of course, this is one way to spend $1 billion of taxpayers' money. However, just to illustrate what $1 billion means, I would like to suggest a few other ways that these public funds could be spent in order to give some meaning to the figure which is contained in the legislation. This $1 billion could be used to build 21,667 non-profit housing units—21,667. By bailing out these uninsured depositors that is what we are giving up. The Government is simply unwilling to tell us who these people are. It is unwilling to make a list of the benefactors available to the public or to the House. We know that in terms of raw figures there was something in the order of $108 million invested by foreign banks in this institution. From Schedule A and B banks there was some $28 million and $39 million respectively.

Mr. McDermid: It is $112 million.

Mr. Keeper: My colleague across the way suggests the amount is $112 million. These are large sums of money.

We would like details with respect to whom this money will be paid, since the type of general information which we have suggests the money will be paid to large financial institutions. This raises the question: Is it better to give these uninsured depositors who may be large financial institutions and foreign banks this sum of money instead of building 21,667 non-profit

housing units in the country? One can imagine the employment which would be created as a result of constructing 21,667 non-profit housing units at a time when we have very high unemployment. Rather, this amount of money is simply being thrown down the drain.

There are those who sit on the Conservative benches who may say that there are some individuals, even senior citizens, who may have had uninsured deposits in this bank. In considering this legislation we have proposed the establishment of a hardship fund to which people could apply for compensation if they can demonstrate that they will suffer severe hardship as a result of not being compensated for their uninsured deposits, that is, deposits over $60,000. We have made a proposal which would allow depositors to be treated in a humane way while protecting the public purse at the same time.

Again, to illustrate the magnitude of the amount of money about which we are talking today, $1 billion could be used to create 100,000 new day care spaces in the country—100,000. Mr. Speaker, I can see that you are indicating to me that I have two more minutes. I will wrap up in that time.

What we are asking of the Government is to make available to the public and to the House a list of all those depositors who will be bailed out as a result of the legislation which is before us. We want to know who will benefit from this legislation in order to find out why the Government insists on bailing out uninsured depositors at a time when these public dollars could be put to a much better use. It could be better used in the country if it were not paid to foreign banks and other large financial institutions.

If the Government has a case for helping ordinary Canadians by bailing out uninsured depositors, then let it make the names of all these people available to the House. In this way we will be able to see for ourselves whether or not the Government's claims are accurate. If there are some hardship cases, then let us establish a hardship fund for those who will be hurt and who ordinary Canadians would agree deserve to be compensated because of their particular circumstances.

We believe it is necessary for there to be more information made available to the public with regard to the legislation. We feel that the debate should continue and that the Government should really withdraw this legislation. However, as far as a first step is concerned, we would like to see the Government make a list of depositors available so that we can know exactly who will benefit from this legislation. This legislation provides nothing in terms of an economic sort to benefit the country. We seek an explanation from the Government as to why it is going headlong into spending this $1 billion which could be used more beneficially for ordinary Canadians. The Government could better use this money by providing non-profit housing and day care centres.

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I welcome this opportunity to speak briefly on Motions Nos. 2 and 3 to which I am opposed. In the next few minutes I hope to be able to explain to the House why I am opposed to these motions and to reply to some of the wild statements which have been made by my hon. friends from Trinity, Winnipeg-North Centre, Cochrane-Superior and Regina East.

Mr. de Jong: We will give you more than 10 minutes—you will need it!

Mr. McDermid: I hope I will receive unanimous consent in order to go beyond my 10 minutes. I would be more than happy to go into this matter.

Mr. Rossi: You will never get it!

Mr. McDermid: Before I reply to the statements made by Hon. Members opposite, I would like to point out that it was obviously a very hot day in the House of Commons on June 8, 1925. It was very warm indeed. The Speaker, as reported at page 3958 of *Hansard*, said:

> Hon. Members are required to maintain the decorum of the House according to the rules. I would be sorry that in Canada we should make our politics in shirt sleeves.

Obviously, someone had their coat off that day when they should not have. On the same day the Liberal Government of the day introduced a motion in the House of Commons which reads as follows:

> Resolved, that it is expedient to provide for the payment out of the consolidated revenue fund of the sum of five million four hundred and fifty thousand dollars for the purpose of paying to the several persons who were creditors of The Home Bank of Canada for money on deposit or in current account such proportionate part of the amounts for which they are determined to be creditors in the liquidation proceedings as the said sum will provide, and to authorize the Governor in Council to raise by way of loan such sum as may be required for the purpose of making the payment aforesaid.

On the same page of *Hansard* is an excerpt from the report of the committee which reads as follows:

> Your committee consider that the facts brought out in the interim report submitted by Mr. Justice McKeown and the evidence therein referred to establish that the depositors of the Home Bank have a moral claim in equity for compensation by the country on account of any loss they may suffer by reason of the failure of the Home Bank.

This is a measure which was brought in by the Liberals. It is a precedent. At that time there was no hue and cry with respect to naming all the depositors.

Mr. Cassidy: The Home Bank, is that your precedent? I don't believe it. Are you Rip van Winkle? Have you been asleep for 60 years? Has nothing changed in that time?

Mr. McDermid: The Hon. Member for Ottawa Centre (Mr. Cassidy) is, as usual, flying by the seat of his pants. If he wishes to enter into the debate, I suggest he wait until I finish my remarks and then get on his feet and shoot his mouth off. In the meantime, why does he not just sit there quietly, listen and make notes like I did when I had to listen to the diatribe which was presented by his colleagues in his caucus. I would respectfully ask him to do that. If he is going to sit there and yap away, then I will yield the floor to him, but I would like to have my time first, if he does not mind.

• (1650)

Mr. Rossi: You should have done the same thing before when our Member was speaking.

Mr. McDermid: I did—

Mr. Rossi: You were blabbering away.

Mr. McDermid: There is the Hon. Member who is never on his feet in the House of Commons. He always speaks from his seat, the honourable flat-foot from Montreal.

To get back to the subject at hand, Mr. Speaker, let me say that the Government has produced a list of some 25 groups which are receiving funding from this particular Bill. The accusation has been made today by a number of Hon. Members who spoke that this Government is trying to hide something.

Mr. Boudria: Of course it is.

Mr. McDermid: I deny that categorically for this reason—

Mr. Keeper: Because you are hiding something.

Mr. McDermid: —first we have asked Justice Estey to get to the bottom of the entire matter, to find out what went wrong with these particular banks. Justice Estey has the names of all of the depositors. There is no cover-up at all. I think that Hon. Members will admit the evidence which has been presented has been frank and I say to the Hon. Member for Regina East (Mr. de Jong), who made these wild accusations—and I wrote them down—that we are being embarrassed by the study, not at all. We appointed Justice Estey and asked him to come in with a full report as to why that bank collapsed. We are not embarrassed by it at all.

Mr. de Jong: You should be.

Mr. McDermid: I think the previous administration is going to feel the heat, I can tell you that, when the report comes out.

Mr. de Jong: So is the Minister of Finance (Mr. Wilson).

Mr. McDermid: I am sure it will. But there is no way that we are being embarrassed because we want to find out why the bank failed in order to prevent that kind of thing from happening in Canada in the future. It is very important to us.

For some reason, the Opposition thinks that anyone who has $60,000 on deposit in a bank is a rich person, and I challenge that. I can think of many, many senior citizens who over the years have purchased homes, have paid off their homes, who sell their homes, have a nest egg, and who live off the interest on that nest egg. However, I can tell Hon. Members opposite that someone living off the interest on $100,000, and they are lucky if they can get 10 per cent today, only receives $10,000 a year. That is not wealthy by today's standards.

For some reason the Opposition want the list of every single depositor so that they can go on a witch-hunt and those Hon. Members can decide in their wisdom who should get reimbursed and who should not. The Hon. Member for Cochrane-Superior (Mr. Penner) suggested that we Parliamentarians should decide who should get reimbursed and who should not.

Miss Nicholson: Mr. Speaker, I rise on a point of order. The amendment which is standing in my name is exactly the same as the amendment standing in the name of the Member of the New Democratic Party. In each case, what the amendment provides is that the names of those who receive these *ex gratia* payments be published in the Public Accounts of Canada, in other words, that they be published after the event. Therefore when the Hon. Member speaks about going on a witch-hunt or doing an examination before the event—

Mr. McDermid: That is not a point of order, Mr. Speaker, for heaven's sake. She has already had her time on debate.

Mr. Deputy Speaker: The Hon. Member may or may not have misunderstood but, nonetheless, it is a matter of debate. The Hon. Member for Brampton-Georgetown (Mr. McDermid) has the floor.

Mr. McDermid: The Hon. Member already had her 10 minutes. If she wants another 10 minutes, then she is going to have to move another amendment.

Miss Nicholson: Mr. Speaker, my understanding was that the debate was on the amendment, not on what someone perceives the amendment to be.

Mr. Boudria: That is a good point of order.

Mr. Deputy Speaker: With respect to the Hon. Member, the Chair believes that the Hon. Member for Brampton-Georgetown is in fact speaking on the amendment.

An Hon. Member: As he always does.

Mr. McDermid: Thank you, Mr. Speaker. I try to be relevant at all times.

Mr. de Jong: Then why don't you succeed?

Mr. McDermid: I would like to speak for a moment about the Hon. Member for Regina East who fought very hard that the depositors in Pioneer Trust be reimbursed. I never heard him once mention that they be listed. He never once mentioned in this House that we should produce a list of all of the depositors in Pioneer Trust who got reimbursed. Yet he stands here today and demands it for this situation. That is hypocritical in my book.

I have to give the Hon. Member full marks, however. He fought for those depositors in Pioneer Trust. But he never once demanded that those names be published. You know why, Mr. Speaker? It is because they were his constituents, that is why.

Mr. de Jong: Mr. Speaker—

An Hon. Member: Sit down.

Mr. de Jong: I wonder, Mr. Speaker, if the Hon. Member would allow a question?

Mr. Deputy Speaker: That can only be done with unanimous consent. The Hon. Member is now on debate.

Mr. McDermid: Mr. Speaker, I only have 10 minutes. When I finish my speech, with the unanimous consent of the House, I would be happy to answer questions.

I would like to speak about the Hon. Member for Cochrane-Superior who thought that the report produced by the Ontario Government was a good idea, that we reduce the insurance for depositors to $20,000. He thinks that anyone who has more than $20,000 deposited in a bank is wealthy. That is just not the case today. There are many people who rely on those deposits for their livelihood and they are not wealthy at all. The Hon. Member was opposing higher taxes in his speech, and I can understand why he would oppose higher taxes, but it was the administration to which he pledged loyalty over the years which rang up these huge deficits which someone has to pay for and, like the commercial says: You can pay me now or pay me later. The Liberals ran their Government on the idea: "We can pay later. Those young people who are sitting up in the Gallery, let them pay for it, not us". That was their attitude. Yet the Hon. Member for Cochrane-Superior talks about higher taxes today. Well, I am going to tell you, Mr. Speaker, that there will be much higher taxes if the voluntary organizations and the municipalities which have moneys in these banks are not reimbursed. There would be higher taxes because of the hospitals which have money invested in these banks.

We never hear about the trade unions. Why do the trade unions not come out and tell us which trade unions have their money in the bank if they agree with their NDP brothers? Obviously, they are not admitting they had money in that bank at all. However, they had a fair amount in there.

Mr. Deans: That is absolutely irrelevant like most of your speeches.

Mr. McDermid: The Government has been very forthcoming. To publish the list of names is entirely irrelevant to this Bill. Justice Estey is looking into the full operations of those banks and these motions which are in the names of the Hon. Member for Trinity (Miss Nicholson) and the Hon. Member for Kamloops-Shuswap (Mr. Riis) are entirely irrelevant and should be defeated as soon as possible. The Liberals tell us we are holding up the operations of the House. If the Liberals think we are, then let us have a vote on it right now.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. I intended to rise at the time of Tabling of Documents earlier today but due to mechanical difficulties I was not able to do so because the document was not finished being printed. I have consulted with my colleagues, the Opposition House Leaders, and I would like to ask the unanimous consent of the House to revert to the period for Tabling of Documents so that I could in fact table documents in my possession now.

Mr. Deputy Speaker: Is there unanimous consent to revert to Tabling of Documents?

Some Hon. Members: Agreed.

Mr. Penner: We co-operate on this side.

ROUTINE PROCEEDINGS

[*English*]

PERMANENT AND PROVISIONAL STANDING ORDERS

TABLING OF PROPOSED AMENDMENT

Hon. Ray Hnatyshyn (President of the Privy Council): I appreciate very much the usual good co-operation from the Liberal and New Democratic Party opposition. You are absolutely wonderful.

Pursuant to Standing Order 47(2), I have the honour to lay upon the Table copies in both official languages of a document entitled "Proposed Amendment to the Standing Orders".

• (1700)

GOVERNMENT ORDERS

[*English*]

FINANCIAL INSTITUTIONS DEPOSITORS COMPENSATION ACT

MEASURE TO ENACT

The House resumed consideration of Bill C-79, an Act respecting the provision of compensation to depositors of Canadian Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect of uninsured deposits, as reported (without amendment) from a Legislative Committee; and Motion No. 2 (Miss Nicholson (Trinity)), (p. 8737) and Motion No. 3 (Mr. Riis), (p. 8738).

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, one certainly cannot let the Hon. Member for Brampton-Georgetown (Mr. McDermid) sit down after the comments he made blaming the Opposition for possibly creating higher taxes. It is the bumbling of this Government which has caused higher taxes for the people of this country.

Some Hon. Members: Oh, oh!

Mr. Hopkins: It does not take much to get them upset. They are on their way.

Mr. Boudria: There is not much there.

Mr. Hopkins: One Hon. Member said this afternoon that some officials should have been fired. The people who should be fired over this issue are the Prime Minister of Canada (Mr. Mulroney), the Minister of Finance (Mr. Wilson) and the Minister of State for Finance (Mrs. McDougall) in that order. They are the people who persuaded the people of Canada to put their money into these banks. There is no question but that the Government of Canada today and its members are handing out $875 million to people who they encouraged to put money in the bank. In asking the taxpayers of Canada to now pay the bill, the Cabinet is admitting they gave bad advice to the Canadian people and is now charging the bill for that bad advice to the Canadian people.

The Hon. Member for Brampton-Georgetown said there would be higher taxes for hospitals and municipal Governments. Why? Because this Government persuaded the hospitals and municipalities to put their money into the Canadian Commercial Bank. The former Minister of Science and Technology does not have very much to offer. We have seen what he had to offer in the past and it is no greater today. I know he is much better speaking from the seat of his pants than he is from the soles of his feet.

Mr. Siddon: Read *The Globe and Mail* this morning, Len. Best news in years.

Mr. Hopkins: I like the rapport in this new Government, the civility we see in this House. It is really outstanding. If they keep on going this way I am going to start sounding like the Hon. Jack Horner. He used to repeat himself three or four times in speeches for emphasis and I am going to have to repeat myself just to be heard over this crew. We want to get down to useful debate here, not the shouting going on across the way.

Mr. Fennell: We are just trying to spur you on.

Mr. Hopkins: Members opposite want to pay people off but not give anyone the names.

Mr. Chrétien: Why?

Mr. Hopkins: Are they afraid that some of these people will turn out to be their friends? Of course they are their friends, wealthy friends, and they are making the people of Canada pay the bill for their mistakes. What could the Canadian public have done with this $875 million which this Bill represents? The people in those regions of Canada which have been attacked by this Government will be interested to know that this amount of money would pay for four years of Winter Works programs. That amount of money put into regional development would have been a tremendous benefit to those regions. However, we have a Minister of Regional Industrial Expansion (Mr. Stevens) and a Government who do not believe in the regions of Canada. They believe in making urban areas bigger, big business bigger, and pay them off when they make mistakes. That is what those people over there believe. They always said they were going to support free enterprise in this country. You pay your money and take your chances.

Mrs. Sparrow: You bet you do.

Mr. Hopkins: The Tory Member says: "You bet you do". However, what do they do? They encourage people to invest their money and when they lose they say that is all right, we will ask the Canadian taxpayers to pay you off. That is precisely what is happening here today.

The Minister of National Defence (Mr. Nielsen) would be interested in knowing that this $875 million would pay for his low-level air defence system. What does the Government do instead? It gives him a budget which has an annual increase less than the NATO requirement. The Government said all through the last election: Honour the commitment. Members opposite were going to increase real defence spending by 6 per cent. Today it is way below 3 per cent and if it keeps going that way it will be zero growth in defence spending this year. Let them try to explain that. It is because they are giving the money away to their friends.

The North Warning System was 90 per cent completed by the previous Government and 10 per cent or maybe even 5 per cent by this Government. It is interesting to note that the $875 million represented in this Bill would more than pay for Canada's share of the total defence system across northern Canada and down the east coast. There would also be enough left over for a major Winter Works program. That money would also have paid for the Government's ice-breaker. Members opposite announced they were going to build this ice-breaker and send it through the Arctic. It is their $1-billion flagpole. They cannot find enough money to build it even though they have announced it in the House and they do not know who is going to operate it after it is built. What are they doing instead? Spending $875 million to bail out their friends who they persuaded to deposit the money in the CCB.

Let us look at another item which is very dear to my heart. I hope the Minister of Science and Technology (Mr. Oberle) does not start shouting across the floor again.

Mr. Siddon: He is not here.

Mr. Hopkins: The former Minister. The degraded and down-graded former Minister of Science and Technology.

What happened in the May 23 Budget? Some $170 million was removed from Atomic Energy of Canada Limited and this was agreed to by the then Minister of Science and Technology. Do you realize that the amount of money the Government wants to give to its friends who invested in these banks is five times the amount of money the Government took out of AECL, plus the $70 million taken from the retained earnings of the company?

Mr. Siddon: We are not taking it out.

Mr. Hopkins: Why did the Government start to destroy AECL in this way? The Government wanted to help pay off the national debt. The $70 million the Government took out of

AECL's retained earnings was to be applied to the national debt.

Mr. McDermid: Whose money is that?

Mr. Hopkins: What does the Minister of Finance say about that? He says the money we are paying out to bail out these bank depositors will be added to the national debt. We have a $1 billion addition and that is the way Tory arithmetic works. You take $70 million from here, put it over here to pay off the national debt and then bring in a Bill to the tune of $875 million to pay off uninsured depositors in these institutions, all of which will be added to the national debt.

I now want to follow up on the remarks by the Hon. Member for Trinity (Miss Nicholson). One of the speakers across the way tried to make fun of the Hon. Member for Trinity. I believe the Hon. Member for Brampton-Georgetown had a few remarks to say about her. If any of those people across the floor who have spoken—

• (1710)

Mr. McDermid: Mr. Speaker, I rise on a point of order. I am sure the Hon. Member would not want to mislead the House. I did not make fun of the Hon. Member for Trinity (Miss Nicholson) or any other Hon. Member in this House.

Mr. Hopkins: That is another nice little contribution by the Hon. Member.

Mr. McDermid: You know better.

Mr. Hopkins: You did talk about her.

Mr. McDermid: I debated her points. I did not make fun of her.

Mr. Hopkins: Well, he was very upset about her points, okay. The Hon. Member mentioned that the Minister of State for Finance got up in the House and accused the Liberal Opposition and the NDP of holding up this Bill. In fact, as the Hon. Member for Trinity stated, this Bill came back into the House on November 7 at report stage. It then sat on the Order Paper for 20 days. Yet, the Government considered this to be an urgent matter. Then, on a Friday afternoon, with only 14 minutes left in the day's proceedings, the Government called this Bill. Therefore, there has been 14 minutes of debate at report stage since November 7. That is the responsibility of, and can be blamed on, the Government House Leader (Mr. Hnatyshyn).

I suggest to the Minister of State for Finance that when she comes into the House and delivers a speech accusing the Opposition of holding up legislation, she had better get through to her own House Leader because it shows that there is not very much priority in his mind for this legislation.

We should say "Merry Christmas" to the people of Canada because they are paying a $875 million bill for the Government that was created by the confidence which was expressed in these banks by the Prime Minister, the Minister of Finance and the Minister of State for Finance. They are the ones who caused this problem, not the Opposition, and now they are making the Canadian public pay for it.

[*Translation*]

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, it is perhaps appropriate we should be having a debate on this question just before Christmas, since before the average Canadian gets his presents, he first has to help pay the big banks, the big investment companies, and bankers outside Canada, and all this thanks to a Bill that gives $870 million to companies with deposits at the Northland Bank and the Canadian Commercial Bank.

[*English*]

We have already talked a bit about the Government coming up with this Bill at the last minute and saying that we had better rush it through since it has been delayed. The delays have come because the Government decided it would not bring this Bill forward. This Bill was very close to conclusion at report stage. There was only one amendment left to be considered. The Government cannot fool Canadians by saying that this has been delayed in the House. It has been delayed deliberately by the Government which now says that we have to get it passed.

I suggest, Mr. Speaker, that any government that uses the parliamentary procedures surrounding the collapse of the Home Bank in 1923 to justify its refusal to give information to the people of Canada in 1985 is surely grasping at straws. We should be talking about how to deal with Canadians today. We should be talking about the openness and accountability which was promised by the Prime Minister (Mr. Mulroney), his Cabinet, and his Party when they campaigned for office in the summer of 1984. Did we get openness? No. Did we get accountability? No. Are we being given the information we require to judge this particular deal? No. Do we know where the money we are paying out through this particular Bill is going? No. The reason for that is that the Government has chosen to pull a veil over this particular deal.

The Government has said that the Bank Act will not allow this because it must be private. This is not an ordinary transaction under the Bank Act. The privacy under the Bank Act is quite different with regard to this particular affair. If a company goes bankrupt the confidentiality with which it treats its creditors becomes public. If they are paid off they have to be disclosed and one knows who the creditors are and how much they will get. That is the situation here, Mr. Speaker. However, because of the Bank Act, that will not apply unless we pass legislation to make it apply.

I would have no problems with the confidentiality if the creditors of the two banks that have gone bust were simply taking their lumps. However, they are being reimbursed for every last penny because of the Government's decision to give them their money. Frankly, I and my party do not think it is justified. The "widows and orphans" argument that has been made by the Government does not hold water. My party suggested some time ago that if there was hardship among certain groups or individuals who had deposits in the two

banks in question, we should perhaps look at a hardship fund to compensate them. The Government said "No". It said, however, that we should look at the hardships that would be created if we do not proceed to reimburse every depositor. Hospitals, trade unions, and religious organizations have been cited as particular bodies which might suffer.

The total uninsured deposits in the two banks held by hospitals amounted to $4.7 million. Trade unions had $6 million on deposit and religious organizations had $7.5 million in the two banks. Adding in charities, which had $14 million; pension funds and ethnic groups, which together had less than $1 million; school boards, which had about $3 million; and unincorporated businesses, which together had about $5 million; we are still far short of $50 million. Adding in municipalities with populations of under 100,000 and school boards which had only $3 million on deposit, we come up with a total of less than $60 million in deposits of those for whom some special treatment might be justified as far as Parliament is concerned.

Did we pass a Bill which sought to recompense the particular groups which may have particular problems? No. We are handing out $875 million instead of $60 million. Where is the rest of the money going, Mr. Speaker? It is going to Schedule A banks which have just recorded profits of $37 million. It is going to Schedule B banks which are largely foreign controlled and had $46 million on deposit which is being repaid by the citizens of Canada through their taxes.

Many of my constituents, who are members of the Public Service, are going to suffer. Directives have been issued within the civil service saying to cut back on services, to find another 3 per cent, and to cut back on jobs within the Public Service of Canada. We are being directed to cut back on services to ordinary Canadians in order to pay off these large depositors. Frankly, Mr. Speaker, any government that takes from the poor and ordinary Canadians in order to give to large and wealthy organizations is not dealing fairly with the people of Canada in my opinion. The Member for Ottawa-Carleton (Mr. Turner) seems to be upset about this. He used to work for the Conference Board.

Foreign banks have $113 million in deposits for which they are being recompensed. I cannot justify that and I do not know how the Government can. These are not widows and orphans. These are not poor individuals, Mr. Speaker. These are wealthy, foreign banks that happened to put some deposits into Canada because they thought they could make a bit of extra interest on their deposits. They took a normal commercial risk. The Government should allow them to get their share of the assets back from the banks that went bust. That is what happens with other bank failures and it seems to me that that is how they should be treated now.

The Government keeps saying that the economy of the country should be run more like a business. Therefore, for God's sake, let us apply that here with business people who were taking commercial risks. Trust companies are surely wealthy enough to absorb a loss of $8 million. However, they are being fully recompensed. Investment dealers lost $110 million. Surely they and their clients are wealthy enough to take that loss. Large customers with uninsured deposits exceeding $.5 million, both corporations and individuals, had $19.5 million on deposit. They are being recompensed through the raising of taxes on ordinary Canadians and the cutting of services for ordinary Canadians. We are not even to find out who these individuals are who will benefit from these sacrifices of the ordinary taxpayers of Canada. Surely individuals and corporations with deposits exceeding $1 million are not hardship cases. Those individuals have deposits of about $88 million. They will be recompensed down to the last penny while ordinary Canadians must pay the price.

• (1720)

Recently I was visited by one of my constituents who had been in a commercial dispute with the Government of Canada. He was a small contractor and I think it is fair to say that he got rooked by the Government of Canada in a commercial dealing some seven or eight years ago. He was forced to sell his house. He was forced to practically liquidate his business. He has suffered financially for the last seven or eight years but has not been recompensed. He is only gradually getting back on his feet.

Mr. McDermid: That is the insensitivity of the Liberals.

Mr. Cassidy: Now he will have to help pay for these repayments to wealthy corporations and individuals who took commercial risks but are now being recompensed.

Let me say a word about what the Estey Commission is discovering. It is finding out that there was fault in almost every part of the system in terms of regulating those banks. The Hon. Member for Brampton-Georgetown (Mr. McDermid) is nodding in the affirmative.

Mr. McDermid: We want to find out.

Mr. Cassidy: I think the Inspector General of Banks should have submitted his resignation rather than endure the limitations on staff which he faced. If he was dissatisfied he should have indicated that publicly. However, he accepted those limitations and all of us have suffered as a consequence.

The Bank of Canada was clearly at fault. The Finance Department should have known as well. Although the operations of those banks were well known, that information did not penetrate here in Canada. It has become clear that the Progressive Conservative Government did not realize until August that there was something deeply wrong, something rotten in the state of the Northland and Canadian Commercial banks.

Did the Minister of State for Finance (Mrs. McDougall) and the Minister of Finance (Mr. Wilson) take the necessary steps to find out what was going on before putting that initial money into the banks? No. Did they take the necessary steps immediately after? No. Did they ask their officials to take those steps? No. They went along, like innocents to the slaughter. However, when the price had to be paid, rather than

paying it themselves by resigning they are making the people of Canada pay $875 million for the rescue of these banks.

It is a billion dollars for the banks and a billion dollars for Dome. It is $600 million for Olympia & York, the Little Egypt Bump and we know that it is $400 million for the big Boeing bump which we heard about today. The Government is second to none when it comes to giving out money to large wealthy corporations and individuals in this country. It is about time that we began to look after ordinary Canadians and not just big corporations.

[*Translation*]

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I welcome this opportunity to pursue the representations made by the Hon. Member for Trois-Rivières (Mr. Vincent) and my hon. friend from Brampton-Georgetown (Mr. McDermid).

I am surprised today at the opposition to Bill C-79 expressed by the Liberals in their representations. What is happening here? Have they already forgotten that the problems at our western banks, and I know it is rather ironic, were caused by the neglect and incompetence of our predecessors, who allowed 70 new banks to be created without appropriate legislation? A number of those banks experienced problems we are all familiar with, and now we have to provide a remedy and make up for the Liberals' neglect.

The Liberals got the whole country excited with their National Energy Program. They created a state of national euphoria. Everyone was excited, and everyone believed we would all get rich in no time. That is why businesses were set up with very shaky financing, that is they borrowed far more than they actually invested in the business. The banks became as liberal as the Government. They made too many loans, which caused a number of problems, and today some banks are having to cope with these problems and the Government as well.

That same Government had led businesses to do what is called inflation financing. This means that someone with a project could borrow money on the basis of the expected increase in monetary value of the project in subsequent years, and so he could borrow as much as 100 or 105 per cent of the amount he needed, thanks to the financial climate under the Liberal Government at the time.

Today, they question whether we acted responsibly in the matter of the western banks. Before commenting on our position, I would like to ask whether they recall their own involvement in recent years, when they were in power, when they were involved to the tune of $3.5 billion in certain businesses, especially since today, they are criticizing and asking us questions about our involvement in a crisis situation they themselves created. What did they do with Consolidated Computer? They spent $125 million in public funds. What did they do with CCM, the bicycle manufacturer? They spent $15 million in public funds and taxpayers' money. What did they do with Maislin? They spent $32 million in taxes. What did they do with Massey-Ferguson? They spent $125 million in taxpayers' money. What did they do with the Havilland, the same de Havilland they are complaining about today, now that we have managed to find a solution and a way to turn the company around by attracting a major investor? During all that time they spent $900 million on de Havilland. What did they do with Canadair? They spent $2.1 billion, and this was before they doctored the accounts, before the Auditor General of Canada caught up with them and shed some light on their shady deals.

Mr. Speaker, the truth of the matter is that they spent $3.5 billion of Canadian taxpayers' money on those few companies. That is how they managed to run up a $200 billion deficit while they were in office. I am sure you realize what a $200 billion deficit means, Mr. Speaker. It means that for every dollar of tax revenue in this year's budget we have to set 39 cents aside to pay the interests owing on the debts accrued as a result of the mismanagement of the economy by our Liberal predecessors.

So now we have to make do with a limited budget to meet urgent needs and cope with expenditures of $105 billion. We have earmarked $45 billion for social affairs and $25 billion to pay the interests accrued as a result of the mismanagement, the wastefulness and the incompetence of our predecessors. We have $35 billion left to run the other departments, Mr. Speaker.

Because we are responsible and want to maintain a climate of confidence, we decided to get involved in the banking operations of two Western Canada financial institutions. We decided to get a handle on the situation so that Canadians and foreigners alike would not lose confidence in our banking system. Why foreigners, Mr. Speaker? Foreign institutions had deposits of only $113 million in those two banks.

Since we know that the two banks account for 1 per cent of the net assets of Canadian banks, we can readily conclude that foreign financial institutions have deposits of at least $15 billion in Canadian banks. Had we not done anything, we could rightly have expected some of those foreign banks to withdraw their $15 billion. We must never forget that our banking system needs those $15 billion to be able to provide a steady cash flow for our small- and medium-sized busineses. That is one of the reasons why we had to intervene in banking operations.

It's a fact that we have received representations calling upon the House to protect a great many depositors such as municipalities, groups, trade unions, etc. It's another factor which the Government has taken into account. Moreover, Mr. Speaker, we have the feeling that this is a truly national Government and that Canada is a country which extends from the Atlantic to the Pacific. That is the fact I wanted to emphasize. Hon. Members of the Liberal Party have forgotten that a few years ago, in the Province of Quebec, a number of banks were faced with serious problems. I refer to the "Caisses d'entraide

économique". When those credit unions experienced difficulties for which Quebecers had to pay, what did the Liberals do? They ignored the fact that Canada is a country that extends from Newfoundland to British Columbia. They let down the Quebec investors who had deposited their money in the "Caisses d'entraide économique", and they failed to take action. They did not understand the meaning of Canada. We, on the contrary, understand its meaning and we are aware that a number of Western Banks are experiencing difficulties. We are going to help them. This is a national concern.

Mr. Speaker, we are acting for the good of this country; we want to show our interest in all aspects of Canadian life. I suggest that the response is excellent, because we have created 416,000 new jobs in Canada, including 130,000 in the Province of Quebec. While the Liberals created 600 new jobs per month, we have created 9,000 new jobs per month. We have created more new jobs per month over the past 14 months than the Liberals did over the last 55 months of their administration. Which means that the Canadian people, businessmen, small- and medium-size businesses have faith in our administration, and that is why we took action concerning those two banks. The response is also excellent as far as interest rates are concerned. They have gone down by as much as 3.6 per cent since September 1984; there has been a reduction in inflation since 1984; the Gross National Product has increased since 1984. That is why I say that the Liberals are not in a position to criticize this Bill. To conclude, Mr. Speaker, I should like to show you the front page of today's issue of *The Globe and Mail* which deals with organization and co-operation, as well as economic development. There is a very positive article about our administration. It is not even an editorial. It's on the front page of the newspaper. I suggest, therefore, that newspapers everywhere in this country are starting to recognize our competence and say: You are right. Stay the way you are, for we love you that way!

• (1730)

[*English*]

Mr. Sergio Marchi (York West): Mr. Speaker, I am very pleased to rise in my place and to enter the debate on Bill C-79. Earlier in the debate, the Parliamentary Secretary to the Minister of Finance (Mr. Vincent) said that at stake in the debate was the credibility of a nation. Well, he was wrong, 100 per cent. What is at stake in this debate is the credibility of the Conservative Government. I am surprised and shocked that the Hon. Member before me would indicate that somehow they had restored trust and faith in the banking system. If they have done anything, they have certainly distanced themselves from any trust or any faith which any banking institution will place in the confidence of this particular Government. The Parliamentary Secretary went on to say that Canadians would not forget this debate. Indeed they will not, and they will not forget the position of the Conservative Government. In essence it is saying to Canadians and to the Official Opposition: "Sign this blank cheque to the tune of $875 million and just take our word for it; just sign on the dotted line and you will have no problems". We are not prepared to do that. We were not prepared to do that several months ago, and we are not prepared to do it now.

Back in February and March the Minister of State came before the House during second reading and said that it was the moral obligation of the opposition Parties to sign the blank cheque to nameless and faceless individuals. What kind of moral definition does she have? Where was the morality on March 25 when the Minister of State for Finance (Mrs. McDougall), the Minister of Finance (Mr. Wilson) and the Prime Minister (Mr. Mulroney) rose in their places and said: "Don't worry about the bail-out because we know what we are doing"? Where was the morality of this Government which declined the repetitive request of the Official Opposition to send the entire matter to a parliamentary committee so that parliamentarians could delve into the situation and find out the answers which Canadians wanted? Where was the morality in that? Where was the morality during Question Period, when on a consistent and regular basis, questions would be thrown to the Government and it would simply say that it had appointed some kind of a commission and therefore could not answer any questions? What about that definition of morality? What about the morality of the Government several months ago when it was prepared to deindex the pensions of senior citizens for the reason that somehow it had to reduce the deficit? What were its excuses in the debate which ensued in the Chamber? They backtracked very quickly because they knew they were wrong then, and they know they are wrong now. Where was the morality in deindexing family allowances despite the promises and the commitments which the Prime Minister made from coast to coast? Where was the morality there?

What kind of hypocrisy are we dealing with when we have a Government which says on one hand "we cannot keep the family allowances cheques the way they used to be, we are changing them, we are lowering them because you too have to fight the deficit, you too have to help us", yet in a quick swoop it says that $1 billion for the bank bail-out is fine. Also it has the audacity to say that it is fine without providing the information required by Parliament and by Canadians. They are the ones who are footing the $875 million blind cheque. It is not the Conservative Government. It is not the banking industry. It is the Canadian people who are being asked to foot the bill. At the same time we have a Government which is not prepared to tell Canadians why they are paying that bill and to whom those moneys will be going.

We have heard a great deal about us somehow not being compassionate about the needy interest groups within that $875 million ambit. We told the Government several months ago—and we tell it again today—that if there were serious, needy situations, we were prepared to look at them on an individual basis.

We are asking the Government to grant Canadians an opportunity to know who will be receiving those moneys. It is not a special request. We are not asking for something that is

impossible. Yet, Conservative back-benchers rise and say that the Liberals spent x dollars here and x dollars there. So they did, but they explained to Canadians what those moneys were for. They explained to Canadians their vision of the country. However, this Government is setting a very serious precedent when it cloaks itself in privacy, when it cloaks itself in hiding information from Parliament, and when it cloaks itself in closure. That is a very serious disease, indeed, a disease which must be eradicated as quickly as possible. In 1988 we will make certain that that disease will be eradicated once and for all.

We are not talking about the credibility of the nation. We are talking about the integrity and the credibility of this particular Government, a Government which was prepared to introduce a Budget and to tell earners between $15,000 and $25,000 that they would have to pay 36 per cent in taxes by 1990. On the other hand, it is telling individuals earning upwards of $200,000 that their part of the bill is only 2 per cent. Two per cent for the $200,000 earner and 36 per cent for the $15,000 to $25,000 earner. Is that justice? Is that fair? Is that some sense of morality? Then we have to sit in our places and accept the morality discussions of the Minister of State for Finance! Like heck we will, and Canadians will not stand for it either, Mr. Speaker.

● (1740)

What we are talking about is the integrity of the Government, an integrity slipping minute by minute, day by day, month by month. The Government simply cannot sit back. It cannot laugh and joke about these things because while it has an absolute majority, while it has 212-odd Members, it also has a responsibility to maintain the traditions that are part of this Chamber, traditions that would suggest the Government has an obligation while governing the country to govern it not only in a proper fashion, but to allow Canadians to understand how they are being governed and what they are being governed by. That is not happening in this Bill. That is not happening in the other seven Bills that have had closure imposed on them. It is not happening with the de Havilland case, Mr. Speaker.

We have the Prime Minister and the President of the Treasury Board (Mr. de Cotret) the back-benchers, the surfers, the hangers-on, the book-ends, all saying that it is such a great deal, but no one has ever seen the deal. They are all saying it is great for Canada. But do you know what, Mr. Speaker? Canada does not know what the deal is. Why is that? Because the Government knows what kind of a deal it has signed. The Government knows what kind of a giveaway it has enacted. The Conservatives know what kind of disservice they have done. They can read polls as well as we can. They know that 78 per cent of Canadians in a poll conducted by a Tory firm show that Canadians wanted de Havilland to remain Canadian, that there was something of a nationalistic pride and honor that went with de Havilland.

We can talk of de Havilland. We can talk of Bill C-79 and deindexation of seniors and family allowances, but the fact remains the same. People in Canada voted for a change. They got disservice and were hoodwinked. The Government will not get away with it because 1987 and 1988 is just around the corner.

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I must say that I was a bit concerned that when the Hon. Member for York West (Mr. Marchi) was talking about morality and integrity, he was talking over the heads of the Opposition. I became particularly concerned that he might have gone too far when he referred to the 212-odd Members on the other side but following that he substantiated the allegation.

Earlier we heard the Minister of State for Finance (Mrs. McDougall) state that the legislation before the House was intended to deal with a very particular and unique set of circumstances. That unique set of circumstances, of course, refers to bad management of the banks involved and the incompetence of the Government and the inadequacies of the banking regulatory system.

What we have before us is not only a bank bail-out Bill but if you give it careful consideration, I think the Prime Minister (Mr. Mulroney) would call it the bank enhancement Bill. What is involved is an expenditure of $875 million, very nearly a billion dollars, for the purpose of bailing out an anonymous collection of depositors in two failed banks. The money will be borrowed. Interest on the borrowings will be paid to the banks and the banks will, some at least, be saved from having to be bailed out later.

The amendment with which we are dealing this afternoon has a very simply purpose, a purpose with which I am sure the vast majority of Canadians would agree. Those uninsured depositors who are to benefit from these huge expenditures should be known to those who are going to pay for the bail-out. That is an extremely simple proposition to which the Government has replied in an exceedingly unsatisfactory way, saying first that it would vilate the Bank Act and the Privacy Act, ignoring that it is easy to amend legislation. As has been indicated earlier, we are talking about a closed bank and the power of the House to do with it what it will with respect to this legislation.

There are alternatives that were proposed by those of us on this side. Those include a hardship fund to deal with those cases for which it could be justified to return in part or in whole the deposits to be lost by the closing down of the bank. An alternative amendment would have been to allow an immediate pay-out by the Canada Deposit Insurance Corporation based on the estimate of the liquidation value of the bank's assets. Those very two reasonable propositions which were rejected in committee. We are left with the present proposal which would give a huge sum of money to uninsured depositors.

The Minister said that the New Democratic Party has ignored the small-business person. I do not know about the small-business people in the constituencies of the Conservative Members, but I know that there are an awful lot of small-business people who would know in advance that if they had made

an investment, comparable to a deposit, and if they were they to find themselves in losing circumstances subsequent to the risk that they would not find themselves bailed out by the Government. I would say that the Government to be consistent ought to introduce legislation immediately to ensure that every losing small-business person would be bailed out of their losses in the fashion that we propose to do here.

The Government says it is going to effect this bail-out because it is fair. We believe in fairness, Mr. Speaker. If it is fair to give $875 million to those who willingly took a risk, then it certainly would be fair to give money to those who need homes. It would be fair to give to those on the GIS who have inadequate income. It would be fair to build day-care centres for those who need them. It would be fair to provide jobs for those who do not have jobs. It would be fair to ensure that there would be more than enough money that every young person be guaranteed a university education or training and it would be cheaper to do that than the bail-out here.

If anyone were to advance the proposition that this kind of money be invested to ensure the education, training and jobs of young people, many of whom think they will never get jobs, the Government would say: "Oh, that is too much." The deficit would be important then because the Government has its friends. It has its ideology but it does not really have in its heart the sympathy those of us in the House of Commons ought to have for the people, too many of whom hurt too much and do not have the benefit of of being bailed out.

Mr. Pat Binns (Cardigan): Mr. Speaker, it is my pleasure to rise to speak on Motions Nos. 2 and 3 regarding Bill C-79. One might wonder why a Member from Prince Edward Island would want to take an interest in these motions and this Bill itself. There are two reasons and they are quite simple.

I grew up in western Canada. I know what happened to western Canada in the last number of years under the Liberal administration. I want to tell you, Mr. Speaker, as a former westerner something that all Canadians who know about the West know. That is that the former Government so savaged the western economy in its last years that it led not only to a total collapse of the energy and real estate sectors but it actually ruined the lives of thousands and thousands of western Canadians.

• (1750)

The National Energy Program stopped all new oil field development in western Canada. People who were employed in the energy sector were thrown into unemployment. They became dependent on the welfare system. They were degraded. Those who could get jobs had to move to other areas of the world where enlightened Governments—

[*Translation*]

Mr. Deputy Speaker: I recognize the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) on a point of order.

Mr. Malépart: Mr. Speaker, since there are many Members who want to speak, in a spirit of co-operation, I would like to move that the debate be extended until ten o'clock this evening if all the Members agree.

[*English*]

Mr. Deputy Speaker: The House has heard the suggestion of the Hon. Member for Montreal-Sainte Marie (Mr. Malépart) who has asked for unanimous consent that the House continue sitting until ten o'clock tonight. Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: There is no unanimous consent. We shall resume debate with the Hon. Member for Cardigan (Mr. Binns).

Mr. Binns: Mr. Speaker, as I was saying only a moment ago, western Canadians who were thrown into unemployment because of things like the National Energy Program were forced, if they could get jobs, to get them out of the country. Friends of mine moved to places like Texas, Saudi Arabia and to areas of the world where enlightened Governments were encouraging energy developments in their own countries. However, that was not the case here in Canada. In fact, many Atlantic Canadians moved back east and waited for their chance to get even with the former Government which had put them out of a job. Of course, on September 4, 1984, those Atlantic Canadians and Canadians from across the country took the opportunity to turn the tables and put the Liberal Government of the day out of a job.

Some Hon. Members might ask what this has to do with the motion before us. It seems to me that it was not enough that the former Governemnt, along with the NDP, ruined the western economy. It seems now that they want to insult and embarrass the depositors who suffered through the financial crisis related to the bank failures.

Mr. de Jong: Mr. Speaker, I rise on a point of order. I wonder if the Hon. Member would allow a question?

Mr. Deputy Speaker: I recognize the Hon. Member for Cardigan (Mr. Binns) on debate.

Mr. Binns: As I was beginning to say, our Party has said that enough is enough. We are committed to getting the West rolling again. That has begun with things like the Western Accord which has started to put western Canadians back to work. It has caused development to start to roll in the West. People are beginning to rebuild their lives.

Through this Bill, we now propose to help those westerners who would suffer financially without the Bill being passed. We believe that these people deserve not only to be compensated since the former Government caused many of their problems but that their confidentiality should be protected. If the depositors want to tell everyone their story, I think that is their right. However, we on this side of the House respect confidentiality. We respect the provisions of the Bank Act and the

Access to Information Act regarding restrictions on the publication of such information.

I would not be surprised if some depositors would want to tell other Canadians what the former Government did to them and what these amendments would do to them. I think if they do, they will ensure that the remaining two Liberal seats in western Canada along with a lot of NDP seats will come our way next election.

I suggested that I had two reasons for speaking on this debate.

Mr. Henderson: Mr. Speaker, I rise on a point of order. I think the Hon. Member should probably consider not only the remaining seats in western Canada but he should consider his own seat when he talks about those in Cardigan.

Mr. Deputy Speaker: On debate, the Hon. Member for Cardigan (Mr. Binns).

Mr. Binns: Those Hon. Members seem to be a little upset. I appreciate that. They have good reason to be upset.

The second reason I wanted to speak this afternoon is that this issue relates to having principles. When we talk about principles, we have to look at the nature of the depositors. The depositors were hospital commissions, small colleges, small-businessmen—

Mr. Foster: Mr. Speaker, I rise on a point of order. I wonder if the Hon. Member is happy paying out $857 million to unnamed foreign banks when there is not five cents for the potato farmers in Prince Edward Island. How can he justify that? It is totally irresponsible. Potato farmers are being paid 2.5 cents a pound and it costs them 4 cents to produce them.

Mr. Deputy Speaker: Order. Order, please. On debate, the Hon. Member for Cardigan.

Mr. Binns: Mr. Speaker, I am sure the Hon. Member knows that over the last 15 months, the Government has taken care of the problems that have come along and that is why we are taking care of this particular problem. I am sure the potato growers will not be left behind.

I was saying that hospital commissions, small businesses, credit unions, religious organizations, charitable and ethnic organizations and many other organizations representing individual Canadians have been affected by what has happened because of the collapse of these two banks. As well, there are pensioners. I would think that many pensioners have saved money over the years and put that money in those banks so that they could pass it on to their children or their grandchildren.

[*Translation*]

Mr. Malépart: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) on a point of order.

Mr. Malépart: Mr. Speaker, the Hon. Member has just said that depositors who had $60,000 or more—

Mr. Deputy Speaker: Order, please. I respectfully point out to the Hon. Member that this is a point of debate. I shall therefore ask the Hon. Member for Cardigan (Mr. Binns) to continue.

[*English*]

Mr. Binns: As I was saying, I know that many of the depositors affected are senior citizens and, of course, these are people who worked all their lives and saved their money so that they could pass it on to their families and grandchildren. I think that is important.

Mr. Dingwall: Mr. Speaker, I rise on a point of order. Perhaps the Hon. Member would do the honourable thing and table for the Members of the House the names of those senior citizens of which he makes mention in his speech.

Mr. Deputy Speaker: That is not a point of order. Could the Hon. Member continue on debate?

Mr. Binns: Mr. Speaker, the point is that we are concerned about those senior citizens and about protecting their confidentiality. They deposited money in those institutions and want to be able to pass it on to their children and grandchildren. There is no reason why everyone has to know the details of the amounts of money they were able to save during their years of working.

I am not sure why opposition Members have persisted today in trying to determine who these individual Canadians are who have saved money and made deposits. Surely they are not doing it for the good of western Canada. I believe it is a good thing that this Party is committed to the principle of privacy. Let us maintain that principle and say that enough is enough for those people who have been subjected to the trauma of putting themselves together again after the western economy was ruined and after these banks and businesses have failed. They have been through enough.

Mr. Deputy Speaker: I regret to interrupt the Hon. Member. He will have some time left the next time this matter is debated in the House.

It being 6 p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, December 19, 1985

The House met at 11 a.m.

GOVERNMENT ORDERS

[*English*]

FAMILY ALLOWANCES ACT, 1973

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

Hon. Jake Epp (for the Minister of Agriculture): Mr. Speaker, I move, seconded by the Minister of Indian Affairs and Northern Development (Mr. Crombie):

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

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

He said: Mr. Speaker, what we have before the House today is an approach by the Government to bring order to legislation which has had much debate at all stages that have been brought forward to date. First, the Bill before us had exposure in the Budget. In the budget debate, as all Hon. Members know, topics can be debated; it is a very wide-ranging debate and there is very minimal limitation, if in fact any exists, to debate the issues of the Budget and the economic affairs of the country.

There was a six-day debate in which, the Budget being the main motion, with amendments moved by the Official Opposition and by the NDP, the House disposed of not only the main motion but of every amendment and every sub-amendment.

Mr. Boudria: That was important.

Mr. Epp (Provencher): I agree with the Hon. Member's intervention. It was so important that the House divided on it and the House approved the Budget and rejected the amendments. That is majority Government. That is what happened in the passage of the Budget.

Mr. Boudria: It is abuse.

Mr. Epp (Provencher): That is not abuse; that is democracy. I cannot help it if the Liberals are down to 40 Members, a little rump. They do not yet understand why on September 4, 1984, the people rejected them. When there is a vote in the House, as is the case when there is a vote in the electoral process, we accept the majority rule. They do not want to do that, nor have they accepted it to date. That is the issue with which we are dealing.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): Additionally, Bill C-70, came into the House and there was a long debate on it. When the Bill was being read the second time, again there was a division in the House and again the House decided, very clearly and in a wide majority view, that the Bill should be passed at second reading and passed in principle.

The Government did not stop there. This Bill was one of the first Bills which was subjected to the new House rules, namely reference to legislative committees. Under the rules on legislative committees, as all Hon. Members know, the size of the committee is generally much larger than that of standing committees. That Bill went through rigorous examination in committee.

Let us look at the British experience. When a Government or a Parliament has decided in principle on a Bill, then a legislative committee—and that is what its role is in the British parliamentary system—examines the principles of the Bill but, more important, examines it from the point of view of technicalities. This Government went further than that. Not only did we look at clauses, amendments and technicalities, we also asked witnesses from various groups in Canada to come forward. They made their points of view. That was also done, quite apart from what legislative committees had been established for in the British parliamentary system.

Ms. Mitchell: You did not listen to them; they were all opposed to what you are doing.

Mr. Epp (Provencher): Again in committee the NDP and the Liberals were subjected to votes, and in each case they lost it again. That was also done.

Ms. Mitchell: You ignored the witnesses.

Mr. Frith: They did not even listen to their own back-benchers.

Mr. Epp (Provencher): Mr. Speaker, I am glad that we finally woke them up. We now come to the matter of report stage. We believe very clearly, for instance, that Clause 5 will give us more ability as a Government to deal in situations of family tragedies and not to move unless we have had consultations with the families. Specific members of the Official Opposition and of the NDP have tried to drag red herrings across the trail in order to stop the matter further. They know

very well that what they have been doing has been explained time after time.

Thus, we come to the situation this morning. The situation this morning is that it is time for the House, after having those many votes, to decide, and that is the motion before us. In a democracy the Opposition does not always agree with what the Government is doing, and we obviously do not always agree with what the Opposition is doing. That is democracy, and I accept it. However, democracy also demands that at a certain point decisions must be taken. That time has come now, and that is why the motion is before us. I say to Hon. Members that the motion before us makes sense because we have had no indication whatsoever, at any stage, from members of the Opposition that they are willing to look at a reasonable time, beyond what they have already had, in which the matter can be debated and in which the matter can be decided.

Ms. Mitchell: Oh, oh!

Mr. Frith: How about some reasonable amendments?

Mr. Epp (Provencher): I can hear the NDP. I understand its Members because they have made opposition a fine art. They have never had to understand the other side of the parliamentary process. However, it is another matter when we talk about the Liberals. I would like to tell you, Mr. Speaker, what Liberal Members have been doing. It is one thing for them to talk but we have to look at their actions. Their actions have been very, very different from their words, and they know it.

• (1110)

Let us look at the time when the Liberal Government froze family allowances. What did Liberal Members do? They froze family allowances in January. Now Liberal Members rise in the House to say that we should not pass these Bills. I have a press release ready which will show that family allowances will be going up on January 1, 1986. However, Liberal Members do not say that.

Additionally, the Liberal Government froze the family allowance in January. Do you know when it passed that legislation? It was passed 12 months later in December. Now we can pass this legislation after these many steps of the legislative process have been taken, but that is not good enough for Liberal Members.

I say that the time has come for a decision to be made. I say to Liberal Members and NDP Members that the case has been clearly made and it is time to make a decision. That is why we put this matter forward and I would suggest that these two hours will provide sufficient time along with another two days to dispose of the issue. I suggest that we dispose of it now.

[*Translation*]

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, Canadians who are listening will now understand why most people call him the Minister of social injustice.

Mr. Speaker, this Minister has yet to understand what his role is supposed to be.

I think we should recall that in this country's history, whenever a Budget was brought down, every Minister of National Health and Welfare, and even the Conservative Minister of National Health and Welfare, and even the Conservative Minister of Indian Affairs and Northern Development (Mr. Crombie) who is here in the House, has seen it as his duty to defend the interests of the elderly, the sick and our families. This is the first time in Canada's history, under any government, that we have a Minister who is supposed to defend the interests of these people and who sees it as part of his ministerial duties to crush those very same people and take away their purchasing power.

Today he agreed to move a motion to impose closure on the Opposition. Mr. Speaker, if anyone asks us why the Members of the Official Opposition and the New Democratic Party are violently opposed to this Bill, our answer is quite simply that the people of this country have asked us to do so.

The Minister has tried to show us how to behave with parliamentary hypocrisy, but I refuse to play the kind of game he wants to play in the House. The people of Montreal-Sainte-Marie did not elect and re-elect me to indulge in parliamentary hypocrisy; they elected me not to defend our institutions but to defend the interests of Canadian citizens.

Mr. Speaker, the role of Members in this House is not just to consider the British system or Canada, but to consider the people who live in this country.

Mr. Speaker, what this motion means, and I find this absolutely shocking, is that the Minister is asking us to cease debate at a time when Canadians, and I have a copy of the telegram sent to the Prime Minister (Mr. Mulroney), and not only women are opposed to this measure, not just family agencies but the bishops as well, who are asking for a meeting with the Prime Minister on Friday . . . Mr. Speaker, these are the people who are asking their Members to object to the decision made by this Minister and by the Prime Minister.

We have received petitions from every riding in Canada, Mr. Speaker. Even people from the riding of the Minister of National Health and Welfare, even people from the Prime Minister's riding are against that measure.

And why are they, Mr. Speaker? First of all, because the Government wants to treat families the same way it tried to treat the elderly. They have been betrayed. People are angry with this Government, and angry with the Prime Minister because they have been misled.

Mr. Speaker, all this will go down in history. Remember when Mrs. Denis came up and told the Prime Minister in no uncertain terms: "You lied to us, Charlie Brown." She was right, and our Canadian mothers are saying the same thing. Mr. Speaker, this is the same Minister who bragged about consulting the people. This is the same Minister who, on behalf

of the Government, made a commitment to these people in a document bearing his signature, a document that says that any savings which may result from program changes will not be applied to a reduction of the deficit. That was to mislead the people and the organizations that came to testify. They thought they could trust him, but the Budget has proved them to be wrong.

Mr. Speaker, what the Minister then tried to have us believe about the new legislative committees was a lot of nonsense. First of all, Mr. Speaker, the Conservative Members who were there were totally useless. All they tried to do was to obstruct debate, and all they wanted to do was leave. They did not even want to hear witnesses. The Official Opposition and the New Democratic Party had to force Government Members to listen to people who wanted to have their say. Extraordinary steps had to be taken to force the Government to hear the witnesses.

Still with respect to another Bill C-70 clause which has nothing to do with the de-indexation of family allowances, the Minister wanted full authority to decide on his own whether a missing child would be presumed dead. One outrageous incident was the case of a Quebec woman who came all the way to Ottawa. The Government could not spare any money to help her, but it is not so niggardly when time comes to throw a party. I was the one who found the money to bring this mother here to testify. I offered to give up my ten minutes just so she might give evidence before the committee, but the eleven Conservative Members turned me down right in front of the media.

The Minister is going too far, openly misleading the people, and that is why all Quebecers and all Canadians are fuming mad, Mr. Speaker. No wonder this morning's polls reveal that the popularity of the Prime Minister (Mr. Mulroney) is going down fast. No wonder most Canadians are against the policies of this Government.

Mr. Speaker, we in the Official Opposition laid our cards on the table right after the Budget was introduced because we knew for a fact that three of its measures were unfair and unacceptable.

First, the de-indexation of old age security pensions. With the strong support of elderly Canadians we managed to make the Minister and all Conservative Members eat humble pie, and even the Prime Minister had to backtrack.

Second, the shameful tax on the health of citizens intended to enable the Government to recoup some money. Here again, in August, we were successful in throwing the Government off course, and the Minister of Finance (Mr. Wilson), the Prime Minister and all the silent Conservative Members had to eat crow. The Government had no choice but to retreat.

Mr. Speaker, I can assure you that our fight for family allowances is not over, and we intend to use every means at our disposal.

Today the Minister announced a 4 per cent increase in Canada Pension Plan and old age security pension benefits. Thanks to whom? Not thanks to the Conservative Government, but thanks to elderly Canadians who won their point. And then the Government has been unwilling to say by how much the family allowances cheques would increase. Canadians ought to know that if the Bill is adopted, monthly family allowances will go up by 37 cents in English Canada, and 18 cents for each child in Quebec.

Yesterday I listened to the Prime Minister on the Radio-Canada program "Le Point" when he kept repeating that he wanted to be generous with the people. Generous to the tune of 18 cents a month, big deal! At the same time the Government drops the guillotine to push through a Bill to bail out rich depositors who had over $60,000 in the western banks.

Mr. Speaker, you should not wonder ... Which province does the Minister of National Health and Welfare (Mr. Epp) come from? Which region is he from? Whose interests is he trying to defend, Mr. Speaker? His western Canadian chums who had money in the bank that went belly up because they were bad administrators, but he simply could not care less about the three million needy Canadian families.

Mr. Speaker, I am speaking to all the Conservative Members of Parliament, even those who are not in the House today, since it is useless to speak to the Minister as he is a lost cause. If you do not take steps in each of your constituencies to stop this Bill from being approved, if you do not take steps to ensure that family allowances will be fully indexed, if you continue to grovel before the Prime Minister, if you continue to be so spineless, if you continue to grovel and to defend the wealthy as you are now doing, during the coming months and next year, people will go to see you at your offices and ask you to justify yourselves.

Mr. Speaker, in closing, I would like to say that 1988 will come quickly, and during the next electoral campaign, the Conservative Members will do door-to-door canvassing, they will go to meetings, they will go and see the senior citizens and say that they need their support. The senior citizens will reply: "Where were you when I needed you? You did not take care of me; that's it!" As for families with children, when these Conservative Members go and see the mothers to tell them that they need them, they will say: "Where were you when it was time to defend our interests? You were not there so we are getting rid of you!" The same thing has been happening on all the issues, but I see that my alloted time is over. I urge the Conservative Members to reflect on this. It is Christmas time, the time of family reunions. It is the most important family holiday of the year, and I trust that the gift that the Prime Minister brings to Canadian men and women on New Year's day will not be a reduction in their family allowance cheque.

• (1120)

[*English*]

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I would like to remind Hon. Members that yesterday Father

Christmas visited us out in the front lobby after Question Period. He had a long chin and no belly. In fact, he was a very skinny Father Christmas. He gave out empty Kraft Dinner boxes to people who were there, in particular a poor mother with her child. He appeared at the behest of a low income support group from Ottawa. He was here to show the feeling which low income people have that this was not really Father Christmas but the Grinch in disguise—a green monster. I would not hesitate to say that this was a green monster who represents the Hon. Member who comes from the hills of Provencher who wants to steal Christmas from children, mothers and, of course, families. The message which is being given out by the Conservative Government is that it will cut the value of the family allowance for Canada's children and families and, in particular, mothers who are struggling so hard to raise children. The Government is doing this as a Christmas present.

While this was going on Members of Parliament, at least those of us who sit in Opposition, continued to present petitions, something which we have been doing now for weeks. We have presented hundreds of petitions with tens of thousands of signatures on them which have been sent to us from people all across Canada. They continue to flood into Members' offices, at least into mine, every day. We had hoped that, as a result of this particular protest and appeal from Canadians, the Minister, like the Grinch, would perhaps have his heart warmed and reconsider, or at least delay until after Christmas, taking any action with respect to Bill C-70. Of course, this morning we know what the answer is.

As a Christmas present to Canada's children, the Government has brought in time allocation which will force us to push through this Bill. This is only a repeat of what the Government has done since the introduction of Bill C-70. It brought in time allocation when we first debated the Bill at second reading stage. It imposed time allocation when there was no need for it. Then, when the Bill was before the committee, the Government reduced the number of weeks which had been allowed for witnesses to appear before the committee. It refused to hear from certain witnesses who had appealed to appear before it. I am thinking particularly of groups which are very concerned about the missing children section of the Bill and the child find groups which wanted to appear. I have before me petitions from about seven or eight of those groups from across Canada who appealed to the Minister to let them be heard. Of course, the committee refused to hear them on the advice of the Minister. Again, we had time allocation in that respect.

Native women were not heard. Native groups which suffer the greatest poverty in the country and which also have much larger families depend on a fully indexed family allowance for their families. They were not heard from. The Government brought in time allocation with respect to the proceedings of the committee and here we see it being imposed again at the report stage of the Bill. I think this is an absolute disgrace. It shows the insincerity and the mess which the Government is perpetuating.

The Minister has said over and over again that his social policy was to reinforce families. He has said that he cares about families and that he supports them. Yet, as a result of this Bill, he is attacking them. The Minister of National Health and Welfare (Mr. Epp), the Minister responsible for the status of women and, in fact, the Prime Minister (Mr. Mulroney) have said that women will be an important priority of the Government. Yet they were responsible for presenting a Bill the first thing this fall that attacks women. It attacks particularly low income women and those women are stuggling to raise children on their own.

The Minister can laugh, but it is no laughing matter to mothers across Canada who will see a reduction in their family allowance benefits as a result of this measure.

Mr. Epp (Provencher): It's going up.

Ms. Mitchell: The Minister again says that it is going up. The Minister has not listened to the consultations. He is trying to create a myth and perpetuate misconceptions for Canadians. He is trying to say that there will be a piddling increase in January, while at the same time the CLC has given him figures to which he has not paid attention. These figures show that the family allowance will be reduced considerably for all families over the next few years.

Mr. Epp (Provencher): It is going up.

Ms. Mitchell: The child tax credit will be reduced as well. The Minister is perpetuating a real myth and misconception on the people of Canada as a result of what he is saying. I do not think the people of Canada are so stupid as not to know what kind of games the Minister is playing. What is the Minister doing? He is giving some Christmas present to Canadians! He is telling mothers and fathers that what they do in terms of parenting is not important to the Government. He is saying that his Government can come in and impose time allocation with respect to debate on this Bill. He has not listened at all to what was said in committee. He has not listened to social policy groups or women's groups. He has not listened to poverty groups or groups of senior citizens. He has not listened to any of the groups which appeared before the committee and which sent telegrams and letters appealing to him. I bet he has not had one telegram or letter which expresses support of his policy.

I wish Conservative Members of Parliament would present the petitions which I am sure must have come into their offices. I know that stacks of petitions went to the Prime Minister himself. Yet, we have heard nothing about it. I have copies of those petitions which went to the Prime Minister and we have not heard from him about this matter at all. The Government is giving a negative message to Canadians, and it will come out. It will just be repeated again and again as the life of this Government goes on. Canadians will not forget this measure. They will not forget the Chirstmas present that the Minister and his Government is giving to Canadian families.

I cannot understand just from a political point of view why the Government is doing this at Christmas time. The Grinch

who stole Christmas has told us that he would do all these wonderful things for families. The Minister of Finance (Mr. Wilson) also, incidentally, told us that this was just a temporary measure. He said that these measures in the Budget which were hurting people were just going to be temporary until the economy improved. Every day in the House the Government tells us that the economy has improved, that there are many more jobs and more people are paying taxes. The Government brought in a minimum tax and it received our congratulations. That tax will give $300 million more to the Treasury, yet the Government will not use any of that money to maintain family allowances. It found $1 billion for the banks and is taking away $1 billion from our children by the year 1990, yet the Minister brags about putting a few more cents onto the family allowance in the new year. We know what he is up to and the people across the country know what he is up to.

• (1130)

I want to say to the Government that the protest is just starting. That is why the Government is bringing in closure. The United Church of Canada is just starting a campaign and we are receiving all kinds of telegrams and letters, which I hope are going to the Minister and to the Prime Minister as well. Last week the Catholic Bishops said that the proposed changes in family allowance payments is the latest in a series of measures which threaten the universal social rights of Canadians. They said: "It is our fear that the social and human impact of the proposed change to the family allowance will only add to the already widespread suffering of our families, particularly families headed by women". We also heard from the Vanier Institute, which was not that vocal earlier on but is now very deeply concerned. It said last week that Bill C-70 is a gift to families which does not fit and cannot be returned. It went on to say that the proposed change over time will make the family allowance program worth very little to Canadians.

We have heard over and over again from the social policy groups, and so has the Minister both in consultation privately and through the committee. But he has not listened. He is sitting over there laughing and exclaiming "Oh, ho, ho", and he does not listen to any of the groups which have told him what a devastating impact this will have on families. I have repeated in several speeches the information we have received from those groups. I am sorry I do not have the time to go through it again.

The Parent-Teachers' Federation is another group which is just beginning to become active in this area. The trade union groups are sending in petitions as well. And in the time I have left, I would just like to read one very touching letter, which is actually a poem. It is called "Broken Lives and Broken Promises". It is an open letter to the Prime Minister regarding Bill C-70. It is from June Wilson of the Unemployed Action Centre in Penticton, British Columbia. She writes: "What made us think you'd be different? What made us think you'd care? What made us think you'd keep your word and give the poor their share? You with your wealth and power—"

Time Allocation

The Acting Speaker (Mr. Charest): I am very sorry to interrupt the Hon. Member but the time allocated to her has now expired. Resuming debate.

Mr. Dan McKenzie (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, it is interesting to listen to the New Democratic Party talk about how terrible things are in Canada today, because consumer spending has never hit such heights. I suggest that those Hon. Members wander over to some of the shopping centres and take a look at the stores which are just jammed with people. That does not indicate that this country is going to rack and ruin.

There is certainly no hypocrite like a Grit hypocrite. I just want to set the record straight. The family allowance will now be increased by the annual increase in the consumer price index in excess of 3 per cent. That is up, not down. The principle of universality is maintained. And we are going to maintain universality. It is interesting to read what a top Grit has been saying. "Abandon universality, Liberals told", by a former Liberal cabinet Minister, Otto Lang. He wants universality abolished. It is interesting to note the double standards of the Liberals. Their hidden agenda probably includes the abolishment of universality.

The child tax credit, which is of particular benefit to low income families, will be increased by 36 per cent, from $384 in 1985 to $524 in 1988. In 1986 there will be a $70 increase, raising the credit from $384 to $454 per child. In 1987, there will be a further $35 increase. In 1988 there will be an additional $35 increase. The child tax exemption, which is of particular benefit to high income families, will be reduced, so we are not looking after the rich as someone mentioned here a moment ago. It will be reduced by almost half from $710 to about $380, to equal the amount of family allowances. These changes will enhance the support provided to low income families while reducing benefits to higher income families, thus correcting inequities in the existing system.

Speaking of taxes, my Province of Manitoba, which has a New Democratic Government, has the highest taxes in Canada. That is really tough on the poor. The NDP policy is "tax, tax, tax". Manitoba has the highest taxes in the country. Its payroll taxes put a burden on employers so they cannot employ more people. That is how the NDP governs in Manitoba. It makes it really difficult for everyone.

This Government is committed to protect and improve social programs in Canada. We are now spending more on the social envelope than on any other envelope. The total social spending will rise by $4 billion, to $46.7 billion, close to half of total government expenditures. In this vein, the Government has expanded the eligibility for the spouses' allowance, benefiting 85,000 younger widows and widowers who had previously not qualified for benefits. So more people are going to benefit, not less.

Veterans' benefits have been improved for more than 140,000 Canadians and tax assistance has been extended to 185,000 disabled Canadians. So there is no cut-back in social programs in this country.

I would like now to comment on the Grit hypocrisy. Between 1974-75 and 1984-85, the Grits reduced spending on social programs. They were not worried about the aged or the poor at that time. Spending on social programs dropped from 50 per cent of federal expenditures to 43 per cent. So that tells us they are against the poor.

Prior to 1973 the Liberal Government did not index family allowances at all. That is real hypocrisy. In 1976, the Grits suspended the indexation of family allowances for a full year. With respect to the petitions they have been distributing, I wonder if they have provided those people with this kind of information. I will bet not.

On January 1, 1979, the Grits reduced family allowances by 20 per cent. How come they are not telling the people that? They should put that on the petitions they are spreading around—those phonies. In 1983-84, the Grits brought in their six and five program, which dramatically reduced inflation protection at a time of rampant inflation. They should put that at the top of their petitions.

To give a clear indication that the poor are not being neglected and social spending is certainly not dropping in this country, I will read a list of the social programs we have in this country: Canada Assistance Plan, provincial tax credits, veterans' allowance, social assistance to on-reserve Indians, guaranteed income supplement and spouses' allowance, child tax credit, social housing, child care expense deduction, family allowance, child tax exemption, assistance to the married and equivalent to married, unemployment insurance, training allowance, workers' compensation, employment expense deduction, and seven different programs for the elderly. This comes to a total in federal and provincial spending of $61.6 billion. We are doing this despite the problem we have inherited from the Grits, the huge debt load for which the Leader of the Grits is responsible, that architect of the uncontrolled spending in this country. We are spending $61.6 billion, Mr. Speaker, and our problem is to try to maintain that amount, but I have no doubt we will certainly maintain it.

There is no shortage of spending on social programs in this country. The $61.6 billion does not include what municipalities are spending on social assistance. The Grits talk about how upset the seniors were when we were going to reduce indexing somewhat. What the seniors said to me was: "At least you listen". In the past, when the Grits were reducing pensions, they certainly did not listen. When I explained to these people the debt problem, and I gave them the entire explanation and all the information, then they realized how serious a problem it is. They want to co-operate. This is the kind of information Members opposite should be putting on their petitions. Explain everything to these people. Show them the amount being spent. Give them all the information.

• (1140)

Mr. de Jong: Why don't you give that information to the bankers?

Mr. McKenzie: If they still want to object, then let them object. I provide my constituents with all the information on the debt load.

Mr. Frith: The way you gave us the information on de Havilland and the bank bail-outs?

Mr. McKenzie: The NDP does not like that. They would not give the truth to anybody.

Mr. de Jong: Tell the bankers that. Tell the bankers to forget their billion-dollar bail-out.

Mr. McKenzie: Regina is really yelling his head off today.

Mr. de Jong: Winnipeg is sure getting red in the face.

Mr. McKenzie: I would like to have a look at your householder. You just tell your constituents what we are spending on social programs. Explain it all to them. Then, if they want to criticize, they can criticize.

What about the original architect of this mess, the Hon. Member for Vancouver Quadra (Mr. Turner)? I do not know how he has the nerve to show his face in this House.

Mr. Frith: You had better go back and redraft your speech, McKenzie.

Mr. McKenzie: As Minister of Finance, that top Grit, between January of 1972 and September of 1979, was the father of deficit financing and big spending. After that man had finished horsing around with Canada's finances, this is what the Auditor General said: "I am deeply concerned that Parliament, indeed the Government, has lost or is close to losing effective control of the public purse". That is the record of the Hon. Member for Vancouver Quadra who created this huge national debt where, out of every $3,000 in taxes collected, $2,400 goes just to pay interest on the debt. Put that on the petitions you are distributing.

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, it is rather fitting that this debate, which opened one year ago, has come full circle and is coming to a close in the final two days of this parliamentary session. I would like to take the Minister of National Health and Welfare (Mr. Epp) on a trip down memory lane and recall for him some of the words spoken at the very beginning of this debate one year ago in this Chamber. At that time there was apparently a genuine effort being made by the Government front bench to address some of our problems, not only the size of the federal deficit but also the way in which our social programs were supposedly not being targeted to those who needed help the most. I recall that the Prime Minister (Mr. Mulroney) indicated at the very beginning of this debate that he did not know why a bank president making $500,000 a year should receive family allowance benefits. That was the beginning of the debate one year ago. I also recall that the Minister of National Health and Welfare indicated that any money saved in the Government's attempts to retarget social benefits towards those in our society who

need the help most, would be used only in the social policy envelope and would never be used for deficit reduction.

Ms. Mitchell: Did he say that?

Mr. Frith: Those were the promises made at the very beginning of this debate. Six months after the debate began, and I bring us now to the spring of 1985, the whole issue of child benefits was referred to the Standing Committee on Health, Welfare and Social Affairs. I, along with my colleague, the Hon. Member for Vancouver East (Ms. Mitchell), spent hour upon hour listening to the various groups who came before the commitee. We made a series of recommendations to the Government in the spring of 1985 which we felt would address at least some of the problems reflected in the present system of child benefits. All of those recommendations were totally ignored by the Government when it decided to bring in changes to child benefits on the night of May 23 when the Minister of Finance (Mr. Wilson) finally brought in his Budget.

At the heart of this issue, the reason why the parliamentary Opposition are so fundamentally and adamantly opposed to the measures put forward in Bill C-70, is the fact that these measures do not address the major issue we began discussing at the time we started the debate on universality, the issue of fairness. This Government began the debate based on the concept of putting in place more equity and fairness in the package of child benefits. However, it then comes forward with Bill C-70 which will, along with the tax measures in Bill C-84, impact severely on the low and middle-income earners of this country. That is an affront to the intelligence of all Members of this House, including the Government back-benchers. I note that those back-benchers have been conspicuously silent in this debate from the very beginning through to May 23.

I do not want to but I am going to ask that Members recall some of the words they used when they were in opposition four and five years ago and there was some discussion about the possibility of deindexing the tax system. The Conservatives placed an ad in the newspaper which said that that form of deindexation was a form of taxation with staggering consequences for every taxpayer, especially the low-income earner. Deindexing, they said, is a scheme to guarantee that everyone will pay higher federal income taxes year after year after year. That is what they said when they were in opposition, but my, how the tune changes when they find themselves to the right of the Speaker.

Mr. Lewis: And the left-hand side, too. Both ends.

Mr. Frith: It is true that they did bring forward a very conservative Budget. I am glad they did so because the Canadian public can see what the Conservative Party stands for. One has to realize the impact of not only Bill C-70 by itself, but also as it is linked to the income tax proposals in Bill C-84, which is now at report stage. One now begins to see the kind of social policy that the Conservative Party is advocating.

The numbers I have chosen here are numbers which have been used in the debate previously and they are undisputed. The net effect of plans to deindex family allowances and personal income taxes and fully implement the budget proposals means the following. If you have a family income of $15,000 a year you are going to pay an additional $1,879 in taxes over the next five years as a result of those two Bills alone. A family earning $35,000, which StatsCan indicates is a middle-income family, will pay an additional $3,452 in taxes. However, what happens to the family who earns $80,000 a year? They will only pay an additional $1,125 in taxes. In other words, the low and middle-income earners will pay more in taxes than the family with an $80,000 a year income. That is why the Opposition in this Parliament stand adamantly opposed not only to deindexation of family allowances but also to many of the measures in the May 23 Budget concerning taxes.

How in heaven's name can we justify a social policy which will widen the gap between the rich and the poor? It is evident that that is the Conservative social policy and it reflects the lack of a common sense approach to the difficulties faced by this country. We on this side of the House in the Opposition recognize that the deficit is a problem which has to be addressed by whichever Party is in power. However, if you are attempting to create the political will in this country to undertake the necessary reforms, you certainly do not do it with a Budget which widens the gap between the rich and the poor in our society.

• (1150)

I will respect the rules of the House and not wave an ad that I saw in *The Citizen* in Ottawa several days ago. I think most Members in the House have seen it. It is a full page ad which shows a well-to-do middle-aged couple. The wife is wearing a mink and the husband is wearing a tuxedo. The caption reads: "Buy your wife a condo for Christmas". The ad goes on to explain the various tax breaks that the Budget of May 23 will give to that group. The disparity in the country between the poor and the rich is the major reason we are fundamentally opposed to the social policy direction which the Conservative Government has undertaken since it assumed office in September of 1984.

To be a competent Opposition we should be able to put forward amendments to the Bill which we feel would improve the legislation. The recommendation that we made last spring to the Standing Committee on Health, Welfare and Social Affairs were totally ignored by the Minister of National Health and Welfare (Mr. Epp) when he finally brought forward his plan to deindex the family allowance. More important, when Bill C-70, which we are debating on the floor of the House today, was referred to the committee, members of the New Democratic Party and the Liberal Party put forward a series of amendments to it which we knew would significantly improve the Bill. Yet, the Conservative majority on that committee steadfastly refused every amendment we put forward. They did not allow certain groups which both opposition Parties recommended be allowed to testify to do so.

Why is it the Government, which supposedly placed such a high value on consultation, has now introduced time allocation on this Bill to deindex the family allowance? Why did the Government, which put so much value on consultation, refuse to listen to every major social agency in the country that represents the poor and middle income people and have said that the plan to deindex the family allowance and, in particular, the technicalities of the way in which the Government is going to do so, is going to result in a new child benefit package that will help no one after 1989? Even the poorest of the poor will lose purchasing power under the proposals in Bill C-70.

The Government misleads the public when it indicates that next month's cheque will be larger than this month's cheque. It is true that it will be larger by 31 cents. However, the Government fails to point out that by deindexing the personal income tax system and the child tax credit beyond 1989 every family in the country will lose purchasing power. That includes families earning $9,000 a year and those earning $15,000 a year. That is at the heart of the matter, Mr. Speaker.

The Government does not seem to place any importance on the fact that its policies will widen the gap between the rich and the poor in our society. I predict that, unless the Government reverses this trend, there will be a disturbing trend of increasing violence in our society which tolerates the rich getting richer and the poor getting poorer on the backs of the middle-income.

Mr. Murray Dorin (Edmonton West): Mr. Speaker, I would like to take a few moments to speak on the motion which is before the House today which, as other Members have pointed out, will bring this debate to a close. I would like to address that issue. We have been hearing for many, many months now the arguments concerning this legislation. The time of the House has been taken up day after day since the introduction of the Budget on May 23 with the presentation of petitions. The time of the House has been taken up with debate.

Ms. Mitchell: That's what the House is for. What do you think we are here for?

Mr. Penner: That's why we exist.

Mr. Dorin: That is right, that is what Parliament is for, but there comes a time when the Government must make a decision.

Ms. Mitchell: You should decide not to go forward with Bill C-70.

Mr. Dorin: The Government was elected in September of 1984 to make decisions.

Some Hon. Members: Hear, hear!

Mr. Dorin: The electorate did not ask us to go to Parliament and debate for four years and then have another election.

Ms. Mitchell: They didn't say to cut the family allowance either.

Mr. Dorin: They said that we should go to Parliament, make some decisions, get this country moving again, and get people back to work.

Ms. Mitchell: You won't get the country moving by cutting the family allowance.

Mr. Dorin: We have put people to work by creating 411,000 jobs. We have put some fiscal responsibility back into government. We know it is working, Mr. Speaker—

Ms. Mitchell: Why are you cutting the baby bonus if it is working?

Mr. Dorin: —because the OECD report issued yesterday did not have any recommendations to offer Canada. It said that the Canadian Government is on the right track and doing a good job and that it should keep up the good work.

I would like to discuss the motion before the House. When the six and five legislation was brought in in 1982 it was debated for three days at second reading, on December 1, 2, and 3, 1982. It was debated for three days in committee, on December 7, 9, and 13, 1982. It went through report stage in one day, on February 7. It was concurred in on February 8, and given third reading on February 10, 1983.

Bill C-70, which flowed from the Budget, which itself was debated for six days in the House, was introduced on September 13. It was brought forward for second reading on September 16 and was given seven days of debate at that stage before being given second reading on September 30. It was sent to committee on October 8 where it was debated for 13 days. In other words, Mr. Speaker, Bill C-70 was debated for twice as long at second reading as was the six and five legislation and for four times as long in committee.

We are hearing arguments from members of the Opposition that we have not spent enough time on this Bill. They are suggesting that we should defer a decision on this Bill until after Christmas. We understand that the Opposition is opposed to this Bill, but the Opposition must also understand that the Government has to go forward with the important Bills which are before the House today awaiting decisions in order that Canadians can understand the tax regime which is going to prevail so that they can make their decisions based on it. We must give them some certainty about the regime they will be operating under in the next taxation year.

In my view, Mr. Speaker, the motion moved today to end the debate on this Bill is appropriate. I have pointed out that we have had a long debate. We have heard the arguments and heard from interest groups. I believe that we have tested the endurance of every Member of Parliament almost daily on this Bill. We are now coming to the time when we are going to make a decision.

Mr. Axworthy: Like the Crow debate.

Mr. Dorin: Well, we may have a Crow debate next year as well. I expect that that will be coming. Having addressed the motion before the House, I would like to discuss briefly the

Bill itself. I have not yet taken an opportunity to speak on this Bill. I have received virtually no letters on this Bill from my constituents. I have received virtually no telephone calls in my office. I have received far fewer calls and letters on this than I have on any single major issue. It is by far fewer letters than I have received about the post office, the national institution which probably causes Members of Parliament more difficulty than any other government organization.

● (1200)

Having said that, I have gone to public meetings and spoken to constituents about what they felt the Government was doing right and what it was doing wrong. The overwhelming response is that the provisions in the November 8 economic statement coupled with the Budget of May 23 are right. This is one of those important provisions of the Budget and I believe that after the debate which has taken place, after the creation of over 400,000 jobs in the last year and the fact that the OECD has said we are on the right track, we can now say with some confidence that we are headed in the right direction. This Bill is an important part of that direction. It is time that we passed this Bill, ended this debate and brought it to a vote so we can begin to debate other important pieces of legislation waiting to be passed prior to the Christmas break. These Bills include Bill C-84 and Bill C-79.

It is for that reason that, pursuant to the provisions of Standing Order 9(4)(*a*), I move:

That the House continue to sit through the lunch hour for the purpose of continuing its consideration of the motion now before it.

The Acting Speaker (Mr. Charest): I believe Hon. Members have heard the motion.

Mr. Tobin: Mr. Speaker, I rise on a point of order. I have two points. The Member for Algoma (Mr. Foster) rose on a point of order. The Speaker looked toward the Member to recognize him but the Hon. Member's microphone did not come on. It was not turned on. He made his point but it was not heard in the House. We have not heard the motion from the Hon. Member opposite. We do not know what is being moved. One must speak in one of the two official languages in order for Members of the House to know what is being proposed. In this case we do not know what is being proposed.

The Acting Speaker (Mr. Charest): Order. I will admit frankly that the Speaker is a little surprised by the comments made by the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin). First, when an Hon. Member puts his motion before the House, it is normal practice for the Speaker to wait until the motion is forwarded to the Chair.

I recognize that I did not hear or see the Hon. Member for Algoma (Mr. Foster) rise on a point of order. If it is the case that the Hon. Member's microphone did not work, of course this is a matter that will be brought immediately to the attention of those whose responsibility it is to see that the equipment works correctly. We can only regret that.

With respect to hearing the motion, the motion will be put to the House. That is the way we usually proceed. The motion is as follows: Mr. Dorin, seconded by Mr. Kilgour, moves that, pursuant to Standing Order 9(4)(*a*), the House continue to sit beyond the ordinary hour of daily adjournment for the purpose of continuing consideration of the motion now before it.

Will those Members who object to the motion please rise in their places?

And more than 25 Members having risen:

The Acting Speaker (Mr. Charest): Twenty-five or more Members having risen, pursuant to Standing Order 9(4)(*b*), the motion is deemed to have been negatived.

Motion (Mr. Dorin) negatived.

Mr. Lewis: Mr. Speaker, I rise on a point of order. It was the intention of the Government to move this motion in order that we would go four minutes into the normal lunch hour and accomplish the business of the House. The point I want to make—

Mr. Gauthier: On a point of order, Mr. Speaker, the Hon. Member is questioning our motives.

Mr. Lewis: I am not questioning the motives.

The Acting Speaker (Mr. Charest): Order, please. Unless I am greatly misled, I am not under the impression that the Hon. Parliamentary Secretary is going to make a point of order. Resuming debate.

Mr. Simon de Jong (Regina East): Mr. Speaker, I wish to put into the record the poem that my colleague, the Member for Vancouver East (Ms. Mitchell), began to put on the record. It is a poem written by a person from Penticton, British Columbia, who is active with the Unemployment Action Centre Co-op. The poem is entitled "Broken Lives and Broken Promises". It reads:

What made us think you'd be different?
  What made us think you'd care?
What made us think you'd keep your word?
  And give the poor their share

You with your wealth and power
  You with your easy life
What do you know of poverty
  And accompanying grief?

While you sit in your ivory tower
  Decreeing life or death
I sit alone with my children
  By a cold and dismal hearth

I dry their tears
  And still their fears
With lies
  Like the ones you told
When you rode to the throne
  A year ago
On the backs of the sheep in the fold

Do you really believe I care to live
  Stripped of hope and pride,
Will you stand up and say
  "I didn't know",
Will my death be justified?

But what made us think you'd be different?
What made us think you'd care?
What made us think you'd keep your word?
When we'd heard it all before

Indeed, I think the person who wrote that poem really put his finger on the matter. We have seen in the last number of weeks, and are seeing again today, a very blatant display of the real priorities of the Government.

Members of the Government have justified moving closure on this motion because there are other pieces of legislation with which the House must deal. What are those other pieces of important legislation to which they refer? One of those important pieces of legislation which they say must be passed is the Bill to bail out the banks and provide some $800 million to bail out uninsured depositors, many of whom are foreign bankers and large banking concerns in this country.

Another piece of legislation which they say must be passed is a Bill to give half a million dollars in tax free capital gains to the wheelers and dealers in this country.

It is blatantly obvious that the priority of the Government is to spend some $800 million to bail out large sophisticated depositors who had money on deposit at the Canadian Commercial Bank because they could get a half point higher interest at that bank. It is to provide a half million dollars tax free to people who speculate in condominiums, jewellery and other luxuries. That is the priority of the Government. Today we are seeing a blatant transfer of weatlh from the poor and middle class of this country to the well-to-do and filthy rich of this country. It is shameful. The Minister and Government Members laugh as they sit in their comfortable seats. Let me warn them that it will be the mothers of this country who will have the last laugh come the next election. They will not forget the blatant transfer of wealth which the Government has perpetuated with the Budget and the tax measures that it has introduced. Of course, this is all being done in the name of fighting the deficit. There is no doubt the deficit is a serious problem, Mr. Speaker. But to justify nickel and diming mothers and families in the name of fighting the deficit is a disgraceful farce. It will not be believed by the people. People will not believe that nickel and diming mothers and children will effectively put a dent in the deficit when the Government is forking over billions of dollars to the banks.

● (1210)

The Government is allowing capital gains. What about the $32 billion or $33 billion in deferred taxes alone that the large corporations owe to the Government? Corporations have been able to defer taxes from year to year until now and most of the large amounts now owing to the Government are being written off.

Canadians will not be hoodwinked. They know what is going on. If the Government were genuinely sincere in reducing the deficit, the Government would go to the people who have the ability to pay and who legally owe the money and would start collecting from them. Instead the poor are getting nicked.

The other argument the Government uses is that a universal scheme—the family allowance—has a lot of money going to the well to do. A study recently released by the Canadian Council on Social Development explodes this myth. It pointed out that families earning the average income or less—and the average income for a family estimated in 1984 is some $35,000—will be losing the bulk of the money that would have normally gone to them through the family allowance.

When you look at the figures you begin to realize that those whose incomes are $50,000 or more only account for 12 per cent of what the Government will save on this measure. The people who earn less than $50,000 a year will lose some 78 per cent of what the Government will save in this measure. They are the ones who will pay.

It is obscene for a Government to elect to save money through programs like the deindexing of family allowance while it introduces regressive tax measures, such as the capital gains measure. It is obscene for any civilized country so blatantly to take from the poor and give to the rich. It goes against our tradition and our sense of values. It is, as I mentioned before, an obscenity. Is it any wonder, Mr. Speaker, that the Government which started out with such popular support is now seeing its popularity decrease month after month after month?

We have seen and heard groups that have gone public as opposing this tax measure. We have received petitions signed by hundreds of thousands of people. The Family Service Bureau has publicly come out against the measure. So have the National Action Committee, the Vanier Institute of the Family, the Canadian Council on Children and Youth, the Canadian Council on Social Development and the churches. The Government is prepared to ignore this wide representation of Canadians and instead is listening to the pleas of the well-to-do.

Let me remind you, Mr. Speaker, and let me remind the Government, that the time will come to face the public, and the public will not forget.

[*Translation*]

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I wish I could say that I welcome this opportunity to take part in the debate today. However, I would not be entirely honest if I did say that because today, we are facing a Government that abuses its powers, a Government that for the seventh time in 21 days has moved a motion of closure in the House. In this particular instance we are considering a Bill that will take away from those who have less and give more to the wealthy.

[*English*]

At the present time family allowance in Ontario for one child is $31.27. What does a 3 per cent index which the Minister of National Health and Welfare (Mr. Epp) wants to give the families in Ontario amount to? Thirty-one cents more. The family allowance cheque will rise from $31.27 to $31.58.

That is the Christmas present of the Tories to the families of Canada.

Some Hon. Members: Shame.

Mr. Boudria: It is a 31 cent gift, Mr. Speaker. It is not enough to buy a bow to go around a gift. The Tories in these few days before Christmas are attempting to be the Grinch who stole Christmas. We in the Liberal ranks do not intend to allow them to be the Grinch who stole Christmas.

If all this were done to save money, if all of this were done with good intentions, then maybe there would be a small amount—and I say small—of redeeming value to the whole scheme. Why are we doing this? Is it to reduce the deficit? Is ti because the people who receive those amounts are too rich? Is it because the Government has great plans to put the money to better use elsewhere? No, not at all, Mr. Speaker. The Government is saving some $55 million over two years by cancelling full indexation on family allowances. Do you know what the Government is doing with that money?

Mr. Hopkins: Giving it to the banks.

Mr. Boudria: The Government is giving billion dollars to the rich people who did not know enough to secure their assets before investing in the banks. The Tories collectively misled the people who had invested in those banks and now they have to give back the money to save their faces. It will not work. Obviously the people who invested in the banks still know that they were misled by the Government. They still know that the Government is incompetent. The poorest people who will suffer as a result of the Government cancelling full indexation are not taking too kindly to it.

● (1220)

We will save $55 million, but at the same time we will spend $56 million to buy new uniforms for the military. I have a little picture of the new military uniforms. It was provided to me by the Minister of National Defence (Mr. Nielsen). It shows one officer in beige, one in blue and one in white. They will be in three colours so that the Minister of National Defence can tell one from the other. This will cost Canadian taxpayers $56 million. At the same time, the Government is taking away $55 million from those people who receive family allowances. I ask you, Mr. Speaker, to name one soldier who would not give up his uniform so that the people of the country could keep the full indexation of the family allowances. Obviously you would not find such a person. Of course, if such people were sitting in this room instead of the Tories across the way, they would have better judgment and they would know which is the correct priority.

I see Hon. Members across the way, the surfers who move behind cabinet Ministers so that their mothers can see them on television every now and then because that is the only chance they have of being seen. Why do they not rise in the House and speak on this Bill? Why do they not rise in the House and say that they will not put up with it, that their constituents are fed up and that their constituents think that money for families is more important than money for bankers? Why do they not stand up and say that? They cannot. The Government House Leader, "Erik the dreaded" and others have told them that they do not have the authority to speak in the House.

Let us look at the total effect of these budgetary measures on families in Canada.

[*Translation*]

A family with an annual income of $15,000 will have $1,879 less, five years from now. And all this thanks to the budgetary measures of the Conservatives. A family with an annual income of $35,000 will be getting $3,452 less, while a family with an annual income of $80,000 will be getting $1,125 more. That is where we see the true colours of the Conservatives, Mr. Speaker: a Government for the rich—

An Hon. Member: Tory blue!

Mr. Boudria: Yes, a Tory blue government, exactly; a royal blue government, an aristocratic government, a government that does not represent the Canadian people. What did they say during the last election campaign? Did they promise they would remove benefits? Did they promise to take from the poor and give to the rich, a reversal of Robin Hood? Why, not at all!

[*English*]

The Tories, as you know, Mr. Speaker, being a non-partisan person, made many promises to Canadians. In fact, there are 338 of them in this little book. I may have mentioned this once or twice before, but I just want all Canadians to know that if they want a copy of this book of 338 Tory promises, all they have to do is to send a letter to my office and I will gladly send them one. No stamp will be necessary, Mr. Speaker. If you want one, I will provide one for you.

Mr. Turner (Vancouver Quadra): Free of charge?

Mr. Boudria: Absolutely free of charge, I say to the Right Hon. Leader of the Opposition (Mr. Turner). The book contains two full pages of Tory promises on social programs. What do they promise? I will read their second promise, which I am sure Mr. Speaker has memorized already:

> Assist Canadians who are unable to provide for their own needs.

Let me read another promise:

> Enable women to participate fully and equitably in the economic life of the nation.

How does one do that by taking money away from women? Many times family allowance cheques are the only money they get. I see Hon. Members across the way reflecting upon this. They may be having second thoughts. Hopefully they will be able to vote the right way on this issue, as opposed to voting like training seals, the way their Leader and deputy Leader told them to. More than likely it was the deputy Leader.

Also the Tories promised to reform the institution of Parliament. They promised that under their regime they would not use closure. The Tories said that they would be accountable

through the Parliament of Canada to Canadian people. However, what happened to these accountable Tories? The spoils of power—no sooner were they elected and started to use fancy limousines parked by the west door, that they forgot about all the promises. They invoked closure seven times in 21 days. That is a record in the history of our country, a record of disrespect for Parliament. That is the Tory record.

[*Translation*]

Mr. Speaker, when the Conservatives go to their ridings this weekend, they will have to think about how they voted today or tomorrow. Mr. Speaker, I seriously advise them to change their minds and prevent the Government from reducing family allowances. The Canadian people will not stand for it!

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, as I listened to the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) defend this indefensible proposal by the so-called Progressive Conservative Government, I wondered if he would have made the same speech in an earlier Parliament when he represented the constituency of Winnipeg-St. James. In that constituency, unlike the constituency which he now represents that includes in its boundaries the wealthiest people in Metropolitan Winnipeg, he represented some poor people. I wonder whether he would have made the same speech then. I wonder whether he would make the same speech if he took the time when in Winnipeg to visit some of the church agencies which are handing out food baskets to people who are hungry, or some of the centres which provide meals for people who are hungry, or some of the schools in the core area of Winnipeg which have nutrition programs so that some of the children attending those schools get their only decent meal of the day. That is the situation in Winnipeg.

It is because of those kinds of situations, because we know how many people are in need and how many children are in need that we are so unalterably opposed to what the Government wants to do, insists on doing and brings in closure to achieve its aim.

From the end of World War II to about 1975, Canadian people and the political Parties which represented them federally and provincially seemed to agree that the country was wealthy enough and had the ability to provide a whole series of programs to meet basic needs and to put in place a floor below which people would not have to live. Therefore, we established the Unemployment Insurance Program and improved the Old Age Security Program. We established the Canada Pension Plan and provided universal hospital and medical insurance. We brought in the Canada Assistance Program under which the federal Government shared with the provincial Governments the cost of providing for basic needs of people who are unemployed or unable to work because of illness.

● (1230)

The Family Allowance Program was a fundamental part of the whole range of programs which we provided to the Canadian people. Until about 1975, there seemed to be a consensus that these programs should not only be continued but should be improved upon and expanded. Beginning in 1975 when the Canadian economy, like the economy of the rest of the world, began to experience serious problems, we began to see the beginnings of cut-backs. We saw a new and more onerous provisions imposed on the Unemployment Insurance Program. Doctors began to extra bill when provinces did not provide in their medical insurance plans enough money to pay doctors what they thought they should get. The Liberal Government put the six and five cap on programs including the Family Allowance Program.

During the last federal election campaign, the present Prime Minister (Mr. Mulroney) said that social programs were a sacred trust. He said that if the Conservative Party formed a Government, it would not only maintain the programs but would improve upon them. What we have seen since the election of the Conservative Government has been the exact reverse.

We have seen, in the Conservative Government's supposed determination to reduce the deficit which it claims is higher than the country can afford, that the Government is determined to impose cuts on a whole series of programs. We know about the new restrictions and cuts in unemployment insurance benefits. We know that the Government proposed to deindex old age pensions. Fortunately for the senior citizens, we were able to mount the kind of campaign that made the Government realize that there would be tremendous adverse political consequences if it proceeded with that proposal, so the Government backed down. However, as we can see today by this closure motion, the Government is determined to deindex family allowances.

The Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie), in his speech, tried to confuse the issue again by saying that family allowance benefits would increase. Of course they will increase. If the cost of living increases next year, as it seems to have increased this year, by 4 per cent, the family allowance benefits will increase by 1 per cent rather than 4 per cent. The amount Canadians will receive will decrease by 3 per cent in real value. If the cost of living goes up by 4 per cent in each year, and that is a relatively modest estimate as in the past it has risen by 10, 12 and 14 per cent, it is pretty obvious that the real value of the family allowance benefits will decrease throughout the years.

Why has the Government proposed to do this? It is because the Government says that we must reduce the deficit. What the Government is doing has been criticised by every single agency and group which is interested in the welfare of children and families. Let me put on the record a couple of the views of organizations which know a great deal more about the needs of families and children than the Conservative Government and the Minister of National Health and Welfare (Mr. Epp) who brought forward this proposal. The Canadian Council on Children and Youth put out a press release dated December 12, 1985, which indicated the following:

"By de-indexing family allowances, reducing the child tax credit and lowering the income level at which families are taxed on the child tax credit, the

Government of Canada is stating that Canadian parents are getting too much to raise their children."

"Nothing could be farther from the truth," said Brian Ward, executive director of the Canadian Council on Children and Youth. There are 6.3 million in Canada, and a shocking 20 per cent of them or 1.2 million are living in poor families.

I would invite the Hon. Member for Winnipeg-Assiniboine to join me in visiting some of these families to see what the proposal he is supporting will mean to them.

Again on December 12, 1985, the Vanier Institute of the Family said the following:

"Under their Christmas trees this year, parents will find a present to them from the federal government, a present wrapped in the prosaic prose of Bill C-70 which proposes to partially deindex Family Allowances."

The Institute goes on to say:

"It proposes a change that, over time, will make the Family Allowance program worth very little to Canadian families."

If the people of Canada have to tighten their belts, any Canadian Government which really cared about the people of Canada would see that the belt tightening would be equitable and would be done by those who could afford it most. What do we see? We know that there are something like 8,000 Canadians who had taxable incomes of over $50,000 and 270 Canadians who had taxable incomes of over $200,000 who did not pay a penny in income tax for the last year for which figures are available.

The Minister of Finance (Mr. Wilson) has announced that he is bringing in a minimum tax, a proposal which we urged for years and which the present Prime Minister (Mr. Mulroney) endorsed during the federal election campaign. We welcome that announcement but now that we have had an opportunity to look at some of the fine print, we realize that what the Minister is proposing is a great deal less than it seems to be.

It is not only individual Canadians who have not been required to do their fair share of belt tightening. Dome Petroleum Limited, under terms of a special law that gives the Cabinet almost unlimited powers to skirt the Income Tax Act, was given a tax break that could save the company up to $1 billion by 1990 on taxes payable by its subsidiary, Hudson's Bay Oil & Gas. If I am not mistaken, that was done under the former Liberal Government, so there is not much difference between the Liberals and the Conservatives.

Petro-Canada saved $250 million in taxes on its 1981 takeover of Petro-Fina Limited after the Liberal Government pushed through retroactive legislation in January 1984 to iron out a wrinkle that would have denied Petro-Canada tax breaks. According to the Auditor General, this extra $250 million is in addition to another bit of paperwork under which Petro-Fina's Belgian shareholders avoided about $200 million in taxes. As well, Olympia & York Corporation, when it purchased Gulf Canada, was able to use the loopholes in the tax system to reduce its taxes by between $500 million and $600 million.

The few illustrations given simply prove that the Government, while it talks about the need to reduce the deficit and the need to realize that we will not be able to have the same kind of benefits that were implemented over the many years, and while it talks about the need for ordinary people to tighten their belts, is continuing the same kind of policies which the former Liberal Government implemented and which this Government has expanded upon. An example of this is the $500,000 capital gains tax provision. The percentage of Canadians who can benefit from that provision is very small. It has been estimated that only 7 per cent of Canadians can benefit from this Government proposal which will cost the people of Canada hundreds of millions of dollars. It is only for the wealthy, while this reduction in family allowance benefits is only for ordinary Canadians.

• (1240)

Again, we see the Government, as we so frequently saw Liberal Governments, asking ordinary Canadians to make sacrifices and to pay a much higher percentage of their taxes to meet the requirements of the Government. At the same time the people in higher income tax brackets and large corporations are permitted to avoid, to a large extent, their fair share of what is required.

Again I say, as members of my Party have said, that the first time the Government brought forward this proposal we opposed it. We intend to continue to oppose it. We intend to alert the Canadian people to what is happening. We intend to remind them now and in the years to come until the next election who is responsible for the retrograde provisions which are included in this proposal.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, here we go again—another time allocation order. Closure has been imposed once more. More and more it is becoming the pattern, a matter of course, for this Government with its massive majority which surrounds the Opposition on all sides. More and more we are seeing time allocation orders with respect to debate on important principles.

I have said before, and I repeat, that under all circumstances time allocation is not objectionable. There are certain circumstances in which it can be quite legitimately justified. For example, let us suppose that there was a program or policy which was central to the philosophy of a political Party which was elected to power. In this instance, after due debate, let us suppose it was decided to bring in time allocation with respect to this central policy. I think Members of the House can understand and accept that. I have already used the illustration of Investment Canada replacing the Foreign Investment Review Agency. During the election campaign members of the Conservative Party made it clear that they did not believe in having a monitoring agency look at foreign takeovers in the country. They wanted to open the doors wide and let foreign investors come in and buy whatever they wanted to buy. They brought in a Bill to deal with this philosophy early in their mandate and they imposed time allocation on it. I disagreed with the Bill and argued against it. However, I can understand why the Government would use time allocation with respect to such a provision.

I now wish to turn to the matter of time allocation. Is it true that the central policy of the Conservative Government is to begin the dismantling of the Canadian social security system? Is that the central policy of the Conservative Party now that it is in government? It certainly appears to me that it is. Yet, I remember well that catchy phrase used by the Prime Minister (Mr. Mulroney) when he was asked repeatedly across the country about our social security system. He was asked: "Sir, is it under any threat by you?" He replied with that very memorable phrase: "No. This is a sacred trust". That question was asked for good reason since there has always been a suspicion in the country that the Conservative Party does not really believe in a comprehensive social security system. That is a suspicion which lingers in the minds of Canadians. That is why they wanted to be assured before they voted in the last federal election that our system would not be dismantled. They were given that assurance and we are now beginning to dismantle it. In order to get on with the dismantling, time allocation has been imposed.

I would like to ask the question: When is there sufficient debate on a Bill which is as controversial as this one? I suppose there are many answers to my question. I believe debate should not come to an end until the public has been made fully aware of the implications of a piece of legislation. That takes some time. After all, Canadians do not focus all of their attention all of the time on the House of Commons. They have jobs to do. They have families to raise. They have recreational pursuits to follow. They just do not spend all their time following the proceedings of the House. That is why they have sent us here. They say: "Look. We do not have time. We have important things to do. Go down there and keep an eye on those fellows. See what they are doing. Watch over them for us". Even though technology has given us an effective communications system, it still takes time to inform the public fully with respect to what is being done as a result of legislation which is introduced in the House. I would say that although the public is catching up quickly to what Bill C-70 means, it still needs additional time. That is what the Opposition is providing—additional time to inform the public and make it completely aware of what is involved in Bill C-70.

I argue that the Government has failed to make its case with respect to the validity of Bill C-70. We know that because petitions continue to pour in. They have not all been read. the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) argues that the House of Commons is having its time wasted because petitions are being read. He fails to understand what Parliament is all about. Do not the people of Canada who have become aware that a certain piece of legislation is threatening them have the right to petition the House of Commons? Do they not have the right to have their petitions read here in this place? They certainly do. It is a fundamental right. It is a basic right. The Hon. Member for Winnipeg-Assiniboine who suggests otherwise really reveals that even after all his time here he has failed to grasp the importance of the parliamentary system.

I wish to say that the petitions which have been presented have not only been presented by members of the Opposition. Some petitions have been presented by those who sit on the benches in the bookends. Those Government Members have had the courage to say that their constituents have a right to petition the House of Commons with respect to Bill C-70.

The Minister has said: "The Opposition is getting it all wrong. The family allowance will be increased". As my colleague just mentioned a few moments ago, the family allowance will be increased by 31 cents. At the same time we know that the rate of inflation has increased by 4 per cent. Therefore, the buying power of the family allowance cheque which will be sent to families in January will be much less. The Government knows that. It is a kind of callous misinformation for the Minister to suggest that the family allowance will be increased.

When the legislative committee met and representatives of the Canadian Labour Congress appeared before it, they pointed out clearly that the social security system and, in particular, the family allowance, will deteriorate and be undermined over a period of time. They gave this fact. They said that over a 20-year period, if one assumes a rate of inflation of only 3 per cent, and if we use 1985 dollars, today's $32 family allowance cheque will be worth only $18 in terms of its spending power in 20 years' time. This is a standard way of proceeding for the purpose of making such a projection. The child tax credit about which the Minister likes to argue will offset this decrease. He has said: "Don't forget the child tax credit". The Canadian Labour Congress looked at that as well and stated that in that same period of time, the Child Tax Credit will go from $384 in spending power to $326. The family income level for those who can qualify for this universal benefit will go from $26,500 today down to $13,800.

• (1250)

This Government has been rather clever in that the present formula for the child tax credit will improve for a three-year period. That cannot be denied. From 1987 to 1990, there will be an improvement in the child tax credit. But what the Government has not been forthright about is what happens after 1990. What happens to the child tax credit in 1991? We have looked at this area very carefully and we know that in 1991, deindexation will cause poor families to fall further and further behind in their buying power. We know that after that time the child tax credit, instead of increasing, will start to go down.

The Canadian Advisory Council on the Status of Women has called these changes unfair and unjust. It goes on to point out that the present system—the system this Government is changing—of family allowances fully indexed to the cost of living and taxed back from the wealthy by a progressive tax system, is clearly effective in transferring income from wealthy families to poorer ones. That is exactly what is the essential and primary role of any Government. What the Government does in allowing the family allowance cheque to deteriorate is to weaken one of the most prominent universal social programs

in the country. I call upon the Government and the Minister to let the present system of universal fully indexed family allowances be maintained. I ask that the increase in the child tax credit be not only for a short duration of three years but that it continue to increase to meet the genuine needs of families and their children in the future. I ask that the total amount of money spent to benefit families and children not be reduced but in fact increased.

I know why members of the Government would not want to listen to Liberals or New Democrats. I heard the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) spit out the word "Grit" with all the anger he could muster. I could understand that, but I wonder if that Hon. Member, who cannot stand Grits and New Democrats, hates with equal passion the Catholic Bishops of Canada?

Ms. Mitchell: He probably does.

Mr. Penner: Perhaps he does. I don't know. The Catholic Bishops have joined with other social agencies in this country to urge the federal Government to abandon its plan to limit inflation protection of family allowance payments. Bishop Proulx said that the Conservative Members of Parliament should persuade the Government to put a stop to this Bill. That same bishop, who heads the Council on Social Affairs, has written to the Minister of National Health and Welfare (Mr. Epp) and has described the changes in the family allowance payments. He said—

The Acting Speaker (Mr. Charest): Order, please. I am sorry to interrupt the Hon. Member but his time allocation has now terminated.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, this is the eighth closure motion I have participated in. It is becoming a habit. I guess it is called "Government by Progressive Conservatives' eighth closure motion".

Bill C-70, on which the Government has brought in closure, was introduced in the Budget back in May. The Government did not bring the Bill forward for months and months. Now here we are in the dying days of 1985 and suddenly it recognizes that it has to speed this thing up, and the only reason it has to speed it up is that it has all the cheques printed. The cheques are all ready to be put in the mail. That is exactly the way the Liberals used to operate. Before they even got Parliament to pass a law, they had all of the provisions in place. Then, of course, that forced their hand to use the kinds of Draconian methods such as closure to close off debate.

Bill C-70 is a very important Bill. It does not only deal with the deindexing of the family allowance. There is also a very sensitive clause which gives the Minister of National Health and Welfare the power to declare that the child is dead. So we have the spectacle of the Solicitor General (Mr. Beatty) setting up a national registry of lost children, when the Minister of National Health and Welfare, because of the very insensitive Clause 5, has the power to declare the child dead. The Government has not asked for the opinion of the provincial Governments on this question. It is a very serious constitutional question. Does the Government have the authority to do that in the first place? As I understand it, only one witness appeared before the committee to discuss the implications of Clause 5. The Government does not comprehend the seriousness of this issue. What are the implications for police forces across the country in terms of looking for lost children once they know that the federal state, because of one of its pieces of legislation, has declared a child dead? Is there the same incentive to look actively for the lost child?

I suspect it is only part of the cosmetology of the legislation to have the Solicitor General set up a national registry for lost children. I really want to appeal to the Conservative Government. I do not want to get members of the Government stirred up because I have their best interests at heart, but I must say to them that the Government is falling in the polls. I know Members of the Government read the polls and believe them like a Bible. I want to say to Members of the Government that their Party is dropping in the polls like a stone. Why is this happening? It is because the Government is bringing in legislation like Bill C-70. I want to tell the Government: cancel this Bill. Forget it. Let it die. Reprint the cheques or send them out and make good on the amount the following month. The Government can add the 60 cents back on in the following month. Then it might just go up in the polls just as it did when it backed off on the old age pensions. I think that is a wise suggestion which the Government should consider. It is not too late. It should repent before it is too late. Repent or ye shall be lost. I make this plea: You can be saved, brothers. Put your hand on your desk and repeat after me, "I will withdraw Bill C-70".

Some Hon. Members: Right on.

Mr. Rodriguez: All those in the House who think that Bill C-70 should be withdrawn say yea.

Some Hon. Members: Yea.

Mr. Rodriguez: All those who think it should not be withdrawn say nay.

The yeas have it, Mr. Speaker.

Hon. Members who said yea join thousands upon thousands of Canadians who have asked their Members of Parliament, through petitions, letters and telegrams, to plead with the Government to listen to the voice of the people, to be saved. I want to say to the Government that if it does what we ask, it will thank us in three months' time.

May I call it one o'clock, please, Mr. Speaker?

The Acting Speaker (Mr. Charest): I am sorry to interrupt the Hon. Member.

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

At 1 p.m. the House took recess.

S.O. 22

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 22

[*Translation*]

INDUSTRY

REQUEST THAT GOVERNMENT SEEK SOLUTIONS TO PROTECT GULF REFINERY JOBS IN MONTREAL EAST

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, we are all aware of the difficult situation in Montreal East, and I must say that ever since the Montreal East Survival Committee was set up on October 15, it has shown a tremendous spirit of solidarity and co-operation in its efforts to save both jobs and industries.

Mr. Speaker, in Quebec the situation is very bad in connection with the transaction between Gulf and Ultramar. I think the attitude of the president of Ultramar who is blackmailing and threatening the federal and provincial Governments is absolutely deplorable. I think he ought to follow the example of the people in Montreal East, who, instead of resorting to blackmail, sat down together to find a solution to their problems.

Unfortunately, we are now seeing the oil multinationals getting involved in an attempt to shut down the Gulf refinery and prevent Gaz Métropolitain, in which the Caisse de dépôt et de placement du Québec has an interest, from acquiring the Gulf refinery and getting a foothold in the market.

Mr. Speaker, I hope the Prime Minister and his Government will have the political courage to resist the pressure being exercised by the directors of the multinationals, that they will listen to the voice of reason and common sense and will find solutions to protect the jobs at the Gulf refinery in Montreal East and—

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

* * *

[*English*]

HEALTH

OPPOSITION TO USE OF DEPO-PROVERA AS CONTRACEPTIVE

Mr. Neil Young (Beaches): Mr. Speaker, Depo-Provera is a hormone drug which can be used as an injectable contraceptive. Among its reported side effects are blood clots, high blood pressure, irregular bleeding, excessive weight gain, severe depression, and hair loss. The long-term effects are not known at this time, but animal and clinical tests indicate infertility and increased risk of cancer and heart disease.

The U.S. Federal Drug Administration refused to approve Depo-Provera as a contraceptive in 1974, 1978, and again in 1983. Some 62 groups in Canada have formed a coalition to demand public hearings into this issue which is too important to be decided behind closed doors where the Minister's officials listen only to the company's story. I call upon the Minister to release the documents and research on which the advisory committee made its recommendation, and to open up the entire process to the public.

It has also come to my attention that this drug is being used on mentally retarded teenagers and other young people considered to be juvenile delinquents. This is not only unacceptable by any standard, it is immoral. I call upon the Minister to ban the use of this drug in Canada immediately and specifically prohibit its use on young children who are developmentally handicapped or are juvenile delinquents, until it has been proven safe.

* * *

MINES AND MINING

TIMMINS, ONT.—ACQUISITION OF KIDD CREEK MINES BY FALCONBRIDGE LTD.

Mr. Aurèle Gervais (Timmins-Chapleau): Mr. Speaker, I want to speak today about the recent acquisition of Kidd Creek Mines Ltd. by Falconbridge Ltd. The main asset of the company is an ore body in Timmins, the major community in my riding. Kidd Creek is the major employer in Timmins. Workers, suppliers and others have called my office and I want to assure them and the community that we feel the transaction will be a positive one. We have spoken to various people about this matter and all feel the local mining industry will be strengthened and Falconbridge will broaden its economic base.

We have been told that in the past Falconbridge has had a hands-off policy toward its wholly-owned subsidiaries, and we expect that to continue. Therefore the community can look forward to dealing with the same excellent management team at Kidd Creek which has operated the mine for the past few years. This team will now be seconded by the management team at Falconbridge, headed by President Bill James, who is also President of the Mining Association of Canada.

We would draw to the community's attention that the other major shareholder in Falconbridge is Dome Mines Ltd. As a result, people are available to Falconbridge who are very familiar with Timmins and local conditions. We have the same rich ore body, the same management team, enriched by those from Falconbridge and Dome, and the same highly trained and dedicated workforce, along with one of the most modern smelters in the world. Therefore the Kidd Creek operation and Timmins can look forward to the future with confidence.

• (1405)

AGRICULTURE

BENEFIT OF CAPITAL GAINS TAX EXEMPTION TO OLDER FARMERS

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, the May Budget provided that a farmer, to qualify for the immediate $500,000 capital gains exemption, had to have farmed the land for at least five years since 1972. Older Canadians who farmed for many years, but not for five years since 1972, expressed concern. I congratulate the Minister of Agriculture (Mr. Wise) and the Minister of Finance (Mr. Wilson) for listening to these concerns and acting by eliminating the reference to 1972, thereby expanding the definition of farm property qualifying for the immediate $500,000 lifetime capital gains exemption.

Now, effective January 1, 1985, land owned by the taxpayer and used by him, his spouse or children in the business of farming in Canada, either in the year of sale or in at least five years during which the property was owned by the taxpayer or his family, will qualify. Older Canadians who may have rented out their land in recent years, but who have farmed for at least five years, will now enjoy the immediate exemption retroactive to January 1, 1985.

Livestock drought assistance, fuel tax rebates, crop insurance, western grain stabilization, crop disaster assistance, the domestic wheat reference, the Soviet grain agreement, and the capital gains exemption, are but a few of the many responsible agricultural initiatives put forward by the Government—a Government that listens and acts.

* * *

ENVIRONMENTAL AFFAIRS

CLIMATIC CHANGES—CONSEQUENCES OF PROJECTED GREENHOUSE EFFECT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, this House and the present Government will be well advised to start plans and policies that will take into account the consequences of the greenhouse effect which, according to scientists, will cause temperatures to rise by two or three degrees centigrade around the globe over the next 70 years. Many will be the consequences of the warming-up trend. For instance, agriculture will shift northward. In southern Canada lands presently used for agriculture could be lost because of dryness. Therefore water will become more and more precious because our needs will increase considerably.

As a consequence of these climatic changes we will have to learn to manage our water better, to squander less and, most of all, not to yield to pressures for export and diversions of fresh water. Water conservation is a practice we should adopt. We should also drastically improve ways of controlling and regulating what we discharge into water so as to protect water quality.

At present, Mr. Speaker, water is perceived to be an abundant commodity. As our climate warms up, water will gradually become a commodity in short supply. This trend need not be a disaster provided we plan and manage well the transition to a warmer climate by a judicious use of our water resources and by becoming a water-efficient society.

* * *

HUMAN RIGHTS

VIOLATIONS IN IRAN—UNITED NATIONS RESOLUTION

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, on December 13 the United Nations General Assembly passed its first resolution expressing deep concern over "specific and detailed allegations of human rights violations in Iran". The resolution, I am proud to say, was initiated by Canada and the Netherlands, with 10 other countries co-sponsoring it. The resolution comments on the summary executions, torture, and oppression of religious minorities in Iran, and endorses continued monitoring of the situation.

Iran has been asked to extend full co-operation which, up until now, it has refused, including not allowing the U.N. Special Representative on Human Rights to visit Iran. We are told that it is of tremendous help to the Bahai's and other oppressed minorities in Iran to know that they have not been forgotten by the world, even when they are apparently without rights in their own country.

I urge the House of Commons and the Government of Canada to remain fully informed on this grievous situation and to support the Canadian delegation at the U.N. in maintaining the vigilant and courageous international leadership by which it has been distinguishing itself on this issue in its efforts to end persecution and atrocities in Iran.

* * *

[*Translation*]

VOLUNTARY ORGANIZATIONS

FIGHT AGAINST DRUNKEN DRIVING—OPERATION "RED NOSE"

Mr. Marcel R. Tremblay (Quebec East): Mr. Speaker, during the holiday season, in the Quebec metropolitan area, we will have what is known as Operation "Red Nose", a project initiated by Jean-Marie de Koninck, a professor at Laval University. For the time being, this operation is to be seen as a preventive mechanism. Now in its second year, after only six days there were 715 calls from people who took advantage of the service, and as a result, everyone got home safe and sound. "Play it safe for everybody's sake". Mr. Speaker, how distressing to recall that according to the statistics of Health and Welfare Canada, 49.7 per cent of drivers killed in accidents had alcohol in their blood. What folly!

S.O. 22

The second point I want to make is public awareness. Not long ago, at a cocktail party in Quebec City, I was very pleased to see that thanks to all the publicity about this operation, many business people had come by taxi. The organizers of this project are very serious-minded and always work in co-operation with one of Quebec's youth organizations, in this case, the "Rouge et Or" swimming team at Laval University, the local municipal police, in this case the Quebec City police, and a radio station with high ratings, in this case CHRC. The operation is part of our fight against drunken driving, and I may refer the House to Bill C-19. Mr. Speaker, I would urge other regions in Canada to do likewise.

I want to congratulate the sponsors, the volunteers and the participants in this operation—

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

* * *

• (1410)

[*English*]

AIR TRANSPORT

PRESERVATION OF SAFETY STANDARDS IN DEREGULATION PROCESS

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, all Canadians mourn the recent tragedy of the crash of the DC-8 at Gander, Newfoundland. At the moment the Canadian Aviation Safety Board, the U.S. National Transportation Safety Board and the U.S. Federal Aviation Administration are working together to determine the cause of this disaster. To date, the cause has not been found.

In wake of such a tragedy the Opposition have insinuated that with the Government's current proposals for economic regulatory reform of Canada's transportation sector, many more aviation accidents will occur. I find such insinuations morally reprehensible.

The Government will make a lot of changes to our regulatory framework but it will never allow safety standards for transportation services to be sacrificed for economic expediency. For the past several weeks the parliamentary Standing Committee on Transport has listened to the recommendations and concerns of many interested parties. During its entire lengthy proceedings, the committee stressed to all parties that safety standards would not be debated.

Canada's high level of safety standards is being maintained and has been enhanced. An example of this is the Government's passage of Bill C-36, an Act to amend the Aeronautics Act. As the Minister of Transport stated in the preface of his policy paper entitled *Freedom to Move:* "I would like to indicate unequivocally that the Government will neither propose nor permit any economic regulatory reform that might be detrimental to safety standards".

I hope that certain members of the Opposition who have an inclination for distorting the truth will take heed of the Minister's words and not try to induce panic into the Canadian public regarding transportation safety standards.

Mr. Speaker: Order, please.

* * *

INCOME TAX

EFFECT OF CHANGE ON MINERS IN NORTHERN ONTARIO

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I bring to the attention of the House an unfair situation involving my constituents in the Hemlo Gold find area of northern Ontario. It is an unfairness created as a consequence of the May 23 Budget.

The employees of the Teck-Corona Mine, near Marathon, as a result of the May 23 Budget have been divided into two groups: one group of 51 employees are forced to pay tax on a benefit derived from the company, a benefit in the form of a housing loan; at the same time another group of 49 employees with the same company will be receiving a non-taxable benefit from the same type of loan. This is all because of an income tax change which was included in the last federal Budget.

The company has been hiring its staff over the past year and a half. Therefore, many employees bought their houses before May 23. When Teck-Corona suggested that the Minister of Finance (Mr. Wilson) allow all housing loans to be exempt as of May 23, the Minister stated in a letter that an extension of this kind would represent an additional tax expenditure and would add significantly to the deficit. I doubt the validity of that assertion.

More important, we have a new tax measure which creates inequity among employees working for the same company and living in the very same community.

Therefore I ask that the Minister of Finance immediately reconsider his initial response. Let there be a grandfather clause in this tax relief measure.

* * *

COMMUNICATIONS

BELL CANADA—LOCAL CALLING CHARGES

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, recently there have been some rumours about Bell Canada proposing a charge for local telephone calls. I have been assured by both Bell Canada and the Canadian Radio-Television and Telecommunications Commission that there is no such proposal in the works.

Following press reports implying that local charges may apply in the event of deregulation, many of my constituents and others across the country have approached me with deep concern. Our senior citizens depend on local calling in emergencies, and for companionship during lonely hours. Children

and teenagers are a cash-poor group who need unlimited local calling to maintain healthy social lvies. And, of course, I need not tell any Member in this place about the devastating effect local calling charges would have on small business throughout Canada.

● (1415)

If the CRTC deems deregulation is advantageous for Canadians, so be it. However, Bell Canada should not react with local calling charges as part of a rebalancing for providing cheaper and more competitive long distance rates. If local charges become the only route to maintaining Bell profits, let us have smaller profits and equal service instead.

ORAL QUESTION PERIOD

[*English*]

FISHERIES

FISH INSPECTION STANDARDS

Mr. George Henderson (Egmont): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. Perhaps we could just give him a minute to get into his seat.

Mr. Siddon: Thank you for your consideration.

Mr. Henderson: Would the Minister confirm news reports that fish inspection standards have been lowered? It was only yesterday in the House that the Minister of Health stated—

[*Editor's note: And the Minister of Regional Industrial Expansion having entered the Chamber:*]

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Mr. Henderson: I hope that period of applause is not deducted from me, Mr. Speaker. I, too, want to welcome the Minister of Regional Industrial Expansion back to the House. It is good to see him here.

Some Hon. Members: Hear, hear!

Mr. Henderson: Yesterday the Minister of National Health and Welfare stated in the House that rancid fish products are intolerable. Why has the Minister of Fisheries allowed the standards for fish inspection to be weakened? Has the Minister not learned from his Government's mistakes?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, indeed we can be proud of the standards that are applied to the quality of fish products produced in Canada, notwithstanding the unfortunate incidents of recent months with regard to canned tuna products. I can assure this House that the quality standards, while they may have been changed, have not been weakened. Nonetheless, I am taking initiatives that will be announced later today to ensure those standards are reviewed to ensure the ultimate quality of product available to all Canadians.

Some Hon. Members: Hear, hear!

REVIEW OF STANDARDS

Mr. George Henderson (Egmont): Mr. Speaker, I am glad to hear the Minister is going to review the standards once again. Why do the new inspection standards require that smell from rancid tuna be persistent, distinct, and linger for 10 to 15 minutes, before being rejected? Is tuna that only stinks for five minutes okay for human consumption?

Some Hon. Members: Oh, oh!

Mr. Henderson: I want to ask the Minister some of those questions, and I hope he will look after them.

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, if standards are changed under this administration or this Minister, those changes will be designed to enhance the quality, not to lower the quality of product available to Canadian consumers.

Some Hon. Members: Hear, hear!

APPEARANCE OF TAINTED TUNA ON STORE SHELVES

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is for the Minister of National Health and Welfare. Two months after the Prime Minister said of tainted tuna:

> As soon as I found out about it, I dealt with it immediately.

and two months after the Minister of National Health and Welfare recalled the tainted tuna from the grocery shelves, it is still appearing on grocery shelves.

Is the Government so inept and the Minister of Health so incompetent in his control of the Department that they could not get the tainted tuna off the shelves and keep it off?

Hon. Jake Epp (Minister of National Health and Welfare): No, Mr. Speaker, that is not the case. I want to tell the Hon. Member that we have now recalled over 800,000 cans as a result of the recall ordered in September.

Since September, on the basis along with other responsibilities that people have in the Atlantic region, we have had between 75 and 100 people at a given period of time working on this recall. That is why I think we have had a very good recall with over 800,000 cans having been returned. Two cans have been found and detained. I would think that two cans in the retail system wherever they might have been, behind a box, behind a shelf, underneath a shelf, speak very well for what we have been doing.

Oral Questions

REQUEST FOR REMOVAL OF ALL CANS OF TAINTED TUNA

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, it is two cans for today, but we do not know what the future is going to be.

What steps is the Minister going to take this afternoon to ensure that every can of tainted tuna is off the shelf? In addition, what procedures will be tightened up within the Health Protection Branch to ensure that cans are not missed in some other future recall?

● (1420)

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, it is tight. We have been devoting the amount of person-years and the amount of money to that issue which I just outlined to the Hon. Member. He is a reasonable person. We have now found two additional cans in a recall of over 800,000 in the Canadian retail system. I think even he would admit that that is a pretty good system. We are continuing to monitor it. As I said yesterday, as the Prime Minister said, and as I said in September, we are not overlooking any effort which is physically possible for us as a Department to make sure that none of that tuna is on the shelves in Canada.

RANDOM INSPECTION PROCESS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. When we questioned yesterday about the most recent discovery of rancid tuna, the Minister in reply seemed to suggest wrongdoing by the former Government when he stressed that this particular batch had not even been inspected. Of course the Minister knows and acknowledged outside the House that the random process of inspection was not only conducted by the previous Government but is still ongoing. Considering that it is possible by this method of inspection to miss a whole lot of tuna, a considerable lot, without it being inspected at all, will the Government now tighten up the process to make sure all the tuna is inspected?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, perhaps I might answer the question asked by the Hon. Leader of the New Democratic Party. I will be announcing this afternoon a significant tightening up of the sampling procedure. I have ordered the meticulous examination of all canned tuna products produced in Canada on shelves in Canadian stores, by a rigorous sampling process. I have instructed my officials to implement immediately new inspection procedures ensuring that samples are drawn and analysed from every production lot of canned tuna at the plant of origin.

Some Hon. Members: Hear, hear!

MINISTER'S ANNOUNCEMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it is good to be able to hear this today. It is just unfortunate that the people of Canada did not have this process already in effect; perhaps we would not have have had this problem. Since the Minister said that he would make an announcement later today, does he plan to make it outside the House, or will he show respect for the institution of Parliament and the questions raised in the House by making his announcement here in the House of Commons?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I have just indicated to the House some of the procedures which will be followed. If the Hon. Leader of the NDP cares to ask more questions, I will elaborate.

Some Hon. Members: Oh, oh!

REQUEST THAT MINISTER MAKE STATEMENT IN HOUSE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like to shift the question away from the Minister, because we do not want to go through the whole process that we had on the de Havilland deal. It was like trying to pull teeth to find out information. I ask the House Leader or the Deputy Prime Minister whether they will take steps to ensure that the statement, to which the Minister just alluded, will be made later today in the House of Commons instead of outside the House.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I am certain that the Minister will be prepared to table his statement just as soon as he has it completed, later today.

PROTECTION OF CONSUMERS

Mr. George Baker (Gander-Twillingate): Mr. Speaker, we witnessed public outrage earlier this year when a Minister of the Government intervened to lower fish inspection standards, which caused tainted fish to be sold in stores across the country. The Government has had time to plug the holes, but now we discover that it has not. My question is directed to the Minister of National Health and Welfare. Why has the Government not been able to protect the public against unacceptable food products?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, what we have is an inspection procedure which was put in by the Liberal Party and followed throughout the entire Trudeau years. The Minister of Fisheries has said today that he is going to tighten it even further. What I am saying to him—and it goes back to what happened yesterday—is that that tuna was canned when his Leader was Prime Minister of Canada. That is what he should remember.

● (1425)

NUMBER OF GOVERNMENT INSPECTORS

Mr. George Baker (Gander-Twillingate): Mr. Speaker, perhaps my supplementary question will answer the first question better than the Minister did. Will the Minister confirm the

facts that we already have, which are that the numbers of inspectors have actually decreased since the Tory Government took office? Why did the Government do that?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the first fact is that the Department of National Health and Welfare has not cut the inspectors. The second fact is that when the Leader of the Opposition was the Prime Minister, and when Herb Breau was the Minister of Fisheries, they approved that fish and that procedure. They approved the inspection procedure and the canning of the fish.

Some Hon. Members: Oh, oh!

Mr. Epp (Provencher): That was the system at that time. Today it is being improved.

FOOD INSPECTION DEREGULATION INQUIRY

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is directed to the same Minister. We know from information gathered previously that hours allocated to food inspection have been decreased by the previous Government and are continuing to decrease under this Government due to the philosophy of deregulation of food inspections. Does the announcement made in the House today by the Minister of Fisheries indicate that deregulation of food inspection is now a dead issue and that we will return to the kind of food inspection service that we had before?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, there is no question whatsoever of deregulation in the food industry. For the Hon. Member to be sowing that kind of seed of fear in the hearts of Canadians is totally unworthy of him. If anything, the regulations applicable to food inspection will be tightened in order to ensure the highest possible standards of health and safety for the Canadian consumer.

AVAILABILITY OF INSPECTOR'S REPORTS

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, since the Minister of Fisheries has just acknowledged that they have to tighten up those regulations, can he tell us how consumers will be able to monitor the food inspection system so that they will have a way of knowing that their health and safety are being protected? At this time consumers cannot get the reports of the federal food inspectors. The only reports we are able to get are those from U.S. inspectors who do annual tests of Canadian plants anf file the information through the information laws in the United States.

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, Hon. Members will recall that when I was answering questions of a similar nature some time ago, I mentioned the food inspection services with respect to the work of the Ministerial Task Force on Program Review. At that time I mentioned an improved and centralized food inspection service that will eliminate the overlap and duplication of four Departments of Government. I am happy to inform Hon. Members that that work is progressing very well and is very close to completion. It will see vast improvements in the application of a regiment of regulations that will insist upon the highest standards of health and safety for all consumers in Canada.

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CROWN CORPORATIONS

SALE OF DE HAVILLAND—COMMITTEE CONSIDERATION

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. I am glad to see him back in good health.

Some Hon. Members: Hear, hear!

Mr. Kaplan: Knowing the Minister, I am afraid he has retained his obsession with dumping de Havilland at any price. Having followed the debate, as I am sure he did, has the Minister watched the public interest in the matter? Is he now prepared to take some of the 90 days that he negotiated within which this deal can be closed to tell Canadians what the real deal is all about, in order to settle the confusion and uncertainty and fill in the blanks before the deal closes?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, may I first thank the Hon. Member for York Centre for his kind personal remarks and I would also like to take this opportunity to thank all Hon. Members who sent such kind good wishes to me while I was in the hospital and afterward. It was very much appreciated.

• (1430)

In answer to the Hon. Member's question, I have been following the discussions. In fact, I have been both disappointed and almost alarmed in many ways that a deal, which I think is essentially a good deal, should be given a negative side and that misinformation is being circulated concerning it.

Mr. Turner (Vancouver Quadra): There is no information; that is the problem.

Mr. Stevens: I am sure that the Hon. Member, and other Hon. Members, will probably be pleased to hear that I certainly have no objection, and neither do my colleagues, including the President of the Treasury Board, to this matter being considered at the appropriate time by a committee of this House, at which time the information, other than that which may have some commercial sensitivity, can be put before a committee for full discussion.

Hon. Members will also be interested to know that this can be done prior to the closing of the deal. It turns out that while we are anxious to close this deal by the end of the month, in order to save about $60 million which the Crown may have to provide to de Havilland in additional financing, partly for procedural reasons and partly because Boeing has no objec-

tion, the closing can be postponed until some time later in January. I would be pleased to meet with a committee of this House, if it is so desired, to give the type of information which I am sure the Hon. Member would like to have.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: Now what are you going to do?

Mr. Deans: Claim a victory. What do you think?

Mr. Kaplan: Mr. Speaker, in light of that, I am really glad to see the Minister back. This change in the Government's attitude with respect to informing Parliament and the Canadian people about the deal is very welcome. I am glad that we will be given this opportunity.

REVIEW BY INVESTMENT CANADA

Hon. Bob Kaplan (York Centre): Mr. Speaker, I now wish to ask the Minister about the review by Investment Canada. He is bound to accept advice on the question from the Investment Canada agency which has been established by legislation introduced by the Government. Has he received the advice yet from Investment Canada? Will he inform Members of the House what that advice is when he does receive it?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I have been in touch with officials of Investment Canada. I have to tell the Hon. Member that, to date, they have not been in a position to advise me on this deal. However, I can certainly assure the hon. gentleman that I do not see any particular reason Investment Canada would have to rule prior to the committee hearing to which I have referred. At that time, undoubtedly, there will be ample opportunity for people to make comments, if they see fit, with respect to this transaction.

REQUEST FOR COMMITTEE HEARINGS IN JANUARY

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I would like to address my question to the Deputy Prime Minister in the absence of the Prime Minister. We have made more progress in terms of parliamentary scrutiny on the de Havilland deal in the one-half hour since the Minister of Regional Industrial Expansion has returned than in the 11 days we spent questioning the President of the Treasury Board.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Let's hear it for Sinc!

Mr. Cassidy: Since the Minister of Regional Industrial Expansion has indicated that we can have committee scrutiny of the de Havilland deal before it is concluded, will the Government now undertake to permit a committee, and give it a mandate, to look at the deal early in January, and possibly before the House returns, so that we will have scrutiny of the deal by Parliament before it is concluded?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, the Minister has just responded to that question. I see no inconsistency with his willingness to inform a committee of the House and the statements which have been made by the President of the Treasury Board. He now tells us that the closing may well be delayed until the end of January. Assuming our return here on January 13, there is that period of time between January 13 and the end of January to hold committee hearings. I can see no reason why those cannot be arranged through the usual machinery of Parliament.

Mr. Frith: This is the Christmas spirit!

REQUEST FOR COMMITMENT TO COMMITTEE HEARINGS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, it looks as though the spirit of Christmas cheer may well be with us in the House. I thank the Deputy Prime Minister for his comments. However, I would now like to be a bit more specific.

The Deputy Prime Minister also indicates that he sees no reason why this cannot be arranged before the deal is concluded. Could we have a commitment given here in the House today that a committee of the House of Commons will, in fact, examine the Boeing purchase of de Havilland before the deal is made final? Will the Minister assure us that we will have an opportunity to question the various parties involved and look at the documents before the deal is made final?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, if that is the wish of the House, and if the Hon. Member would like me to sign today's "blues" for him, I would be happy to do that. In the meantime the usual process would be for the House Leaders to discuss those arrangements, as is customary in making arrangements for that type of committee sitting.

Mr. Deans: What do you think we have been doing for the last three days?

Mr. Broadbent: Why didn't you tell Ray about that today?

Mr. Nielsen: The Leader of the New Democratic Party asks me why I did not tell my House Leader. I am asking my House Leader now to get together with the other House Leaders, as he has been all along in this whole scenario, to make those appropriate arrangements.

Some Hon. Members: Hear, hear!

[*Translation*]

INDUSTRY

INQUIRY IF GOVERNMENT WILL STOP TRANSACTION BETWEEN GULF AND ULTRAMAR

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. I also want to welcome him back to the House, and I hope he will be as nice to me as he was to my hon. colleague. Mr. Minister, you are aware that the Montreal East Survival Committee, the Official Opposition and the Quebec National Assembly are asking your Government to stop the transaction between Gulf and Ultramar.

Could the Minister inform the House today whether a decision was made by Cabinet this morning to advise the employees that you intend to stop the transaction between Gulf and Ultramar and allow Gaz métropolitain to buy the Montreal East refinery? Are you ready to announce that decision to the House now?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in response to the Hon. Member's question, he is quite correct. This is a matter which is before Investment Canada. Investment Canada is advising me. It has certain additional information which it would like to have confirmed or otherwise before it gives me final advice. As of this moment, I have not been put in a position to approve or disapprove the proposed purchase by Ultramar.

[*Translation*]

TIMING OF GOVERNMENT DECISION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, the Minister is aware that a decision must be made promptly. Speed is of the essence. The Minister of Consumer and Corporate Affairs has recommended that the transaction be stopped, for the sake of Quebec consumers. Could the Minister give the House the assurance that his decision will be made before tomorrow, or Monday at the latest?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I certainly can give the Hon. Member the assurance that we intend to arrive at a decision at the earliest possible moment. I doubt if it will be this week. Hopefully, it will be early next week.

* * *

AIR SAFETY

IMPACT OF INDUSTRY DEREGULATION—SITUATION IN UNITED STATES

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, earlier today we heard how the Government has seen the wisdom of reregulating the food inspection system in the country. I would like to ask the Minister of Transport a question regarding the impact of deregulation on aviation safety.

I wish to ask the Minister if he is he aware that the safety record in terms of injury and damages with respect to U.S. charter aircraft is nine times worse than that with respect to flights of scheduled airlines. American industry analysts are saying that travellers would be wise to choose their charter airlines carefully. Does the Minister accept this concept of buyer beware?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, since 1979 aviation safety in this country has improved progressively, thanks to the steps which we took when we were in government in 1979.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: I refer to the Dubin Inquiry and the legislation which flowed therefrom. As a matter of fact 1985 will probably go down as one of the best years in aviation history for Canada in terms of fewer accidents and fatalities. I think that is recognition of the fact that Canada's safety standards are high, will remain high, and will be enhanced wherever necessary.

MINISTER'S POSITION

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, in light of what the Minister has just said, and since the inspection staff he has available to him is only able to inspect carriers once a year, and then for only about two hours, just in terms of performing a paper inspection, how can he say to the House that in a deregulated environment we will not have some problems? How can he say that to us?

• (1440)

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, there is something in excess of 600 people involved in the inspection service for all elements of the inspection. If we need more, we will certainly consider that. But I must tell the Hon. Member that the Auditor General was very critical of some of the things Transport Canada was doing with respect to air traffic control towers and services of that nature. Perhaps that report will have to be looked at with some degree of objectivity.

However, I want to assure the Hon. Member, and all Hon. Members of this House, that this Government has no intention of degrading safety. It is clearly stated in the Freedom to Move paper. The Standing Committee clearly recognized that. And wherever necessary, as we have done in the past, we will be taking measures to enhance and secure safety for the travelling public at all costs.

Oral Questions

YOUNG OFFENDERS ACT

REQUEST FOR AMENDMENTS TO DEAL WITH SENTENCING

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Solicitor General. The Solicitor General is aware that because of the Young Offenders Act, a 14 year old, who was convicted in Toronto yesterday of the first degree murder of three people, faces a maximum sentence of only three years imprisonment, one year for each of the murders. Will the Solicitor General assure the people of Canada that the changes he is contemplating in the Young Offenders Act will deal to their satisfaction with this problem? And can he tell us when those changes will be placed before Parliament?

Hon. Perrin Beatty (Solicitor General of Canada): Mr. Speaker, I can indicate to the Hon. Member that I hope to place before Parliament legislation to amend the Young Offenders Act in the new year. I would like to have it passed prior to the summer recess, if at all possible. The next stage will be to meet with the provincial Attorneys General and Solicitors General in February to discuss this issue.

I might indicate that there is a provision in the Young Offenders Act for transfer to adult court with the consent of the court in cases where it is deemed to be appropriate. My understanding is that, in this particular case, leave to transfer was not sought.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—STATEMENT MADE BY U.S. NEGOTIATOR

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Minister for International Trade. Yesterday, in a meeting with the U.S. trade representative, it was stated that we would be shooting ourselves in the foot unless we agreed to put all matters of economic consequence between the two countries on the bargaining table. It really appears that the U.S. is aiming a gun at another part of the Canadian anatomy, not at our feet. Has the Minister agreed to those conditions which were put forward by the U.S. trade representative? Are we now agreeing that matters such as the cultural industry, the auto pact, financial services, and agriculture will now be on the negotiating table contrary to all of the assurances given in the past to the provinces, to private industry groups, and to this Parliament?

Hon. James Kelleher (Minister for International Trade): I am pleased to be able to advise the Hon. Member that I have not agreed in any way whatsoever to any conditions, as he put them, which were set forth by Mr. Yeutter yesterday. Let me say that it is quite normal, prior to the commencement of any negotiations, for parties to put their positions forward. That is their privilege. Mr. Yeutter did that yesterday. I would like to remind the Hon. Member, and all Hon. Members of this House, that our Prime Minister did so in Chicago and I did so in New York, and our position quite emphatically is that our cultural sovereignty and identity—

Mr. Turner (Vancouver Quadra): Tell us right here.

Mr. Kelleher: —are not on the table in these discussions.

Mr. Axworthy: Mr. Speaker, in the spirit of the new willingness to be forthcoming established by the Minister responsible for DRIE today, perhaps the Minister for International Trade might be prepared to make the statement in the House of Commons, not in New York or Chicago, on what the position of the Government might be.

AUTO PACT—GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): I would like to ask the Minister for International Trade specifically about the statement made by the Secretary of State in a letter written to the Automotive Parts Manufacturers that he sees no reason why the auto pact should be subject to negotiation. Specifically, did the Government now agree that the auto pact will be on the negotiating table as demanded by the U.S. trade representative?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I would again, if I may, remind the Hon. Member that not only have I made my statement in New York but I made the same statement here in the House on many occasions.

Mr. de Corneille: Answer the question.

An Hon. Member: Lloyd either doesn't listen or doesn't understand.

An Hon. Member: Lloyd was never there.

Mr. Kelleher: Perhaps the hon. gentleman was not here on that particular occasion. I can state that we have no intention at this time of putting the auto pact on the table, nor have we been asked to do so. But if the Americans wish to put it on the table, as the Secretary of State has set out in the past, there are two sides to a table and they are entitled to discuss it if they so desire.

UNITED STATES' POSITION ON AUTO PACT

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the Minister for International Trade. The reason we are so concerned about this set of demands is that the auto industry, with its safeguards for Canadians, gives us 130,000 jobs. When the question was raised by Mr. Yeutter yesterday, did the Minister turn to him and put it quite bluntly that in this case the U.S. was out of luck and the auto pact is not up for grabs in these trade negotiations?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, perhaps I can reply by reading to the Hon.

Member just exactly what Mr. Yeutter said yesterday: "From my viewpoint, everything is on the table but that should not be interpreted as meaning that the auto pact would be changed in any way. We should not draw any conclusions as to whether the pact will be changed at all. It seems to be working well".

Mr. Langdon: Mr. Speaker, that is not the question. We are trying to get a measure of this man's capacity as a negotiator.

MINISTER'S POSITION

Mr. Steven W. Langdon (Essex-Windsor): When Mr. Yeutter made his comments, did the Minister also add that not just himself, but the Minister of State for External Affairs and the Deputy Prime Minister had already ruled that out? Did the Minister take it off the table as he should have, given those comments in the House of Commons?

Mr. Fulton: Come on, fence post.

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, as I said previously on many, many occasions, we are not in the process of taking particular subjects off the table at this time. As I explained earlier, Mr. Yeutter is entitled to put forward the position of his country, just as we have put forward the position of our country on many occasions.

* * *

INSURANCE

PLIGHT OF UNITED CANADA COMPANY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Transport. I gather the Minister is familiar with the plight of an insurance company called United Canada which happens to insure 238 of the major trucking companies in Canada which represent 25 per cent of the trucking industry or approximately 23,000 jobs. During the last month United Canada has been in a deficit position and effectively 238 trucking companies on the road have been technically uninsured. Tomorrow the Superintendent of Insurance will close down that company and I want to know what action the Minister has in mind.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I would be very happy to explain to the Right Hon. Leader of the Opposition that both the Minister of Transport and myself have been in constant touch with the Truckers' Association and with the Province of Ontario.

Mr. Foster: There goes another $1 billion.

Mrs. McDougall: We do recognize the seriousness of this situation and have been working with the industry toward a solution. Even as we speak, the industry is discussing a private sector solution and when I have the complete facts on that I will be happy to inform the House.

IMPACT ON TRUCKING INDUSTRY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, if the company goes under tomorrow—it has been in deficit for a month and 25 per cent of our entire trucking industry is technically without insurance—it will be too late.

The Canadian Trucking Association has been in touch with us. It said it has been talking to the Minister of State for Finance and the Minister of Transport for the last four weeks without results. It is unable to find a private solution without some sort of federal guarantee to get it going. Is the Minister going to supply that guarantee?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, first of all, some of the truckers have found insurance with other insurance companies so I do not want the Hon. Member to over emphasize the problem, although I recognize it is serious. The truckers themselves know of my concern. However, at the moment negotiations are going on and I would not be prepared to prejudge their conclusion.

• (1450)

NEED FOR ACTION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I am trying to impress upon the Minister that she has no more time. Only 30 of 238 companies have managed to find other insurance and tomorrow some 25 per cent of the industry on the road will be uninsured. She has no more time and the Canadian Trucking Association takes this very, very seriously indeed.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I did not actually hear a question, but let me just say that the Trucking Association is very well aware of the concern and assistance this Government has given.

* * *

SMALL BUSINESS

REFORM OF CORPORATE INCOME TAX

Mr. Jim Jepson (London East): Mr. Speaker, my question is directed to the Minister of Finance and concerns small business financing. Many small businesses capable of making profits and competing in the market-place cannot survive simply because of cash flow problems as a result of the past recession. Can the Minister tell the House if reform of the corporate income tax now being considered will be aimed directly at alleviating this most serious problem for small business?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the interest of the Hon. Member in both the problems and opportunities of small business is well known to all Members. I appreciate his question. He is aware, I am sure, that in the May Budget we released a paper on corporate tax reform which touches on some of the concerns he raises. The tax reform is directed at reducing some of the tax incentives but at

the same time reducing tax rates if corporate tax reform is followed, and that should result in some increase in cash flow for small businesses.

* * *

UNEMPLOYMENT INSURANCE

CALCULATION OF PENSIONS AS EARNED INCOME

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. I hope the spirit of Christmas is still flowing in the Minister's heart.

Mr. Nystrom: Optimist.

Mr. Rodriguez: Some time ago the Government announced it was going to change the Unemployment Insurance Act so that pension income would be considered earned income as of January 1, 1986. I want to give the Minister a chance to repent before it is too late. Does the Government intend to proceed with that most barbaric regulation?

Mr. Broadbent: Don't be barbaric, Flora.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, as you know, this question has been asked on a number of occasions. I provided the answer on a continuous basis.

Mr. Frith: Back to church.

Miss MacDonald: That change to the regulations was first proposed on November 4, 1984. Implementation was delayed for a year in order to give employees and employers time to adjust to the change. As we announced at that time, it will come into effect January 1, 1986.

Mr. Nystrom: Scrooge.

FORGET COMMISSION STUDY

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, the Minister has told this House that she has referred this matter to the Forget Commission. Does she think it is fair or sensible to go ahead with the change on January 1, 1986, when the Forget Commission could very well study the matter and make recommendations? The Minister could then move on the matter. Does she not think she is being rather precipitate in this action?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, indeed I expect the Forget Commission will study this change as it is studying all aspects of the Unemployment Insurance Program.

Mr. Rodriguez: Then why make the change now?

Miss MacDonald: This one is no different. This was proposed much earlier than the establishment of the Forget Commission and will go into effect as we have indicated.

I will say, however, that there are many other issues in this field which have to be addressed, other adjustments which have to be made, as for instance the announcement made in Sudbury yesterday when the Government of Canada joined with the Government of Ontario and the private sector to provide some $5 million to help the people in the Sudbury area to adjust to changes in the labour force.

* * *

[*Translation*]

PETROCHEMICAL INDUSTRY

REQUEST FOR CLARIFICATION OF SITUATION IN QUEBEC

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. I am very happy to see him back, because his Government is in a state of utter confusion, and this is particularly true in the case of the petrochemical industry. My question to the Minister is as follows: Considering that his colleague at Energy, Mines and Resources claims that Quebec has a surplus production capacity, that the Director of Combines and Investigations is claiming there is a shortfall and that today, Quebec workers are caught in the crossfire, I want to ask the Minister who is telling the truth? What is the real situation in Quebec? Is there a surplus capacity or is there a shortfall, according to his information?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am pleased to receive the good wishes of the Hon. Member but I must inform him that I am no Solomon.

Mr. Beatty: Sure you are, Sinc.

Mr. Frith: You used to be Solomon.

Mr. McLean: Where did this modesty come from, Sinc?

Mr. Stevens: I cannot determine, as he says, who is telling the truth when there appears to be two conflicting statements. However, I can tell the Hon. Member that we noted the different conclusions referred to and I have asked our DRIE people to give me an explanation of why the two conclusions were arrived at.

[*Translation*]

INQUIRY WHETHER PRESSURE EXERTED TO PREVENT NEW COMPANY FROM ENTERING QUEBEC MARKET

Hon. Jean Lapierre (Shefford): Mr. Speaker, I know the Minister has decided to postpone announcing his decision in the case of Ultramar and Gulf, contrary to what was promised

by the Secretary of State, who said it would be announced tomorrow. Now, considering recent events, including the stated intention of Gaz métropolitain to get into the petroleum industry, could the Minister confirm to the House that he has had endless calls from the Petroleum Club and, more specifically, that there have been strong pressures on the part of the multinationals to stop a new oil company from entering the market in Quebec?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I hasten to reassure the Hon. Member that no pressures of the nature he has referred to have been brought to bear on me. He must bear in mind that the Gaz métropolitain offer he referred to was never put in a final written form. It also had certain conditions and it was $40 million or more less than the Ultramar offer.

* * *

AGRICULTURE

BEEF AND VEAL IMPORTS

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, my question is directed to the Minister of Agriculture. He will be aware that there has been a great deal of confusion regarding the level of beef and veal imports into Canada over the past few years, particularly highly subsidized imports from the European Economic Community. Can the Minister advise the House what those levels were for 1985 and what our Government will be doing to protect our valuable beef industry in 1986?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I welcome that question because it gives me another opportunity to demonstrate this Government's continuing support for the agriculture industry and, more specifically, the cattle industry. The Minister of International Trade and I announced today that we are going to invoke the Meat Import Act in 1986 in the same way we did 12 months ago for the year 1985. The heavily subsidized EEC beef which came into this country in 1984 amounted to some 50 million pounds. We invoked the Act, negotiated levels, and reduced that to 23 million pounds. That is a real measure of support for the Canadian cattle industry.

Mr. Speaker: Order, please. I have to say to the Minister that this may continue on statements.

Some Hon. Members: More!

* * *

EMPLOYMENT

1986 SUMMER YOUTH EMPLOYMENT PROGRAM

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question is directed to the Minister of Employment and Immigration who today announced her summer employment program for youth. Bearing in mind that $205 million was spent in 1985 on youth employment, how does the Minister have the gall to claim that this has been increased to $210 million in 1986 when $30 million is being used to subsidize the census without any guarantee of youth employment?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am very pleased to confirm that some $210 million will be spent during the summer of 1986 on employment for young people across the country.

Some Hon. Members: Hear, hear!

• (1500)

Miss MacDonald: We estimate, Sir, that that will involve some 118,000 young people during the summer months. I would hate to think that the Hon. Member for Windsor-Walkerville would try to deny young people the opportunity of taking part in the census which is a very important socio-economic part of the operations of government and, indeed, the country.

Some Hon. Members: Shame, shame!

Some Hon. Members: Hear, hear!

FUNDING INQUIRY

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I am as interested in summer employment and the census as is anyone else. However, I do not understand, and I would like to know, how the Minister can stand in her place and defend a scam through which money is taken away from the Canadian Jobs Strategy and transferred to the census without creating a single new job or a single new training place. Those are the facts.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, last year when the Government announced Challenge '85 the Hon. Member was very critical. I must tell you, Sir, that despite that criticism Challenge '85 was a tremendous success. It produced over 101,000 jobs.

Some Hon. Members: Hear, hear!

Miss MacDonald: Mr. Speaker, if Challenge '85 was that kind of a success without the co-operation of the Hon. Member, just think how successful Challenge '86 will be with his co-operation, which I invite.

Some Hon. Members: Hear, hear!

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CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of eight, presented by Hon.

Members on Wednesday, December 18, meet the requirements of the Standing Orders as to form.

The petitions presented by the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey), the Hon. Member for York West (Mr. Marchi), the Hon. Member for Richmond-Wolfe Mr. Tardif), and the Hon. Member for Essex-Windsor (Mr. Langdon) do not meet the requirements of the Standing Orders as to form.

The petitions presented by the Hon. Member for Okanagan-Similkameen (Mr. King), and the Hon. Member for Esquimalt-Saanich (Mr. Crofton) by filing with the Clerk of the House also meet the requirements of the Standing Orders as to form.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I think it would be appropriate to ask the customary question about the business of the House.

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, I think that the best way to respond at this time, without being in the least frivolous, is to say with all sincerity that we are now in the process of having meetings to see whether an agenda can be reached with respect to what will transpire between now and tomorrow afternoon. It is my hope that those meetings will be fruitful. I think I should say no more at this time other than that I intend to carry on the discussions as long as there is a possibility of coming to an agreement.

Mr. Gray (Windsor West): Mr. Speaker, I would like to ask the Government House Leader a question which does not relate to anything that we are discussing. In the House yesterday the President of the Treasury Board (Mr. de Cotret), in response to a question about whether there could be a parliamentary review of the de Havilland-Boeing matter before the deal is closed, said:

> Mr. Speaker, the answer to the last of the three questions is no. I have made that very clear before. The answer is absolutely no.

The Minister said that and, understandably, he is not in the House today. Since the Minister of Regional Industrial Expansion (Mr. Stevens) has indicated quite the contrary, could the Government House Leader tell us under what order of reference the committee hearings which have been promised by the Government can take place since, as far as I know, there are no Estimates before any of the committees which would provide a vehicle. If I am correct in this, will he immediately table a mutually satisfactory motion referring the matter of Boeing and de Havilland to the Committee?

Mr. Hnatyshyn: Mr. Speaker, as I indicated behind the curtains to the Hon. Member, my distinguished colleague, the Minister of Regional Industrial Expansion (Mr. Stevens), indicated just after I had my first meeting with the Opposition House Leader today that the matter would not finally be closed until later in January. This gave us a new dimension in terms of the available time.

Mr. Gauthier: Sure it did.

Mr. Hnatyshyn: The Hon. President of the Treasury Board (Mr. de Cotret) was, of course, only talking in terms of whether the House would have a veto power prior to the closing of the deal.

Some Hon. Members: Oh, oh!

Mr. Frith: This is revisionist thinking.

Mr. Hnatyshyn: This Party has always been quite prepared to use parliamentary vehicles and committees to their fullest extent.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: This is another demonstration of that willingness. I suggest to the Hon. Member and to the House Leader of the New Democratic Party that we will make arrangements that are mutually satisfactory to ensure that a full hearing will be held at a time convenient to the Opposition and to my distinguished colleague.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

STRIKING COMMITTEE—SIXTEENTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour of tabling, in both official languages, the Sixteenth Report of the Striking Committee.

PROCEDURE AND ORGANIZATION—FIRST REPORT OF STANDING COMMITTEE

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, I have the honour of tabling, in both official languages, the First Report of the Standing Committee on Procedure and Organization, on the Canadian Budgetary Process, to which the Committee, pursuant to Standing Order 70 (16), requests a comprehensive response.

[*English*]

LABOUR, EMPLOYMENT AND IMMIGRATION—SIXTH REPORT OF STANDING COMMITTEE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I have the honour to present the sixth report of the Standing Committee

on Labour, Employment and Immigration concerning the refugee claimant backlog. In accordance with Standing Order 70(16) I request that the Government make a comprehensive response to the sixth report.

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

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[*Translation*]

PARLIAMENTARY LOBBYISTS

TABLING OF DISCUSSION DOCUMENT—LOBBYISTS AND REGISTRATION OF PAID LOBBYISTS

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, pursuant to the provisions of Standing Order 47(2), I have the honour of tabling, in both official languages, a discussion document entitled: "Lobbyists and Registration of Paid Lobbyists".

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

ST. CLAIR RIVER POLLUTION

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, as Hon. Members will recall, I promised that before the end of the current year I would report back to the House and to the Canadian people on the results of the investigations into the so-called "blob" in the St. Clair River. Before doing so, Sir, allow me to apologize to the official spokespersons of the opposition Parties. It simply was not technically possible for me to get a copy of my notes for these remarks to them beforehand.

Mr. Guilbault (Saint-Jacques): We are getting used to this.

Mr. McMillan: Although the scientific investigation is not yet complete, I would like to make a preliminary report on the situation in the St. Clair River. It should reassure—

Mr. Turner (Vancouver Quadra): Mr. Speaker, I rise on a point of order. I do not want to interrupt the Minister, but it is necessary in this sense. This procedure of not giving the spokespersons for members of the Opposition adequate time is becoming contagious among Ministers of the Government. I wonder whether the Minister would give our representative and that of the NDP some time to look at copies of the statement by postponing it until later this afternoon or until tomorrow. We have had not time to look at this.

Mr. Langdon: Mr. Speaker, I rise on a similar point of order. I think that in the interest of informed exchange on ministerial statements it would be far, far better if at least a short period of time were permitted for opposition spokesmen to review the material to be read.

Mr. Speaker: I am required, of course, to indicate that this is not technically a point of order but a representation.

Mr. Gauthier: It's a point of politeness.

Mr. McMillan: Mr. Speaker, I have apologized to the Opposition.

Mr. Rodriguez: That's not good enough.

Mr. Keeper: That is not good enough. Resign.

Mr. McMillan: What I am giving to the House is the most—

Mr. Gray (Windsor West): Mr. Speaker, can I ask the Minister why he cannot make this statement tomorrow?

Mr. Speaker: Order, please! Order!

Mr. Gray (Windsor West): If he was not planning to be in the House he should give the House priority and be here tomorrow.

Mr. Speaker: Is the Hon. Member for Windsor West (Mr. Gray) rising on a point of order?

Mr. Gray (Windsor West): Yes. Mr. Speaker, I would like to ask why, under the circumstances, the Minister cannot make his statement tomorrow. If he does not plan to be in the House tomorrow, why can he not give the House priority, show some respect to Parliament, be here, make the statement tomorrow—

Mr. Speaker: Order, please. Order, please! I did indicate that these are not points of order but representations. I cannot, therefore, allow a point of order that is not a point of order to continue to be presented. I think Hon. Members know that.

• (1510)

An Hon. Member: What arrogance.

Mr. Thacker: Go downstairs then. If you don't want it in the House we will go downstairs to the press room.

Mr. Speaker: Order. The Hon. Minister of the Environment.

Mr. McMillan: Mr. Speaker, with all due respect to members of the Opposition who rose on this point of order, they can hardly argue that members of the Government have been discourteous, especially when the Liberal Party, when in goverment, made a practice of not even making statements in the House.

Mr. Turner (Vancouver Quadra): You don't know what you're talking about.

Mr. McDermid: You weren't even here, Turner. How do you know?

Mr. Speaker: Order.

Mr. Turner (Vancouver Quadra): We are not going to take that. We have had enough of you, Ray.

Mr. Speaker: Order, please.

Mr. Stewart: Oh, Johnny.

Mr. Speaker: Order.

Mr. Turner (Vancouver Quadra): We won't take any of this nonsense.

Mr. Speaker: Order, please.

Mr. Rossi: One language Stewart.

Mr. Speaker: The Hon. Member for Bourassa (Mr. Rossi), order. The Hon. Minister may resume his statement but I caution him that a point of order which I have ruled out of order should not be continued or commented on.

Mr. McMillan: Mr. Speaker, although the scientific investigation is not yet complete—

Mr. Keeper: Arrogant.

Mr. McMillan: —I would like to make a preliminary report on the situation in the St. Clair River based on the most up-to-date information as of 3.10 this afternoon. It should reassure both the Canadian public and Members of the House that the federal Department of the Environment is moving, in co-operation with the Opposition and the Government of Ontario, on all fronts to remove and identify the source of the tarry substance that is disfiguring the river and causing concern about the quality of the drinking water of thousands of Canadians.

I should explain that this statement is an interim one only, because the situation has proved to be more complex than the investigative team originally thought. Moreover, ongoing clean-up of the river has been complicated by bad weather. Since the House will not be meeting until after the New Year, as of tomorrow, I thought that nevertheless it would be useful to report on the findings to date.

To put the matter into context, let me briefly review the sequence of events in the St. Clair River. Certain tarry substances have been noted in the river since the mid-1970s. Continuous sampling has taken place, but it was not until two years ago that more sophisticated analytical methods were developed for this type of natural phenomenon. In 1984, the Great Lakes Institute, acting on behalf of both the federal Department of the Environment and the Ontario Ministry of the Environment, conducted a survey to identify "hot spots" in the St. Clair River. In August, 1984, a sample of the tarry substance was submitted to the Ontario Ministry of the Environment for analysis. In mid-August of this year, the tests were completed and, based on the results, additional sampling was authorized.

Between August 13 and August 16 of this Year, Dow Chemical situated on the river, spilled perchloroethylene, of which all but 2,500 gallons was recaptured. My first act, after my appointment as Minister of the Environment on August 19, was to instruct department officials to offer full scientific and technical advice to their Ontario colleagues in order to clean up the remainder of the spill.

By November 1, information from officials of the Department of the Environment made it clear to me that the problem was much more complex and potentially more serious than just the spill itself. That same day I set up a team of scientists whose only task since then has been to identify all the components of the so-called blob and to identify other pollution problems in the St. Clair River, locate their origins and begin working on solutions to them. That analytical team, I might say, includes Canada's most distinguished scientists in every relevant field—organic chemistry, hydro-dynamics, hydrogeology, pollution enginering, diving and underwater photography to mention just a few. There are more than 50 scientists in all working literally seven days a week on the St. Clair River problem. Moreover, because our American neighbours have a direct stake in the purity of the St. Clair River, I have kept Lee Thomas, Director of the Environmental Protection Agency in the United States, fully informed, and his scientists are giving my Department their complete co-operation.

In that first week of November, the *CSS Advent*, Environment Canada's scientific research vessel, was dispatched to the St. Clair River. Underwater photography gave us the first clear picture of the extent of the pollution there. Divers immediately began collecting samples from the riverbed and these have now been analysed in the laboratories of the National Water Research Institute. The scientific team has completed more than 2,000 analyses for a full range of organic pollutants.

On the basis of those analyses, the scientific team, established on November 1, is now integrating and interpreting data in order to provide a complete and coherent picture of the St. Clair River. By January 20, I expect to have their report and be able to release it to the House, and through the House, to the Canadian public.

On the basis of the work done to date, we do know that the so-called blob comprises extremely high concentrations of perchloroethylene and carbon tetrachloride. The two chemicals are used as dry-cleaning solvents and, in fact, it is the very properties that render them useful in dry-cleaning that make them obnoxious in drinking water. In this case, they have absorbed other contaminants throughout the St. Clair River into themselves and of course compounded the magnitude of the tarry-like substance that is now being vacuumed.

Let me turn now to private sector involvement in the St. Clair problem and the context in which it exists.

First, every Member of the House, and in fact every person in the country, has to recognize that we live in a chemical society. Today there are more than 60,000 chemicals being used in the world's trade and commerce, and more than 1,000 new compounds are being introduced annually. Each year, companies in North America produce more than a ton of chemicals for each man, woman and child living on the entire continent.

In Canada, economic and historical forces have combined to create a chemical valley along the St. Clair River and it includes Dow Chemical Canada Limited. We know that a key to the current problem is a spill of perchloroethylene by Dow between August 13 and August 16, 1985. Moreover, for many years, Dow disposed of chemical waste by placing them in abandoned salt caverns that lie below the riverbed. Other companies injected their wastes into the shallower Detroit Formation. I should stress that the companies' waste disposal methods were consistent with what was understood at the time to be safe.

● (1520)

Dow has been vacuuming the St. Clair River since concern first focused on the tarry material and is continuing to do so to this day. An area approximately 30 metres square is being cleaned. It has been divided into a grid comprising 66 squares and, as of noon today, 52 of them, or 80 per cent in all, have been cleaned. The material being vacuumed is being stored in a holding pond on Dow's property.

My Department's scientific team posits that three possible factors have contributed to pollution problems in the St. Clair River. First, over the years there have been spills from Dow and from other companies. Second, there is continuous discharge from the property of various companies directly into the river itself. Third, there is a continuous leakage, not from direct sources, that is to say from the companies themselves directly into the river, but from past underground waste disposal practices.

In my few remaining remarks I will address the third theory, a theory which has received wide attention. It holds that industrial wastes injected into the salt caverns at a depth of 600 metres have seeped through crevices up into the river bed. That particular doomsday scenario, my experts tell me, is an extremely unlikely possibility. They are, therefore, concentrating their efforts elsewhere. The question of seepage from the Detroit Formation has not been answered, either positively or negatively, to date. There is no absolute certainty yet, but there is increasing evidence that the dominant cause of the problem is Dow's recent spill, combined with a degree of continuing seepage from various sources, plus past environmental accidents.

I can assure Members of the House, in conclusion, that my Department is taking strong measures to counter pollution of the kind that has concerned us in the St. Clair River. However, the steps now being formulated for action in 1986 will go far beyond the one situation, the St. Clair River, however serious.

First, my Department is drawing up plans to control chemicals from the cradle to the grave and even before, using birth control on some new chemicals, if you will. This action will take the form of tough screening to ensure that only safe compounds and safe uses are permitted.

Second, the Department has already begun a thorough review of all existing environmental legislation, in particular the Environmental Contaminants Act, with an eye to overhauling and strengthening the entire range of laws and regulations. This process will be completed in co-operation with the other federal and provincial Departments which share jurisdiction for pollution control.

Third, in connection with the aforementioned review, we are laying the groundwork for a major rationalization of environmental law within federal jurisdiction.

Finally, there is a need to be concerned, not only with pollutants, but also with the resources they damage. In that regard my Department is drawing up plans for a Canada-wide water policy, a need which was clearly enunciated in the recently released Pearse Report.

Despite these bold measures, no Government, no company, no individual can be complacent about the events which have occurred in the St. Clair River. However, I think that these events have been highly instructive for all Canadians concerned about environmental protection. The St. Clair is an index of the degree to which we have become a chemical society. What is more, the state of the river is an indictment of our society for its carelessness and shortsightedness. If we are committed to a new era of chemical care and control—and I can assure you, Mr. Speaker, that the Government is unequivocally committed to that era and to bringing it about—the country must do an awful lot more than it has done to cope with what I have called the chemical society. If we take the actions required, the St. Clair River will be seen in future years to have been a turning point—yes, a watershed, quite literally—in the country's history.

Some Hon. Members: Hear, hear!

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, certainly it is not very helpful to receive a copy of the Minister's statement five minutes after he has started reading his text. It shows vacillation, it shows indecision until the last minute, and perhaps it shows a sloppy and disorganized office which cannot come up with a text in time for the Opposition to see it, even at the beginning of the Minister's statement. That process leaves very much to be desired, and my Leader has already made an intervention to that effect. It does not seem to be an isolated case. It seems to be an alarming and increasing pattern on the part of the so-called Progressive Conservative Government.

However, what disturbs me in the approach of the Minister is the fact that he made a high-sounding declaration about a chemical society and the St. Clair River perhaps being a turning point in the treatment of the situation in those waters. He did not address the broader and basic questions which flow from the cuts which he and his Government allowed in the research of toxic chemicals at a time when we badly need them. I am referring to the badly needed scientific knowledge, as corroborated two weeks ago by the Royal Society of Canada in its study, about the effect of toxic chemicals on human health and the cancellation of the centre which was announced in November, 1984 by the Conservative Government.

In addition to that, I refer to the cancellation of the $2.5 million which the Department of the Environment usually and regularly sought from the Treasury Board every year before

April 1, in order to intensify and conduct research on the leaking of toxic chemical dump sites into the Niagara River. Of course I am referring, in larger terms, to the broad $70 million cut in the National Research Council which includes matters related to chemicals and substances affecting human health.

In his statement the Minister focused upon the St. Clair River, but he failed to address the broader question of our international obligations to the Americans under the Great Lakes Water Agreement. That is a very serious flaw in his presentation today. We have an obligation under that agreement to the Amercains. We have an obligation to the communities downstream to Sarnia and Windsor and to our native people on Walpole Island. We have an obligation to deliver on the Canadian side of the river because we want the Americans to respect their obligations along the Niagara River where millions of Americans and Canadians are affected by a similar situation. It is only that the chemicals are different.

Some Hon. Members: Hear, hear!

Mr. Caccia: It is the linkage, the overview and the understanding of the totality of the picture in the Minister's statement today that dismay and shock me. The Minister arrived today a few minutes after three o'clock, apologized and expected to be treated in a kind manner both on substance as well as on process. That, Mr. Speaker, we cannot do for him.

• (1530)

Second, there has been a failure on the part of the Minister to recognize that the problem is not that of having a chemical society. We can have a chemical society with the number of chemical products that are produced and still have a clean society. The Minister has not addressed that point, the major point which preoccupies everyone in the country. Responsible companies and institutions can produce chemical products and still ensure that our water and air remain clean.

In his statement, the Minister failed to address the number of incentives that already exist in the Income Tax Act which favour the corporations operating along the St. Clair River. He has not indicated whether or not he has incentives in mind for those same corporations, incentives which would encourage them to introduce along the St. Clair River the necessary works that will permit the companies to clean up their acts at an accelerated pace.

Everyone knows that there are some companies along the St. Clair River which, in their daily operations, do discharge into the St. Clair River without sewer separation. This is a situation that must be remedied. Therefore, it is necessary to focus on the instruments the Government of Canada has in the Income Tax Act to accelerate the initiatives of companies toward cleaning up their daily operations now. If the facilities that exist in the Income Tax Act are not adequate for this purpose, perhaps the Minister could indicate which incentives he would like to adopt in order for the companies to separate the sewage, treat the discharges so that they will not be released into the river until they are safe and ensure that the monitoring equipment is up to date and not just mechanical as is the case with some of these corporations.

As the Minister said, the report is incomplete and I agree with that. It is a report that is based on temporary information. It does not really go to the cause of the problem. It simply deals with an assessment of the situation and its manifestations about which we know already. We have here a dangerous situation. Dow Chemical alone experienced some 11 spills between January and August of this year. Evidently, it is a company that has had certain difficulties and certain operating shortcomings that must be addressed.

The Minister has not addressed the shortcomings in the day-to-day operations of the companies that are causing the problem, willingly or unwillingly. In true Tory fashion, he has dealt with the symptoms and not with the root of the problem. That is what is distressing about his statement. He has simply told us to accept the fact that we have a chemical society and that we are now examining this particular river. He said in beautiful words that he was unequivocally committed to a new era but how are we going to arrive at a new era? That is what we want to know. I would have hoped that the Minister would have shown some leadership in coming to the House today before Christmas to indicate to us the road that he intends to travel beyond expressions of good intentions. That is not good enough.

We would like to express our dismay with the handling of this matter so far and also with another matter. At this time, two months have gone by since the Americans have submitted to the Government of Canada a plan regarding another river but one which is linked with this one because of our international obligations. The plan involves how to deal with the leaching along the Niagara River, a plan to which the Minister has not yet responded. The Government has not said a word about it. Therefore, I move, seconded by the Hon. Member for Ottawa-Vanier (Mr. Gauthier):

That this House do now adjourn.

Mr. Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Call in the Members.

The House divided on the motion (Mr. Caccia), which was negatived on the following division:

(*Division No. 153*)

YEAS

Members

Axworthy	Gauthier	Nicholson (Trinity)
Berger	Gray (Windsor West)	Penner
Boudria	Guilbault (Saint-Jacques)	Pépin
Caccia	Henderson	Prud'homme
Copps	Hopkins	Rompkey
de Corneille	Kaplan	Rossi
Finestone	Lapierre	Tobin
Foster	Malépart	Turner (Vancouver Quadra)—26.
Frith		
Gagliano		

NAYS

Members

Althouse	Fretz	Nowlan
Andre	Friesen	Nystrom
Angus	Fulton	Oberle
Beatty	Gagnon	O'Neil
Benjamin	Gass	Oostrom
Bernier	Gervais	Orlikow
Bertrand	Girard	Paproski
Binns	Gormley	Parry
Blais-Grenier	Gottselig	Pennock
Bourgault	Graham	Peterson
Boyer	Greenaway	Plourde
Bradley	Guilbault (Drummond)	Ravis
Brightwell	Gurbin	Redway
Brisco	Halliday	Reid
Broadbent	Hamilton	Reimer
Browes	Harvey	Robinson
Cadieux	Heap	Rodriguez
Caldwell	Hicks	St. Germain
Cassidy	Hnatyshyn	St-Julien
Champagne (Saint-Hyacinthe-Bagot)	Hockin	Schellenberg (Nanaimo-Alberni)
Champagne (Champlain)	Horner	Schellenberger (Wetaskiwin)
Charest	Hovdebo	Scott (Victoria-Haliburton)
Clark (Brandon-Souris)	Howie	Scott (Hamilton-Wentworth)
Collins	Hudon	Scowen
Cook	James	Siddon
Corbett	Jepson	Stackhouse
Cossitt	Jewett	Stewart
Côté (Lac-Saint-Jean)	Keeper	Tardif (Charlesbourg)
Côté (Langelier)	Kempling	Taylor
Crofton	Kilgour	Thacker
Crosby (Halifax West)	King	Towers
Crouse	Langdon	Tremblay (Québec-Est)
Darling	Layton	Tremblay (Lotbinière)
Daubney	Leblanc	Tupper
Deans	Lewis	Turner (Ottawa-Carleton)
de Cotret	MacDonald (Kingston and the Islands)	Valcourt
Desjardins	Malone	Vankoughnet
Domm	Manly	Vézina
Dorin	Mantha	Vincent
Duplessis	Marin	Waddell
Edwards	Martin	Warner
Elzinga	McCain	Wilson (Swift Current-Maple Creek)
Epp (Thunder Bay-Nipigon)	McCurdy	Wise
Epp (Provencher)	McDougall (St. Paul's)	Witer
Fennell	McInnes	Young—145.
Ferland	McKenzie	
Fontaine	McKinnon	
Fraleigh	McMillan	
	Merrithew	
	Mitchell	
	Nickerson	
	Nielsen	

● (1600)

Mr. Speaker: I declare the motion lost.

Point of order, the Hon. Member for Hamilton Mountain (Mr. Deans).

Mr. Deans: Mr. Speaker, I rise on a point of order to seek your guidance on the events which have just occurred. I want first to raise with you, Sir, whether you might consider and perhaps rule later on a question I want to place before you, that being that it was my understanding and has been ever since my entry into the House of Commons that it was necessary for a motion to be before the House in order that a motion to adjourn could be considered. I have attempted personally, in times past, to move adjournment during Routine Proceedings and I have had that adjournment motion ruled out of order inasmuch as there was no motion before the House. I would very much appreciate if at some time in the future you might reflect upon that and perhaps give guidance to the House as to the occasions during which such a motion might be acceptable.

The second point I want to raise for your consideration is this. Upon making such a motion to adjourn it must be assumed by the mover that the question could be decided in the affirmative. Thus the motion today had the potential of preventing my colleague from commenting on the statement of the Minister. That is most unusual behaviour. I can think of no occasion in this House of Commons—

Some Hon. Members: Hear, hear!

Mr. Deans: I can think of no occasion in this House of Commons where such a display of bad manners and lack of co-operation has ever been accepted.

Some Hon. Members: Hear, hear!

Mr. Foster: We knew he needed time to prepare, Ian.

Mr. Speaker: The Hon. Member raises two points, one of which is clearly not a point of order. The other one has caused me, I can tell the Hon. Member, some difficulty. He may have seen me, when I had a sense of what might be coming, consulting book after book after book. Let my try to say in the best way I know that it would give the Chair very useful quidance if the Standing Committee on Procedure and Organization were to deal with this question. I think that is all I should say on that matter.

The Hon. Member for Essex-Windsor (Mr. Langdon) is rising to respond to the Minister's statement?

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I do not want to deal with either the question of lateness of receipt of the official statement or with the points raised by my House Leader concerning the performance of the Liberal Party. Let me start with the conclusion of the Minister's statement where he says, I think eloquently, that the state of the St. Clair River is an indictment of our society for its carelessness and short-sightedness. That is absolutely true. That is the touchstone from which we should start. That is the basis on which we should proceed. If we take the situation in front of us, one which is summed up by the fact that at least 12 of the major pollutants which are part of the blob in the St. Clair River are also part of the U.S. Environmental Protection Agency priority pollutants, we have a small measure of just why that Minister and his Government have said that we face an awesome situation with respect to the cleanup of that river.

I want to pay tribute to a young man who came into my constituency office late in August of this year and said to me: "This may cost me my job but it's something I think you should know about". That was the first public acknowledgement, outside of the environs of the scientific community and members of Ministries of the Environment, that a classic, absolutely catastrophic environmental problem was in front of us as a society. I want to pay tribute, and I hope the House will also, to the courage of that young man. He is not part of any of these official agencies. He knew his job could be at risk because he was prepared to let the rest of society know that these high concentrations of cancer-causing dioxin had been discovered in the source of drinking water for my community and the communities of a great many other people in this country.

● (1610)

This is a deeply serious problem as I said when I first raised this question with the Minister at the beginning of our dealings with the problem. It is a chronic problem which we have known about since 1979 and 1980. At that time studies by the Ministry of the Environment in Ontario identified benzines and chlorethylenes within the St. Clair River, all of which have cancer-causing properties. Yet, at that stage nothing was done. The nature of the problem is demonstrated by the fact that between 1972 and 1984, 275 spills took place in the chemical valley. That is a totally irresponsible, totally unacceptable, and totally abhorrent level of consistent, chronic pollution which we should have acted on years ago.

This problem has not only affected the St. Clair River. Studies have been done by the Great Lakes Research Institute which indicate through their analysis of octochlorostyrene that throughout much of Lake St. Clair, a large, large body of water, there has been a spread of the chemicals coming from the St. Clair River. It is a problem which has been recognized by the Royal Society itself just this past week. Its damning study said that the people of the Great Lakes region face toxic chemical levels far in excess of those in any other part of the country. This is, again, an unacceptable, intolerable, and abominable situation.

What are the solutions to this problem? There has been a myth crated by Dow Chemical that all that is required is a short-term cleanup of this blob from its properties in the St. Clair River. It claims that because of a great spill—which no one denies took place—of laundry cleaning fluid last summer. Yet, Mr. Speaker, this blob and its toxic qualities existed in 1984, before that large laundry cleaning spill took place. Therefore, we are dealing with a problem which is much more deep-rooted than is suggested by Dow's excuses. We have a problem that has its roots, in part, in the lack of government action to give us guidelines on water pollution. Scientists have told us that 36 ou of 37 of the times within this blob do not even have guidelines to give us a direction as to what levels are safe within the waters outside our communities.

Above all, Mr. Speaker, we have a long-run challenge which is recognized by the Minister, although he does little about it in this statement. The challenge is recognized by the interim report of the scientists who have investigated the issue of a long-run problem of seepage from deep-pressure wells which have already had their effect in the tunnel that goes beneath the river at Sarnia.

We have challenges, Mr. Speaker, but from challenges there are lessons that we can learn. The lesson in this case is to toughen significantly the action that we as a society take against this pollution problem in our waters. This problem does not only affect our drinking water, but, through the food chain, affects our fish life and, through evaporation, affects the rain which falls on the crops on some of the best agricultural lands in the country.

We must respond with urgency. I fear, Mr. Speaker, that the vague commitments in this statement, welcome as they are, are not urgent enough. There are no commitments in this statement to ending the self-compliance by the companies in studying pollution. That is crucially required. Self-compliance has proven to be a recipe for irresponsibility on the part of the companies. There is no commitment to put in place urgently a zero discharge process which will stop, rather than reduce, the discharge of these dangerous toxic chemicals into our waterways. There is no commitment to making pollution a criminal matter as should surely be the case after 275 spills. There is no commitment to this ministry spending the money to give us the details we require for the new guidelines which will be able to give our communities a sense of security in their drinking watrs in the future. There is no commitment to reinstate the cuts to agencies such as the Toxicology Research Centre at the University of Guelph.

There is no commitment to restore morale within this Ministry. I do not think the Minister is responsible for that decline in morale, but that his Government is. I say to him with regret that he must take that decline in morale seriously. It must be a matter or urgent concern when some of the best scientists are seeking to leave the Ministry. It must be a point of priority for him to change those conditions of poor morale.

Finally, Mr. Speaker, I will make a point which has been made across Ontario. We have had far too many years of disaster in the St. Clair River, in the Niagara River, and in other parts of the country. We must have a commitment to probe why those disasters have been permitted to occur. The Environmental Law Society in Ontario has called for a judicial inquiry in the case of the St. Clair crisis. I support that call 100 per cent. Everyone in the House should support that call 100 per cent because we must get to the bottom of a situation that has allowed 275 spills to take place over a 12-year period.

● (1620)

Finally, I want to make a general point. Water pollution is not just a problem for Members of Parliament and Ministers. It is a problem for our communities and one which is killing people in our communities.

Our communities must fight back. They must form their own action groups and their own grass roots citizens' organizations, as has happened in Wallaceburg and in Windsor this

weekend, to lead the fight against pollution. These groups must be committed in a non-partisan way to water quality in our country.

I call on the Minister to display leadership. I believe that throughout the country there is a sense of hope that the Minister will take leadership. Above all, I call for urgency, seriousness and citizen involvement. We must stop trying to pretend that these pollution problems should be covered up in order not to give a bad name to our community. We must become serious and act now with urgency.

Some Hon. Members: Hear, hear!

Mr. Lewis: Mr. Speaker, there have been discussions with the opposition House Leaders with respect to the possibility of the House returning to tabling of documents so that the Minister of Fisheries and Oceans (Mr. Siddon) can table a document. I believe if you were to seek unanimous consent there might be disposition to allow us to return to that item under Routine Proceedings.

Mr. Speaker: Is there unanimous consent for that suggestion?

Some Hon. Members: Agreed.

* * *

FOOD AND DRUGS

TABLING OF DOCUMENT RESPECTING QUALITY OF FISH

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, in accordance with Standing Order 47(2), I have the honour to table in both official languages a document laying out measures to ensure the quality of Canadian canned fish.

Mr. Speaker: May I inform the House that because of the ministerial statement this day's sitting will be extended by 41 minutes. Therefore, Private Members' Hour will begin at 5.41 p.m.

* * *

[*Translation*]

PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCE AND CHILD TAX CREDIT

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I have the honour of presenting a large number of petitions which concern family allowances. These petitions ask the Government of Canada to reinstate full indexation of family allowances and the child tax credit.

Mr. Speaker, these petitions are from residents in the federal ridings of Richelieu, Shefford, Saint-Hyacinthe-Bagot, Québec East, Lévis, Portneuf, Trois-Rivières, Frontenac,

Saint-Maurice, Champlain, Scarborough North, Scarborough West, Etobicoke Centre and the community of Saint-Thomas, and finally, the City of Toronto.

[*English*]

Hon. Bob Kaplan (York Centre): Mr. Speaker, I too have a petition I wish to table—

[*Translation*]

—signed by an number of constituents in the riding of Saint-Hyacinthe declaring their support for family allowances and the need to continue these allowances without de-indexing them.

[*English*]

P.E.I.—NEW BRUNSWICK FERRY SERVICE

Mr. Les Benjamin (Regina West): Mr. Speaker, I have the honour to present a petition containing seven pages of names of residents from Prince Edward Island, New Brunswick and Nova Scotia. The undersigned, your petitioners humbly pray and call upon Parliament to revert the schedule of the ferry service between Borden, Prince Edward Island and Cape Tormentine, New Brunswick to the one that was provided for the winter service of 1984-85.

USE OF NANOOSE BAY TEST RANGE

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I have the honour to present a petition signed by residents of British Columbia, Alberta and Ontario expressing their concern that the Canadian Forces Maritime Experimental and Test Range at Nanoose Bay, British Columbia, contributes to the nuclear arms race and militarism in general. They ask the House not to renew the agreement between Canada and the United States authorizing the joint maintenance of the said test range, bringing to an end all weapons testing at the test range and to undertake to convert it to peaceful purposes.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I have a petition signed by Sharon Thomas and Lana Bowey of White Rock. They humbly pray and call upon the House of Commons to reinstate full indexation of universal family allowance and to rescind the unfair tax increases.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I think everyone is starting to get into the Christmas spirit.

I have the honour of presenting a series of petitions, and I will do as you suggested to the House, which is simply to announce the subject and the ridings, but I would like to name

the ridings because there are several, and they like to be considered individually instead of being lumped together.

As you know, this concerns the tax credit and family allowances. The petitions are from our friends, a lot of people from the riding of Sherbrooke.

I also have the honour of tabling a petition addressed to the Prime Minister by the riding of Saint-Denis, and one by Mrs. Marthe Fréchette, in charge of the Comité culturel of the well-known Cercle des fermières d'Ahuntsic, making the same request; I have a strong petition from the riding of Châteauguay on the same topic, namely family allowances and the child tax credit.

Mr. Speaker, my hon. friend has given me the privilege of presenting one of her petitions from the riding of Mount-Royal, for which I thank her, and I know that she herself will have another one later on from my riding. Mr. Speaker, we also have a petition on the same subject from the federal riding of Abitibi.

Mr. Speaker, it should come as no surprise that people as energetic and well-informed as the residents of the riding of Laval should also be very keen on having a petition presented on their behalf and on the same subject. And from the riding of Brome-Missisquoi, I think this is very important, since—

[*English*]

Mr. Speaker: Order, please. May I ask the Hon. Member to be very brief in continuing with his petitions?

[*Translation*]

Mr. Lapierre: It is important.

Mr. Prud'homme: I do not know how I can be any briefer, I am saying they are on the same subject. Mr. Speaker, since the formula is that the petitioners "humbly call upon the Chair", I would rather not say: "Here is a pile of petitions, that's it". There has to be a limit. If we expect petitioners to declare something humbly, I think it should be done with dignity, and that is what I am doing.

From the riding of Northumberland-Miramichi, a petition along the same lines. From many people of various Toronto ridings, yours included, Mr. Speaker, we have a similar petition. From the riding of Huron-Bruce, from the riding of—

[*English*]

Mr. Speaker: May I invite the Hon. Member to simply file the rest of his petition with the Table?

[*Translation*]

Hon. Jean Lapierre (Shefford): Mr. Speaker, I am also pleased to present a petition concerning family allowances and the child tax credit. You know, Mr. Speaker, a lot of people in my riding have asked me to present this petition on their behalf. I have several others which I present together, they come from my riding. And then, of course, hundreds of people from Vancouver Centre have asked me . . . They have a problem and I think they have asked us to look into it. Residents of the Ottawa region—certainly not Ottawa-Vanier, the other Ottawa ridings—did not have an opportunity to tell us about their concerns. People from Halifax have also asked me to present this petition to you, Mr. Speaker.

Naturally, the people of Nickel Belt have grave concerns about family allowances, Mr. Speaker. They have asked me to convey them to you.

My colleague from Sudbury (Mr. Frith) is out of the House for the moment, but he did ask me to present a petition from his constituents who feel exactly the same way and expect you to understand their problem, Mr. Speaker.

Then the people of Prince George who want us to present their petition.

• (1630)

[*English*]

Mr. Speaker: May I invite the Hon. Member for Shefford (Mr. Lapierre) to conclude as briefly as possible, please?

[*Translation*]

Mr. Lapierre: Mr. Speaker, I agree with you, but those people went to the trouble of having the petition signed by their neighbours, they deserve and have the right . . . I could read the whole formula.

Mr. Speaker, one here from residents of Ontario. A petition which has been circulated, and another one from the region of Sudbury urging you to give every consideration to their request.

Mr. Speaker, I have so many of them, and I know it is an important issue. More people from Sudbury who have asked us . . . Mr. Speaker, just so you will not lose patience—

[*English*]

Mr. Speaker: May I advise the Hon. Member that of course he knows that simply filing the rest of the petitions with the Table has exactly the same effect?

[*Translation*]

Mr. Prud'homme: Mr. Speaker, I rise on a point of order.

Mr. Speaker: The Hon. Member for Saint-Denis (Mr. Prud'homme) on a point of order.

Mr. Prud'homme: On several occasions, Mr. Speaker, you have . . . and I think you have every right to advise the House of the way we should proceed, because I do not understand. Canadians—

An Hon. Member: —men and women!

Mr. Prud'homme: Yes, Canadian men and women, as my hon. colleague has just said, have an ancient right. Should we say immediately: Mr. Speaker—

[*English*]

Mr. Speaker: Order, please. The Hon. Member has not raised a point of order.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I have the honour and duty to table a petition on behalf of residents of the Hull-Aylmer riding, more specifically the executive of the Cercle des Fermières du Québec, who are asking the Government to reinstate full indexation of family allowances and child tax credit.

I also have the pleasure and duty to present petitions from residents of the Manicouagan riding and the Brome-Missisquoi riding.

Mr. Speaker, I have similar petitions to table on behalf of residents of the Province of Quebec, more specifically from the federal ridings of Charlevoix, Chambly, Saint-Hyacinthe-Bagot, Jonquière and Langelier, who are asking the Government to reinstate full indexation. Also from the federal ridings of Drummond and Saint-Michel-Ahuntsic, the latter being represented by our colleague who is ill and to whom we wish a Merry Christmas, a very Happy New Year, and a quick recovery—

[*English*]

Mr. Speaker: Order, please. May I invite the Hon. Member to conclude as briefly as possible?

[*Translation*]

Mr. Gauthier: —the federal ridings of Trois-Rivières, Saint-Maurice, LaSalle and Champlain, all in Quebec, as well as the riding of—

[*English*]

Mr. Speaker: Order, please. May I simply advise the Hon. Member that he has the same effect by filing the rest of his petitions?

UNEMPLOYMENT INSURANCE—PENSION INCOME DEDUCTIONS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have several petitions dealing with the same topic to present. They are signed by several residents of St. John's, Newfoundland; by 216 residents of Windsor, Local 444 of the United Auto Workers Union; and by several individuals from Hamilton. These petitions call upon the Government to reverse the decision it has taken today in respect of using pension income as earned income for unemployment insurance purposes, which will take effect on January 1, 1986.

USE OF NANOOSE BAY TEST RANGE

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have another petition dealing with a different topic to present. It is signed by residents of Nova Scotia, New Brunswick, Newfoundland and Quebec. These individuals protest the use of the Canadian Forces Maritime Experimental and Test Range at Nanoose Bay, British Columbia. They believe that it contributes to the nuclear arms race and militarism in general, and call upon the Government to bring an end to all weapons testing at the said test range and to undertake to convert the said test range to peaceful purposes.

[*Translation*]

FULL INDEXATION OF FAMILY ALLOWANCE AND CHILD TAX CREDIT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have the honour and, even more, the duty to present a petition from some of my constituents in Vancouver Quadra who ask that the Government of Canada restore full indexation of family allowances and the child tax credit.

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, in my constituency of Saint-Jacques, people are also concerned about the cutbacks to the family allowance and child tax credit programs. They therefore ask that this Government reestablish full indexation of family allowances and the child tax credit.

In accordance with your instructions that we be brief, Mr. Speaker, I shall simply say where these other petitions come from without giving their contents since they are all on the same subject. I have one from Hamilton-Wentworth, in Ontario; another one on the same subject from Belleville, in Ontario; one from Pointe-aux-Roches, in Ontario, also about the indexation of family allowances; and one from the federal constituency of Glengarry-Prescott-Russell, in Ontario. I have another petition from residents of Toronto, one from the federal constituency of Saint-Maurice, in Quebec, and one from the constituency of Brome-Missisquoi.

Mr. Speaker: I would ask the Hon. Member to conclude as briefly as possible, please.

Mr. Guilbault (Saint-Jacques): I have another one from the beautiful constituency of Frontenac, in Quebec, one from the constituency of Berthier-Maskinongé-Lanaudière, in Quebec, one from the federal constituency of Saint-Jean, in Quebec, one from the constituency of Richelieu, one from the constituency of Shefford—

Mr. Speaker: Order, please. May I ask the Hon. Member to table the rest of his petitions which are on the same subject?

Mr. Carlo Rossi (Bourassa): Mr. Speaker, I have the honour and the duty to present petitions, and I know that you will forgive us, Mr. Speaker, for taking so long on this side of the House, but it is because the Government does not have any petitions, and the Hon. Member for Brome-Missisquoi (Mrs. Bertrand) seems—

Mr. Speaker: Order, please.

Petitions

Mr. Rossi: Mr. Speaker, I want to present petitions from the federal constituency of Richelieu, the federal constituency of Saint-Hyacinthe-Bagot, in Quebec, the federal constituency of Quebec East, the federal constituency of Portneuf, the federal constituency of Skeena, the federal constituency of Victoria, in British Columbia, the federal constituency of Comox-Powell River, the federal constituency of Prince George-Peace River, and also a petition from the good people of the consituency of Champlain, in Quebec.

Mr. Speaker: Order, please! May I ask the Hon. Member to conclude as briefly as possible?

Mr. Rossi: I have two more, Mr. Speaker.

From the federal constituency of Berthier-Maskinongé-Lanaudière, from a federal constituency in the City of Toronto and from the riding of my colleague for Ottawa-Vanier.

The undersigned pray that the Government of Canada will reinstate full indexing of family allowances and the child tax credit.

Miss Aideen Nicholson (Trinity): Mr. Speaker, I consider it an honour and my duty to present a few petitions signed by women who ask the Government of Canada to reinstate full indexing of family allowances and of the child tax credit.

Those women live in the following constituencies: Berthier-Maskinongé-Lanaudière, Brome-Missisquoi, Abitibi, Charlesbourg, Richelieu, Shefford, Saint-Hyacinthe-Bagot, Champlain, Mégantic-Compton-Stanstead; Saint-Boniface, Manitoba; Trois-Rivières, Quebec; Vancouver Quadra; Saint-Maurice, Québec; Restigouche, New Brunswick; Mississauga-South, Ontario.

● (1640)

[*English*]

FULL INDEXATION OF FAMILY ALLOWANCE

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I have the honour of tabling in the House today a petition signed by the residents of Dauphin, Manitoba, and the residents of the riding of Provencher, the riding represented by the Minister of National Health and Welfare (Mr. Epp). The petitioners indicate to the Government of Canada that they wish the Government to withdraw its plans to deindex the family allowances and they humbly pray and call upon Parliament to do that.

In addition, I table a petition on behalf of the constituents of the riding of Restigouche in the great Province of New Brunswick and from Campbellton indicating that the people of that riding have the same concerns about the plans of the Government to deindex the family allowances. In addition, I rise on behalf of my own constituents from the riding of Sudbury who also indicate to the Government their total displeasure with the Government's intentions with respect to family allowances.

Mr. Turner (Vancouver Quadra): Very well represented.

Mr. Frith: I would say that as well.

Mr. Speaker: The Hon. Member can conclude more briefly than this if he tries hard.

Mr. Frith: As well, I have petitions signed by the residents of Simcoe County and Renfrew Country. In addition, I want to indicate that I have a further petition from the residents of the great riding of London North who indicate their displeasure on the same matters of which I have spoken previously. As well, I have one last petition from the great Province of British Columbia which my Leader has the privilege to represent, including Surrey, British Columbia and Delta, British Columbia, and they also indicate their displeasure at the intent of the Government.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I have two sets of petitions. The first petition is from residents of my riding who live in Foam Lake, Kelvington, Elfros, Bankend, Hendon and Humboldt who note that the accelerating cut-backs in child benefits which will reach $600 million annually by 1990 on top of sales tax increases, excise tax increases and stiff income tax increases are unfair and place an extraordinary burden on middle and low-income households so they call on the House of Commons to reinstate full indexation of universal family allowances and to rescind the unfair tax increases.

USE OF NANOOSE BAY TEST RANGE

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I have a second set of petitions from the Hamilton area including residentss of Cambridge, Waterdown, Dundas and Ancaster, Ontario, who note that the Canadian Forces Maritime Experimental Test Range at Nanoose Bay contributes to the nuclear arms race and that the said station could cause environmental damage so they call on Canada not to renew its agreement with the United States, to bring to an end all weapons testing at the range and to undertake to convert the range to peaceful purposes.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have a number of petitions from people of my riding of Vancouver East and the Lower Mainland around Vancouver asking that the Government rescind Bill C-70 and fully re-index the universal family allowances and also rescind unfair tax increases.

I have another very interesting petition which is one of many which come from the riding of Surrey-White Rock-North Delta. I was very interested to see that the Hon. Member had only two signatures when we have had hundreds from his riding protesting the family allowance deindexation.

Mr. Turner (Vancouver Quadra): They want to go to a sympathetic Member.

Ms. Mitchell: That's right. They know where to go and—

Mr. Speaker: Order, please.

Ms. Mitchell: I must say that there have been a great number of petitions from that riding.

Mr. Speaker: I would ask the Hon. Member to do her petitions without comment.

Ms. Mitchell: Mr. Speaker, I have another petition from the Province of Quebec which is also opposing the Government policy to reduce the indexation of family allowance and asking for full indexation. Another petition is from Fort Erie and surrounding communities in Ontario and the petitioners are asking for the same thing.

YOUTH UNEMPLOYMENT

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have two other petitions on different subjects. The first one is from people in British Columbia who live in the Delta-Surrey area and they are asking that the House act to remedy the crisis which has to do with the youth unemployment in the Province of British Columbia which is at excessive levels and mention the fact that the provincial Government's five-year forestry program is inadequately funded and under-spent and the petitioners respectfully submit that the House remedy these two crises by initiating labour-intensive reforestation and silvaculture projects.

USE OF NANOOSE BAY TEST RANGE

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my next petition is on a different subject and comes from many people in the Vancouver area and I see that there is representation from Guelph, Ontario, as well and from Victoria and it asks that the House of Commons not renew the agreement between Canada and the U.S. authorizing the joint maintenance of the test range at Nanoose Bay and bring to an end all weapons testing at the said test range and undertake to convert the said test range to peaceful purposes.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I have a number of petitions from my constituents in that great riding of Renfrew-Nipissing-Pembroke and some from other parts of Canada. These petitioners protest vehemently the deindexing of universal family allowance and feel that this move is very unfair to women in particular and that it is also particularly unfair to young families and single-parent mothers. They pray that the House of Commons reinstate the full indexation of universal family allowance and rescind this unfair form of tax increase. The first petition is from the Pembroke-Petawawa, Ontario, area. The second petition is signed by people from the communities of Cobden, Forester's Falls and Renfrew and the Opeongo Road. The third petition is signed by people from Pembroke, Eganville and other places in the Valley. Fourth, I have a petition here signed by several citizens from Scarborough West. I have another petition here from people who live in the constituency of York North. I also have a petition signed—

Mr. Speaker: Order, please. May I invite the Hon. Member to conclude very briefly, please?

Mr. Hopkins: This petition is signed by many people from the Toronto area including those from Scarborough, Etobicoke, Rexdale and Mississauga. Next I have one from—

Mr. Speaker: Order, please. I must invite the Hon. Member to table the remainder of his petitions. That has exactly the same effect.

[*Translation*]

WITHDRAWAL OF BILL C-70 REQUESTED

Mr. David Berger (Laurier): Mr. Speaker, I also have here a number of petitions from citizens who ask the Prime Minister to immediately withdraw Bill C-70 which is aimed at deindexing family allowances.

The undersigned believe that the whole of our society must share the responsibility for children and that the principle of universality must be maintained.

The first petition, Mr. Speaker, comes from residents and citizens of the federal constituency of Berthier-Maskinongé-Lanaudière.

The second petition, Mr. Speaker, comes from the federal riding of Verdun-Saint-Paul, which has been represented here by our former colleague, Mr. Savard, who was recently elected Mayor of Verdun.

[*English*]

Mr. Speaker: Order, please. I think the Hon. Member could conclude by presenting his petitions briefly without comment.

• (1650)

[*Translation*]

Mr. Berger: Mr. Speaker, the third petition comes from the federal riding of Sherbrooke.

The fourth petition comes from the riding of Chambly, Quebec, and they have the same objective as the previous ones.

Now, Mr. Speaker, I have a petition from residents of the federal riding of Rosemont, which as we know is represented by the Minister of State for Transport (Mrs. Blais-Grenier). I also have a petition, Mr. Speaker, from the federal riding of Longueuil, on the south shore from Montreal. There is also a petition from the federal riding of Restigouche, New Brunswick.

[*English*]

I also have a petition from the—

Mr. Speaker: Order, please. I invite the Hon. Member to table the rest of his petitions.

The Hon. Member for Algoma (Mr. Foster).

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Maurice Foster (Algoma): Mr. Speaker, I have several petitions which call upon the Government to withdraw the deindexation measures with respect to family allowance. In this regard a petition from St. Hyacinthe points out that this measure will cost families $55 million over the next two years in respect of family allowance benefits.

The second petition I have is from Etobicoke North. It calls upon the Government to withdraw the Bill with respect to the deindexation of the family allowance.

OPPOSITION TO BILL C-70

Mr. Maurice Foster (Algoma): I also have petitions from Skeena, Portneuf, Shefford, Richelieu, Champlain, Saint-Maurice, Comox-Powell River, Toronto, Surrey-White Rock-North Delta in British Columbia, Saint-Jean in Quebec, and Québec-Est. Each and every one of these petitions prays that the Minister of National Health and Welfare (Mr. Epp), who is with us this afternoon, withdraw Bill C-70. I hope he will bear these petitions in mind and soften his heart at Christmas time.

USE OF NANOOSE BAY TEST RANGE

Mr. Jim Fulton (Skeena): Mr. Speaker, I have three different petitions to table in the House today. The first contains eight pages of signatures from petitioners in the Queen Charlotte Islands, specifically from Queen Charlotte City, Tlell, Masset, Skidegate and Skidegate Landing, who are concerned about the Canadian Forces Maritime Experimental and Test Range at Nanoose Bay. Their concern is that Canada and the United States should stop the use of the test range and bring to an end all weapons testing at the said range.

The second petition is from petitioners in the Vancouver area. They also share the concerns about Nanoose Bay. They hope that the test range will soon be converted to peaceful purposes which would be more useful.

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Jim Fulton (Skeena): Mr. Speaker, the third petition I have is from Ontario. It raises concerns about the amount of money which is going toward tax-free capital gains and handouts to the oil companies and banks while at the same time the Minister of National Health and Welfare (Mr. Epp) is cutting back on the indexation of the family allowance.

The final petition I have is again from the Delta area. The Hon. Member who represents that area does not seem to receive too many petitions from constituents in his own riding. It concerns—

Mr. Speaker: Just present the petition, please, and no comment.

Mr. Fulton: The petitioners who have signed this petition are concerned about the deindexation of the family allowance.

[*Translation*]

FULL INDEXATION OF FAMILY ALLOWANCE AND CHILD TAX CREDIT

Mr. Guy St. Julien (Abitibi): Mr. Speaker, it is my duty, as the Member for Abitibi, to table a petition requesting full indexing of family allowances and the child tax credit.

[*English*]

Mr. Speaker: I invite the entire Liberal caucus to resume their seats, please.

[*Translation*]

Mr. St. Julien: Mr. Speaker, that petition is signed by 80 Members and by Jeannine Barrette, President of the Cercle des fermières of St-Mathieu, Abitibi.

[*English*]

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, it is an honour to follow a Conservative Member of Parliament who has backbone.

Some Hon. Members: Hear, hear!

Mr. Tobin: Mr. Speaker, as per Your Honour's instructions, I wish to present a series of petitions which are all on the same subject. I will not bother to read each and every one. I wish to present a petition signed by people from the federal riding of Hull-Aylmer who protest the cut-backs and deindexing of the family allowance.

I wish to present a petition from the constituency of Saint John, New Brunswick. The residents who have signed the petition protest the cut-backs in family allowance payments.

As well, I present a petition from the residents of Laval. The people who have signed this petition protest the reductions and cut-backs in family allowance payments.

I wish to present a petition from residents of Richelieu who protest, as well, reductions in family allowance payments.

I wish to present a petition from residents of Verchères, who protest the vicious cut-backs in family allowance payments. I only used the adjective, Mr. Speaker.

I wish to present a petition from the residents of Saint-Jean who are protesting the brutal and vicious cut-backs with respect to family allowance payments.

Mr. Speaker: I ask the Hon. Member to conclude briefly.

Mr. Tobin: Mr. Speaker, this is what the petitioners are saying.

I wish to present a petition from the people of Drummond, who protest the terrible cut-backs in family allowance payments and ask Conservative Members to stand up and to be counted.

[*Translation*]

WITHDRAWAL OF BILL C-70 REQUESTED

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I have here a number of petitions from residents of some of the major constituencies in Canada asking the House of Commons that the Government withdraw Bill C-70. They are the constituencies of Etobicoke Centre, represented by the Minister of Finance (Mr. Wilson), of St. Paul's and of Manicouagan.

Mr. Speaker, I have another one here from the constituency of Manicouagan. Those people ask and demand that the House of Commons urge the Prime Minister to withdraw Bill C-70 in order to protect family allowances. They are from the constituencies of Champlain, Hochelaga-Maisonneuve, Rosemont . . . the people from the riding of Saint-Jacques are very well represented. The people from the riding of Verchères . . . Mr. Speaker, I have only two other petitions left, from the ridings of Richelieu, and Saint-Hyacinthe-Bagot, and I can assure you that tomorrow we will deal with the rest of them, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 46, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for York East (Mr. Redway)—Environmental Affairs—Task force on chemical accidents; the Hon. Member for Davenport (Mr. Caccia)—Environmental Affairs—Great Lakes chemical toxicity. (*b*) Government actions; and the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria)—Trade—Canada-United States negotiations—Agricultural marketing quotas. (*b*) Quotas—Government position.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCE

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I have in hand three petitions coming from ridings in Quebec. I would like to begin with a petition from the federal riding of Richelieu; secondly, with a petition from Champlain, and thirdly, one from Saint-Hyacinthe-Bagot.

Those three petitions, Mr. Speaker, obviously have to do with the indexation of family allowances. Each one of them urges the Government of Canada to restore the full indexation of family allowances.

[*English*]

USE OF NANOOSE BAY TEST RANGE

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a petition signed by people from the Ladysmith and Vancouver areas of British Columbia. They protest the plans which are going on with respect to the test range at Nanoose Bay, British Columbia, which I am told is a beautiful part of the world just north of Nanaimo. They pray we not renew the agreement between Canada and the United States of America to authorize the joint maintenance of the said test range.

The second petition I have concerns Nanoose Bay as well. It is signed by people from the City of Vancouver. They want to see an end to all weapons testing at the said test range brought about.

The third and last petition on this particular topic comes from Vancouver as well. The people who have signed this petition want a public inquiry before the present agreement is negotiated between the two great countries of the United States of America and Canada.

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have another petition signed by people from British Columbia. This petition is with respect to the question of family allowances. The petitioners protest the deindexation of the universal family allowance.

The next petition I have is also from the City of Vancouver. The petitioners protest the deindexation of the family allowance. They say that this will place an extra hard burden on low and middle income households.

The last but not the least petition I have is also on the subject of the deindexation of family allowances. The petitioners protest the fact that this will mean that a very unfair and intolerable burden will be placed upon low and middle income people. I am sure the Minister of National Health and Welfare (Mr. Epp) would agree with that and he would be doing the same thing if he were sitting here in opposition.

Petitions

• (1700)

SHOE IMPORT QUOTAS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my petitions are very unusual because they include not only the signatories but also a boot which is full of coal and which will be sent to the Prime Minister (Mr. Mulroney)—

Mr. Speaker: Order. May I invite the Hon. Member to present her petitions without comments or displays.

Ms. Copps: Mr. Speaker, my boot is from Susan Shoes and Cougar Shoes in Hamilton whose employees are among the hundreds of signatories who have already sent petitions to our office. Because the Canadian footwear industry is responsible for 20,000 jobs at an estimated value of $830 million per year and because the industry has made serious efforts to improve its efficiency and productivity, the Government's decision to end quotas on footwear imports as announced on November 20 will cause widespread damage. We pray that the Minister for International Trade (Mr. Kelleher) and the Prime Minister will reinstate quotas on all footwear imports for the next five years thereby protecting existing jobs and allowing for the creation of new jobs in the industry.

I have another petition from the employees of the De Carlo Shoe Co. in Toronto. There are almost 100 signatories.

I have another petition signed by more than 100 workers in the great area of Cambridge who are concerned about the fact that over the last four months, five shoe manufacturers have either closed down their operations or have had serious lay-offs as a direct result of the Government's decision to cut import quotas. They humbly call upon the Prime Minister and the Minister for International Trade to reinstate quotas in order to save 20,000 jobs in the footwear industry.

FULL INDEXATION OF FAMILY ALLOWANCE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have another petition from the great riding of Hamilton East, the greatest riding in the country of Canada—

Mr. Speaker: Order, please. Could the Hon. Member conclude her petitions briefly, please, and restrict herself to the petitions.

Ms. Copps: This particular petition is from the Women's Coalition on Family Allowances which calls upon the Government as follows: We the undersigned ask the Prime Minister (Mr. Mulroney) to act immediately to withdraw Bill C-70 which would reduce the indexation of family allowances. We believe children are everyone's responsibility and the principle of universality must be maintained.

SHOE IMPORT QUOTAS

Ms. Sheila Copps (Hamilton East): I have a petition from a different group, from 211 workers from the city of Toronto, again referring to the loss of jobs which is imminent as a result of the decision of the Government to terminate shoe quotas. The petition is signed by more than 200 workers in Toronto who call upon the Government to reverse its unwise decision to cut off the workers in the footwear industry.

FULL INDEXATION OF FAMILY ALLOWANCE

Ms. Sheila Copps (Hamilton East): I have another petition from the great—

Mr. Speaker: Could I ask the Hon. Member to please conclude very briefly.

[*Translation*]

Ms. Copps: Yes, Mr. Speaker. I have a petition from another group, the Coalition of Women for Family Allowances from the riding of Champlain, which is asking the Government—

Mr. Malépart: They have no Member there!

Ms. Copps: With those deuces of spades over there, we of course have to present their petitions. This petition comes from citizens asking full indexation of family allowances for all children and families, especially the single-parent families.

Mr. Speaker, I only have another petition which I will briefly introduce. It comes from the riding of Trois-Rivières and asks the Government which had undertaken during the election to take steps aimed at helping women—

[*English*]

Mr. Speaker: The Hon. Member is also reading the petitions, which is not allowed.

FULL INDEXATION OF FAMILY ALLOWANCE AND CHILD TAX CREDIT

Mr. George Henderson (Egmont): Mr. Speaker, I only have one petition from a group of citizens from the riding of Longueuil. They ask me, through you, Sir, to beg this Government to restore full indexation of family allowance and child tax credit. I must say, Mr. Speaker, these people are in very hard straits and I want some sympathy for them.

[*Translation*]

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have several petitions to present and they do not deal with the same matter. I will try to make it short, because I am sure that you would like me to do so.

[*English*]

SHOE IMPORT QUOTAS

Mr. Don Boudria (Glengarry-Prescott-Russell): I have here a petition signed by employees of the Celebrity Shoe Factory Limited at 53 Hymus Road in Scarborough, Ontario who ask the Government of Canada to reinstate shoe quotas.

I have another petition on the same topic. It is signed by 95 employees from Toronto who work at the Eve Footwear Incorporated Shoe Factory in Toronto.

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Don Boudria (Glengarry-Prescott-Russell): I have a series of petitions with respect to family allowance which I would like to present to you, Mr. Speaker, very briefly. The first petition is from the town of Rockland and Clarence Creek in the great riding of Glengarry-Prescott-Russell.

I have another petition from the federal constituency of Sudbury. The people there, of course, are so well represented in this House. I have other petitions from the riding of Mississauga South, from Hamilton-Wentworth, Scarborough West, Broadview-Greenwood and the City of Toronto.

[*Translation*]

The federal riding of Trois-Rivières, the ridings of Champlain, Jonquière, Portneuf in Quebec, Quebec East, Saint-Hyacinthe, but I wonder where are the Members for those ridings, Mr. Speaker. The next and last—

Mr. Speaker: Well, that is fine, thank you.

Mr. Boudria: —one cames from constituents of Shefford who are so well represented in this House, Mr. Speaker.

[*English*]

USE OF NANOOSE BAY TEST RANGE

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I have a series of petitions to present. The first group requests the House of Commons to not renew the agreement between Canada and the United States of America authorizing the joint meetings with respect to the test range at Nanoose. These come from Edmonton, Alberta and Victoria, Smithers and Parksville, British Columbia.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Mr. Stan J. Hovdebo (Prince Albert): The second group of petitions deal with family allowances. The signatories are from British Columbia, Ontario and Quebec. The petitioners call upon the House of Commons to reinstate full indexation of universal family allowance and to rescind unfair tax increases.

USE OF NANOOSE BAY TEST RANGE

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I am glad to have the opportunity to present a petition today. I have two petitions dealing with different subjects and I will go through them briefly.

The first petition comes from Nanoose, British Columbia. It deals with the Canadian Forces Maritime Experimental and Test Range which contributes to the nuclear arms race and militarism, causes environmental damage and is of doubtful economic value. The petitioners call upon the Government and this House not to renew the agreement between Canada and the United States authorizing the joint maintenance of the said test range, to bring to an end all weapons testing at the said test range and to undertake to convert the said test range to peaceful purposes. That is the first set of petitions.

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Cyril Keeper (Winnipeg North Centre): The second set of petitions, Mr. Speaker, deals with family allowances. The petitioners point out that the deindexation of family allowances is an attack on families and children and is unfair in light of the tax breaks which are being given to the rich. They call upon the Government to rescind the deindexation of family allowances and return to a just social policy in this country.

FULL INDEXATION OF FAMILY ALLOWANCE AND CHILD TAX CREDIT

Mr. Neil Young (Beaches): Mr. Speaker, I have several petitions as well to present from various parts of the country. To expedite matters I will refer to one only. The petitions are from areas in Nova Scotia, British Columbia, Ontario and Saskatchewan. The petitioners state that the deindexation of the universal Family Allowance is an unfair attack on women and families. They further state that this attack will not be offset by changes to the Child Tax Credit and that other tax increases in the May Budget will place an unfair burden on low and middle income earners.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I rise to do my humble duty in the name of the constituents of Mount Royal who are quite distressed about the Government cuts and wish to have full indexation restored to the Family Allowance and Child Tax Credit. This budget measure will take away $55 million in family benefits by 1987.

• (1710)

[*Translation*]

And now from the riding of Brome-Missisquoi. Mr. Speaker, I have the honour and the privilege of presenting, on behalf of the constituents of this riding, a request for repeal of the measures aimed at reducing family allowances and the child tax credit which are vitally needed by families with children.

That was from Brome-Missisquoi. And the organization is called: Opération Justice Familles avec enfants.

Mr. Speaker, from the riding of Richelieu, of Saint-Hyacinthe—the riding of our Minister of State for Youth (Mrs. Champagne)—the riding of Dollard, whose Member has been in China for three weeks, and the riding of Etobicoke Centre, and I think the Hon. Member is in the House, the riding of Quebec East, the riding—

[*English*]

Mr. Speaker: Could I ask the Hon. Member to conclude as briefly as possible, please.

Mrs. Finestone: Mr. Speaker, these are very concerned citizens. I am pleased to present petitions from the ridings of Portneuf and Shefford in Quebec, as well as Broadview-Grennwood, Spadina and Thunder Bay-Nipigon. I have two petitions as well from extremely unhappy people in Kitchener and Toronto, Ontario.

[*Translation*]

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, the constituents of the lovely riding of Saint-Maurice have been calling me at my office, insisting that their Member rise in the House to present petitions on behalf of the electoral district of Saint-Maurice.

Mr. Speaker, the residents of the riding of Saint-Maurice respectfully state that the Government programs providing family allowances and the child tax credit are vitally needed by families with children, and that a large proportion of these families are headed by single parents, who form one of the most disadvantaged groups in our society.

And they therefore humbly pray that this petition be tabled in the House of Commons. I think I will dispense with reading all the names mentioned in this petition, since I would not want to take up too much of the time of the House.

Mr. Speaker, I have another one from the riding of Saint-Maurice, because these constituents are very disappointed with the Government's attitude. They have asked me to present another petition on the same subject. Family allowances are extremely important to the people of the riding of Saint-Maurice and the residents of all neighbouring ridings including Trois-Rivières . . .

Mr. Speaker: Another petition on the same subject?

Mr. Chrétien: I would like to table a petition on family allowances. Mr. Speaker, I welcome this opportunity to lay on the Table of the House another petition from the people of the riding of Saint-Maurice.

I even received a petition in my office from residents of the riding of Moose Jaw in Saskatchewan, Mr. Speaker. They sent me a petition that—

Mr. Speaker: Order, please. I don't think I have to explain our practice with respect to petitions for the benefit of the former Minister. Has the Hon. Member for Saint-Maurice almost finished?

[*English*]

Mr. Chrétien: Mr. Speaker, the people from Moose Jaw have written a petition asking the Government not to proceed with this disgraceful legislation which will take bread away from their children. They are humbly asking me to present to Your Honour here this afternoon this petition of concerned citizens from the beautiful City of Moose Jaw in the beautiful Province of Saskatchewan.

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, I would also like to present to this House petitions sent by residents of various constituencies. I have a very special one from the federal constituency of Manicouagan, represented by the Prime Minister, whose residents object to the decision of the Government not to provide full indexation of family allowances and the child tax credit. I have been asked to present this petition to this House in the hope of convincing the Government to reverse this very unfortunate decision.

I also want to present a petition on the same subject from residents of the federal constituency of Charlesbourg. I also have a petition from residents of the federal constituency of Saint-Hyacinthe. I have another petition from residents of the federal constituency of Verchères. I also want to present a petition from residents of the federal constituency of Louis-Hébert, Mr. Speaker. I also have a petition sent to me by residents of the federal constituency of La Prairie. Also, Mr. Speaker, I have a petition on the same subject presented for the same reasons by residents of the federal constituency of Terrebonne.

Finally—

Mr. Speaker: I must ask the Hon. Member to be as brief as possible, please.

Mr. Ouellet: I shall hurry, Mr. Speaker, but the least I can do is to point out that this petition comes from residents of the federal constituency of Rosemont. I have another one from the federal constituency of Berthier-Maskinongé-Lanaudière.

[*English*]

Mr. Speaker: Order, please. May I invite the Hon. Member to file with the Table the rest of his petitions?

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I have the honour to present petitions from a grand coalition of people across this country who deeply protest the injustice of this Government and the victimization of children and families as contained in the present legislation. My first petition is on behalf of the very wonderful people in the constituencies of Saskatoon East and Saskatoon West in the Province of Saskatchewan. Accompanying those petitions are petitions from the federal constituency of Victoria which is in the Province of British Columbia. They too protest this injustice perpetrated by the Government.

Quickly jumping from Victoria to parts of central Canada with which you would be most familiar, there is a large petition from people in the City of Toronto, a place which you dearly adore and love—

Mr. Speaker: Order, please. Could we have the petitions without the travelogue?

Mr. Axworthy: Mr. Speaker, it is all for the sake of information. The people of Toronto also protest this action.

Along with the people of Toronto we have their wonderful neighbours in Scarborough North. They also wish to present a petition on behalf of children and families. Just slightly to the other side of Toronto we have a petition from people in Hamilton-Wentworth.

Mr. Speaker: Order, please. I invite the Hon. Member to conclude as briefly as possible.

Mr. Axworthy: Hamilton-Wentworth is a very long word and I want to get it out clearly.

Mr. Turner (Vancouver Quadra): Very badly represented, too.

Mr. Axworthy: There are a number of people from that area who also wish to protest. Coming back from Toronto to the west coast, we have people from the constituency of Vancouver Quadra who also wish to present a petition.

Mr. Turner (Vancouver Quadra): Hear, hear!

Mr. Speaker: Order, please. The Hon. Member knows be can achieve the same purpose by filing the rest of his petitions with the Table.

Mr. Axworthy: Mr. Speaker, I have one further petition, if I might, from Calgary South, Calgary North and Calgary West.

Mr. Speaker: Order, please.

• (1720)

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, without imposing a travelogue on you, I simply want to report the fact that the Women's Coalition for Family Allowances has completed a petition in Toronto and wishes to have it deposited in the House. The petition urges the Prime Minister (Mr. Mulroney) to abandon the deindexation of the family allowance and to restore it to its normal process.

A group of citizens from Red Deer, Alberta, have expressed the same wish. In Saskatoon East and North a group of citizens have presented a number of signatures with the same intent.

[*Translation*]

I also have the honour, Mr. Speaker, to present to the House petitions from citizens of the Moncton region and the riding of Montreal-Sainte-Marie who want the full restoration of the indexation of family allowances and the child tax credit. I have another one from the riding of Montreal-Sainte-Marie; another one from the riding of Montreal-Sainte-Marie; another one from the riding of—

[*English*]

Mr. Speaker: Order. May I invite the Hon. Member to be as brief as possible in his conclusion.

[*Translation*]

Mr. Caccia: —Montreal-Sainte-Marie, plus two more from the same riding.

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I have several petitions from several federal ridings of Canada in protest against the deindexation of family allowances. Naturally, the first petition I am presenting comes from the beautiful riding of Outremont, and it has been signed by men and women who vehemently protest against the decision of the Government to deindex family allowances.

I have also received petitions from the ridings of Montmorency-Orléans and Saint-Hyacinthe-Bagot. I have several petitions from the riding of Sherbrooke. I have many more petitions in my office, and all those people are protesting against the de-indexation of family allowances.

I received others from Lac-Saint-Jean and Beauce, in Quebec. Still against the deindexation of family allowances, petitions from men and women of Trois-Rivières, Saint-Maurice and Champlain who protest against the deindexation of family allowances. I have some from Mégantic-Compton-Stanstead, sent by the Coalition des femmes pour les allocations—

Mr. Speaker: Order, please. I would ask the Hon. Member to please conclude quickly.

Mrs. Pépin: Quickly . . . Brome-Missisquoi, St. John, N.B., New Westminster-Coquitlam, Saskatoon West, LaSalle and Richelieu. Of course, all these people are asking the Government to reconsider its decision to deindex family allowances.

[*English*]

USE OF NANOOSE BAY TEST RANGE

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I have a number of petitions here on different subjects. The first two deal with the Canadian Forces Maritime Experimental and Test Range at Nanoose Bay, British Columbia. It point out that it is of doubtful economic value, causes environmental damage, and contributes to the nuclear arms race and militarism in general. It calls upon Canada not to renew the agreement with the United States of America and to bring to an end all weapons testing at the said test range.

The second petition, Mr. Speaker, deals with the same subject. It calls for a full public inquiry before the present agreement is renegotiated. The signatories on both of those petitions are from Vancouver Island.

OPPOSITION TO BILL C-70

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, the third petition I have deals with Bill C-70. It points out that one in five children under 16 in Canada live in poverty, that Bill C-70 will party deindex family allowances,

and that this means that all families with children will eventually lose—

Mr. Speaker: Order, please. I regret to interrupt the Member, but I think he knows that all references to "points out" or the preamble are out of order.

Mr. Manly: It calls upon the Government to rescind Bill C-70.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Mr. Jim Manly (Cowichan-Malahat-The Islands): I have a third petition which calls upon the Government to reinstate full indexation of the universal family allowance and to rescind the unfair tax increases. This petition, Mr. Speaker, is signed by residents from the riding of Cowichan-Malahat-The Islands.

RIDING NAME CHANGE

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I have a further petition which I am sure Members from all sides of the House will wish to join me in. It reads as follows: "We, the undersigned, do humbly pray—" and I stress the word "humbly"—"that the name of the riding of Saint-Maurice be changed to "Saint-Maurice-Bay Street".

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Mr. Dan Heap (Spadina): Mr. Speaker, I have a number of petitions from the liberated riding of Spadina signed by people who point out that the 3 per cent deindexation of the family allowance and the tax increases are hard on families with children. They, therefore, humbly call upon the House to reinstate full indexation of the universal family allowance and to rescind the unfair tax increases.

[*Translation*]

I have also a petition from Canadian citizens residing in the City of Montreal, in the Province of Quebec, who also object to the Government's decision to deindex family allowances and increase taxes, and who humbly ask the Government to reinstate full indexation of family allowances and rescind the unfair tax increases.

[*English*]

I have a similar petition, only in English, from residents of Vancouver which also protests the decrease in the family allowance and the increase in taxes on low-income families.

USE OF NANOOSE BAY TEST RANGE

Mr. Dan Heap (Spadina): Finally, Mr. Speaker, I have petitions from residents of Peterborough, Islington, Waterloo, Windsor, Niagara Falls and Gloucester, Ontario. There are also signators from some areas of Vancouver. They are concerned about the Nanoose Bay test range and its contribution to the nuclear arms race and militarism. They request that this honourable House not renew the agreement between Canada and the United States of America authorizing joint maintenance of the test range and say that the test range should be converted to peaceful purposes.

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I have a few petitions to present today. In presenting them, I trust you will correct me if I fall into the Liberal errors of heaping gratuitous and undesired praise on my—

Mr. Speaker: Order, please. Could the Hon. Member just present his petition without comment?

Mr. Parry: Yes, Mr. Speaker, and without incorrectly naming federal ridings either. I have a petition concerning the Nanoose Bay test range. The signators to this petition are from areas such as New Hamburg and Kitchener, which used to be Berlin. The petition indicates the contributions of Canadians of German descent who petition this honourable House to bring to an end all weapons testing at the Nanoose Bay test range and to undertake to convert that range to peaceful purposes.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Mr. John Parry (Kenora-Rainy River): The second petition, Mr. Speaker, is signed by residents of British Columbia. I also have another petition which is exactly the same signed by residents of my own riding of Kenora-Rainy River. The signators humbly pray and call upon the House of Commons to reinstate full indexation of universal family allowances and to rescind unfair tax increases.

USE OF NANOOSE BAY TEST RANGE

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, it is an honour to present petitions this afternoon on two different topics. The first petition I have deals with the Canadian Forces Maritime Experimental and Test Range at Nonoose Bay which, the petitioners show, contributes to the nuclear arms race and militarism in general. They call upon the Parliament of Canada to convert this range to peaceful purposes. This petition is signed by a great variety of people, Mr. Speaker. One petition is signed by persons from the Kitchener-Waterloo area in Ontario and by signators from parts of British Columbia. The other petition is signed by people from Vancouver, Burnaby, and Gabriola on the Island in British Columbia as well as by persons from New Hamburg, Stratford, Mitchell and Tavistock in the Province of Ontario.

• (1730)

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Ernie Epp (Thunder Bay-Nipigon): My second petition deals with family allowance and protests the deindexation of the universal family allowance and massive cut-backs in public

commitment to child benefits which will have the effect of reducing even the poorest families to a worse state by 1990 than they otherwise would face. The petitioners call upon the House of Commons to re-establish full indexation. This petition is signed by persons from Campbell River and Nanaimo in British Columbia, from Govan, Saskatchewan, Spiritwood, Saskatchewan, Saskatoon and other good towns in Saskatchewan.

Mr. Speaker: Order.

[*Translation*]

SHOE IMPORT QUOTAS

Mr. Alain Tardif (Richmond-Wolfe): First of all, Mr. Speaker, concerning the ill-advised decision concerning the footwear quotas, I wish to table a petition on behalf of several hundreds of workers who deplore this outrageous decision to abandon the quotas in the footwear industry.

Through this petition, these Canadian men and women would like the Government to reconsider its decision and give back their jobs to those who have lost them.

FULL INDEXATION OF FAMILY ALLOWANCES

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I have also several petitions addressing the major issue of family allowances. Hundreds or rather, in a still more realistic way, thousands of mothers are horrified by the most despicable decision reached by this Tory Government who wants to have us accept the deindexing of family allowances.

Now, Mr. Speaker, those Canadian men and women want the Bill to be withdrawn, or at least they would like full indexing to be reinstated.

Those petitions, Mr. Speaker, originate from a number of constituencies. In view of the rules set down, I will simply refer to the area where they originate. I have a first one from the federal constituency of Manicouagan, Mr. Speaker. I have another one from a constituency whose Member is doing nothing, the federal constituency of Champlain—

Mr. Speaker: Order, please! No comments and briefly, please.

Mr. Tardif: I have another petition, Mr. Speaker, still on that same question of family allowance deindexing, from the federal constituency of Champlain. A fourth one, Mr. Speaker, that one from the federal constituency of Quebec East, in the Province of Quebec. From the federal constituency of Portneuf, in the Province of Quebec, where again many Canadian men and women have stepped forward... Mr. Speaker, I am trying to be as brief as possible, simply naming the constituency where it originates.

Mr. Speaker: Order! I invite the Hon. Member—

[*English*]

I invite the Hon. Member to table the rest of the petitions with the Table. It has exactly the same effect.

[*Translation*]

FULL INDEXATION OF FAMILY ALLOWANCE AND CHILD TAX CREDIT

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, I also have a number of petitions from various constituencies and dealing with family allowance deindexing. Those citizens ask that the Government reinstate full indexing of family allowances and the child tax credit.

They are referring to the $55 million budget cuts that will affect the area of family support within the next two years if the Government does not reconsider that unfair and discriminatory budget proposal.

Mr. Speaker, this is just about the end. Those petitions, from the beautiful multicultural constituency of Saint-Léonard-Anjou—

Some Hon. Members: Hear, hear!

Mr. Gagliano: And again from the riding of Saint-Hyacinthe, from the federal riding of Peterborough in Ontario, from the federal riding of Mississauga in southern Ontario, from the federal riding of St. John, New Brunswick, and the last one, Mr. Speaker, from the riding of Richmond-South Delta in British Columbia.

[*English*]

OPPOSITION TO BILL C-70

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I have a number of petitions relating to the withdrawal of Bill C-70 which would reduce the indexation of family allowance. In order to facilitate the matter, I will simply read the names of the communities in these petitions. They are the area of Etobicoke Centre; the area of Brampton-Georgetown; the area of St. Catharines and Fort Erie; the area of Calgary North and Calgary South; the area of Renfrew, Nippising, Pembroke which is very well represented; the area of Scarborough East; the area of York Centre and Beaches; the area of Edmonton North and Strathcona; the area of Edmonton South and the area of Brampton and Beaches.

I have another petition from the area of Shefford. The next petition is from Malpeque.

Mr. Speaker: I would ask the Hon. Member to conclude briefly.

Mr. Baker: Yes, Mr. Speaker. Other areas include Mississauga South; York North; Vancouver; Edmonton-Strathcona.

Petitions

SHOE IMPORT QUOTAS

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I have a petition to present on a different subject. It deals with the shoe industry. The petitions state that the Government's decision to end quotas on footwear imports as announced on November 20 will cause widespread damage to the Canadian footwear industry and threatens thousands of jobs. That petition comes from the Pickering and Toronto area.

I also have a petition concerning the footwear industry, on practically the same subject matter. It comes from the area of Scarborough, Ontario.

There is one other petition which I cannot locate. However, I will certainly get to it tomorrow.

ACTION OF OFFICIAL OPPOSITION

Mr. Jack Shields (Athabasca): Mr. Speaker, I have the duty to present a petition on behalf of a number of concerned Canadians. They wish to register their protest against the actions of the Official Opposition. The nature of this petition is to request—

Some Hon. Members: Read the names.

Mr. Shields: By unanimous consent I will read the names.

Mr. Speaker: Order. Just a brief summary of the petition.

Mr. Shields: The brief summary is that they are saying they voted for change. They want the Official Opposition to stop its juvenile tactics and allow the Government of Canada to get on with its work.

Some Hon. Members: Hear, hear!

OPPOSITION TO BILL C-70

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it may not surprise Your Honour or the Hon. Member who just spoke that I have a petition, the essential thrust of which is somewhat different. It is protesting the Government's announced change in its inequitable and, I say to Members opposite, unfair proposal to make changes in the family allowance legislation which is now in the law books of Canada. These petitioners come from such esteemed Canadian communities as Harrow, Brampton and Woodstock in Ontario. At this point I have the great honour of concluding the long list of petitioners for my Party.

Mr. Speaker: Apparently not. The Hon. Member for Thunder Bay-Atikokan (Mr. Angus).

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Iain Angus (Thunder Bay-Atikokan): I snuck up on him, Mr. Speaker. It is my privilege to present a petition from residents of Thunder Bay, Ontario in the heart of the northwest. They object strongly to the deindexation of family allowance and call upon the Government to give them the kind of change they really voted for.

I also have the privilege to present a number of petitions from the cities of Kingston and Toronto. These people feel that the financial arrangements which the Government is offering are not appropriate, and they call upon the Government to continue to index family allowances.

• (1740)

Finally, I have a petition to present from a number of people in southern Ontario who believe strongly that the deindexation of family allowances is not appropriate and call upon the Government to reverse its decision.

* * *

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-89, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1986.

I am now prepared to recognize the Hon. Member for Windsor West (Mr. Gray) on a petition, the last Member who indicated to me that he wished to present a petition.

* * *

[*Translation*]

PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCE AND CHILD TAX CREDIT

Hon. Herb Gray (Windsor West): Mr. Speaker, I have the honour to present a petition from residents of the federal riding of Saint-Jean, Quebec, who now exercise their secular and indisputable right to present a common grievance being certain that your honourable House will bring remedy thereto.

And the undersigned humbly pray and call upon the Government of Canada to restore full indexation of family allowances and child tax credit.

Mr. Speaker, I have a second petition from residents of Toronto who also exercise their secular and indisputable right to present a common grievance being certain that this honourable House will bring remedy thereto.

This petition calls upon the Government of Canada to restore full indexation of family allowances and child tax credit.

[*English*]

Mr. Speaker: It being 5.41 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

SENIOR CITIZENS' DAY

SUGGESTED DESIGNATION

Mr. Peter Elzinga (Pembina) moved:

That the Standing Committee on Justice and Legal Affairs be empowered to study the question of designating, as Senior Citizens' Day, the second Sunday in June each year in order to recognize the outstanding contribution made by our senior citizens to our country and our lifestyle.

He said: Mr. Speaker, it is my privilege today to present this motion. I hope the House will concur and send it to the Standing Committee, so that we will have a day to pay tribute to those in our society who have contributed so much to the enrichment of our lifestyle.

I wish to say at the outset that the purpose of the motion is not to establish another holiday but simply a day to pay tribute to senior citizens in Canadian society. It seems only fitting that we recognize in an official way our gratitude for the rich heritage which has been given to us by our senior citizens. They have given long years of dedicated time, effort and skill to make Canada one of the most favoured nations on the face of the earth. They have provided an environment in which succeeding generations have flourished and prospered and will continue to do so.

It is not enough to strive only to see that the physical and economic needs of our seniors are met. We want to express our gratitude to them by publicly recognizing the priceless legacy they have given to us. Our senior citizens have a unique place in our society. They are the channels through which the traditions and cultures of earlier generations are passed on to the ones who follow them. They are the custodians of our history, our story, our progress. They are the molders of our present day lifestyle. It is our responsibility now to uphold those traditions of righteousness and integrity which have been our inheritance from them.

Canada is a new country. There are still many of those with us who left the Old World to make a better life for themselves, for their children and for their grandchildren. Religious freedom, economic security and a sense of adventure brought them to Canadian soil. However, often a high price was paid for those freedoms. Great physical hardship was endured in establishing a foothold in this country and in pushing its frontiers north and westward. Personal leisure and comfort was necessarily sacrificed in the carving out of our future in this magnificent country. They wrestled a living from the soil, often combating an inhospitable climate, plagues of insects, backbreaking toil and loneliness. The agony and deprivation of wars and years of depression were a part of their historical past as well.

I am sure I am speaking for all Members of the House whose parents, like my own, immigrated to Canada to enjoy the freedoms with which we are presently blessed.

I will keep my comments very short, in the hope that the House will agree to referring this very important motion to committee so that we can pay tribute to a generation which contributed so much to the lifestyle we enjoy today.

Mr. Lewis: Mr. Speaker, I rise on a point of order. There have been discussions with members of the two Opposition Parties. I think, if you were to seek unanimous consent, you would find that there is disposition that the sitting of the House to consider Private Members' Hour not extend beyond 6.41 and that, when the debate ends at 6.41 or sooner, the motion be put without a recorded division.

We are content that this go to committee. My colleague has discussed it with the two people in the Opposition Parties who normally handle this type of matter. I think if you were to ask—and I have discussed this—it would be agreeable to the House.

[*Translation*]

Mr. Gauthier: Mr. Speaker, what the Parliamentary Secretary has said reflects the agreement which has been concluded. This motion will be passed without recorded vote and the House will not sit past 6.41 p.m.

[*English*]

The Acting Speaker (Mr. Charest): The House has heard the motion. There is unanimous consent?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Charest): Agreed and so ordered.

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, as was the case with the Hon. Member for Pembina (Mr. Elzinga) who moved the motion, I will not interfere too long with the proceedings before the House. I find the proposal to have the second Sunday in June designated as Senior Citizen's Day to be amazing, ironic and sad. Perhaps it is fitting that the Hon. Member chose the second Sunday in June to commemorate the attempted assault of the Government on our senior citizens' last June. On the night of May 23, the Minister of Finance (Mr. Wilson) introduced plans to deindex the pensions of senior citizens. It was only through the efforts of both Opposition Parties, along with senior citizens, that a victory was won, for the plans to deindex their pensions were rolled back by the Government. A great deal of work was done by the Opposition and by senior citizens' groups across the country.

I should like to reiterate our Party's stance in this sense. The idea which the Hon. Member presented to the House bears some merit. We have had other occasions in the calendar year to honour various groups in society, and I think it would be rather fitting so to honour our senior citizens who have done so much, as the previous speaker indicated, to build our country of Canada.

Without delaying the House, I should like to indicate concurrence on behalf of my Party in the idea of designating the second Sunday in June each year as Senior Citizens' Day. The

matter could be referred to the appropriate committee. I think, Mr. Speaker, you will find disposition of this side of the House to concur in the recommendation made by the Hon. Member from Alberta.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, we on this side of the House also concur in the motion and agree that it be referred to committee. In so doing, we certainly acknowledge the particular contribution of people in the older age group of our society. We respect and appreciate not only what they contributed in the past, but what they are contributing today and will indeed contribute in the future.

• (1750)

In bringing forward this motion, I wonder if there has been consultation with senior citizens' groups from across the country. My experience has been that people in this age group feel increasingly that they do not all want to be categorized together and they do not like to be labelled. I would be very interested to know the feelings of this group as to how this day might be celebrated.

Certainly one of the things I have learned from various groups not only in my own riding but in meetings with councils of seniors who have come to Ottawa is that seniors are very resentful of any kind of Government program or policy that is in the least bit patronizing. They want to participate in society as equals and they have much to contribute. Certainly, past and present experience indicates that their experience is extremely valuable and something which society needs.

I am thinking particularly of the experiences of my own riding. Seniors have helped each other and not only have they helped each other but they have helped other people in society. I am moved to say as did my colleague that it is the seniors who showed how much fight they had when they organized to force the Government to repeal the very unfair policy which would have deindexed pensions. It is the grandparents and older people in society who also believe that the Government should back down in the same way and remove the deindexing plan which exists in Bill C-70 and would impose a reduction in indexation on family allowances. Many groups to which I spoke last spring felt just as strongly about the children of Canada as they did about the pensioners.

I am sure all Members will agree that a very important contribution made by seniors is their real desire to contribute as reformers in society. One example of this is the experience to which I just referred but there are many others of which I can think. In Vancouver, it was senior citizen and pensioners' groups that formed together in a very effective coalition to work as a solidarity movement to oppose many of the very unjust policies that were being imposed by the provincial Government of British Columbia. They did it not only because the policies were very damaging for people in their own age groups but because the policies were very damaging for society in general.

We certainly agree that senior citizens should be recognized on a special day. They should be recognized as the builders of our country and contributors to it during the productive working years of their lives. They should be recognized as being great fighters for reform. They certainly deserve not only the respect of all of us but also the very great sensitivity to the situation faced by many seniors today.

Just briefly, I would like to mention the particular concern all of us should have and I hope do have for the older poor and particularly for elderly women who are not yet 65 years old but are in the middle years of their lives and who have very few resources being alone and not able to enter the workforce. Their poverty continues as they reach a pensionable age. They receive very low pension benefits and are therefore condemned to a cycle of poverty. These are things that we must remember as we celebrate a day that would honour senior citizens. We would hope that it would be considered by all Hon. Members of the House. In closing, I would like to say that we agree with the proposal. We hope that there will be consultation with senior citizens' groups as to how best we should celebrate this day. With that, I will sit down.

[*Translation*]

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, since there is unanimous consent on both sides of the House, I ask that the motion be referred to committee.

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I would like to speak to this motion. I am rather puzzled that a Government Member, after they decided to cut back, to deindex Old Age pensions, after they forced senior citizens to make a historic gesture, something they never had to do before to defend their rights in Canada . . . these people had to come all the way to Parliament Hill, although under previous governments, Members of this House had been ready to defend their interests, to protect them from undue health care costs, and to guarantee them a better income. And now the hypocrisy of designating a Senior Citizen's Day! Mr. Speaker, will it be the day Mrs. Denis came here to tell the Prime Minister what senior citizens thought of him? Will the honorary president be Mrs. Solange Denis, who stood up for the rights of senior citizens? Where was the mover of this motion when senior citizens were asking him for help?

Mr. Speaker, it is absolutely shocking that now that Christmas time is approaching, when families go to visit their parents, that we had to fight those Government Members who wanted to cut Old Age Security pension cheques—

The Acting Speaker (Mr. Charest): Order. The Parliamentary Secretary to the Minister of National Health and Welfare (Mrs. Bertrand), on a point of order.

Mrs. Bertrand: Mr. Speaker, since earlier, we received the consent of both sides of the House, I would like to ask the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) whether he is for or against the motion?

Mr. Malépart: Mr. Speaker—

The Acting Speaker (Mr. Charest): Order. First of all, the House will realize this is not a point of order, and I am going to ask the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) to proceed.

Mr. Malépart: Mr. Speaker, I assume I have ten minutes.

Mr. Speaker, to answer the question, we agreed not to ask for a recorded vote, but personally, I do not agree with the kind of hypocrisy we are seeing here today. Conservative Members will have to realize that being here is a serious matter. We represent people. We represent human beings. And today, just before the holidays, they want to set it up so that the Prime Minister can say to senior citizens, in his Christmas and New Year's message: This is what I am doing for you. In June, we are going to have a Senior Citizens' Day, while three months ago, we saw the other side, when he wanted to cut back the benefits to which these people were entitled. Now I ask you! Let's be serious, let's be honest. We represent human beings.

I agree with the previous speakers that our senior citizens are the people who built this country. But one wonders why the Hon. Member who moved the motion and why the Parliamentary Secretary forgot about this when the Government decided to deindex Old Age Security pensions? Is there anyone on the Conservative side who has an answer to that? Is there anyone on the Government side who is willing to answer? It is absolutely shocking! This is hypocrisy, Mr. Speaker, and that is something I cannot tolerate. And I am sure that the vast majority of my colleagues are of the same opinion. The Prime Minister and his Government will have to make a New Year's resolution for 1986 to change that. They will have to say and do things differently. We saw this on television. Everybody from Quebec saw the broadcast *Le Point* yesterday. All that talk about being generous, but people never get a nickel out of it, Mr. Speaker, only cut-backs for the citizens.

Mr. Speaker, I wonder whether my Conservative colleagues are indeed realistic, honest, and aware of what is going on. Not so long ago after the Budget, the Minister of Finance (Mr. Wilson) was telling Opposition Members that he had met with senior citizens and that those people were prepared to accept smaller old age security benefits. They had to demonstrate. People of 75 and 80, women came from every region of Canada, those people had to spend a lot of time to circulate petitions in an attempt to make the Prime Minister and the Government realize the consequences of what they were doing. And today a fine speechmaker on the Government side rises and would have us believe . . . We want a day like that, Mr. Speaker. I would agree to have a day like that, a memorable day when Mrs. Denis told him what the people thought of Charlies Brown, Mr. Speaker. I will agree to designate that day on the condition that Mrs. Denis be appointed honorary president. I want to be sure. If she is appointed, Mr. Speaker, I will be sure, but if it is somebody appointed by the Progressive Conservatives, never, never. I am very much afraid that such a day would be used to make people swallow something else, like another Budget cut-back.

• (1800)

We all remember those promises. You must remember, Mr. Speaker, you were there. The Prime Minister (Mr. Mulroney) was in Sherbrooke when he said: We will restore full indexation. You remember how generous he can be, all ears when he listens, clean-cut, ever so generous with everybody. Words, and more words. He is not stingy with words.

Remember when he tabled the blue paper of the Minister—the Minister of social injustice, that is how we call him now. It said: We will not tamper with old age security pensions. You can sleep in peace. The Prime Minister is indeed a generous man. I solemnly declare that I will protect the elderly.

So what happened in the Budget, Mr. Speaker? What happened after he guaranteed social programs, saying that universality was a sacred trust, Mr. Speaker? Those were the words of the Prime Minister of Canada. What about the Budget cut-backs? He was the great champion of universality. When elderly people took him to task on Parliament Hill, Mr. Speaker, when those people came here they forced the Progressive Conservatives to eat their words, they forced the Prime Minister of Canada to eat his words, and he had to admit he was wrong. And then, like a sore loser, the Prime Minister tried to blame all Canadians, saying they were not mature because they did not want to talk about universality and accept changes, Mr. Speaker. Mr. Speaker, this man is off his head. He had just said that universality was a sacred trust. Having lost face, he criticizes the Canadian public for not being mature enough. That is utterly ridiculous.

Mr. Speaker, I feel that all Hon. Members should speak out. I remember that there were a number of PC Members from Western Canada who were against deindexation. A number of them even told the Minister of Finance (Mr. Wilson): I should like you to show me the senior citizens who are in favour of that. It is a fact that the pals of the Minister of Finance are certainly not the same people I meet.

The people I meet are ordinary people, while his friends and himself are concerned only with money. Are we going to allow this to happen in this holiday season? It is just another scenario full of hypocrisy designed to make it possible for the Prime Minister in his New Year message to list all his so-called achievements. Some people say that we should beware when he starts talking in his sugary fashion and be very careful of what he says. This year, we are thinking of designating a Senior Citizens' Day. No! I want to listen to what other Members have to say about this. I should like to hear what the Parliamentary Secretary to the Minister of National Health and Welfare (Mrs. Bertrand) really and sincerely thinks of that.

I should like to know what she thinks in her heart of hearts. I should like to know how it is that these people, who are prepared to pay tribute to our older citizens who have built this country and made great sacrifices to raise their families, are not willing to stand up and speak against the Government'sdecision to deindex Old Age Security pensions. How is it that all senior citizens whom he met were in favour of cutting their pension cheques by 3 per cent? And if the Minister of National Health and Welfare (Mr. Epp) announced today a fully indexed increase in the Old Age Security pension will be fully indexed, it's not because of PC Members. It is today that the Minister has made this announcement and it is today that a motion was introduced to designate one day for them. I wonder if it is not out of sheer remorse.

Yes, you should be ashamed of yourselves!

I understand why you would be ashamed of yourselves, but you will not redeem yourself simply by designating a Senior Citizens' Day. It is not a day but a week it should take, Mr. Speaker! A whole week would be required to consult senior citizens, seek their participation, ascertain their needs. From now on, Canadian men and women will no longer accept that Parliamentarians decide for senior citizens in Canada. Senior citizens are clever enough to want to participate and meet their members to tell them: This is what we need and this is what we want, as far as housing needs, social policies, cultural, sporting and leisure activities are concerned. These are adults; they are intelligent and able people. Tomorrow, it will be our turn. It is not because one day you are 64 and the next day 65 that you loose all your ability and intelligence, Mr. Speaker, quite the opposite! We have to put to good use the talents, the natural abilities, the knowledge and the experience of our senior citizens. They are willing to use them for the benefit of all Members of Parliament—

An Hon. Member: We have to listen to them.

Mr. Malépart: —but, as my Leader has just said, we have to listen to them. We have to do what they want. They do not want to have a special day just for show, just for appearances' sake. Was this decision made by the Conservative caucus or by the federation of senior citizens' clubs, Mr. Speaker? I would really like the Parliamentary Secretary to the Minister to rise and tell us whether the Quebec Federation of Senior Citizens made such a request. I did not hear about it and I am very close to these groups. Was this requested by the AQDR, an association which came here and asked to meet the Quebec Conservative caucus to defend their rights under the employment development programs, but the Conservatives refused to see them. How hypocritical for these people to refuse such a request one day and to do this the very same week. It is really too much, Mr. Speaker. Today, someone rises to say: We are proud of our senior citizens because they have built this country and sacrificed a lot for us and we are going to have a special day for them. Mr. Speaker, the time when others make your decisions for you is over. People want action. They have had their fill of the broken promises of the Prime Minister. They have had enough of the messages and speeches of the Prime Minister. They have had enough.

One year and a few months later, the people are fed up with the comments of the Prime Minister and the Conservative Members of Parliament. The people say: We want action, we want to be consulted. You have not consulted us. You have misled us. We want you to listen to us and do what we want. We know our own needs, we know what we want and we know the answers, but if you want to listen to us and help us, we are going to tell each Member of Parliament what they can do. However, I have not seen one of them do so, Mr. Speaker. I have distributed petitions in the House. It was under a year ago that the Government discriminated against widows and widowers in its spouse allowance legislation. If only one Conservative Member had had the courage and the honesty to rise and say that he wanted the spouse allowance to be extended in 1986 to people living alone, whether they are single, separated or divorced! At this time, Mr. Speaker, there are still 80,000 people in Canada, most of whom are women, whose applications for the spouse allowance are rejected by the Health and Welfare officials simply because they are single, separated or divorced. Mr. Speaker, those people are between 60 and 65 years of age, and they are turned down because of that party's decision. And you think that all those people in each and every one of our constituencies today will buy that proposal to have a day designated in their honour?

• (1810)

An Hon. Member: They are not stupid.

Mr. Malépart: They are not stupid, as my Leader said. And they say: No, thank you, Mr. Speaker. In Quebec, we know what those words mean: No thank you, Mr. Speaker. It means we will not be fooled. This is unacceptable and I feel certain that my colleague for Mount Royal (Mrs. Finestone), who is very dedicated and has a long experience of many years with all the issues relating to the aged and social problems, will want to rise.

Moreover, Mr. Speaker, there is something I have to say: We have leaders in each of our parties, but the difference between my leader and the one you have on the other side is this: mine is sincere, honest, and a man of his word. Mine does not work on the basis of winning votes and for his image on TV. He works on the basis of honestly fighting for the rights of Canadian men and women. My leader accepts that we fight, that we struggle to defend the rights of citizens. Yours thinks only about presiding before TV screens and press cameras. It is for a reason that the Hon. Member for Lac-Saint-Jean (Mr. Côté) was looking up the results of the polls. He was anxious to know what percentage of the people oppose and disagree with the Government policies, but this today is going a bit too far.

Mr. Speaker, nobody can find words for that masquerade, that blue Santa Claus suit that someone would have us put on today. In Quebec we feel we are being literally conned in this festive period with respect to the issues in the east end of Montreal, but here someone is trying to sell a crooked blue Santa Claus to senior citizens.

But, thank God, as on many other issues, the Official Opposition was there. I remember having to think things over and arrive at a decision: whether to go back to the National Assembly in Quebec or to stay here in Ottawa. And I will tell you that I had decided to stay here at the federal level, and here I am, knowing full well that I would be elected as an MLA in Quebec. And the strongest reason for staying here in Ottawa rather than going back to Quebec, as I said publicly, was that as we see it confirmed today, and my wife and children were of the same opinion—the present Prime Minister cannot be trusted with social programs. What is going on today justifies the decision I came to a month ago, Mr. Speaker.

I am looking at the Hon. Member who put that proposal forward. Maybe he was honest and sincere, but where was he when the decision was made to deindex old age security pensions? What did he do at that time to protect senior citizens from having their income slashed? What did he say at that time? They were ignoring everything about those people who built this country. Was it Mrs. Denis' indignation when she cried out with all her heart to the Prime Minister: "You have betrayed us, Charlie Brown!" Was it that cry that stirred you up and caused such twinges of conscience that you are looking for forgiveness? If that is what Progressive Conservative Members want to be forgiven for, I will help them. I am ready during the Christmas break—I will be spending Christmas with my family—but after the New Year, I am ready to organize in Quebec for all of Canada, a meeting with all the representatives of senior citizens's associations in Canada. We will sit down together, Liberals, New Democrats, Conservatives. We will listen to them, but we will do what they tell us. I have a small idea what they will ask about. It is not enough to have a day named in their honour. In the first place, they will say: Remove the discrimination in connection with the spouse allowance. Give it to everyone, whether they are single, separated or divorced.

Secondly, they will say: Tell your Minister of Finance (Mr. Wilson) and your Prime Minister (Mr. Mulroney) that within your reform of private pension plans you should add minimum indexation because the income from our pension plan was satisfactory seven or eight years ago, but today we are on social welfare, since our pensions have not been increased. Finally, with respect to the pension plan, Mr. Speaker, we should set aside that hypocrisy and that masquarade before the Christmas season.

I would rather we did not pass that measure, because we have to be sincere and honest but if after the holiday season some Tory members want to co-operate with me to improve the quality of life of our senior citizens, I would suggest to all Members to reconsider their decision and to remove all those discriminations as soon as possible because it is a bad record for the Tories.

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister for External Relations): Mr. Speaker, although lacking the experience of my hon. colleague from Montreal-Sainte-Marie (Mr. Malépart), I cannot agree with the general tenor of his speech, and I intend to try and explain, very calmly, why I disagree, and what my position is.

I think that as a group, the elderly are a very convenient subject for making political points and generalizations . . . I let you speak your piece . . . and generalizations, Mr. Speaker. It is easy to say that just before the holidays, these people are being abused. It is easy to make this point and that point just before Christmas—

Mr. Speaker, I have said before in the House that it is easy to confuse issues. I am against any form of indexation, Mr. Speaker, and indexation is being confused with universality, which is not the same thing at all. Removing indexation of family allowances today does not mean taking away their universality. Lifting indexation as we wanted to do at the time and on which we reversed our decision as a Government, removing indexation of Old Age Security pensions does not at all mean eliminating the universality of these pensions. It is not the same thing.

Mr. Speaker, I was talking to one of the FQDR clubs. Yes, I am also interested in meeting senior citizens clubs, just as I am interested in meeting people who are on welfare. I said to these people, to some 300 or 350 members of the FQDR, and I wrote to them saying that although it was perhaps not politically advantagious, that I was against indexation. I am against this kind of payment and payment increases which means that next year's has to be indexed to last year's. It does not make sense to run a country like that. And people confuse this with universality, and it is not the same thing at all. These are two entirely different concepts.

Mr. Speaker, I would be attacking universality if I said: I am taking away the Old Age Security pension from people with an income of so much or over. That would be eliminating universality. But when I say I am removing indexation, I am neither removing nor attacking universality. I am not attacking the program's universality. That is what I want to make clear to my hon. friend. I have every respect for his views, and he is entitled to express them. But I feel I have a duty to set the record straight and say that universality is not indexation.

Furthermore, Mr. Speaker, when I was speaking to the people at the FQDR, I said . . . and there was a Mr. Miron there, whose youngest son had just graduated from university. And I wondered what was more important to Mr. Miron: The fact that he would get a dollar more in Old Age Security

pension benefits every week or that I could do something about the economy so that his son could get a job.

An Hon. Member: He wants both.

Mr. Hudon: He wants both, of course I realize that. But I am sure you know which of the two he is willing to give up. He will choose indexation, a way to share wealth which is so automatic that it allows the Government no alternative whatsoever. You made exactly the same speech in 1980.

What I mean to say, Mr. Speaker, is that indexation and universality are two completely different things. The FQDR people think so too. First of all, they said: We wish to congratulate you for your frankness. I said so publicly. That I told members of a great many senior citizen's clubs and it was widely reported in the media.

Mr. Speaker, I do not think I have to be aggressive about this. I said stricly this: Indexation and universality are two completely different things and mixing them up is a mistake.

• (1820)

[*English*]

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I rise with a sense of real sadness. I truly find it mind-boggling that Members across the way chose a time like today, on the eve of very solemn and important family celebrations, to put forward what is essentially the most ridiculous suggestion I have heard in a long time. Members across the way cannot say and do what they have been saying and doing over the last year and expect anyone to believe they truly want a day to celebrate the role senior citizens have played in our society. I said yesterday that this place gets curiouser and curiouser. I was quoting Lewis Carroll and Tweedledee. Believe me, I hit the nail on the head.

Stop and think about just who are our senior citizens. They are the people who, over the course of the building of this country, made many sacrifices so we could have what we have today. They built this nation from the roots up. They sacrificed. Then I have to listen to my colleague across the floor say that they should now sacrifice themselves once again in the interests of their children. I do not think that the youth of this country expect our senior citizens to tighten their belts because we as a whole have not found the answers to some of the problems in our society. That is not the way to go about it.

Senior citizens are perfectly able to express their concerns for themselves. They are able to say to the Government: "We have some very serious problems. Don't cut our income because we live close to the poverty line already". People have to live on 25 per cent of what they had been living on before they turned 65. The Government may not believe this but there are people who did not have enough income to buy a private pension plan or they may not have worked in a business where private pensions were available. These people are entitled to a continuity of lifestyle but we have not, in our review of pensions in our society, found a way to enable those people to have that continuity of lifestyle. Having a day to celebrate the fact that they have lived this long is no way to celebrate.

We need concrete proposals by seniors for seniors. These people did not lose their marbles the day they hit 65. They are intelligent, competent, capable and educated. Whether they have a university degree or not is of no consequent. Ask them about social issues. Ask them about their housing, transportation, and medical health service problem. Ask them about what they need. Stop treating them like children and speaking for them. What right have you or I to speak for older people? Our obligation as elected Members of this House is to go out and consult.

This Conservative Government came into office on a great big wave promising open Government, the Government will consult, it will be open to society and reflect social concerns and needs. I have not seen this Government consult with anyone. I have been witness to and even participated in consultations which are so strict and rigid that you do not have time to listen. I sat in the Standing Committee on Health, Welfare and Social Affairs. We heard from one group after another who had plenty to say about deindexation and the changes required in the OAS and pension system. The Government, misleading as usual, indicated it would not touch the system because it was fine for now. It then proceeded to touch the whole system.

Our lack of attention to the needs of older people to maintain their jobs, to have access to education and retraining means we do not give credit where credit is due. We do not allow them the kind of facilities they require. However, did we talk to them? Did we review our job programs with them? Or, have we left them out? If we do consider them—

[*Translation*]

—for a few twenty-week jobs and then goodbye.

[*English*]

I would like to come back to what my colleague from Montreal-Sainte-Marie (Mr. Malépart) said. If it had not been for Madame Denis, who said "Bye, bye, Charlie Brown", I wonder what would have happened. The senior citizens, including Madame Denis, do owe the Conservatives one major vote of thanks. By indexing OAS pensions, the Government mobilized Canada's grey power. Never will this country be the same as a result of those inept, inconsiderable, indeed unconscionable actions. These people have been organized and they will certainly let the Government know what they think. They will no longer allow themselves to be ignored in the political process. They have become a powerful lobby and the grey heads of this country will have to be listened to.

I suggest that the Government not throw them a sop, or whatever Members opposite think it is, in the form of a one-day festival. The Government can be sure that we will appreciate that nevertheless because it will be a great day to remember the foolhardy measures taken by that Government affecting the people who built this nation. I suggest it would be a great day every year to talk about the broken promises. We can talk about the Government that wanted to cut back the

OAS. We can talk about the Government that did not give a darn about what is happening to older people, the Government which did not bother to consult.

I think, along with my colleague from Montreal-Saint-Marie, that perhaps this is the best think to have happened. Not only did the Government precipitate the organizing of the grey power, it now wants to give them a day to speak out. Maybe we will end up with the best possible deal.

If the Government is so concerned, which I wish it was but it is not, about the well-being of senior citizens, then show that concern by legislating the money we need for spouses' allowances to cover the 80,000 people who were left out because they were either single, divorced or separated. That is a fine way to be equalitarian, to treat people equally, particularly in light of Section 15 which we brought in and which the Government fought—

Mr. Gurbin: Why are they still there, Sheila?

Mrs. Finestone: Why is who still there?

Mr. Gurbin: Those people who were left out?

Mrs. Finestone: They are not voting for you, I can assure you.

Mr. Gurbin: They are there because you left them there. You left them hanging for years.

Mrs. Finestone: The Government's attitude is that it can, without consultation, determine what our seniors need in the way of health care, housing and transportation. The Government has cut federal-provincial transfer payments.

Yes, I know, you are going to tell me you have added dollars but you have not added anything to the provinces' net purchasing power. You have created a lot of problems around the educational and health institutions across the land.

• (1830)

I am not pleased, Mr. Speaker I certainly am not going to speak against a day for the elderly in our society. I think that is great. We are going to have a great big festival when we can celebrate an unconscionable, unthinking, and cold-hearted group in our society, the Progressive Conservatives.

Mr. Elzinga: Mr. Speaker, I rise on a point of order. I am curious and ask for some direction. I am not going to get into the hypocrisy that the Liberal party is presently dealing with.

Mr. Caccia: That's not a point of order.

Mr. Elzinga: I would like to receive some guidance from you, Sir. The Member for Sudbury (Mr. Frith) consented to the referral to committee of this motion for the establishment of a senior citizens' day, being the second Sunday in June. I am not sure whether, in the event that the Liberal Members opposite continue to talk, this motion will die at 6.41, or whether it will go to committee. I seek your guidance as to which is the case. The hypocrisy of the opposite side will really shine through in the event that this motion does die.

The Acting Speaker (Mr. Charest): Order. In response to the question of the Hon. Member for Pembina (Mr. Elzinga), according to the order of reference on which the House agreed, we will go to 6.41 and I will put the question to the House at that time without any vote.

Mr. Gauthier: Mr. Speaker, I rise on a point of order. I was part of the agreement which we understood to have been adopted by the House. Indeed we go to 6.41. At that time there could be a vote, but it will be a voice vote rather than a recorded vote.

The Acting Speaker (Mr. Charest): Resuming debate, the Hon. Member for Richmond-Wolfe (Mr. Tardif).

[*Translation*]

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, it is both a pleasure and an honour to take part in this discussion.

[*English*]

Mr. Elzinga: Mr. Speaker, I rise on a point of order. I do not wish to make a nuisance of myself, and I wish to acknowledge the outstanding contribution you are making to this House. However, I find it rather odd that when a Conservative Member rises after a Liberal Member has spoken another Liberal Member would be recognized.

Mr. Althouse: Nobody else is standing.

Mr. Deans: Who rose?

Mr. Caccia: He has been recognized now.

Mr. Deans: Mr. Speaker, I rise on a point of order, if I may.

The Acting Speaker (Mr. Charest): Order, please, all Members. The Hon. Member for Pembina (Mr. Elzinga) brings up the fact that there may have been another Member rising at that time. The fact is that the Chair did not see that Member at that time and recognized the Member for Richmond-Wolfe (Mr. Tardif). I am very sorry if that has caused an inconvenience, but that is the situation and we will resume debate with the Member for Richmond-Wolfe.

[*Translation*]

Mr. Tardif: As I said, Mr. Speaker, I listened with much interest to the Hon. Member for Beauharnois-Salaberry (Mr. Hudon) who, through his remarks, has clearly demonstrated that, like his Party, he has entirely lost contact with reality.

This PC Member has just told the House: Mr. Speaker, I am against indexation. But to make such a statement in the House in 1985 when dealing with our senior citizens is simply outrageous. For him to state publicly that he is against indexation is simply odious.

And to use that term he just did use... Mr. Speaker, whoever knows the way senior citizens live... The senior

citizens come to us and say: Sir, I have to choose my housing on the basis of what I get.

Mr. Speaker, a great many of these older people—something my hon. colleagues have recognized—have built this country and provided us with what we have today. Now that they need the Government, the Government is saying to them: Listen, you must share in the sacrifices. You still have obligations and you will have to do without an indexation which would provide you with the basic requirements.

Today, we are discussing the possibility of designating a Senior Citizens' Day. This demonstrates clearly to what extent this Government is odious and irresponsible in its dealings with older people, some of them came to Ottawa very recently to denounce this injustice and say: Listen to us, gentlemen, who are managing the country: we need what to us appears to be essential. In order to eat decently, we need not only what you are giving us but a little more, and there is no way we want to give up our indexing. But you are telling them: Listen, you have sons and daughters in the university, you will have to tighten your belts in order to allow us as a Government to give them a little more. But I will say to you honestly: You do not go to your constituencies, you do not speak with those senior citizens, in other words you are completely disconnected from reality.

Mr. Speaker, hardly a few months have passed since that historical insult to senior citizens, and the Government is now saying here in this House: Let us have a national day for senior citizens. My view is this is a slap in the face, an insult that is too horrendous for words. You think this will make them forgive, make them forget what you just did to them a few months ago?

Mr. Speaker, senior citizens are most responsible people, people who have developed over the years a wisdom that is a real wealth to this country. They are people who, in difficult times, in hard times, are capable of listening to reason, of willingly accepting sacrifices and sensible measures. But they are not imbeciles, they can see day after day through what you have been doing since you came to power. They are well aware that hardly a few hours ago you wanted us to push through a $800 million-plus blank cheque for people who are very well off indeed. Those seniors do not understand and do not accept such a way of managing the affairs of this country.

So, Mr. Speaker, it takes a lot of nerve to come up with such an unbelievable initiative, an initiative that, as I said, is truly an insult to those people who worked all their lives and are now in 1985 at the mercy of a society which they themselves have built, and developed, entirely dependent on a small cheque over which they have no control whatsoever and for which they impatiently wait to buy the things that are simply essential. Those people, as I said, who have to plan months ahead for expenses that often to us their juniors look irrational, things we could easily do without but which those people need; they are in crying need of all that we are giving them, and their only way of coping with the future is the hope of having that part we call indexing, and now members opposite are saying: "They agree with that, they are responsible people, they are willing to do without indexing". And we are told: "We are for universality but against indexing".

Senior citizens had an opportunity, as you very well remember and as you will remember for quite some time yet, believe me, to state that indexing was a vital issue for them. And now, to have them forget, to have them forgive that historical insult, you are offering them a national day. I think it shows very clearly your absolutely irresponsible way of managing the country, when you directly attack those people whom we, their juniors, definitely need and whom we have a clear responsibility and obligation to support, and to defend, something which apparently you have completely forgotten since you came here.

The Acting Speaker (Mr. Charest): The Hon. Member for Laurier (Mr. Berger). There are 30 seconds left.

• (1840)

Mr. David Berger (Laurier): Mr. Speaker, I simply want to say that I also find it incredible that the Hon. Member for Beauharnois-Salaberry (Mr. Hudon) would say that deindexing family allowances and the old age security pension is not the same as removing universality. It is obvious that he does not understand the basic facts of this issue.

Mr. Speaker, this week—

Mr. Guilbault (Saint-Jacques): On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Charest): The Hon. Member for Saint-Jacques (Mr. Guilbault) on a point of order.

Mr. Guilbault (Saint-Jacques): I am sorry to interrupt the Hon. Member who is now speaking.

Mr. Speaker, there seems to be a problem about how to interpret the arrangement made in the House about an hour ago. May I ask Your Honour to read it so that everyone will know what is involved?

The Acting Speaker (Mr. Charest): I do not have the text of the arrangement itself. As I understand the agreement made in the House when this debate began, at 6:41, when the debate comes to an end, the Speaker will put the question, but there will not be a recorded vote. This is what I intend to do in a few minutes. This means that—

[*English*]

There would be no recorded vote on this specific motion.

[*Translation*]

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I understand quite well, but I repeat that there seems to be some confusion. In my opinion, the only way to clear up this confusion would be for Your Honour to read the exact text of the agreement. It

would be surprising if the Chair had made a ruling without having read the text of the agreement.

Mr. Lapierre: He was not the one occupying the Chair at the time.

[*English*]

Mr. Lewis: Mr. Speaker, I rise on the same point of order. It was my understanding of the agreement which was made with my colleague across the way—and I also discussed it with the critic for the NDP—that it would go to committee on a voice vote but there would not be a recorded division. That was the whole reason for the discussion.

I am sure that I speak for the Progressive Conservatives in the House when I say that we are prepared to have the question of designating a Senior Citizens' Day considered by a Standing Committee. We think that that is very worth while, and we would be prepared to have that happen. However, if the members of the Liberal Party who are here—and I specifically say members of the Liberal Party who are here—do not want to have that very important matter discussed by the Standing Committee, I am prepared to hear their nays.

Mr. Berger: Mr. Speaker, on a point of order—

Mr. Deans: Mr. Speaker—

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

Mr. Deans: Mr. Speaker, I was party to the agreement.

The Acting Speaker (Mr. Charest): The Hon. Member for Hamilton Mountain (Mr. Deans) on a point of ordeer.

Mr. Deans: Mr. Speaker, I was one of the people consulted in this regard, and I want to give you the benefit of what I recall as having been the consultation. The Parliamentary Secretary to the Government House Leader spoke with me and asked whether I would be agreeable to an arrangement in the House which would allow that at 6.41, or when the debate completed if it were prior to 6.41, this matter could be referred to a committee for further study, and that that would take place without a recorded vote. That is what I was asked to agree to, and I agreed to that.

Mr. Gauthier: Mr. Speaker, I have to agree with the Hon. Member for Hamilton Mountain (Mr. Deans). Indeed the agreement, as I understood it, differs from what I just heard from the Deputy Government House Leader. My understanding of Private Members' Hour is very much the same as that which all Hon. Members are used to working under, and that is that if a vote was indeed put, it would not be a registered vote. "If" is the big word I must use. I insist that you read the order, Mr. Speaker, unless I misunderstood the situation. I have no personal objection to this motion going to a committee, and I said so to the Hon. Member. However, I cannot, nor can the Government or anyone else take it upon ourselves to make deals as to how the private Members in the House operate within their own hour.

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

Some Hon. Members: Yes.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): Private Members' Hour has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 46 deemed to have been moved.

ENVIRONMENTAL AFFAIRS—TASK FORCE ON CHEMICAL ACCIDENTS

Mr. Alan Redway (York East): Mr. Speaker, as you are well aware, just over one year ago on December 3, 1984, the world experienced the most disastrous chemical spill that had ever occurred, in Bhopal, India. Officially something like 1,757 people were killed at that time as a result of a leak of poison gas from a chemical plant owned and operated by Union Carbide in Bhopal, India. It is likely, however, that there were many more than 1,757 people killed. It has been estimated that that figure may have gone as high as about 2,500. It is also estimated that there were likely something in the neighbourhood of 17,000 people injured in that chemical spill, and perhaps even as many as 300,000 people who will be affected either directly and immediately or indirectly and at some later stage in their lives, or perhaps even in the lives of those yet to be born. It has been suggested that there could be a great many side effects like birth defects, miscarriages and lung, eye, liver, kidney, brain and nervous system problems resulting from all of this. As well, a substantial number of lawsuits have been launched in India against Union Carbide over the chemical spill.

Why did all this happen? How is it possible that it could have happened? It has been suggested that there are at least three reasons for it. One is that a town of some 17,000 people was built cheek to jowl with the chemical factory. Another is that the technology at the factory was outdated and outmoded. A third is that the warning system in the factory was not up to modern standards. Whatever the cause, it did happen. We in Canada do not want to see it happen here.

Many people have suggested that it could not happen here and that this sort of thing would be impossible in our own country. However, at the same time we know that we have already experienced problems with chemical spills here in Canada. We know, for instance, of the Mississauga train derailment. Some 250,000 people had to evacuate their homes

as a result of that. We know that train derailments have not stopped. In fact, there are on average two train derailments in Canada every month. If it happens that chemicals are being carried on those trains, obviously there will be the potential for another Mississauga disaster or something even more significant.

We know as well that back in 1982 there was a blowout at a sour gas well in Lodgepole, Alberta, and that one person was killed as a result. Thousands of people were sickened by the fumes from that leak. We know that earlier this year, there was a PCB spill near Kenora, Ontario. We know that there is also a great potential for disaster with the chemical dumps along the American side of the Niagara River. Those chemical dumps being the Love Canal, Hyde Park, S Area and the 102nd Street dumps. We also know that there are many mini-spills occurring all the time.

● (1850)

In my own community we have experienced three of these spills in the last very few years. One of them resulted in a fire at the Bate Chemical plant in my community. Another one just two or three years ago occurred at the Bristol-Meyers plant where there was a chemical spill into the sewer system which flowed into the Don River. That resulted in the pollution of a poriton of Lake Ontario. Not more than a year and one-half ago there was another chemical spill at the Nuodex plant in my own community. All of these spills have indicated to me the great potential for disaster which can occur on the spur of the moment, quite unexpectedly.

I am concerned about what we are doing about these matters in our own country and in our own provinces. We are doing something. I know that the Government has taken certain action. The Minister of Transport (Mr. Mazankowski) indicated in the House a short while ago that he intended to establish a task force on the transportation of dangerous commodities by rail through metropolitan Toronto and area. I am looking forward to seeing that task force established in the very near future.

As well, we know that there are currently negotiations ongoing between the EPA in the United States and Environment Canada. We also know that there was a task force set up to investigate industrial chemical spills with a view to seeing what potential is for similar spills in Canada, similar to the one which occurred in Bhopal, India.

On December 10 I asked the Parliamentary Secretary what recommendations the task force had made and when they were likely to be made public. At that time he indicated that he expected they would be made public very soon. The Parliamentary Secretary is here with us tonight. I am hoping he will advise exactly what those recommendations were and when they will be made public. Canadians are waiting and hoping for an answer so that we can be sure to avert other potential disasters such as the one which occurred in Bhopal, India.

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I would like to thank the Hon. Member for York East (Mr. Redway) for his question. He is very consistent in the attention which he pays to this type of matter. He asks the best questions and, hopefully, he receives some of the better answers.

His question specifically relates to the Bhopal incident, but really includes all types of industrial accidents. No one in Canada escaped a sense of emotion over the vulnerability we might have to a big accident. The Hon. Member quite correctly points out a number of smaller incidents which may be occurring on a daily basis without our knowledge.

With respect to the substance of the question in terms of the task force, four days after the Bhopal incident we initiated at the federal level, in co-operation with the provinces, an approach to the problem. The approach was the establishment of the task force which commenced its study in March of 1985, and concluded in July of 1985. That task force consulted with a whole range of interested parties—if we can call them that—across the country. There were really three working groups which came together and produced this report, which is now being assessed, and those working groups first looked at a whole list of areas where in fact we might have a vulnerability, where we could experience accidents. One of the groups looked at procedures which are now in place to try to manage those incidents if they should occur. A third group looked at the strategies and levels of responsibilities between jurisdictions and so on. So all of those factions have come together to bring that report forward.

● (1855)

In short, what they have indicated is that we do have some problems. They have made a specific series of recommendations, all of which are being considered by that broad range of interests which I indicated in the previous answer.

We will in fact, federally, through the Minister of the Environment (Mr. McMillan), be releasing that assessment and the final report with recommendations by the end of January, 1986. I believe that will help to make sure that in the future in so far as possible, and within the jurisdiction and limitations we have at the federal level, we are meeting as fully as possible our obligations to prevent that kind of thing happening in Canada.

I would like to say in conclusion that we have had excellent co-operation from the provinces and from the industry.

ENVIRONMENTAL AFFAIRS—GREAT LAKES CHEMICAL TOXICITY. (B) GOVERNMENT ACTIONS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I wonder how much more the Hon. Member for York East (Mr. Redway) knows that he didn't know before having received that reply.

The Royal Society of Canada produced a week ago a very important and far reaching report on the Great Lakes and on the agreement we made with the Americans. It analysed what is happening in that eco-system and put forward a number of

recommendations, too many of them to quote today. I will just mention a few of those extremely important recommendations.

The report recommends, given the continuing problems of operating some of the largest sewer treatment facilities and the difficulties in correcting combined sewer overflow problems, that the agreement between Canada and the United States continue to emphasize the improvement, maintenance and replacement of sewage treatment systems. This recommendation alone will require on the part of this so-called Progressive Conservative Government that it make a renewed commitment to sewage upgrading, particularly in regions like Vancouver, the Fraser Estuary, Lake Ontario, the St. Lawrence River, downstream to the Maritimes. There is no evidence whatsoever on the part of the Government of a commitment of this nature. That is demonstrated by the fact that so far, despite renewed requests and pressure from my municipality in Metropolitan Toronto, not one penny has been devoted to the question of sewer separation in that large municipality.

The Royal Society also talked about the necessity of mapping ground water conditions around and under the Great Lakes Basin and the necessity of collecting data on geology, hydrology, soils and depth of water tables. But what we have seen so far on the part of the Government is a withdrawal from any substantial activity in terms of research and collection of further data with respect to toxicity and other activities.

The Royal Society recommends a comprehensive toxic substance strategy. It makes the point that we need an inventory of toxic chemicals found at potentially significant levels in the Great Lakes ecosystem. The second portion of that strategy is for action towards an effective long-term solution to leaking toxic waste dumps. The third strategy is for control actions against all identifiable sources of toxic chemicals in the Great Lakes Basin. Finally, it recommends the operation of modern toxic waste treatment centres in all regions of the Basin.

When I read the specific recommendations for a strategy, I ask myself what on earth can the Royal Society expect from a Government which has not been able to say one public word on a proposal by the United States, which is already two months old, with respect to the Niagara River. This has been kept a secret in Canada even though it is public south of the border. The Minister has had this on his desk for two months and not a word or an indication as to what the people in the Niagara region and around the Lake Ontario Basin can expect from this Government in reply to that proposal.

• (1900)

The Royal Society recommended the development of better data on contaminants in the food chain. This is an important new development which has emerged from a recent study by scientists in Ontario concerning contamination in the food chain resulting from evaporation of water from our lakes and precipitation in other areas.

In contrast to that recommendation, this Government has taken steps which have led to the virtual elimination from the face of the earth of a plan to build in Guelph the finest toxicology centre ever to be established. The Government has eliminated $2.5 million of toxic chemical research programs which were approved every year by Treasury Board for specific research in the Niagara region. Then it eliminated some $70 million in general research under the auspices of the National Research Council. Then the Minister comes into the House today with a shallow non-document which recites what we knew already. Neither does it give us any indication as to what specifically will be done to correct the situation and prevent deterioration along the St. Clair River. He tells us that he will improve certain laws. Laws will not enable us to clean up this mess or eliminate the possibility of this happening in the future because they do not impose specific controls on the performance of industry along that water body, or any international water body for that matter.

So here we have a fantastic report by the Royal Society of Canada, and an answer to my question exactly one week ago in this House by the Minister of the Environment (Mr. McMillan) which said nothing and which had nothing to do with the content of the report. I am therefore anxious to know from the Parliamentary Secretary what on earth this Government will do—

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

Mr. Caccia: —in relation to the recommendations contained in this report.

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, as the Hon. Member will know, the Royal Society can expect a lot more consideration, co-operation, understanding and action from this Government than it ever got from his Government.

Mr. Caccia: What do you know?

Mr. Gurbin: I can say with some certainty because I sat and watched his Government do nothing for four or five years.

What we have from the Royal Society is an assessment which really did not tell us a lot more than was already pretty obvious. We have major problems in specific areas and there are ways to try and deal with those problems.

• (1905)

Time after time I hear the Member for Davenport (Mr. Caccia) ask questions, give responses, and make comments. I wonder why he is so limited in his readings of some things. Why, for instance, would he not take a look at the Government's new initiatives in the toxic chemical research area? Take for example the wildlife toxicology fund. The Member takes great exception to this. It is politically easy for him to talk about herring gull aid programs in spite of the fact that he knows that the major and important part of those programs are still in process.

Mr. Caccia: Not in full.

Mr. Gurbin: I agree totally that it is not fully in process. However, in the time I have I would like to be very specific because the Member likes specificity. He asks a hundred

questions and wants a hundred specific answers. I will be specific on this point.

The wildlife toxicology fund now has 14 proposals before it; six of which have been accepted, one of which has been refused, and eight of which are in additional assessment areas. Those are additional active programs in areas of research which include the effects on agriculture and forest chemicals as well as the effects of toxic pollutants on wildlife, the monitoring of the success of measures to mitigate these effects, the development and implementation of techniques that use wildlife as indicators for toxic chemicals in the environment, and environmental pathways by which toxic substances may affect wildlife. That is just one specific example of what is working and what we are doing.

I would like to speak very specifically to the matter of inventory which the Member brought up in his comments. Canada is one of the few industrialized countries that has not had an inventory of toxic chemicals. We have had serious meetings in preparation for providing that inventory of over—

Mr. Caccia: That is a Liberal initiative.

Mr. Gurbin: It started and was not finished. It is something that has to be done. It is something that the Government will accomplish.

There were many other things which were started and talked about. The Member for Davenport was very careful to talk about Treasury approval year after year of funds which were never sure and about different programs that were never sure. He knows that the majority of those programs were concluded or incorporated into other programs. In fact, we have taken and will continue to take new initiatives following the three major assessments which are now underway. One is being done by ourselves and one is being done by the Science Council of Canada. An additional area of assessment is in our scientific research into toxic chemicals.

My time is up, Mr. Speaker, so I must stop, but I look forward to my next interchange with the Member for Davenport, and I wish him a merry Christmas.

TRADE—CANADA-UNITED STATES NEGOTIATIONS—AGRICULTURAL MARKETING QUOTAS. (B) QUOTAS—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I want to thank my colleague for his warm round of applause. On December 2 I asked a very important question of the Right Hon. Secretary of State for External Affairs (Mr. Clark) which he dealt with in a very light manner. That really surprised me because I have the utmost respect for the hon. gentleman. I asked him a very fundamental question on trade as it pertained to the shoe industry and to agriculture.

I asked the Minister if dairy programs would be sacrificed in free trade negotiations with the United States. To that he answered, of course, that the programs would not be sacrificed. Being the non-partisan person that you are, Mr. Speaker, I am sure you will agree that the only reasonable supplementary question would be to ask the Minister how we could believe him when the Government lied about the quotas on shoes. Why should we believe that the Government will preserve the quotas in the dairy industry, as it said it would, when it also said the same thing about the shoe industry? I am sure you know, Mr. Speaker, that the Government did not live up to its promise in that regard. I will prove to you that it did not.

I have a story from the Canadian Press of May 4, 1984, which appeared in *Le Journal de Montréal*. It says:

> A Conservative Government will not remove footwear or textiles quotas imposed by Canada, stated the Leader of the Conservative Party, Brian Mulroney, to the newspaper *La Tribune*.
>
> "The quota policy will remain the same as it is", declared Mr. Mulroney, adding that he was not for free trade in those industries.
>
> He added that he will not "bow" to the pressure that might come from countries of the Common Market or from the United States in order to reduce footwear and textile quotas.

● (1910)

What we received was in fact inconsistent with the truth. I bring this to your attention because the dairy farmers of my constituency are very concerned. They have been phoning me and asking if their quotas will disappear next. That is a very legitimate question.

In attempting to represent my constituents the best way I can—which I am sure all Members of the House would want me to do—I have sent a petition to every farmer in my riding which I will table in the House in the same manner that we have been tabling petitions lately. The purpose of this is to get a firm commitment from the Government and ensure that it will not bargain away the dairy programs, poultry programs and other market-sharing quota programs that we have in Canada.

I sent this petition, with a letter which I have in my hand now, to every farmer in my riding. I am asking that they sign a petition which states that the Prime Minister of Canada (Mr. Mulroney) give his immediate personal assurance that no agricultural program will be sacrificed in the free-trade negotiations with the United States.

The farmers of Canada have to be reassured, not simply with empty words as we heard about the shoe quotas. We need the truth rather than more empty rhetoric. We have had enough of the Government making promises and breaching them.

The Tory Government breached another promise this afternoon when it failed to introduce lobbying legislation in the way the Prime Minister promised in his death-bed repentance speech of September 9.

We on this side of the House are fed up. The people of Canada are fed up, as demonstrated in the public opinion polls, with getting evasive answers from the Government. We need a commitment that what it says in the future will be the truth.

With respect to this issue, the Government should ensure that free-trade negotiations concerning agriculture will not endanger the existing programs. We need a firm commitment

that our market-sharing quotas will be maintained. The dairy farmers, the poultry farmers and egg producers want that commitment. Nothing less than that personal assurance from the Prime Minister, who I thought would have been replying to this question personally, is acceptable.

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I believe there are two issues contained in the Hon. Member's question. With respect to the first issue, I can only comment that the Government took the advice of a Liberal-appointed tribunal. Perhaps such appointments are not always the best, but the Government accepted that assessment of the shoe industry and took what action made sense. I do not know if the Hon. Member is mixing up shoes and milk, but it is somewhat like comparing apples and oranges.

Mr. Boudria: Read the question.

Mr. Gurbin: When the Hon. Member talks about agriculture, I believe there are a couple of issues that he does not want to address or does not want to know. I would wager that there are some facts that he does not even tell his farmers. For instance, in 1984 there were $2.3 billion worth of agricultural exports to the United States. I wonder if there are any hog farmers in his riding?

Mr. Boudria: Yes.

Mr. Gurbin: They probably know what happened.

Mr. Boudria: I have hundreds of them.

Mr. Gurbin: That is good. They know what happened when protectionist sentiments arose in the United States and tariffs were implemented. The industry was threatened and the price of hogs went down.

Many other agricultural products, including potatoes, have been affected by those protectionist sentiments in the United States. There are 300 protectionist measures currently in the United States which could affect a wide range of products in Canada, many of which are agricultural products.

The Government is looking to secure approved access for Canadian agriculture. Throughout these free-trade discussions we will in fact be talking and dealing closely with all sectors of Canadian agriculture. We will do our best to get a good deal for all Canadian agriculture. We will not sign an agreement that is not a good deal for Canada.

On September 26 the Prime Minister (Mr. Mulroney) proposed that Canada and the United States pursue bilateral freer trade talks. The Government's aim in pursuing discussions with the United States was to secure and enhance Canadian access to what is by far our largest export market and provide a predictable trading environment with a better set of rules. This is welcomed by the United States.

• (1915)

At this point in time, these agricultural issues, or any number of other issues, are part of our discussions. We will not go in there with a set position on any number of issues, quite simply because that is not the way in which to negotiate. If the Hon. Member does his reading, he will know that yesterday a farm Bill was passed through Congress. The United States has a number of farm policies and measures in which it has just as much at stake as we have in ours. The Hon. Member also knows that the Conservative Party has always supported market supply management systems in agriculture when producers wanted them.

[*Translation*]

The Acting Speaker (Mr. Charest): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 31.

The House adjourned at 7.16 p.m.

HOUSE OF COMMONS

Friday, December 20, 1985

The House met at 11 a.m.

STATEMENTS PURSUANT TO S.O. 22

[*English*]

THE ADMINISTRATION

"THE WAY IT WAS" IN 1985

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, this being close to the end of December let us review the year 1985.

January: two Tories are reported to have received a $60,000 untendered advertising contract. February: the Solicitor General meets privately in a room at the Chateau Laurier with Premier Hatfield. March: the Irish eyes were smiling at the Shamrock Summit, while the Prime Minister (Mr. Mulroney) was giving away the store to the Americans. April: everything became relative; the Minister of Finance (Mr. Wilson), the Secretary of State for External Affairs (Mr. Clark), and the Minister of Justice (Mr. Crosbie) awarded cushy contracts and appointments to all their relatives. May: the Minister of Finance introduced his Budget which viciously attacked the poor and the senior citizens of the country. June: senior citizens are really mad at the Government and the Government reinstates pensions. July: the Minister of the Environment had a wonderful time in Paris at a mere cost of $64,000 to Canadian taxpayers. August: the Secretary of State (Mr. McLean) took an African safari. September: the tainted tuna scandal. We now know why the Prime Minister lost his sense of smell. October: the first bank fiasco in 62 years. November: the Tory Government gave away de Havilland to Boeing. December: the Government bullies Parliament by introducing closure seven times in 21 days.

That is "the way it was" in the great year of 1985. Merry Christmas anyway.

* * *

SOCIAL SECURITY

OPPOSITION TO BILL C-70

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the Prime Minister's refusal to meet today with members of la Coalition des femmes pour les allocations familiales, which represents thousands of Quebec women, is a further indication of his insensitivity to the concerns of women and the needs of children.

Undoubtedly he cannot face them because he has no just explanation to give for proceeding with Bill C-70 to reduce the purchasing power of family allowances. Instead, he intends to push through this incredible legislation which attacks families and children, especially women raising children on their own and on low incomes. Once again the Prime Minister (Mr. Mulroney) cannot defend his broken promises. Bill C-70 denies his promises never to hurt universal social programs, to help those in greatest need, to act on women's concerns, and to reconsider cuts when the economy improved.

The Prime Minister could save face, re-establish his credibility, and make all Canadians have a happy Christmas by allowing Bill C-70 to die and by sending out fully indexed family allowance cheques in January.

* * *

THE ECONOMY

IMPROVEMENT DURING 1985

Mr. Don Ravis (Saskatoon East): Mr. Speaker, this is a time to look back over the year—

Some Hon. Members: Oh, oh!

Mr. Ravis: —and take stock of what we have accomplished in 1985.

One accomplishment stands out as something of which all Canadians ought to be proud. The people of Canada, and our Government, have proved that by working together we can accomplish great things.

At home, the economic signs are excellent. The inflation rate has not risen above 4 per cent since we took office. Consumer and business investment is up. Housing starts are on the rise. Interest rates and unemployment are down. The number of new jobs in Canada continues to increase. We could not have accomplished so much without the enthusiastic participation of every Canadian, particularly small business people.

Over the past year Canadians have proven that they also have great concern for those in need around the world. The generous donations of both time and money by all Canadians to the Government's African Famine Relief Program have been tremendous. I am especially proud that Saskatchewan had the highest rate of contributions per capita to overseas assistance this year, a year when the residents of my province were afflicted with severe drought and difficulty in harvesting their crops. This accomplishment is not surprising since Saskatchewan has the highest rate of volunteers in the country.

S.O. 22

Government alone cannot bring about economic recovery. Government alone cannot feed the starving. But working together Canadians and our Government can make this country and the world a better place in which to live.

* * *

[*Translation*]

THE ECONOMY

FUTURE PROSPECTS

Mr. Gabriel Fontaine (Lévis): Under the Liberal administration, Mr. Speaker, not only were investors not interested, but they even shut down several refineries in Montreal East. Today, we have three national companies which are seriously considering getting financially involved in Montreal East, namely Shell Canada, *Gaz métropolitain* and Ultramar.

Our open and welcoming approach has proved to be the driving force which has renewed the confidence of investors and prompted the management of those companies to invest in Montreal East.

For several days now the Liberals have been trying to use those investment projects in an insidious attempt to spread dissension among Quebecers.

Mr. Speaker, our Government has achieved a national consensus. In the same way, Mr. Speaker, we intend to protect, maintain and strengthen the solidarity of Quebecers no matter where they live.

Aware of its responsibilities towards every region of Canada and Quebec, aware of the wider credibility it is gaining every day from private investors, aware of the challenges it has created for investors from all quarters, our Government will soon announce a strategy designed to inspire even more confidence on the part of investors, consumers and workers in Montreal and Quebec.

* * *

THE FAMILY

DIFFICULTY IN COLLECTING ALIMONY PAYMENTS

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I want to draw the attention of the House to the case of Mrs. Gwen Wills of Ottawa who has been unable to collect alimony payments for three years.

Mrs. Wills obtained an Ontario Supreme Court ruling ordering her husband to provide for some of the needs of their two children.

But her former husband left Ontario and now resides in Nova Scotia where he has launched a series of appeals against the ruling in a successful attempt to put off those payments. Indeed Mrs. Wills' former husband does not have to pay alimony for as long as the case is before the court.

This case proves the urgency of establishing a Canada-wide alimony payments collection system. Unfortunately Bill C-48 does not provide for such a system which would help thousands of women in dire straits such as Mrs. Wills, because of legal proceedings.

In the meantime we are forced to realize that the rights of women and children are severely breached. One child out of five lives in poverty, and most of the victims of poverty in Canada happen to be women.

Bill C-48 will do nothing to keep track of defaulting husbands and will not be of any use to 80 per cent of women waiting in vain for their alimony payments.

Mr. Speaker, Mrs. Wills is legally unable to defend herself, and I think that her predicament is absolutely absurd.

Therefore I urge the Government to amend Bill C-48 so that women in Canada will be able to receive their alimony payments.

* * *

[*English*]

AGRICULTURE

DELAY IN SIGNING TOBACCO CROP AGREEMENT

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, the House has been following with interest the Government's attempt to set up a national tobacco marketing board. It was one of the first items of farm business to go through the House. Legislators here have been watching its progress with interest. One year after we passed the Bill there is still no board in place.

Farmers were agitating outside the House. The Minister took the two sides, locked them up under the old system, a provincial board, and announced to the delight of the House that there was an agreement. We now find that the agreement seems to have fallen apart when the two parties got together to sign it. The manufacturers have refused to sign and have decided to take some time off for the Christmas holidays.

• (1110)

The Government now has very few options. It can take the proposal from the National Products Marketing Council and sign it into law, which would permit the various provincial producer groups to take that agreement and begin negotiations from there. Instead, the Government seems to have chosen the route of going through the courts causing the resultant delay. Another point the Government should be very much aware of is that in the intervening time between now and when the agreement finally can be reached, there should be temporary border controls placed on importation of tobacco and tobacco products. It is unfair for the manufacturers—

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

* * *

THE ECONOMY

INCREASED INVESTMENT FORECAST FOR 1986

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, the latest survey of financial and economic forecasters of the Conference Board of Canada reveals that business investment spending is expected to continue its strong 1985 performance into 1986. According to the findings of this independent survey, growth of 6.6 per cent in general investment spending is expected in 1986. This represents an increase over the already high level of growth we experienced in 1985.

In addition, several trends are evident in the responses to the survey in the past few quarters. To start off, the average growth forecast for the GNE in 1985 has been steadily rising over the last four surveys and now averages 4 per cent. Second, the average growth rate projection for the GNE in 1986 has been increasing and now rests at 2.9 per cent, compared with 2.6 per cent in the fall survey. Finally, the over-all economic picture is improving steadily in the eyes of the forecasters.

All of these positive indicators are music to the ears of Canadians. Unfortunately, some people do not want to hear good news and I am referring to Hon. Members of the Opposition whose shortsightedness almost destroyed our economy. It is time that the Opposition starts giving credit where credit is due instead of constantly engaging in mud-slinging and backbiting.

* * *

CANADA PENSION PLAN

ANNOUNCED IMPROVEMENT IN BENEFITS

Mr. David Daubney (Ottawa West): Mr. Speaker, it gives me a great deal of pleasure to rise today to congratulate both the Minister of Finance (Mr. Wilson) and the Minister of National Health and Welfare (Mr. Epp) on the recently announced improvements to the Canada Pension Plan.

In exchange for slightly higher contributions, more Canadians than ever will be eligible for CPP benefits at an earlier age, and with less restrictions. I am especially pleased that survivor benefits will no longer be terminated if a widow or widower remarries. I am told that approximately 35,000 Canadians will have benefits reinstated as a result of this change. The disabled will have the base rate of their pensions increased by $136 per month, and I understand that 140,000 Canadians will benefit.

These two changes alone will result in 175,000 Canadians receiving more generous benefits, to say nothing of the many Canadians who will be eligible for CPP benefits five years earlier, at age 60, rather than at age 65, with appropriate actuarial adjustments.

As a supporter of this Government I am very proud that, after little more than a year in office, the federal Government, with unanimous provincial support, has introduced the most generous and comprehensive amendments to the Canada Pension Plan since that Plan was enacted some 20 years ago.

* * *

ATOMIC ENERGY OF CANADA LIMITED

EFFECT OF BUDGETARY CUT-BACKS

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, some people are very busy and get a lot done. Some others use the excuse that they are too busy so they do not have to do certain things. The Minister of Energy, Mines and Resources (Miss Carney) falls into the latter category.

A delegation of business people, labour and professional researchers from the Deep River area have been trying to have a meeting with the Minister ever since the disastrous cuts within AECL were announced by the Minister of Finance (Mr. Wilson) in his Budget of May 23.

The Government cut the R and D budget of AECL by $100 million and robbed the company of another $70 million of retained earnings. The former Minister of Science and Technology stated in this House two days ago that money was not being taken out. He cannot even read the Government's own Budget Papers because it is right there in very plain language.

The Minister of Energy keeps saying that she does not have time to meet with the delegation from the Deep River-Chalk River area. I am amazed that she even had the time to approve the cuts. However, she obviously was around then. This is a case of hit and run or, even worse, a case of hit and then hide. I wrote a follow-up letter to the Minister on August 1 asking for a meeting with her on behalf of the business community, labour representatives and research scientists. To date my letter has not even been acknowledged. The Minister is still saying she does not have time to meet with people in the community.

This is a perfect example of how this so-called open Government works. Ministers do not have time for small business people, labour or scientific researchers in Canada. Because of the manner in which she is—

Mr. Speaker: The Hon. Member's time has expired.

ORAL QUESTION PERIOD

[*English*]

CROWN CORPORATIONS

REQUEST FOR COMMITTEE EXAMINATIONS OF FUTURE SALES

Right Hon. John N. Turner (Leader of the Opposition): Perhaps you will allow me, Mr. Speaker, on behalf of myself

and my colleagues, to offer to you and, through you, the staff of the House of Commons and our pages our warmest Christmas greetings and wishes for a happy holiday. I also want to congratulate you, Mr. Speaker, on the very spectacular lights on the Hill this year.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): They may be the only light we have had in recent days.

[*Translation*]

And I also wish to offer the Prime Minister personally, his family and the Members of his caucus and also the Hon. Member for Oshawa and his colleagues, our best wishes for the holiday season.

[*English*]

I also want to extend those greetings to the Fourth Estate, members of the Press Gallery.

Some Hon. Members: No!

Mr. Nystrom: Not Duffy.

Mr. Turner (Vancouver Quadra): We also want to remember Canadians less fortunate than ourselves, those who are out of work and having a tough time.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, my question is directed to the Prime Minister. Now that the de Havilland documents are going to be presented to a parliamentary committee which will have an opportunity to review the deal, I hope the Government has drawn a lesson from this. Will the Prime Minister give an undertaking to the House that in any future sale of a Crown corporation the full documentation and details of that sale will be referred to a parliamentary committee before the sale is closed?

Right Hon. Brian Mulroney (Prime Minister): I want to thank the Right Hon. Leader of the Opposition for his generous comments to all Members of the House, Mr. Speaker. May I take this opportunity on behalf of my Party and the Government to extend to him and all of his colleagues, as well as the Hon. Member for Oshawa and his colleagues, and to you, Mr. Speaker—but I will not go much beyond that—as well as to all members of the Gallery and our staff, our very best wishes as well for happy holidays.

Some Hon. Members: Hear, hear!

Mr. Mulroney: In any future transactions we will be respectful of the traditions and customs of the House and we will be searching for ways to provide as much information as possible to Members of the Opposition and public.

[*Translation*]

REQUEST FOR PRECISE RULES FOR FUTURE SALES OF CROWN CORPORATIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, when a Crown corporation is put up for sale, we must remember these companies belong to Canadian taxpayers, who are the real shareholders.

In the circumstances, could the Prime Minister, in future, provide more specific rules for prior consideration of these transactions, including information on the future of the jobs involved, the future of Canadian technology and research, and especially on whether control will remain in Canadian hands?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I don't think I have ever denied the fact that we have an obligation to provide the Opposition and the Canadian people with all the facts of the case, while bearing in mind that we are also talking about a commercial transaction that has a number of confidential aspects, which is only normal.

There are elements that may become problematic if they are revealed before the sale is closed. I think we all know that. However, this does not relieve us from our responsibility to be open in all circumstances, where the sale of Crown assets is concerned. We were in this particular case, and we hope to be even more so in subsequent cases to be considered by the House. In any event, the Leader of the Official Opposition can count on our co-operation at all times with respect to matter that are so vitally important to us.

* * *

• (1120)

[*English*]

SOCIAL SECURITY

REQUEST FOR WITHDRAWAL OF BILL C-70

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have one final question. In view of the widespread opposition in the country, particularly that of our religious leaders, would the Prime Minister withdraw Bill C-70 relating to the deindexation of family allowances?

Some Hon. Members: Hear, hear!

Mr. Benjamin: I'll agree to that.

Some Hon. Members: Agreed.

Mr. Speaker: Order, please.

Right Hon. Brian Mulroney (Prime Minister): I have great respect, Mr. Speaker, not only for the religious leaders to whom my right hon. friend refers, but for other leaders in the country, many of whom have expressed deep gratification with the course that the Government is following to restore sanity.

Some Hon. Members: Oh, oh!

Mr. Ouellet: Come on.

Mr. Mulroney: As a result of that, the course upon which we have embarked will be followed because we believe that, as the OECD reported yesterday, the Government of Canada is doing better than any other of the OECD countries with few exceptions.

Some Hon. Members: Oh, oh!

Mr. Mulroney: I know my right hon. friend would wish us well in the pursuit of jobs and justice for Canadians.

Some Hon. Members: Hear, hear!

[*Translation*]

REQUEST FOR IMMEDIATE WITHDRAWAL OF BILL C-70

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. Mr. Prime Minister, it is the holiday season and therefore a time when we should express our generosity, not just in words but also by our actions. Everyone in Canada will be exchanging gifts at Christmas and New Year's. We have here representatives from all the groups that are asking you . . . I am not just speaking for the Opposition but for all these people, religious leaders, family agencies and women, who are all asking whether you would have the generosity to announce immediately the withdrawal of Bill C-70, for the sake of all the children across this country.

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, as has been said many times in the House, there is an increase in the child tax credit which makes up for any changes in the family allowance.

Mr. Nystrom: Scrooge.

Mr. Epp (Provencher): As Members know, there will also be an increase in the family allowance as of January 1 rather than the decrease which they have been speaking of in the country.

Ms. Mitchell: That's inaccurate.

Mr. Heap: You know that's not true.

Mr. Epp (Provencher): Additionally, Bill C-70 follows the principle of directing the money in social policies to those in greatest need. That principle remains.

[*Translation*]

INQUIRY IF PRIME MINISTER WILLING TO MEET REPRESENTATIVES OF CERTAIN GROUPS

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my supplementary is also directed to the Right Hon. Prime Minister. Mr. Prime Minister, why has your office refused to let you meet all our religious leaders and the family agencies who have a very important matter to discuss with you? Would the Prime Minister be prepared to meet them outside the House?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Government has been meeting with various groups, not only in relation to Bill C-70. The Minister of Finance and I have recently been meeting with social reform groups and considering further issues. Those meetings will continue. The Member should keep in mind that Ministers of the Government have been meeting with these groups and will continue to do so. If he looks at the record he will find that that is the case.

INQUIRY IF PRIME MINISTER DISPOSED TO DISCUSS GOVERNMENT'S DECISION TO REDUCE FAMILY ALLOWANCES

Hon. Edward Broadbent (Oshawa): I want to begin my questioning by joining the Prime Minister and the Right Hon. Leader of the Opposition in wishing, on behalf of my colleagues, all Members opposite a joyful personal year in the months ahead.

Mr. Turner (Vancouver Quadra): What about us?

Mr. Broadbent: And with respect to the Party to my right, figuratively speaking, I say without qualification that I wish it and all its members and their families, in their personal lives, an enjoyable new year.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I even extend that, without qualification, with total generosity as the Prime Minister might say, to all the men and women up there in that Gallery.

Mr. Benjamin: Expect Mike Duffy.

Some Hon. Members: Oh, oh!

Mr. Broadbent: Now, to get back to Scrooge—

[*Translation*]

—I have a question about the Government's decision to reduce family allowances. Here in Ottawa, we have a coalition representing a large number of Canadians from all regions, and it wants to meet today with the Prime Minister. My question is directed to the Prime Minister: Will he accept this invitation? Would he be prepared to discuss with Canadians the Government's decision to reduce family allowances?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, that discussion has been taking place. It has taken place on the Budget, on the Bill, in the Legislative Committee, and again when the Bill came back. It has been taking place with members of the Government and members of

the Opposition meeting with the public. That discussion has taken place.

I believe that the airing of the matter has been adequate. Furthermore, I remind the Leader of the New Democratic Party that when we look at benefits to families, he should also be reminded of the increase in the child tax credit, that there was a strong representation from social groups to change the tax expense for children on the basis that it gave greatest benefit to those with greatest income, and that there was a change to the family allowance that he has addressed personally.

I think we must look at that entire package. I believe the debate has been adequate.

Mr. Broadbent: I say to the Minister that I am also aware of the fact that the Government has given a capital gains tax gift to the rich of Canada that will cost the treasury some $500 million a year, which is more than enough to continue family allowance payments the way they should be.

REQUEST THAT PRIME MINISTER MEET CHURCH REPRESENTATIVES AND OTHER GROUPS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my supplementary question is directed to the Prime Minister because the request for a meeting is with him, now the Minister of National Health and Welfare. That meeting is requested by representatives of the church, women's groups, representatives of the rich and poor and families throughout Canada. That request to meet with the Prime Minister was made some time ago. Will he meet with them sometime today in an act of generosity and Christmas spirit?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think it is probably fair to say that I have been very accessible to groups who wish to meet with me. I have done it on a regular basis at all times. I have never turned down a reasonable request at any time for a meeting that I could accommodate.

Ms. Mitchell: What about women?

Mr. Mulroney: I know that Ministers have—meeting with the women? I am the first Prime Minister to meet with representatives of women's groups in this country on a regular basis.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Mulroney: And with representatives of the poor, with religious groups and peace groups. I am the first Prime Minister of the country to go to speak to the peace groups.

Ms. Mitchell: You don't listen and you do not do anything when they ask.

Mr. Benjamin: Answer the question.

Mr. Speaker: Order, please. I ask Hon. Members to please allow questions to be put and answered.

Mr. Ouellet: That is not an answer.

Mr. Speaker: Order, please.

Mr. Mulroney: We were elected to deal with the important social problems. For example, the people here who believe today—I know it is not Christmas-like for them to do so—but the people in the galleries should remember that when we brought in our economic program the Members opposite were predicting a loss of 200,000 jobs, but 416,000 new jobs were created.

Some Hon. Members: Hear, hear!

Mr. Mulroney: That is social justice for the country.

Mr. Speaker: May I remind all Members on all sides that any reference to the presence of anybody in the gallery is entirely out of order.

• (1130)

Mr. Broadbent: Mr. Speaker, if the Prime Minister is right, as he is, that the economy is doing better than not only the Government's forecast and the Opposition's forecast—

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. Questions and answers should be allowed to be put and answered without applause and comments.

An Hon. Member: It is a big "if".

Mr. Broadbent: I say to the Prime Minister with this improvement he should show some generosity by making sure the people get the money who need it, namely, the recipients of family allowances.

Since the Prime Minister has just suggested that he is willing to meet with a lot of groups, instead of meeting with groups at his convenience when he wants to persuade them to do something, will he meet with a group that wants to meet him to persuade him to change his mind?

Mr. Speaker: Order, please. That is not a supplementary question. It is simply the same question put for the third time, with respect.

Mr. Manly: No.

Mr. Speaker: With respect.

Some Hon. Members: No.

Mr. Speaker: Order, please. I am perfectly prepared to allow supplementary questions but—

Mr. Broadbent: It is a new rule.

Mr. Axworthy: It is a new rule.

Mr. Speaker: No, it is not a new rule. The same question put over and over is contrary to our practice. Order, please. The Hon. Member for York Centre.

* * *

CROWN CORPORATIONS

SALE OF DE HAVILLAND—HIRING OF BROKERAGE FIRM

Hon. Bob Kaplan (York Centre): I note that the President of the Treasury Board is back, Mr. Speaker. I hope he heard the news—

Some Hon. Members: Oh, oh!

Mr. Kaplan: —that there has been a very welcome flip-flop by his Party over the question of giving information on the de Havilland sale.

I note that the brokerage firm of Burns Fry has been used as the agent on four of five of the Government's privatizations. There are other good firms that are capable of doing that work. I understand as well that very large commissions will be paid. Will that aspect of this transaction and all the documents be reviewed by the committee looking into the de Havilland sale?

Hon. Robert de Cotret (President of the Treasury Board): I would like to thank my hon. colleague for his words of welcome. I was absent yesterday because I was meeting with the ambassadors from the European Economic Community at the behest of the Prime Minister.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): What is the country going to get?

Mr. de Cotret: On the question of information, Mr. Speaker, I think we have made available on the whole transaction all the information that was potentially available to the Opposition from a commercial point of view.

I further made available this morning an addendum to the memorandum outlining many of the points that were made in this House over the last few weeks just so Members opposite can focus their minds more clearly on the specific details that have obviously been concerning them. We will continue in that same spirit of providing all the details.

We are still committed, I would like to emphasize, to the sale of de Havilland to Boeing. We will throughout this process make available, as I indicated in my covering note this morning, all available information. Please phone or call, and we will give you the information that you request.

Some Hon. Members: Hear, hear!

AWARDING OF BROKERAGE CONTRACTS

Hon. Bob Kaplan (York Centre): Mr. Speaker, I consider the Burns Fry information to be very relevant and important. We want to be certain that all these privatizations are not being used as a way of awarding very lucrative business to the friends of the Government.

Again, if I phoned and asked for that information, as the Minister has invited me to do, will I get it?

Hon. Robert de Cotret (President of the Treasury Board): The answer is yes, Mr. Speaker.

In terms of the privatization exercise, we have employed a great number of firms. I would be happy to make the list available to the Hon. Member. There is no problem there whatsoever.

The reason we are employing a considerable number of outside advisers is to make sure that we are protecting the Canadian taxpayer in every way possible in the sale and divestiture of Crown assets by ensuring that we have the best possible advice. The list is much longer than just one firm. For that reason, I would like to take it under—

Some Hon. Members: Hear, hear!

* * *

SOCIAL SECURITY

INDEXATION OF FAMILY ALLOWANCES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is for the Prime Minister. Since he and the Minister of Finance promised to reconsider budget cuts to social programs when the economy improved, and since the P.M. feels the economy has improved, will he agree to take steps now to index family allowances fully for January? It will cost only $75 million.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, we are gratified by the manner in which the economy is responding to the leadership shown by the Prime Minister and the Minister of Finance.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): We are also pleased the Hon. Member's Leader has recognized that fact. What we are saying to her—as we have said in the Budget and as we have said subsequently—is that the Government is looking at further social policy initiatives on an ongoing basis. Obviously we want to get the finances of Canada and the deficit under control. Let me say to the Hon. Member that the best guarantee she and Canadians can have for better social programs is for us to have an economy that can afford those social programs. That is our job. That is the relationship between social and economic policy, and we will continue on that path.

Ms. Mitchell: There is absolutely no justification for taking money from children, Mr. Speaker, when there is money coming in through the economy.

USE OF MINIMUM TAX REVENUE

Ms. Margaret Mitchell (Vancouver East): I want to ask a question of the Finance Minister this time since the Prime Minister will not answer. He has recently introduced a minimum tax, or is in the process of doing so. We agree with that: we will have $300 million extra in the kitty.

Mr. Speaker: Is there a question please?

Ms. Mitchell: Will the Finance Minister use the $300 million as extra income to reindex the family allowance in 1986?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member continues to isolate the family allowance. If she is going to be honest with herself and her constituents, she will be looking at this as a total package. The child tax credit has been increasing significantly, much higher than the reduction in the growth rate of the family allowance. As well, something she herself has been calling for—

Ms. Mitchell: It is still deindexed. Answer the question.

Mr. Wilson (Etobicoke Centre): —is a reduction in the child tax exemption.

I would like to be able to say to the Hon. Member that as the economy performs, as we are able to generate the economic activity, that is starting to occur in a very favourable way and the OECD report has been, I think, quite pointed in the way it has referred to the economy this year, by saying that it has no policy recommendations for the Government of Canada. Because things are going so well the OECD has nothing more to add to the policy directions that we have already taken.

* * *

• (1140)

[*Translation*]

EMPLOYMENT

REQUEST FOR CLARIFICATION OF PRIME MINISTER'S POSITION TOWARD PEOPLE OF PORT-CARTIER

Hon. Jean Lapierre (Shefford): Mr. Speaker, a few moments ago the Prime Minister had the nerve to inform the House he was available, when we know that the Mayor of Port Cartier has been trying to reach him for a month and a half, but without success.

Mr. Speaker, the Prime Minister told the people of Port Cartier that with him as their elected representative, the employment problem at the ITT plant would be dealt with. For months, Cascades Inc. has been setting up a project, and the only other partner they need to carry out the project is the federal Government.

I want to ask the Prime Minister: Why does he insist on undermining the credibility of the promoter and on ignoring urgent calls for help from the Mayor of Port Cartier and people who are seeking jobs?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member's statement is erroneous in the extreme.

On the North Shore, we did indeed inherit a disastrous situation, thanks to the policies of the Liberal Government and the federal Government in Port Cartier, where the impact was very serious indeed. The federal Government has agreed to invest $60 million at Port Cartier which will create 450 new jobs on a permanent basis, something the people appreciate as a very important step.

Furthermore, regarding the ITT matter and others as well, I had an opportunity to discuss this last Friday with Premier Bourassa, who is very interested in this particular case. If there is a solution, it will take joint action on this issue and on others as well. In fact, we will probably have an announcement to make in the near future.

CASCADES INC.—GOVERNMENT'S OFFER—PRIME MINISTER'S POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, I have a supplementary. The Prime Minister may have discussed this with the Premier of Quebec, but the Quebec Premier's offer is on the table. I just spoke to Mr. Bernard Lemaire, President of Cascades, who told me that if by January 1 the federal Government had not made its offer of $12 million as stipulated, there would be no more promoter—

Mr. Speaker: The question, please!

Mr. Lapierre: Is the Prime Minister going to deliver the goods by January 1? Otherwise, he can kiss the project goodbye.

Right Hon. Brian Mulroney (Prime Minister): That is interesting. Now if the promoter feels that the way to proceed is through the Liberal Opposition, that is his concern. But as far as we are concerned, we are handling this jointly with the Government of Quebec.

Mr. Malépart: Shades of Duplessis!

Mr. Mulroney: There is a joint dossier involving both the Quebec Government and the federal Government.

Mr. Bourrassa was sworn in last Thursday. We met that Friday, the very next day.

Mr. Ouellet: A federal decision!

Mr. Mulroney: A decision—

Mr. Speaker: Order! Order, please.

Mr. Mulroney: —was made, Mr. Speaker, to assign Messrs. Roch Bolduc and Paul Tellier, our respective Clerks, to work on these issues. We are expecting to receive a joint recommendation, from Messrs. Tellier and Bolduc in the near future, on a series of projects, including Port Cartier. And I think I can inform my hon. friend that Port Cartier and the North Shore will fare much better in this instance than they did under the Liberal Government.

* * *

[*English*]

AIR TRANSPORT

PROPOSED DEREGULATION—POSSIBLE EFFECT ON SAFETY AND MAINTENANCE

Mr. Les Benjamin (Regina West): Mr. Speaker, my questions are directed to the Minister of Transport. They arise from the events of the last few weeks and the statements which he has made. The Minister has said that he will not allow any deregulation or legislative changes which would denigrate safety, maintenance, and inspection. How does he know how to do that without having conducted a thorough, in-depth study, including the Transport Committee, to define properly, in strong and clear terms, what "fit, willing and able" mean, and what the whole matter of freedom of entry and exit means in the areas of safety, maintenance, and inspection? Is it his intention to do that before he brings in legislation, and when will he be bringing in that legislation?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I think the Hon. Member should know that the position paper presented in July reflected the Government's desire to move toward regulatory reform. We identified a number of areas of concern, which we asked the Standing Committee on Transport to look at and give us recommendations. I have received those recommendations. Certainly they will be taken into consideration during the drafting process. Anything in that report which will enhance safety or economic regulatory reform and produce the best transportation framework for Canada, to meet its unique circumstances, will certainly be taken into account.

MINISTER'S STATEMENT ON SAFETY MEASURES

Mr. Les Benjamin (Regina West): Mr. Speaker, in his last report the Auditor General indicated that none of the Transport Canada regional offices could inspect all airlines in their jurisdiction even once a year, and the Minister has said that he has beefed up safety measures—

Mr. Speaker: Order, please.

Mr. Benjamin: Will he say—

Mr. Speaker: Thank you.

Mr. Benjamin: Wait for it.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. With respect, a question, please.

Mr. Benjamin: Will he say exactly, in some detail, what that beefing up consists of? All I have seen is a campaign poster which reads: "Think security in airports in Canada". What has he done to beef up inspection procedures and the number of inspectors required to do a decent job?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, with regard to the system-wide operation, there are some 614 inspectors. With regard to the passenger safety side, there has been a 20 per cent increase in the number of people between 1984-85 and 1985-86. That is a clear indication that safety is of paramount importance. Surely the Hon. Member knows that we just passed the Aeronautics Bill, which amounts to the most progressive aviation legislation in the world. Surely he also knows that in many areas of transportation safety the mechanisms are beefed up. There are more mechanisms to enforce the necessary rules and regulations. I hope the Hon. Member will continue to work with us in improving the environment of safety to which I am committed and to which I am sure he is committed.

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TRADE

ENTRY OF SERVICE TECHNICIANS TO UNITED STATES

Mr. William C. Winegard (Guelph): Mr. Speaker, my question is directed to the Minister for International Trade. He will know that manufacturers in my riding and throughout Canada have had trouble in recent months getting after sales service people into the United States. This is still a problem. Could the Minister tell us whether something will finally be done about it?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I am happy to advise the Hon. Member that yesterday the United States Court of Appeal set aside the ruling of the lower court until such time as the appeal is heard. Our workers and servicemen will now be able to continue to enter the States to service those contracts without any problems. Also I am happy to advise him that I discussed the problem with Mr. Yeutter during my talks this past Wednesday, with a view to seeking a permanent solution to the problem.

Oral Questions

LOBBYING

PREPARATION OF LEGISLATION

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Prime Minister. On September 9 the Prime Minister promised the following in a document which he sent to my office:

I have accordingly asked my colleague, the Minister of Consumer and Corporate Affairs, to prepare, on an urgent basis, legislation to govern lobbying activity.

Could the Prime Minister tell the House what forced him to break yet another promise to the Canadian people?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): In answer to that question, Mr. Speaker, I would suggest that we have quite simply decided to give the matter more consideration, and we hope that Canadians generally will indeed express their views. It would certainly be more constructive if the Hon. Member were to voice his representations before the parliamentary committee instead of indulging in cheap criticisms.

ALLEGED PRESSURE EXERTED BY LOBBYISTS—MINISTER'S POSITION

Mr. Don Boudria (Glengarry-Prescott-Russell): I have a supplementary question, Mr. Speaker. In an interview yesterday the Minister of Consumer and Corporate Affairs admitted that lobbyists had brought pressure to bear on him with respect to this matter. Can he tell us today who were those lobbyists who used such pressure tactics? Can he name them and, more particularly, can he tell us why he listened to them, contrary to the advice of his leader?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, we believe that the impact of regulations on lobbyists and lobbying deserves more consideration and public airing, which is why we made that decision.

* * *

[*English*]

SOCIAL SECURITY

REQUEST FOR WITHDRAWAL OF BILL C-70

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Prime Minister; I hope he will answer it. In the spirit of Christmas, and as a gift to the kids of the country, will he now withdraw Bill C-70, a Bill to deindex family allowances?

Some Hon. Members: Oh, oh!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the best gift that any Government can try to give to the kids of the country is jobs and a sound economy, and that is what we are doing.

Some Hon. Members: Hear, hear!

Mr. Mulroney: We are going to take that mountain of debt off the backs of the children of the country, which was being placed there by you and your Liberal friends.

Some Hon. Members: Hear, hear!

Mr. Mulroney: We are finally going to give the kids of the country an equal chance for some growth and prosperity and new jobs.

Some Hon. Members: Hear, hear!

REQUEST THAT LEGISLATION BE WITHDRAWN

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, we have heard enough rhetoric.

Some Hon. Members: Oh, oh!

Some Hon. Members: Sit down!

Mr. Nystrom: I would like an answer to the question. Will he or will he not withdraw Bill C-70? Why chisel on the children of the country? Will he or will he not withdraw that Bill? I want an answer.

• (1150)

Mr. Speaker: Order, please. I will allow the answer in this case. May I remind the Hon. Member that there are several Hon. Members of his own Party who are rising to ask questions. I will therefore allow this to be the last time that simple question is asked.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, as you indicated, it is the same question, and the same answer applies.

* * *

CANADA POST CORPORATION

PORNOGRAPHIC MATERIAL MAILED TO CHILDREN

Mr. Sid Fraleigh (Lambton-Middlesex): Mr. Speaker, I have a question for the Minister responsible for Canada Post. I know it is the time of year for the giving and receiving of gifts, but a 13-year-old boy from my riding recently received an unsolicited catalogue from a film distribution company based in Canada. The material, or trash, contained in the brochure was, in my opinion, of an explicit, pornographic nature and entirely unsuitable for a minor, particularly one as young as 13 years old. Can the Minister tell the House how this type of material can he sent through our postal system to a 13-year-old boy, and what steps the Government is taking to prevent this type of occurrence?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I want to thank my colleague for bringing this to my attention. I share his concern. I will bring this matter to the Security and Investigation Branch of Canada Post Corporation for its review and recommendations.

* * *

GOVERNMENT EXPENDITURES

OPENING OF OFFICE IN BARBADOS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Prime Minister. I would like to know whether or not the Prime Minister gave his permission for the Christmas-in-Barbados junket undertaken at the taxpayers' expense by the Hon. Member for Dartmouth in order to open an office which has been open for the last six months?

Hon. Erik Nielsen (Deputy Prime Minister and Minister of National Defence): Mr. Speaker, I saw the report in this morning's press, the one to which the Hon. Member is apparently referring. The matter will be the subject of inquiry to see whether or not the accuracy level of it is of the same standards as the accuracy level of several other similar stories that have come out in the last several months.

TRAVEL BY MINISTERS AND MEMBERS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, Canadian government officials in Barbados confirmed today that the trip was organized at a time when the Member was probably going to be in the Barbados anyway at his own family hideaway. I would ask the Prime Minister, in light of the fact that he is asking the women and children of the country to pay through cut-backs in the increases in family allowances, how he can justify April in Paris, July and August on safari, and Christmas in the Barbados for his own Members of Parliament.

Right Hon. Brian Mulroney (Prime Minister): And Taiwan for Boudria.

Some Hon. Members: Oh, oh!

Mr. Mulroney: I want to know if he is going to send a cheque for $15,000 back to the Government of Canada.

Mr. Speaker: Order, please.

Ms. Copps: Mr. Speaker, I would like an answer to my question. The women and children of this country want an answer.

Some Hon. Members: Sit down.

Mr. Speaker: Order, please.

Ms. Copps: This is the House of Commons and you're ripping off taxpayers. It's a taxpayers' rip-off.

Mr. Speaker: Order, please. It is indeed the House of Commons.

Ms. Copps: Well, answer!

Mr. Speaker: The Hon. Member for Nickel Belt.

* * *

NATIONAL REVENUE

FORMER CAPE BRETON EMPLOYEES—REQUEST FOR TAX REMISSION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of National Revenue. It refers to the closure by the Government of the heavy water plants on Cape Breton Island. As a result of those closures, 630 workers have lost their jobs and they will lose up to 60 per cent of their severance package to income tax. Will the Minister tell the House whether or not he will grant the tax remission to those workers that they have requested?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I can appreciate the concerns of my colleague. As he knows, we met with some of the employees last October and I would like to point out to the Hon. Member and to the House that the severance package offered by AECL is an equitable one and that there is a measure of tax relief available to those employees either by using contributions to a Registered Retirement Savings Plan or a Registered Pension Plan. I can only assure the Hon. Member that we will consider studying the situation.

I would like to remind the Hon. Member and the House that the Government, led by the Minister of Regional Industrial Expansion, is doing something far more practical. We are making extraordinary efforts to provide alternative jobs for the people of Cape Breton, which in the end is the most practical solution.

REQUEST FOR MINISTERIAL CONSIDERATION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my supplementary question is directed to the Minister of Finance. Obviously that is where the log jam lies. I would like to give the Minister a chance to be Santa Claus. In light of the fact that these workers face a very bleak future while at this time we are lucky enough to have jobs, will the Minister of Finance give the serious consideration that was given by the Prime Minister to the workers of Gagnon, to a tax remission for these 630 workers from an area in which the chances of getting a job are very, very bleak indeed? Can he at least do that for them?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as I am sure the Hon. Member knows, I have had a number of discussions with the Hon. Member for Cape Breton Highlands-Canso on this particular matter and we are reviewing the question very carefully. I would ask the Hon. Member not to spread these negative doubts about the future of Cape Breton.

As my colleague has just said, we are making extraordinary efforts through the Cape Breton tax credit, the most generous tax credit available in any part of the country. It is starting to work.

Mr. Rodriguez: Why don't you give them some help now?

Mr. Wilson (Etobicoke Centre): It is. We are helping people now because people are gettings jobs as a result of that tax credit.

Mr. Rodriguez: But they're not going to get those jobs for a long time. You give them some help. Give them some help now.

Some Hon. Members: Louder.

Mr. Speaker: Order, please.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

* * *

EXTERNAL AFFAIRS

CONSTRUCTION OF NATURAL GAS PIPELINE IN INDIA

Mr. Ted Schellenberg (Nanaimo-Alberni): Mr. Speaker, in the absence of the Secretary of State for External Affairs I will direct my question to the Minister for International Trade. As the Minister may be aware, Vancouver Island remains one of the last densely populated areas in Canada which does not enjoy the benefits of natural gas. Consequently, recent media reports that Canada may be providing substantial financial assistance toward a proposed natural gas pipeline in India have created some consternation among the citizens of Vancouver Island. Would the Minister clarify the Government's financial involvement in the India gas line project and the reasons behind that involvement?

Hon. James Kelleher (Minister for International Trade): Mr. Speaker, I am happy to advise the Hon. Member that India has called for bids on a pipeline project. A number of Canadian companies are interested in it and, to enable them to be in a position to bid on it, export financing must be made available. I am happy to announce that the Export Development Corporation is prepared to make export financing available for a company from Canada that would be successful in bidding on this project, and no aid or concessional financing from CIDA is involved in this matter.

* * *

NATIONAL REVENUE

ALLEGED REVELATIONS TO UNITED STATES TAX AUTHORITIES

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I have a question for the Minister of National Revenue. I received a letter from a solicitor in Manitoba which alleges a very serious breach in the confidentiality of the tax system. According to this document, the Canadian tax authorities have given information to U.S. tax authorities relating to the exact earnings European investors holding assets in this country have received. I believe that this constitutes a serious breach of Section 241 of the Income Tax Act. Did the Minister authorize the transfer of this information to U.S. tax authorities? Does he know about it, and does he not also consider it to be a serious breach of our tax system?

• (1200)

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I agree with my colleague that it is a very serious matter if there are some irregularities involved. However, as the Hon. Member knows, pursuant to tax treaties between countries, the provision of information under certain circumstances in permissible. I will check to see whether or not there has been any breach in procedure, either on our part or on the part of American recipients of this information pursuant to the treaty. I will report back to the House.

CONCEPT OF CONFIDENTIALITY

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, the Government has several times in the House used the concept of confidentiality as a means of protecting disclosure of information on such matters as the Gulf takeover. There now seems to be a free flow of information to U.S. tax authorities. Will the Minister provide us with the guidelines which are used and which set out what rules are now applied by his officials in supplying information to U.S. tax authorities on any resident or non-resident in Canada who pays taxes in this country?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I will certainly consider this as a representation. However, I want to tell my colleague that I think he is exaggerating when he talks about a free flow of information. I do not believe that to be the case. I repeat to him that there are certain exceptions to Section 241 and to confidentiality requirements pursuant to tax treaties between countries. If there has been any breach of these types of safeguards, I will certainly provide him with the details.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Thursday, December 19, 1985, meet the requirements of the Standing Orders as to form.

However, 129 petitions out of 300 presented do not meet the requirements of the Standing Orders as to form.

Some Hon. Members: Shame, shame!

Mr. Speaker: Order, please.

Mr. Epp (Provencher): You guys are misleading the country!

Mr. Speaker: Order, please. I would ask all Members and all Ministers to come to order.

Some Hon. Members: Shame, shame!

Mr. Speaker: Order, please. I would ask all Members and all Ministers, and all Ministers and all Members, to come to order, please.

The two petitions presented by filing with the Clerk of the House meet the requirements of the Standing Orders as to form.

* * *

PRIVILEGE

ALLEGED ACCUSATION BY MR. MULRONEY

Mr. Speaker: I am in receipt of a notice of a question of privilege from the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria).

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I submit to you it is indeed an attack on the privileges of every Member of this House when certain false accusations are made against an Hon. Member in the House by another Hon. Member, which has been done on repeated occasions by the Prime Minister of Canada (Mr. Mulroney).

The Prime Minister made reference to the trip which I took to Taiwan with Conservative Members from Mississauga North (Mr. Horner), Cumberland-Colchester (Mr. Coates), York North (Mr. Roman) and Vaudreuil (Mr. Cadieux), and others. The Prime Minister has insinuated falsely, I submit to you—

Some Hon. Members: Sit down.

Mr. Speaker: Order, please.

Mr. Ouellet: Listen to him, he has a question of privilege.

Mr. Speaker: Before I hear any argument with regard to any matter, I must ask the Hon. Member to tell me precisely what his question of privilege is.

Mr. Ouellet: He is doing that!

Mr. Speaker: The Hon. Member for Papineau (Mr. Ouellet) will please allow me to hear the Hon. Member's argument.

The Hon. Member for Glengarry-Prescott-Russell knows that our practices are that rather than give me the argument he may wish to put to the House at this point, he must give me immediately his *prima facie* case of privilege.

Mr. Ouellet: That is what he is doing.

Mr. Boudria: Mr. Speaker, I submit to you that there have been serious erroneous attacks by a Member of Parliament against another Member of Parliament, which is my initial submission.

Mr. Speaker: Would you please fix the House microphone.

Mr. Boudria: I submitted to you in the first sentence that an untrue attack made by a Member of Parliament against another Member in this House is an abuse of our parliamentary privileges.

Ms. Copps: A lie!

Mr. Boudria: I was going on to describe very briefly what, indeed, that attack had been by the Hon. Member for Manicouagan, the Right Hon. Prime Minister.

Mr. Speaker: I take it the Hon. Member is making an allegation that—

Mr. Ouellet: No!

Mr. Speaker: Order, please. I take it the Hon. Member is arguing that a mistatement of fact on one side or the other is the substance of his—

Mr. Ouellet: No!

Mr. Speaker: Order, please. Is that the basis of his suggestion, that there is a question of privilege involved? I think he knows that is not true.

Mr. Gauthier: I rise on a point of order, Mr. Speaker.

Mr. Speaker: Order, please. I think the Hon. Member knows that, if he believes that something has been said which is improper or otherwise, there are recourses which he may take. However, it is not a question of privilege.

Mr. Gauthier: I rise on a point of order, Mr. Speaker. Mr. Speaker, I wish to refer you to Beauchesne's Fifth Edition, Citation 319. During Oral Questions the Prime Minister referred to the Hon. Member for Glengarry-Prescott-Russell by his family name. I think that is contrary to the rules and customs of the House. I want Your Honour to remind the Prime Minister that we are supposed to be addressed properly in the House. I refer to him as the Right Hon. Prime Minister. I think he should be made aware of the rules and follows them.

Mr. Speaker: The Hon. Member has raised a correct point of order. In fact, it is the practice and custom of the House not to use family names and that all Members should be referred to by their ridings. I ask all Members—all Members—to remember that rule since it is honoured increasingly in the breach.

Mr. Prud'homme: I rise on a point of order, Mr. Speaker.

Mr. Gray (Windsor West): I rise on a point of order, Mr. Speaker.

Mr. Speaker: The first point of order I will hear will be that of the Hon. Member for Saint-Denis (Mr. Prud'homme).

Point of Order—Mr. Prud'homme

[*Translation*]

POINTS OR ORDER

REQUEST FOR PHOTOCOPY OF PETITION PRESENTED IN HOUSE

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, you made a ruling a while ago about the petitions tabled yesterday, and my point of order concerns those petitions.

The Hon. Member for Athabasca (Mr. Shields), who is a very good friend, tabled a petition which said that the Official Opposition was presenting too many petitions yesterday.

I immediately went to the table to read the petition and to obtain a photocopy. I must say, Mr. Speaker, that I was very surprised to hear that I would not get a complete photocopy, which is quite unprecedented. I was told: You can have a photocopy of half of it, namely the text, but not of the names.

However, I already knew quite well what the petition of the Hon. Member for Athabasca said and I wanted to know who were these Canadians who objected vigourously to having the Opposition present a series of petitions on deindexation.

I was very surprised at what happened, Mr. Speaker, because, for the last several years, I have been able to get nearly on the spot all the photocopies I wished of certain petitions which had caught my attention when I wanted to see the names of those who had signed them. I was therefore quite surprised not to be able to get a copy since these documents are official. Moreover, I was informed that I could copy it by hand later, but I could have sat down at the table to copy the names.

Mr. Speaker, I wanted to see the names of these people immediately to satisfy myself that, while they might be Canadians from various parts of the country, they probably were, as they were indeed, I believe, employees of the House of Commons, and they had signed the petition on the spot.

Therefore, Mr. Speaker, before a precedent is set, and in accordance with Citation 344 of the Fourth Edition of Beauchesne, I would like to ask you to rule today that, if a Member asks for a photocopy of a document which has been made public by the fact of being tabled, he should get it, and get all of it.

[*English*]

Mr. Gray (Windsor West): I rise on a point of order, Mr. Speaker.

Mr. Speaker: May I resolve this point of order, please. I will then hear from the Hon. Member for Windsor West (Mr. Gray), followed by the Hon. Member for Athabasca (Mr. Shields).

I think the Hon. Member is raising a point of order which was brought to my attention earlier this morning. The Hon. Member did leave a note at my office last night. I was otherwise occupied at that precise moment.

I have checked our practices. I understand it is our practice, in fact, not to reply to requests generally for photocopies of petitions but to indicate that petitions are available for reading, after, of course, a judgemnt has been made with respect to whether or not they are in order. Therefore, I appreciate the point the Hon. Member is raising. I would be perfectly happy to review our practices and report back to the Chamber on the matter.

The Hon. Member for Windsor West on a point of order.

ALLEGED ACCUSATION BY MR. MULRONEY

Hon. Herb Gray (Windsor West): Mr. Speaker, I have always understood it to be the tradition that when something is said by an Hon. Member which is untrue, the Hon. Member about which it is said has the right to rise in his place and put the facts before the House. In the case of the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), he wants to put before the House that the statement of the Prime Minister (Mr. Mulroney) with respect to his having spent taxpayers' funds to go to Taiwan is untrue.

Mr. Tobin: Absolutely false.

Mr. Gray (Windsor West): Either on a point of order or on a question of privilege, it has always been traditional for the Hon. Member to have the right to set that out.

In fact, if Your Honour looks at the precedents you will see that there have been occasions when allegations by one Member against another have been accepted as grounds for a question of privilege, referred to the Committee on Privileges and Elections and have been the matter of a decision. One way or another this House will be tainted unless the untrue and unfair accusation of the Prime Minister against the Hon. Member for Glengarry-Prescott-Russell is put aside.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Windsor West has, indeed, just done what it is our custom to do. The Hon. Member for Glengarry-Prescott-Russell rose on a question of privilege which, in my view, is quite a different matter. I asked him to repeat his question of privilege and what he put before the House was the issue that there was a question of privilege involved.

• (1210)

Ms. Copps: It was a lie.

Some Hon. Members: Order.

An Hon. Member: Be quiet, Sheila.

Mr. Speaker: I appreciate exactly the point the Hon. Member for Windsor West is making. That is why I chose to let him make his point of order. However, I have always tried to make the distinction between the use of a short statement under a point of order, which I understand to have certain values and meanings, and the use of that through a Question

of Privilege, which I happen to regard as a very distinct and special issue of parliamentary matter.

Therefore, I think the Hon. Member for Windsor West can draw from what I have said that I have sympathy with what he is saying as a point of order. I think the point has been made.

Mr. Gray (Windsor West): Are you going to recognize the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) on a point of order so he can put the facts on the record?

Mr. Speaker: Order, please. I think the Hon. Member for Windsor West has put the facts on the record.

Mr. Turner (Vancouver Quadra): They are not on the record.

Mr. Speaker: The Hon. Member for Windsor West has made a point of order—

Mr. Gauthier: You interrupted him.

Mr. Speaker: —which is not a point of order, and I have tried to deal with it as best I can.

The next point of order I received was from the Hon. Member for Athabasca (Mr. Shields). Then I will hear the Hon. Member for Shefford (Mr. Lapierre).

Mr. Shields: Mr. Speaker, the Hon. Member for Saint-Denis (Mr. Prud'homme) said in his point of order that he wanted to check—

Mr. Gauthier: We are debating.

Mr. Shields: —the petition with respect to whether the petitioners were real Canadians or House of Commons staff. I got that on translation and I just wanted some clarification. I am sure he is not—

Mr. Speaker: Order, please. We are getting farther and farther and farther away from what is a point of order.

Ms. Copps: I will write up another petition.

Mr. Don Boudria (Glengarry-Prescott-Russell): Following your advice, I would like to raise the matter I raised with you previously but this time on a point of order, which I understand is your direction. I will be very brief in explaining to this House that I believe the accusations made against me by the Prime Minister are untrue, are false and certainly should not have been made in this House of Commons.

I submit to you, Mr. Speaker, that at no time at all during the trip which seven Conservative Members of Parliament and I made to Taiwan were public taxpayers' funds used. The allegations were made by the Prime Minister (Mr. Mulroney). I invite you, Mr. Speaker, to review the "blues" as we refer to them, and arrive at a judgment upon it yourself.

Mr. Speaker: Order, please.

Mr. Hnatyshyn: You just want to protect the Taiwanese.

Mr. Turner (Vancouver Quadra): Every time you try it, Ray, we are going to get up—every time.

Mr. Speaker: Could I ask Hon. Members and Right Hon. Members to come to order, please.

The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) has put his view of what is true on the record and that is what that procedure is for. There is neither a point of order nor a question of privilege involved.

ROUTINE PROCEEDINGS

[*Translation*]

MANAGEMENT AND MEMBERS' SERVICES

PRESENTATION OF FIFTH REPORT OF STANDING COMMITTEE

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I have the honour to present the Fifth Report of the Standing Committee on Management and Members' Services, in both official languages.

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

* * *

[*English*]

PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I have a petition from a large number of residents of British Columbia, including a number of residents from Hornby Island and from Vancouver Island, as well as the lower mainland, who are concerned that the deindexation of universal family allowance and the cut-back in public commitment to child benefits will have a particularly unfair effect on single parent mothers. They call upon us in the House of Commons to reinstate full indexation of universal family allowance and to rescind the unfair tax increases of the last Budget.

EXPORT OF LOGS THROUGH PORT OF STEWART

Mr. Jim Fulton (Skeena): Mr. Speaker, I have a very lengthy petition signed by almost every resident of the community of Stewart in Northwestern British Columbia. The petitioners hope that the House will do something to encourage that the logs which are presently being exported through the Port of Stewart be loaded on ships locally. This will help to create immediate jobs in the Town of Stewart. The Stewart residents feel they deserve a part of the value of this forest

resource. I would like to thank Lloyd and Joan Jagoda and Frank Morrison for co-ordinating—

Mr. Speaker: Order.

[*Translation*]

FULL INDEXATION OF FAMILY ALLOWANCE AND CHILD TAX CREDIT

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I have the pleasure and the duty of presenting to the House some petitions asking the Government in this festive season to reinstate full indexation of family allowances and the child tax credit.

These petitions are from Etobicoke-Centre, from Portneuf, Quebec, and from the federal constituency of St. Paul's, in Ontario. Another petition is from Hull-Aylmer, and finally I have another one from the federal riding of Richelieu, Province of Quebec.

FULL INDEXATION OF OLD AGE PENSIONS

Hon. André Ouellet (Papineau): Mr. Speaker, I have the duty of presenting to the House a petition that comes somewhat belatedly, but on which I want to act just the same. It is a petition from people living in the Habitations LeMans, one of the major institutions in my constituency, run by Mr. Euclide Laliberté. Those constituents asked that the Government maintain full indexation of old age security pensions. They will be happy to know that this has been done, but I want to table the petition on their behalf just the same.

[*English*]

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the responsibility and the privilege of tabling in this House some petitions signed by residents of Leross, Semans, Nokomis and Moose Jaw, Saskatchewan. All of these petitioners call upon the House of Commons to reinstate the full indexation of family allowances.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I have the honour and duty to present to the House of Commons a series of petitions dealing with the family allowance. These petitioners are from Saskatoon, Saskatchewan and Calgary and Edmonton, Alberta. These petitioners call upon the House of Commons to reinstate full indexation of universal family allowance and to rescind unfair tax increases.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have a petition signed by several hundred people from my riding dealing with the family allowance. These people state specifically that, in their opinion, the deindexation of universal family allowances is an unfair attack on women and families with children, especially single parent mothers, and that the cut-backs in family allowances are unfair in the face of budget hand-outs of billions of dollars to the oil companies and to the banks.

I have another petition with regard to family allowances from another group of residents from Winnipeg with slightly different wording.

INQUIRY INTO USE OF NANOOSE BAY TEST RANGE

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I have three different petitions here. The first two petitions relate to the test range at Nanoose. One petition calls for the agreement between Canada and the United States not to be renewed until a full public inquiry has been held.

The second petition states that because of the test range's contribution to militarism and its damage to the environment, the agreement should not be renewed at all.

FULL INDEXATION OF FAMILY ALLOWANCE AND REPEAL OF TAX INCREASES

Mr. Jim Manly (Cowichan-Malahat-The Islands): I have a third petition, Mr. Speaker, which calls upon the Government to rescind its plans to deindex family allowance partially and to rescind unfair tax increases which are combined at the same time with tax give aways to oil companies and banks.

Mr. Speaker: I will rturn to petitions in a moment but there is something I should say now which I should have said before.

* * *

HOUSE OF COMMONS

TRIBUTE TO TABLE OFFICER, MR. MAXIME GUITARD

Mr. Speaker: The House, I believe, will want to extend congratulations to one of our very special people. There is a gentleman sitting at the Table whose last day at the Table will be today. He is not leaving the House of Commons, I assure Hon. Members. Maxime Guitard has given unbelievably fine service at the Table. He will be performing a new job as of next week. He is not leaving the Chamber, I assure those of you who care, as we all do, about Maxime. I thought the House would want to extend its congratulations.

Some Hon. Members: Hear, hear!

* * *

● (1220)

[*Translation*]

PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCE AND CHILD TAX CREDIT

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I have the honour of presenting on behalf of citizens of the

federal constituency of Shefford a common grievance on the problem of family allowances. These citizens would like the federal Government to reinstate full indexation of family allowances and the child tax credit.

[*English*]

Mr. Speaker, I will also present the same petition on behalf of residents of the federal constituency of Richmond-South Delta in British Columbia, residents of the wonderful constituency of Hillsborough in Prince Edward Island, and residents of the constituency of Okanagan North in British Columbia.

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I have a number of petitions from people in several constituencies in Canada relating to the deindexation of family allowances. These people pray that the Canadian House of Commons reinstate the full indexation of universal family allowances and rescind this unfair form of tax increase. The first petition is from Trois Rivieres in the Province of Quebec. The second petition is from Kootenay West in British Columbia and is signed by many people from that area. The third petition is from the constituency of Assiniboia in Saskatchewan. It is signed by a lengthy list of petitioners and is with regard to the deindexation of family allowances—

[*Translation*]

—in the riding of Champlain, Province of Quebec.

[*English*]

I have a petition from the great riding of Etobicoke-Lakeshore in Toronto signed by many petitioners. In addition to that, Mr. Speaker, I have a petition from Broadview-Greenwood, also in Toronto, signed by many petitioners. Finally, Mr. Speaker, I have a petition from the riding of Sarnia-Lambton which is signed by a large number of Canadian citizens from that riding.

* * *

[*Translation*]

HOUSE OF COMMONS

TRIBUTE TO MR. MAXIME GUITARD

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I want to join you in congratulating Mr. Maxime Guitard, and thank him for his loyal and extraordinary services to the House of Commons. It is my hope that we will continue receiving his excellent advice, which he always extends in a fair and equitable way to all Members in this House.

[*English*]

As an officer of the Table his duty is to treat every Member of the House of Commons equally, new or old, from any of the three Parties. I think he has given a good example of that, as have all the others, of course.

[*Translation*]

PETITIONS

FULL INDEXATION OF FAMILY ALLOWANCE AND CHILD TAX CREDIT

Mr. Marcel Prud'homme (Saint-Denis): To comply with Your Honour's wishes, I shall be brief, Mr. Speaker. I have the honour to table a number of petitions. The first one is signed by a group from the Champlain riding, namely, the *Coalition des femmes pour les allocations familiales*, concerning the Government's decision to deindex family allowances.

Mr. Speaker, I have the honour to table another petition from people residing in the federal riding of Portneuf who are asking again the Prime Minister of Canada to renounce its project to deindex the family allowances and child tax credit. I take this opportunity to congratulate my friend the Hon. Member from Montreal-Sainte-Marie (Mr. Malépart) who has tabled a great many petitions we are all aware of his complete dedication to this cause, and I hope he will have a restful Holiday Season, because he has been very active throughout the year, having been selected by our caucus as our champion on these issues.

[*English*]

Mr. Speaker, I have a petition on the same subject from Toronto. It is addressed to the Prime Minister of Canada and the Cabinet and begs them to reconsider their final decision. While offering you my best wishes, Mr. Speaker, I would like to present my last petition from the fabulous, beautiful district of Kootenay West where Expo '86 will be held—

Ms. Mitchell: Expo will not be held in Kootenay West!

Mr. Prud'homme: Expo '86 will be held in Vancouver, British Columbia. Maybe some people will offer each other gifts during the Christmas season and go to Expo in British Columbia. It is a beautiful province and it is going to be a fabulous Expo. However, the people there are also very, very worried about this project to deindex family allowances. I would like to table this petition, Mr. Speaker.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, petitions continue to flood in every day on the issue of having family allowances reindexed to the real cost of living so that children and mothers will not suffer through a reduced family support system.

The first petitions are from Glace Bay, Nova Scotia. The next petition also asks for full indexation of the universal family allowance and for the House of Commons to rescind the unfair tax increase. It is from Calgary, Alberta.

I have another petition on the same subject from Edmonton, Alberta, the land of Conservatives who are telling the Conservatives to reindex the family allowance.

I also have a petition from Saskatchewan with quite a number of names on it, Mr. Speaker. The petitioners are saying that the accelerated cut-backs in child benefits on top of the sales tax changes and excise tax increases are unfair.

They are asking that those taxes be rescinded and that the family allowance be fully indexed.

I have quite a number of petitions from Ontario. The first is from Kanata, Kingston, and Gloucester, Ontario. It protests the deindexation of universal family allowances, the massive cuts that this will mean to child benefits, and the unfair taxes. They call for full indexation of the universal family allowance.

Another petition is from Crystal Beach, Ontario, which is near where I grew up. There are quite a number of signatures on it. I am glad that the good people of Crystal Beach, Ontario, realize that the Conservatives are doing a disservice to Canadians, particularly to Canadian families. They are calling for the reindexation of the univeral family allowance and the rescinding of unfair tax increases.

I have another petition which is from the machinists' union, as was the last one. This one is signed by citizens of St. Thomas Ontario. They are opposed to the Government policy and, I am sure they would expect the Government, now that it is saying that the economy is improved, to fulfil its promise not to cut back on social programs if the economy improves. These people want full indexation returned to the family allowance.

The next petition is on the same subject and is from a number of members of the Gray family in Aylmer, Ontario. They also protest the cuts in the family allowance.

Several of the many petitions I have yet to present are from British Columbia. The first one is from Victoria Drive in Vancouver in my riding.

Mr. Deputy Speaker: Order, please. I believe the Member is well aware of the rules. If she has more petitions on the same subject, could she please file them with the Table?

Ms. Mitchell: Mr. Speaker, I just have two more petitions from Vancouver which I would like to include. They are on the same subject and ask the Government and the House of Commons to reindex the family allowance to the full cost of living and to rescind unfair tax increases before Christmas.

[*Translation*]

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I wish also to table a number of petitions against deindexation of family allowances from citizens residing in the Quebec ridings of Sherbrooke, Beauce, Laval, Lotbinière, Champlain, Saint-Maurice, Trois-Rivières, as well as in Mississauga-South, Moose Jaw (Saskatchewan), and Vancouver-East.

All these Canadian men and women are asking the Government not to deindex the family allowances.

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, I have also a number of petitions against the Government's plan to deindex the family allowances. These petitions are from the Quebec ridings of Berthier-Maskinongé-Lanaudière, Quebec East and Rosemont.

• (1230)

Mr. Alain Tardif (Richmond-Wolfe): Mr. Speaker, I also have a number of petitions that deplore the fact the Government intends to deindex family allowances.

The petitions are of course from several different ridings, and I am told that some were sent to Conservative Members, who refused to table them in the House, so that with your permission, Mr. Speaker, I would like to bring a number of these petitions to the attention of the House. They all have one thing in common and that is that they deplore deindexation of family allowances.

First, I have one from the federal riding of St. Catharines. I have another one from the federal riding of Manicouagan. I have another one, Mr. Speaker, from the riding of Mégantic-Compton-Stanstead. I have another from the federal riding of Trois-Rivières. Mr. Speaker, I have another petition, this time from the federal riding of Jonquières. And I have another one from the federal riding of Saint-Hyacinthe-Bagot, where people wrote to tell me, Mr. Speaker, that their Member refused to table petitions, and they are insisting on full indexation of family allowances.

Hon. André Ouellet (Papineau): Mr. Speaker, I would like to submit a number of petitions sent to me by constituents in a number of ridings in this country who are asking the Government of Canada to reinstate immediately full indexation of family allowances and the child tax credit.

These petitions are from the federal riding of Brome-Missisquoi, from the City of Toronto—it is hard to tell exactly which riding—but in any event, they are residents of the City of Toronto. I also have petitions from residents of the federal ridings of Sudbury and Windsor West in Ontario, and finally from Ottawa-Carleton in the National Capital Region.

[*English*]

OPPOSITION TO MAY 1985 BUDGET PROVISIONS

Mr. Steven W. Langdon (Essex-Windsor): I too have hundreds of extra names to add to the pressure that we hope will lead to the Government making some shifts in its policy. The first petition protests the budget hand-outs made in the past Budget, such as half a million dollars in tax-free capital gains, greater RRSP deductions for high-income recipients, plus the $9 billion in hand-outs to the oil companies and the billion dollar bail-out of the banks. This petition comes from Nova Scotia and such towns as Enfield, Windsor Junction, Milford, Dartmouth, Halifax, Milford Station, Wellington, Sackville, Fall River, Nine Mile River and Oakfield.

CHANGES IN CHILD TAX CREDIT

Mr. Steven W. Langdon (Essex-Windsor): The second petition I wish to present is in protest to the changes in the child tax credit which will lead to a decrease for even the poorest

families by 1990. It comes from the Canadian Association of Schools of Social Work here in Ottawa.

[*Translation*]

FULL INDEXATION OF FAMILY ALLOWANCE

Mr. Steven W. Langdon (Essex-Windsor): The third petition, Mr. Speaker, comes from Quebec. It opposes changes to family allowances, and the petitioners humbly ask for full indexation of family allowances.

Those petitions come from Westmount, Dorval in Montreal, Saint-Eustache, Lachine and other parts of the Province of Quebec.

[*English*]

My final petition is from North York in Downsview. It is signed by several hundred people who are making, as strongly as they possibly can, the demand to restore indexation to the family allowance and child tax credit system in this country.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I have a number of petitions. The first is from the Women Against the Federal Budget. It states that we, the undersigned, believe that children are everyone's responsibility and that all parents should receive Government assistance whose value is at least as high or higher than present family allowance values. We therefore strongly oppose the budget proposals to reduce the cost of living protection of family allowances and demand that this proposal be withdrawn as soon as possible.

I am sure that citizens from the Toronto-St. Paul area who wrote this petition were referring to the family allowance Bill.

[*Translation*]

The second petition, Mr. Speaker, comes from the riding of Longueuil, in Quebec. It submits that the family allowances and the child tax credit, which are Government programs, are an essential help for families with children.

[*English*]

Mr. Deputy Speaker: Order. Could I ask the Hon. Member to summarize and not read the petition?

[*Translation*]

Mrs. Finestone: Mr. Speaker, this petition deals with family allowances, and those families ask that they be reinstated at their proper level. Those petitioners are from Longueuil.

I have another one from the federal riding of Quebec East asking for the reinstatement of full indexation of family allowances and the child tax credit. It says $55 million will be cut from support to families if the Government does not reconsider that measure.

[*English*]

You may be uncomfortable but these people are the constituents who voted for the Members opposite. They have a right to speak their mind and be heard.

The last petition comes from the riding of Richelieu. It is my pleasure to speak on their behalf and tell the Government that they would like to see the Bill withdrawn and indexation restored as soon as possible.

[*Translation*]

They are signed by both English and French-speaking people, which means that both—

[*English*]

Mr. Dan Heap (Spadina): Mr. Speaker, when the little boys across the way come to order I will present a petition which comes from the liberated riding of Spadina—liberated from the two old Parties. The people of Spadina are stating that the 3 per cent deindexation of the family allowance and the other cut-backs to the child benefits, too numerous to mention in the reading of a petition, are very unfair to families with children, especially in light of the very large hand-outs to those who already have more money than they need. Therefore, your petitioners are requesting the House to ensure that the Government will withdraw its legislation which is chopping family allowance and is making poor families poorer, and also will rescind the unfair tax increases and unfair tax give aways to the large corporations.

* * *

[*Translation*]

IDENTIFICATION OF CRIMINALS ACT

MEASURE TO AMEND

Mr. Dave Nickerson (Western Arctic) moved for leave to introduce Bill C-260, to amend the Identification of Criminals Act (publication of cards).

Mr. Deputy Speaker: Is it the pleasure of the House that the Hon. Member have leave to introduce the said bill?

Some Hon. Members: Agreed.

Mr. Nickerson: Mr. Speaker, the purpose of this Bill is to protect the reputation of people who are wrongly charged with an offence and who are therefore subject to be fingerprinted and to have a police record established, by forbidding publication of this record in case of acquittal or withdrawal of the case.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

Mr. Speaker: When shall this Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

Motions

● (1240)

[*English*]

CRIMINAL CODE

AMENDMENT RESPECTING CHILD ABUSE

Mr. Bob Corbett (Fundy-Royal) moved for leave to introduce Bill C-261, an Act to amend the Criminal Code (child abuse).

Mr. Deputy Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Corbett: Mr. Speaker, this Bill, if passed, will provide for legislation that I believe will further protect children under the age of 16 from abuse, both sexual and non sexual.

Several new non-sexist offences will be created to prohibit physical contact with children for the purpose of sexual gratification or stimulation. In addition, Criminal Code provisions have been strengthened for assault against children under the age of 16.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

Mr. Layton: Mr. Speaker, may I ask for the permission of the House to revert to the introduction of Bills later in the day for the purpose of introducing a Bill to regulate interests in petroleum in relation to frontier lands, to amend the Oil and Gas Production and Conservation Act and to repeal The Canadian Oil and Gas Act?

Mr. Deputy Speaker: Is there unanimous consent?

Some Hon. Members: Agreed.

Agreed and so ordered.

* * *

PROCEDURE AND ORGANIZATION

ORDER OF REFERENCE TO STANDING COMMITTEE

On the order: Government Notices of Motions:

December 18, 1985—the President of the Privy Council:

That the document entitled "Lobbying and the Registration of Paid Lobbyists, A discussion Paper", be referred to the Standing Committee on Procedure and Organization;

That the Committee consider and report upon the issues discussed in the above-mentioned documents; and

That the Committee report its findings and recommendations no later than March 30, 1986.

Mr. Deputy Speaker: Pursuant to Section (2) of Standing Order 26, this Government Notice of Motion stands transferred to and ordered for consideration under Government Orders later this day or at the next sitting of the House.

Mr. Kaplan: Mr. Speaker, I rise on a point of order. There are two such motions standing in the name of the President of the Privy Council (Mr. Hnatyshyn). Which is the one transferred, Mr. Speaker?

Mr. Deputy Speaker: Both motions will be transferred.

* * *

PERMANENT AND PROVISIONAL STANDING ORDERS

ADOPTION AND INCLUSION OF TABLED AMENDMENTS

December 18, 1985—the President of the Privy Council: That the proposed amendments to the Standing Orders, laid upon the Table on Wednesday, December 18, 1985 (Sessional Paper No. 331-7/37) be adopted and made provisional Standing Orders of the House.

Provided that, unless otherwise ordered;

1. the said provisional Standing Order shall be enforced from the first sitting day in 1986 until the House adjourns on the last sitting day in December of that year;

2. and further to the Order made on June 27, 1985, the provisional Standing Orders thereby adopted shall continue in force during the same period; and

3. the Clerk of the House shall be authorized and instructed to print a revised and renumbered edition of the Standing Orders integrating the provisional Standing Orders and making any necessary amendments in consequence thereof or relating thereto in respect to the Standing Orders concerning Private Bills, and to make such changes to the *Order Paper and Notices* as may be required.

Mr. Deputy Speaker: Pursuant to Section (2) of Standing Order 26, this Government Notice of Motion stands transferred to and ordered for consideration under Government Orders later this day or at the next sitting of the House.

* * *

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

CONCURRENCE IN FOURTH REPORT OF STANDING JOINT COMMITTEE

Hon. Bob Kaplan (York Centre): Mr. Speaker, I should like to move concurrence in the fourth report of the Standing Joint Committee on Regulations and Other Statutory Instruments presented to the House on Thursday, October 17, 1985.

Before hearing the question put, I would like to say a few words about this report.

I am the joint chairman of this Standing Joint Committee on Regulations and Other Statutory Instruments. To appreciate the nature of our report and the significance of our all partisan and our bicameral criticism of the oil carriage limitation regulations, it is important that I tell the House something about our committee concerning its mandate and its composition.

This committee is not one of the oldest in the House of Commons or in the other place. It is a committee which has an important job, although it is a job which, in my brief time of

service and some association with the committee in the past, has never been at all in the public limelight. The limelight does not assist this committee in doing its work. Remarkably, over the past years we have been able to operate, I believe, almost completely by unanimity, not only unanimity among all Parties in the House but unanimity among members of the committee and the other place.

I want to pay tribute to members of the committee, who have served without very much public attention over the years, in keeping this important committee going. I want particularly to refer to my predecessor, the present Solicitor General (Mr. Beatty) who was a distinguished House Chairman of that committee for several years.

The practice has always been that the House joint chairman should be a member of the opposition Party. During the time when the present Secretary of State for External Affairs (Mr. Clark) was Prime Minister, the House chairman was Mr. Ken Robinson, a former colleague of ours, a former Liberal Member of Parliament who also performed a distinguished function as joint chairman of the committee.

I want to say a few words about the composition of the committee. More important, Mr. Speaker, I would like to tell you about our mandate and what it is that has brought us to our criticism of the oil carriage regulations to which I have referred and which our report addresses.

The committee's mandate has developed over the near decade the committee has been in existence. The mandate has been developed in consultation with interested parties across the country and in consultation with other democratic parliamentary institutions around the world, which have also been developing a form of review of the regulations and other statutory instruments generated pursuant to statute and pursuant to prerogative in those countries.

I wish we had the time to look at all our criteria, but the criteria have developed. There are 15 of them. I would like to tell the House something about each and every one of the 15 criteria that we use in examining regulations and other statutory instruments, particularly those criteria having to do with the oil carriage limitation regulations, the subject of this report.

Some of our criteria are very obvious. We are first mandated to examine regulations and other statutory instruments to see whether or not they are authorized by the terms of the enabling statute. Or, if there is no enabling statute, if such regulations are an exercise of the royal prerogative, that the terms of the exercise of the royal prerogative are in conformity with the common law. We have added to that first of our 15 terms of reference the additional observation that we expect the regulation or other statutory instrument to state clearly the precise authority for the making of the instrument.

That is the weakness of the regulation which is before us, Mr. Speaker. The regulation is purported justified by a section of the Canada Shipping Act. In the unanimous view of our committee, it is bolstered by the very competent legal advice we received from the Library of Parliament, for which we are most grateful. Those regulations are not justified by the section of the Act which the regulations claim justify their creation.

• (1250)

We also examined regulations and other statutory instruments to see whether they complied with the Statutory Instruments Act in respect of transmittal, recording, number or publication. I remind the House that the Statutory Instruments Act was a great step forward in the development of this area of public policy. It established tight criteria, designed to ensure that, almost like legislation itself, regulations and other statutory instruments would come to the attention of the public, particularly those affected by them. Also it would ensure that by looking at them, they would be able to understand them, where they come from and what they were intended to do. As I indicated, that is one of the failings of the subject of the fourth report on which I am moving concurrence.

Our third criterion is to require—and this is another requirement of the Statutory Instruments Act—that the instrument with which we are dealing has complied with any tabling provision or other condition set forth in the enabling statute. This criterion was needed because very often—In fact, more often than one would expect or more often than was really required—a particular statute sets out its own internal code for regulations which are to be created and are to emanate under the statute. We want not only to ensure that the regulation complies with the Statutory Instruments Act as to those formalities—I call them "formalities", but they are important for the citizen; that is the whole object of our efforts—but to ensure that it complies with any requirements of a similar sort which may be put out under its enabling statute.

Under the third of our 15 conditions, we want to assure ourselves, in doing our job as a joint committee, that the time and manner of compliance with the enabling statute are clearly set out.

Our fourth criterion is somewhat more controversial. It is that in doing our work, and eventually making our reports, we seek to ascertain whether the regulation or other statutory instrument makes some unusual or unexpected use of the powers conferred by the enabling statute or by the prerogative. Mr. Speaker, you and other Hon. Members might think that this criterion could give rise to partisanship and to some criticism based upon ulterior motives by one or another of the members of the committee. That has never been the case. When the royal prerogative or the legislative authority has been used in some unusual or unexpected manner, there has been unanimity within the committee that it ought to be brought to the attention of the Minister responsible and that hopefully the concern of the committee can be allayed by some action which the Minister might take.

For example, we have been occasionally concerned when fees have been increased by a very substantial amount. This can be done under the regulation. The regulation authorizes

the Minister to set fees but we, as a committee, have always felt that, if a fee is quadrupled or multiplied by 10 or 20 times, that is the sort of initiative under a regulation or other statutory instrument on which we ought to focus the attention of the Government and ask it to take another look at it to see whether the enabling authority or prerogative, whichever of the two it is, might be used in a more expected and defensible manner.

Our fifth criterion calls upon us to ascertain that the regulation or other statutory instrument does not trespass unduly on the rights and liberties of the subject. This can happen sometimes. We are now looking at some regulations under the postal Act which allow, or appear to allow, very abrupt rights of entry to officials working for the postal corporation, to ascertain whether the stamping machines are being used properly, whether the fees have been paid and so on. We are focusing on that in our committee to try to encourage the post office to develop more normal, usual and safeguarded methods of providing for entry, which could sometimes take place into someone's home, as the Act is presently written and as the regulations presently provide.

Mr. Wilson (Etobicoke Centre): Why don't you use the telephone book, Bob?

Mr. Kaplan: That is not the criticism that we have of the regulation which is the subject of this report.

Our sixth criterion is one to which we have very frequent recourse in our committee. It is the criterion by which we criticize regulations and other statutory instruments that tend, directly or indirectly, to exclude the jurisdiction of the courts without explicit authorization therefor in the enabling statute, or that make the rights and liberties of the subject dependent upon administrative discretion rather than upon the judicial process.

This is an area in which I should like to congratulate those responsible for the production of regulations and other statutory instruments. Over the last few years there has been a considerable decline in the use of phrases like "in the opinion of the director", "in the opinion of the officer" or "in the opinion of the Minister". Leaving those expressions out gives the citizen more rights, because the citizen can go to court and ask it to determine whether the interference with his decision-making or his conduct is justified or unjustified.

I will give an example. The regulations which govern cemeteries in national parks have been before our committee on several occasions.

Mr. Wilson (Etobicoke Centre): Earth shattering.

Mr. Kaplan: I hear the Minister's observation. In those circumstances we have seen a discretion awarded to an official with which we happen to agree. We looked at it and decided after some consideration not to criticize giving the official discretion. Because the Minister has expressed interest in it, I should like particularly to tell him what that discretion was. The regulation provides that tombstones have to meet the test of the discretion of the director as to whether they are in good taste and not offensive to people who have their loved ones buried in the cemetery and might be visiting. We could have written to the Minister responsible and told him to set out criteria on how large the tombstones have to be, what shape they have to be, what colour they have to be and what sorts of language on them would be acceptable or unacceptable. If we had been doing that, we would have been rigorously applying this criterion. We decided not to do that, because it struck us that such discretion of a director of a cemetery would likely be used in a reasonable way and that it would be justified to allow him some type of discretion, because we were told stories about people who wanted to mark their graves by planting an automobile on its side or some marker which they might consider to be appropriate but which would be found offensive to other persons who had their loved ones buried in the cemetery. However, it is an important criterion.

Mr. Speaker: It being one o'clock p.m., I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Deputy Speaker: When the House rose at one o'clock, the Hon. Member for York Centre (Mr. Kaplan) had the floor.

Mr. Kaplan: Thank you, Mr. Speaker. I know I only have another four minutes left today—

Some Hon. Members: Hear, hear!

Mr. Kaplan: I had many criteria to discuss, and out of the 15 I had only managed to cover six. I am uncertain that I would receive unanimous consent to continue if I sought it, but I hope that the few brief remarks I was able to make this morning gave Hon. Members of the House a—

[*Translation*]

As I said earlier, Mr. Speaker, what we do in our committee is not an examination, it is not something we do because we are personally motivated, but it is very important because, just as laws can even prescribe death and restrict the rights and privileges of the citizens, so can regulations and other initiatives taken pursuant to the royal prerogative have similar implications. It falls within the responsibility of our committee which, as I said, is an all-party committee with representation from all House parties and both sides of the other place. We do our best to correct the Government and other authorities which do have legislative powers, indirect though they may be, through authority granted pursuant to the statutes and the royal prerogatives.

In the few seconds I have left I would like to comment very briefly on the subject-matter of our report.

Our committee unanimously concluded that the Government does not have the right to pass a regulation, under the Canada Shipping Act provision it has chosen, to restrict the access of "potentially" polluting ships to New Brunswick's Harbour Head Passage.

• (1405)

[*English*]

The Government has passed a regulation which would prevent ships carrying oil from entering Head Harbour Passage, New Brunswick. In our opinion, with that regulation as enacted, if a vessel were to enter Head Harbour Passage, the regulation would not stop it because that regulation has been passed without any authority whatsoever under the article of the Statutes to which reference is made in the regulation. It is a very important legislation. That is a part of New Brunswick where fishing is important and Head Harbour Passage is one of the most beautiful passage in our country.

When the regulation was introduced, it was designed to combat a very serious evil but the regulation does not work. In this report, all the members of the committee are urging the Government to rewrite the regulation in accordance with the rule of law so that the people from Head Harbour Passage will be genuinely protected.

There are a great many other things I would like to say, but I think that those who want as well to speak for the first time on a report of the Regulations and Statutory Instruments Committee should be given the opportunity to do so.

Ms. Copps: Mr. Speaker, as a new Member of Parliament, I would like to ask a question of the Hon. Member who chaired this very important committee. Because of my area of responsibility, I have to deal with questions referring to housing and labour. Most recently I discovered to my dismay that under the regulations that relate to Canada Mortgage and Housing Corporation, the Conservative Government, without going to Parliament, has decided that it will not longer allow handicapped persons to be eligible for the same kinds of grants for the purposes of residential reconstruction as are made available to every other Canadian. This particular discrimination against the handicapped was not brought before the House of Commons but was done solely by regulation. The result is that many people in the community do not realize that the Government is introducing by regulation elements which discriminate against the handicapped, particularly in the area of housing, something which is so crucial to them.

I would like to ask the Hon. Member if he examined the under-the-table regulations which allow this type of discrimination to take place. What suggestions does the Hon. Member have to ensure that this activity which goes against the Charter of Rights and Freedoms, the Abella Commission Report and the *Equality Now* Report, does not slip through by regulation without even having the Government go to Parliament?

Mr. Kaplan: Mr. Speaker, I think the question the Hon. Member has asked touches on the outrageous use of the power of regulations to deprive citizens of rights which they might have been given under the regulations and to discriminate. Unfortunately, and I say this with considerable regret, it is not within our mandate to deal with or criticize regulations on the basis of the impact that they might have on less fortunate members of Canadian society. That is regrettable because I know that particularly under the new Government, regulations are being used to take away many of the benefits for which groups have fought and which the former Government has established. This is the stuff of politics and it is the stuff of debate.

The Government is obsessed with the deficit and is delivering benefits to the better-off in society at the expense of people in the middle and at the bottom. That is what we in this House debate. Unfortunately, the mandate of the commitee does not open the door for us to deal with such egregious matters, but all of the regulations that we criticize could probably be passed and made acceptable if they were simply put in some other form.

Although we protect the rule of law, we tend to deal with technical problems that have arisen. The Bill with the regulation which we brought before the House in this report is one on which the Government has held an opposite view from that of all the members of the committee. The Government feels that the regulation is valid and we feel that it is invalid, but we do not feel that it is a bad regulation. After all, its object is to protect Head Harbour Passage from pollution by vessels that are not safe or by vessels that are too large. This is a very desirable object, but as much as we wish we could accept the regulation, we are obliged to reject it because the Government has put it forward under a section of the legislation which it does not have the authority to use for that purpose.

I must say that I was disappointed by the letter the Minister of Transport (Mr. Mazankowski) wrote to our committee. He refused to tell us why he rejected our advice. I am worried that Minister after Minister will simply draw the line as this Minister did and say that the matter should be settled in court. What the Minister meant by that is, "We should let a boat go into Head Harbour Passage. Let that boat get into some difficulty. Let us try to prosecute under the regulation. Let the owners of the boat go to court to fight for their right to use the passage and their right to disregard the regulation". That is an uncivilized thing to do, which invites disrespect for the law. I would have hoped that a Minister as enlightened as the present Minister of Transport would have paid more attention to this piece of advice which was unanimously given with respect to the regulation being invalid. For him to say: "Let the courts settle it" is almost a challenge which could be regarded as being irresponsible.

• (1410)

Mr. Baker: Mr. Speaker, can the Hon. Member comment with respect to whether or not the recent amendments to the Canada Shipping Act, which I believe were presented in the

form of Bill C-54, would legalize the particular legislation which is referred to in this document?

Also, could one not conclude that if this regulation which covers a zone within the area so covered by the said regulatory authority in the Act, were improperly passed that, legally, by singling out a portion of that area one would in fact have passed a regulation covering the entire area, as is the case under the Act and as is prescribed in the regulation?

Does the hon. gentleman know about what I am talking with respect to the second question? I am not sure that he does.

Mr. Kaplan: Mr. Speaker, I think I would like to pull out the minutes of the committee meeting which were taken before we decided to table the report. The issues raised by the Hon. Member are precisely the issues which preoccupied the members of the committee for the time in which we studied the regulation. We were very concerned about the exact points which the Hon. Member mentions. However, we were able to resolve them.

The Hon. Member has asked whether or not the regulation could be legalized by the Act which is presently before the House. I suppose it could, if it contained a provision stating that all *ultra vires* regulations which have been put out before are now legal. However, it does not do that, of course. All it does is to give a fresh and more enlightened regulation-making authority to the Minister and to certain officials under the Act. It does not validate an existing regulation which was not valid under the statute under which it received its generation. No, the existing regulation is still a bad one. That is why we took the trouble of putting it into the report. It is not an easy thing to ask Conservative members of a committee to sign a report which criticizes the Minister of Transport. Yet they were prepared to do that because they recognized the importance of trying to get the new Government, as we did with the former Government, to comply with the rule of law.

The Hon. Member's second question is an interesting one. It is one on which we spent a great deal of time. It dealt with whether or not a court might give life to that invalid regulation by removing the portion of it which accounts for the invalidities. The section in question, in effect, says to the Minister: "You can put forward a regulation banning ships from the whole of the area south of the 60th parallel but you cannot ban a little piece of it". What the Minister tried to do here is ban the boats in a little zone. The Hon. Member is saying: Why does the court not just read away the reference to the small zone, because without it it would be perfectly valid regulation? That was not done because, in our opinion, and our law officer conforms this, the limited zone was the essence of the regulation and there was no interest at all on the part of the authority to ban such vessels from the whole of Canada. After all, we need those vessels. They bring us oil and they take oil out of the country. We need them but we do not want them to go into the ecologically sensitive areas of Canada where they can damage the shoreline or fisheries and compete in that way with other economic and ecological interests. The court will not allow that. The only real way out is for the Minister of Transport to take the advice of the committee. He does not even have to rescind the regulation because, in our view, it is invalid. I would like to see Head Harbour Passage protected, but I would like to see it protected by valid legislation.

[*Translation*]

Several attempts were made to convince various officials of that department. One does not begin by writing directly to the Minister. One begins by making representations to the department's counsels. Now and then they are invited to appear before our committee to listen to our arguments and give us their views because, obviously, lawyers are there to advise department officials whose opinions differ from ours. But just the same, when in the end the Minister says something like "I'll see you in court", that does not appear to us to be the proper way to proceed!

[*English*]

Mr. Layton: I rise on a point of order, Mr. Speaker. If we might revert to the introduction of Bills, I could introduce a Bill on behalf of the Minister of Energy, Mines and Resources (Miss Carney).

Mr. Deputy Speaker: Pursuant to order made earlier this day, we will now revert to the introduction of Bills.

* * *

• (1415)

CANADA PETROLEUM RESOURCES ACT

MEASURE TO ENACT

Hon. Bob Layton (for Minister of Energy, Mines and Ressources) moved for leave to introduce Bill C-92, an Act to regulate interest in petroleum in relation to frontier lands, to amend the Oil and Gas Production and Conservation Act, and to repeal the Canada Oil and Gas Act.

Mr. Deputy Speaker: Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the first time and ordered to be printed.

* * *

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

CONCURRENCE IN FOURTH REPORT OF STANDING JOINT COMMITTEE

The House resumed consideration of the motion of Mr. Kaplan to concur in the fourth report of the Standing Joint Committee on Regulations and Other Statutory Instruments.

Mr. Doug Lewis (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I appreciate this opportunity to address the House with respect to the report which has been

put forward by the committee. It is important to note the work which this committee has done, especially when we consider how long it has been in the process of preparing its report.

In order to set the stage, because I do not think we are trying to find fault with any particular Minister in terms of the report, a suggestion was made during the course of remarks that it was unfortunate that the Minister would not take advice. I think it is important to note that this type of committee report should be above partisan remarks and that perhaps remarks such as the one I have just mentioned were unintentional. If the only point of our debating the motion was to blame the Minister in question, then it would naturally come to the attention of the House that the Minister in question was the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy), who was then Minister of Transport. The regulation about which we are speaking was passed in 1982. Due to the excellent work of the present Solicitor General (Mr. Beatty), who was one of the joint chairmen of this committee, and a gentleman from the other place, it was found that the regulation was perhaps in contravention of the law under which it was passed.

I think it is also important to note right off the bat that this should not be treated as a partisan matter. We should view the committee as having tried to do everything properly. We should concern ourselves with the fact that laws which are passed by Governments, whichever Party is in power at the time, and when they provide for regulations, are proper. In trying to understand the thinking behind the Government of the day let us take a look at exactly why the regulation was made. On March 10, 1982, regulations were made under Part 20 of the Canada Shipping Act stipulating that no oil tanker may carry on board oil, either crude or product oil, in excess of 5,000 cubic metres in the waters of Head Harbour Passage, New Brunswick.

• (1420)

For those people who are not as familiar as I am with the geography of New Brunswick, I will tell you that Head Harbour Passage Lies between Deer Island and Campobello Island in New Brunswick.

These regulations were made in an effort by the Government of the day—and we concur with that effort—to control shipping where the product in question may be a danger to the environment. I believe all Hon. Members of the House understand the importance of regulations which are there to protect our environment, whether it is shipping, as in this case, or other dangers with hazardous products which are shipped by railway lines. That is something with which, in terms of the chemicals we are shipping these days, there can be quite a problem environmentally.

In any event, there was a proposal to build a marine oil terminal and a refinery at East Port, Maine. The only way one can get to East Port, Maine is through the Canadian waters of Head Harbour Passage. It is my understanding that the waters of Head Harbour Passage are extremely hazardous and that officials of the Coast Guard were concerned about the safety of regular super-tanker traffic through the area. There are navigational problems within these waters including not only strong currents, but rip tides, whirlpools, fog and, in time of winter, vessel icing.

So it was recognized by the Government of the day—the Liberal administration—that there was a potential for casualties involving the large and less manoeuvrable vessels and that the clean-up of any oil spills, should they occur, as a result of a collision or damage to a vessel, would be almost impossible because of the strong currents. The other problem is what type of fish are found in the waters which would be affected by this kind of oil spill? It is my understanding that the area is the production ground for one of the world's largest herring population, and we must be concerned about the livelihoods of people in the fishing industry. There are some 5,000 fishermen, fishplant workers and families who are dependent on the area for their livelihood.

Something else that should be recognized is that the Fundy Isles, which are very close to Head Harbour Passage, are recognized as one of the most important tourist designated areas of the province. For example, when I explained to the House exactly where Head Harbour Passage is, I mentioned Campobello Island. That is the location of the Camp Roosevelt Campobello International Park, a bi-national memorial to the late President of the United States. So we have not only an environmental problem which the Government of the day tried to address but we also have a problem with the tourist industry if we had any oil spills which would damage the environment.

• (1425)

We also have navigational risks and environmental problems, which is the reason the Government of the day promulgated these regulations which led the committee to examine whether or not this regulation was in fact proper under the law under which it was passed. There was some doubt. The committee expressed the view that there was no authority to act under the relevant provision of the Canada Shipping Act so as to limit the application of the regulation to a particular body of water, in this case Head Harbour Passage. And, as I said, the Department of Justice, which was consulted prior to the making of the regulation, believes that there is sufficient authority under the Canada Shipping Act.

I should point out that this is the result of a move in 1977 whereby the then Minister of Justice arrived at an arrangement with the committee that officials should provide explanations to the committee regarding the making of the regulations. This was done but it was understood, however, that the explanations would not include the legal advice given by the Department of Justice.

The committee now has requested that it be provided with the legal reasons which support the opinion of the Department of Justice. The concern of the Department of Justice is that these reasons would fly in the face of the previous arrangements and if this is the intention, it is suggested that the committee take this matter up with the Minister of Justice

(Mr. Crosbie) so that we can work on a new policy which would apply to all regulations, not just this regulation.

What we are saying is that we are, under the Minister of Justice, open to suggestions which will improve the process. We, as much as anyone, want to have regulations which will stand up under the laws which are passed. However, if we need a new policy, then we are suggesting that the committee might sit down with the Minister of Justice to see if we cannot work out an arrangement which would be satisfactory to all Parties.

The House will also know that this particular matter is being reviewed because of the amendments to the Canada Shipping Act which the Minister brought forward and which were first debated in this House on Tuesday, October 15, 1985. I know that in the regulations the committee made reference to the fact that Bill C-75, an Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act, was before the House. So we have amendments to the Act before the House, and there is every intention that the concerns of the committee, as put forward in its report, will be addressed.

• (1430)

In his remarks on that Bill, the Minister of Transport (Mr. Mazankowski) put great emphasis on environmental problems. Our Government has always had an immense interest in conservation of the environment. We know this is of concern to all Canadians and that is why we brought forward these amendments. I understand the Bill has gone to committee and I am sure the work that the committee has done will be helpful in the debate. There is a lot of interest in this issue on our side. Our Members represent all 10 provinces and the Territories, which is not the case with the other two Parties, unfortunately. Members of the NDP and Liberal Party are rather restricted because of the narrow geographic scope of their membership. The Liberals have some Members from Newfoundland but not too many. When we talk about the Arctic, there is no one from the NDP or the Liberal Party with that familiarity with those areas and their waters. There is only one Liberal from the West Coast as well. Therefore, the committee work will be carried by our Party with its 211 Members representing all parts of Canada, and doing very well at that.

As I said, the Minister of Transport has shown great concern for problems in this area. For example, at page 7620 of *Hansard* he points out the problems which would occur, for example, if a 60,000-tonne laden tanker importing crude into Canada experienced a spill. He says as well:

> Improvements are to be made to the maritime pollution claims fund, which will be renamed the ship source oil pollution fund, whereby small claimants, such as fishermen and resort owners, will in future be able to claim directly against that fund.

As well, earlier in my comments I referred to the tourist industry. We are concerned that should an oil spill occur, we will be able to compensate the many people in that industry who would suffer. We are also concerned about the regulations dealing with the carriage of dangerous goods in bulk.

In bringing my remarks to a close, I would just point out that some comments by members on the other side were partisan in nature. The Hon. Member for Hamilton East (Ms. Copps) got carried away, as she often does, and tried to bring some extraneous issues into the debate. Her colleague, quite properly, made a good summation of the committee's position. It is unfortunate that in the middle of a discussion on shipping regulations we had this extraneous interjection by a Member who did not understand the process and who was trying to be partisan. I know that is not the nature of the chairman who brought forward this report. We cannot erase those remarks from *Hansard* but I would hope that anyone who reads the record in future will understand that perhaps the Hon. Member got a little excited and tried to start a debate on something that was not before the House, namely regulations promulgated by the CMHC.

Just to put that in perspective if I may, there is no question about this Party's efforts on behalf of the disabled. The House will know that the Minister of State for Transport (Mrs. Blais-Grenier) brought forward new regulations for the disabled dealing with transportation. This is part of our ongoing effort to try to right some of the wrongs which exist. It is hoped that in the future people reading *Hansard* will understand that that was an unnecessary intervention on the Hon. Member's part, and perhaps in due time the member will find another vehicle for venting her spleen.

In any event, I think it is very important that we have these reports considered. I appreciate—

Ms. Copps: Point of order, Mr. Speaker.

Mr. Lewis: Oh, oh!

Ms. Copps: Mr. Speaker, I had to come back immediately I saw the Hon. Member denigrating the fact that my remarks about the disabled were not relevant to the debate and dealt with another problem. However, he demonstrated the poor logic of his argument by going into a long comment about his Government's record *vis-à-vis* the disabled. If we accept his first argument that my intervention regarding the disabled was out of order, then why does he buttress my intervention by commenting further on the record of his Government in this area? It is totally illogical.

Mr. Speaker: I take it that this was an attempt at a point of order which was not a point of order, but that is all right.

Mr. Lewis: Mr. Speaker, that is the first time I have ever had a question in a point of order. We appreciate the Hon. Member is having some difficulty adjusting to this House. We are very much behind her under the circumstances. I think it was very kind of the Chair to let her go so far while trying to bring in a question on a point of order in this very important debate. I think she will find, as time goes on, that she will become aware of when to ask questions and when to make points of order.

In any event, I wanted to close by making direct reference to the comments of the committee chairman who pointed out the

very important work this committee has been doing. I just want to compliment the committee members on their efforts to make sure, regardless of who is in power, that the regulations promulgated are in order under the law that was passed.

Mr. Speaker: Questions or comments?

Mr. Kaplan: Mr. Speaker, I would like to ask the Parliamentary Secretary whether he feels that the remarks of the Hon. Member for Hamilton East (Ms. Copps), about which he just commented, were more or less out of order than the speech he made in the House last week on the subject of the committee's third report.

Mr. Gauthier: More or less.

Mr. Lewis: Mr. Speaker, I entered that debate on patent law with very little knowledge of patent law.

Mr. Gauthier: We know that.

Mr. Lewis: And I managed to prove it. Any hope I have for a position with Gowling, Henderson as a patent attorney is gone, in the same way that our QCs went last week.

Mr. Fennell: Mr. Speaker, I would like to ask the Hon. Member for Simcoe North (Mr. Lewis) how much time he had for preparation and how frequently this House is asked to take part in these types of debates. Under what circumstances do we usually have to debate on concurrence in these reports. As I understand it, this came upon him somewhat by surprise and I would like to know exactly the length of time he had to prepare before standing up in this House and giving a speech, which I thought was excellent.

Mr. Lewis: I will do this as modestly as I can, Mr. Speaker. Although I did not have an awful lot of time, I would have wished that the chairman had given me some time. However, we all jumped into the breach and did the best we could to put those very important remarks on the Patent Act on the record. I am sure posterity will give them the credibility they deserve.

• (1440)

Ms. Copps: Mr. Speaker, having advised the House that he has been denuded of his Q.C., the Member is, nonetheless, still a lawyer and is fairly familiar with the high cost of taking people to court. The Member for York Centre (Mr. Kaplan) pointed out very succinctly that the Governement is avoiding the all-Party resolution which points out the difficulties that the Government is going to have if it forces a company to take it to court on the issue of the specific regulation dealing with this specific geographic location.

How much does the Hon. Member think it will cost the taxpayers of Canada to fight that issue in the courts? Does the Member not believe that it would be easier if the Government would accept the recommendation of the all-Party committee, which would prevent any future legal action by any person or persons who have a direct interest in this particular legislation?

Mr. Lewis: That is very easy, Mr. Speaker. Perhaps the Member was not here when her colleague discussed the regulation. The regulation is to prevent a ship going through a passage. It is awfully difficult to imagine that there would be an awful lot of litigation arising from that. Mind you, lawyers are inventive and there is often a way to find litigation where others may not.

I might point out that this was an initiative of the former Liberal Government, so I would not get partisan on this. This is in the interest of the country. We put the interest of the country above partisan politics, which is advice that I might address to my hon. friend. There are more important things than scoring cheap political points. My colleague has brought forward an important matter which we are trying to deal with. I hope that the committee will address itself to this very important matter.

Mr. Caldwell: Mr. Speaker, I rise to compliment the Parliamentary Secretary to the President of the Privy Council (Mr. Lewis) on his excellent presentation. I realize, of course, that he did hot have a great deal of time to prepare it, but I would like to bring to his attention the fact that he said that this is a big country and that we have a lot of water to the east, to the west and to the north to look after. I would like to bring to his attention the fact that one of our busiest waterways is to the south. I live in the riding of Essex-Kent beside Lake Erie, which is part of the Seaway system. I was wondering whether the Member left that out on purpose or whether his research notes did not bring that to his attention.

Mr. Lewis: Mr. Speaker, the speech I made was strictly a saltwater speech. I have another speech I make for waters that have no salt in them. That may have escaped the attention of a lot of people, but this was definitely a saltwater speech.

Mr. Gauthier: Mr. Speaker, we all know that this report was tabled in the House on October 17, 1985, so the Parliamentary Secretary has had two months in which to prepare his speech. I listened to him very attentively. I see that in the Statutory Instruments Act and the Oil Carriage Limitation Regulations which are before us there is reference to the 60th parallel. I know that the Member is a good lawyer and a good accountant, but I wonder if he is a geographic expert as well. Can he tell us exactly where the 60th parallel is?

Mr. Frith: It's 11 degrees above the forty-ninth.

Mr. Lewis: I have done a lot of research into that. You will find that the 60th parallel is directly above the fifty-ninth and below the sixty-first.

Ms. Copps: Mr. Speaker, the Member has commented that we should approach this in a very non-partisan fashion. On the eve of our Christmas break it is certainly incumbent upon all of us to approach this issue in en extremely non-partisan fashion. That is why I am a little confused. In his speech the Member for York Centre (Mr. Kaplan) made it quite clear and plain that an all-Party committee composed of Liberals, Conservatives and New Democrats had made certain recom-

mendations to the Minister with respect to the wrong-headedness and wrongfulness of this specific regulation. In fact, the Member will be aware that the concern was that the regulation was directed toward a specific body of water rather than dealing with bodies of water in general across Canada.

Could the Member clarify for the House how he sees this as a non-partisan issue when the Minister has in fact rejected the recommendation of an all-Party committee which has put its collective wits together to come up with a recommendation endorsed by all the political Parties? That particular recommendation has been ignored, abused, and rejected by the Minister.

Mr. Lewis: It has not been ignored, abused, or rejected by the Minister. The Minister is simply making the point that he has advice that the regulation is in order. I do not see that as ignoring and abusing anything. The regulation was promulgated when the Member for Winnipeg-Fort Garry (Mr. Axworthy) was the Minister of Transport. As I keep trying to tell the Member, this is not always a partisan place. This is not always a place where people are trying to score cheap political points.

Mr. Kaplan: Or even expensive points.

Mr. Lewis: We are trying to do the best we can in this place. I know that is what the Hon. Member did. We put the environment far ahead of anything the Hon. Member does. We put the environment ahead of cheap political points. We put the safety of the Canadian people ahead of cheap political points.

Mr. Kaplan: That is a cheap political point.

Mr. Lewis: It may be. We put the tourism industry ahead of cheap political points. I think we have all tried to avoid making cheap political statements today. If we carry on as we are—as I am, anyway—in the interests of this debate, we will be able to make definite progress on other things.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I have been waiting for some time for this report to come forward. I did not expect it to come forward today, but I am pleased that it has. I would like to say that I agree entirely with the Parliamentary Secretary that this is really not an essential part of that issue. However, this is a very important parliamentary issue. I know that if the Hon. Member for St. John's East (Mr. McGrath) were here, he would be interested in this parliamentary issue. I would like to direct my comments to that particular point. This report has nothing to do with pollution or the control of shipping, but has a great deal to do with the way in which Parliament does its work.

I would like to begin by saying that it is rather shocking for a Member of Parliament to realize how much careless drafting of legislation goes on. I had the privilege to sit on a parliamentary committee which recently did a clause-by-clause study of a Bill on another subject. From that it became abundantly evident that Members of Parliament cannot simply assume that there is good drafting on all legislation. I do not want to be at all unfair to the drafters who work for the Government in the Department of Justice. I do not want to bring any dishonour or disrespect on those public officials. It is probably true that they are overworked. It is probably true that they are pushed too hard to get Bills done in a relatively short space of time. However, Mr. Speaker, it is the case that errors are made and that mistakes occur. It is the case that mistakes occur.

• (1450)

The second point is also well known by Your Honour. We have a great deal of legislation these days and in days gone by called enabling legislation, enabling Bills. What enabling Bills do is to give the Government very broad, let me say even sweeping authority to take certain courses of action. In order to determine how those courses of action will be carried out, there has to be drawn up a whole host of regulations, sometimes extremely detailed. These regulations have the force of law. They can sometimes be unfair, unjust and punitive. Sometimes they can impact upon a citizen, an organization or a business in our society, which is very unfair. What recourse do these citizens, organizations or businesses have?

It is absolutely necessary that someone peruse and examine these regulations with the utmost care. If we fail to do that, we are going to have something which may be like bureaucratic totalitarianism. That is why Parliament, not so very long ago in the period of time I have been in this honoured place, being aware that there was a danger to democracy under this process, a danger to the liberty and freedom of our citizens, decided that there ought to be a very special joint committee of Parliament called the Standing Joint Committee on Regulations and Other Statutory Instruments. It is a mouthful to say. Many Members of Parliament are not even aware that it functions. This committee does some of the most important work of Parliament that can be done, Mr. Speaker. The committee works quietly. A report like this was almost neglected and overlooked. What this committee does is to take a very careful and detailed look at regulations promulgated under one of these enabling Bills passed by Parliament.

I have seen their work with respect to an Act with which I am most familiar, namely, the so-called Indian Act, which is one of the worst pieces of legislation to be found anywhere in the democratic world. In this case, the committee looked at the Canada Shipping Act. The committee found that there were certain regulations that had been promulgated under that Act. After careful study and after seeking expert advice, the committee came to the conclusion that these regulations were *ultra vires*. They cannot be in effect legally. Very quickly I will deal with the regulations so that everyone is made aware of what we are talking about.

The purpose of the regulation was to restrict the quantity of oil that may be carried on board an oil tanker. The regulation said that this specified quantity of oil in an oil tanker applies to those ships operating in one body of water, namely Head Harbour Passage, New Brunswick.

On the surface that does not sound like a very earth-shaking thing. So diligent is this committee, Mr. Speaker, that it looked at the validity of the regulation and said that it was wrong and illegal to make a regulation apply only to a particular body of water.

The Act is so worded that any regulation made under the authority of the Canada Shipping Act must apply to all waters. The committee had quite a lengthy debate about one phrase or clause within the Canada Shipping Act. It reads:

Except where otherwise provided or in any regulation—

Mr. Nickerson: That is a very important point.

Mr. Penner: The committee wondered whether this was a door that could open the way for the regulation to apply to only one body of water. The committee went further into the role of regulations and the validity of regulations. It drew attention to something that ought to be of interest to all Members of Parliament. When a Bill is drafted, great care must be taken especially if it is an enabling Bill, because every single clause can open a door and, therefore, every word must have a meaning and be given all due importance.

To illustrate how well done this report is, the committee went back to a very old precedent, a precedent that was made by Viscount Simon in a court case about parliamentary legislation. If Members have the report with them, they can find it on page 2. Let me quote very quickly:

—it is to be observed that though a parliamentary enactment (like parliamentary eloquence) is capable of saying the same thing twice over without adding anything to what has already been said once, this repetition in the case of an Act of Parliament is not to be assumed. When the legislature enacts a particular phrase in a statute the presumption is that it is saying something which has not been said immediately before.

That cannot be accepted. It goes on:

The rule that a meaning should, if possible, be given to every word in the statute implies that, unless there is good reason to the contrary, the words add something which would not be there if the words were left out.

Mr. Nickerson: Do you agree with that, Keith?

Mr. Penner: They have to look at every single word. That is why Members of Parliament do not always get the credit that is due to them for the work they do. All the work does not go on in this Chamber. The most important work goes on in the legislative committees which study the Bills clause by clause.

This Regulations and Other Statutory Instruments Committee concluded that the regulation, which prescribes the maximum quantities that may be carried on board ships of a designated class, must apply to all Canadian waters, except—and the Member for the Western Arctic (Mr. Nickerson) who is very, very attentive this afternoon will know that—it would not apply where there is already a shipping safety control zone. Where is that? Right north of 60. It would not apply either in waters that are under the fishing zones of Canada. They are otherwise protected.

Now I come back to the work of this Parliament. Not long ago in this House we were dealing with Bill C-75. I think the Hon. Member for the Western Arctic participated in that debate.

Mr. Nickerson: I certainly did.

Mr. Penner: This was the Canada Shipping Act. It was an Act to amend the Arctic Waters Pollution Prevention Bill, the Maritime Code Act and the Oil and Gas Production and Conservation Act. When this Bill was in the House being debated, the Minister of Transport (Mr. Mazankowski) knew that Bill C-75, under instruction from the Regulations and Other Statutory Instruments Committee, should have been amended to take into account this problem of a regulation that was too specific and did not have the authority of the Act.

I am sad to say that the Minister—although I want to repeat that this is a parliamentary issue, not a partisan issue—did not even feel the need to do so. He simply stated that the committee had all the explanation necessary. Further, he went on to say that the Department had had legal advice proferred, given by the legal advisers to all Government departments, namely, the legal advisers in the Department of Justice. The Regulations and Other Statutory Instruments Committee wanted to have this legal advice. They said: "Show us this legal advice and maybe we can be persuaded otherwise". What was the response to that? The Hon. Member for Western Arctic (Mr. Nickerson) knows the answer.

• (1500)

Mr. Nickerson: Do I?

Mr. Penner: Yes, he does. They said: "We cannot release that information because it is confidential". Confidentiality is something about which we hear too much in the House. For "confidentiality", read "secret". There is too much secrecy.

I will make a small point as a diversion for a moment, but I will not belabour it. I really hoped that we would have much more openness from the new Government. I believe in openness from any Government. Those fellows over there promised that Parliament would be supreme and that we would have the information we needed to do our job. There was to be a new openness. My gosh, I listened to those arguments and I almost voted for them myself. However, sanity took over before I went into the polling booth and I withdrew from that temptation. We do not have that. It is another example of confidentiality and secrecy.

Would it be too strong for me to say that this simply disregards the rights of Parliament?

Mr. Boudria: No, go ahead and say it.

Mr. Penner: Is it all right?

Mr. Boudria: Sure.

Mr. Penner: Then I will say it. It disregards the rights of Parliament. Once again it overrides the rights of elected Members under the guise of executive privilege. How often have we heard that?

The Standing Committee on Regulations and Other Statutory Instruments has not accepted the response from the Minister. In relation to the responses which it received, on page 3 it said the following:

> In consequence of the Minister of Transport's refusal to provide the explanations it requested, your Committee requests the Government to table a comprehensive response to this Report in accordance with Standing Order 70(16) of the House of Commons.

That is the response we want; that is the purpose of the debate this afternoon. All we want is an adequate response from the Government. On July 4, 1984, the committee brought the matter to the attention of the then Minister of Transport. At that time one of the joint chairmen was the Hon. Member of Parliament (Mr. Beatty) who is now the Solicitor General of Canada. As the Parliamentary Secretary has already mentioned, the Minister at that time was the Minister under the previous administration. Between July and the time of the election, there was no correspondence and no action taken. It became a problem passed on to the next Minister, the present Minister of Transport. When he was sworn in and assumed his duties, he replied to this request by saying: "Departmental legal advisers say that there is sufficient authority under the Canada Shipping Act". Then he went on to make an astounding assertion which really bothers me more than a little. He said: "If there is any dispute, then take it to court".

Whatever happened to the idea or principle that this is the highest court in the land? Have we abandoned that principle, idea and concept? Is that old fashioned? Has it gone out the window? The Statutory Instruments Committee took it to court; it took it to this court, the highest court in the land. The committee wants a response and it wants action.

Also in the letter to the committee the Minister promised that consideration would be given to amending the Canada Shipping Act appropriately. Without repeating what I said earlier—and the Hon. Member for Western Arctic knows it—when Bill C-75 came before us, there was no such amendment. There was nothing in it to change the Act to give those regulations validity.

Now I go to April 3, 1985. The committee wrote to the Minister stating that his response was not adequate. This was a joint committee of the two Houses of Parliament; they were all Members of Parliament and it had joint chairmen. In that letter the committee made the following very telling comment:

> The Committee cannot accept as sufficient a mere statement that a conclusion supporting the validity of an instrument has been made.

In other words, the committee said that it was not good enough, that the Minister could not just send it a letter and say that it was valid and that was the end of it. These Members of Parliament deserve some special recognition, they are that diligent. The committee wanted a substantive response, and the Minister and his Department failed to provide it.

I conclude by saying that this is a parliamentary issue. This is a question of the rights of the legislature versus the power of the executive branch of Government. That is what the issue is all about, plain and simple. The entire purpose behind the McGrath committee report and all the work it did, which I applaud with all the enthusiasm I can muster, was to redress a long-standing grievance of Members of Parliament that there was a shocking imbalance between the legislature and the executive, that is, the Cabinet and the bureaucracy.

Will Parliament be satisfied with a report like this? Will it get the satisfaction it deserves? We want a response and we want it now. So far we have failed to get it. That is why this is not in any way a partisan issue. It is a very key and central parliamentary issue. I hope it will be adequately addressed and met so that the Members of Parliament, who were elected by their constituents, will get the satisfaction they deserve.

Some Hon. Members: Hear, hear!

Mr. Boudria: Mr. Speaker, I should like to ask the Hon. Member for Cochrane-Superior (Mr. Penner) a question. I listened very attentively to his remarks. I think you would want me, Mr. Speaker, to congratulate him on his excellent exposé this afternoon on this very important issue. It is really a fundamental issue for all Members of Parliament sitting on every side of the House—the respect which individual cabinet Ministers must display not only to opposition Members of the House but indeed to the House itself and to all Members collectively.

Does the Hon. Member remember during the election campaign that the new Government made several promises? Mr. Speaker, you may recall that the Conservative Party made 338 such promises. I just happen to have a copy of the book of those promises. If you want one, Mr. Speaker, or anyone out there, you are welcome to write to me and I will gladly send you a free copy. Does the Hon. Member remember promises on Government processes, in particular the first four promises? First the Government promised:

> Return Parliament to the forefront of legislative activity.

That was a solemn commitment made to the people of Canada. As the Hon. Member said so eloquently, that promise was not only made to the people of Canada, but to the Parliament of Canada, to opposition Members and to Government back-benchers. Does he recall their second promise? It read:

> Improve the parliamentary committee system for a better and more independent review of legislation.

Their third promise was:

> Amend parliamentary rules to make full use of the skills and potential of all Members of Parliament, regardless of party affiliation.

We can see how it is very important. The last one read:

> Respect ministerial responsibility for the actions of Government and its Departments and agencies.

I am sure you have identified, Mr. Speaker, by now that all four promises relate directly to the issue at hand. Would my good friend and colleague comment upon those commitments?

Mr. Penner: Mr. Speaker, let me say briefly that we have the recipe for what was promised. As enunciated by my hon. colleague and friend, the recipe is now in the possession of parliamentarians. The McGrath committee report is a radical

report. Before anyone becomes too upset by the term "radical", I am using it in the best sense of the word. That is to say that this report goes to the root of the problem, as the word "root" is the origin of the word "radical". What is the root of the problem? It is that there is a serious imbalance between the work that Members of Parliament are supposed to do with the authority that they have and the power and authority of the Cabinet or the executive branch of Government. We see evidence of this all the time in Parliament. We have what can only be described as periodic impasses in the work of Parliament because the executive attempts to use its power and Members of Parliament take recourse in all that is available to them, the provisions of the Standing Orders.

• (1510)

Obviously something is terribly wrong. Our main interest ought to be serving the people of Canada. Our main goal ought not to be to perpetuate ourselves in power or to further a political Party although I know that that is always part of it but it ought to be to make this country better and stronger and to make sure that citizens are well served. We spend 175 days per year in this place and what is our productivity? To what extent does that which we produce benefit citizens and to what extent does it merely cause them more grief, agony and trouble?

I say that we have the recipe. The question now is are we going to bake the cake. When the Hon. Member for St. John's East (Mr. McGrath) spoke that evening we devoted to the entire question of parliamentary reform, I think he put it very succinctly by saying that this is not simply a matter of changing Standing Orders, but what is really required on behalf of all of us is a different attitude and a different approach to the reason we are here and what we are supposed to do. The problem is as much or more attitudinal than it is simply with the Standing Orders or any specific rules that govern our lives in this place.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I think the level of the remarks made by the Hon. Member for Cochrane-Superior (Mr. Penner) have done him credit. He has discussed the subject matter which is before us in a fashion which I think is constructive. I wish I could say the same of some of the other remarks I have heard in this House from his Party confrères but unfortunately I cannot.

Today, we in the House are involved in a process which perhaps derived from an example set in years gone by and I must say that opposition Members have graduated from that training *summa cum laude*. They certainly have shown what can be done, whether it be credible or otherwise.

I do wish to say to the Hon. Member for Cochrane-Superior that some of the tactics which have been used in the House have certainly caused grief, agony and trouble. There are 450 people who are improperly out of work in my constituency today and some are not yet eligible for unemployment insurance benefits in the Christmas season. I have heard a great deal about the Christian spirit which exists in the House at this time of the year but it certainly has been lacking in the last three months. Repeating as nearly as I can the words of the Hon. Member for Cochrane-Superior, we are going to cause more trouble for Canadians than we correct by some of the work we do in the House and by the pursuit of the perpetuity of power. Certainly that is what we have seen in this process.

I am thoroughly in support of the concept that this committee should indeed have an opportunity to express itself and that it should indeed consider the regulations. However, with all that holier than thou atmosphere which we have perceived as supposedly being created by this opposition-generated discussion of the subject matter, I would like to recall to you, Mr. Speaker, that I once sat on this committee and only once. It was during a discussion of a totally illegal expenditure which was, 18 months after the fact, supposedly legalized by a regulation passed by the then Government. I must say that the Hon. Member for York Centre (Mr. Kaplan) was probably a member of the Cabinet at the time that regualtion which in fact spent money illegally was passed.

When an effort was made by myself and other members of that committee to have some consideration in the House of that particular report, we were thwarted. As a matter of fact, when the report was tabled in the House, it for some reason or other barely mentioned the subject matter of a totally illegal regulation. When it was pursued in the House privately and publicly, no redress could be obtained. I say to all members of the Opposition that it is a case of the pot calling the kettle black when members of the Opposition call for information and correction of items which may have been improperly addressed through regulation.

I suppose I feel very strongly on this subject matter. I do not believe that I can find words within the vocabulary acceptable to the House to express myself. May I simply say that as I listened to the remarks made here by those who would now want to be perceived as being holier than thou, I certainly found it to be a disgusting performance. Proclaiming the sanctity of what has happened before without giving much consideration to the damage, grief and trouble which they may cause people in the pursuit of selfish political reasons, they are certainly not admirable.

If there is one think which this debate has emphasized more than another, it is that we should not try to govern by regulation but we should instead try to govern by legislation. This House should be able to work in such a fashion that urgent legislation could indeed be passed. If at the time these regulations were passed it had been the choice of the Government of that day to introduce a Bill into the House to accomplish what these regulations were supposed to accomplish, I do not believe that it would have taken 15 minutes to consider that piece of legislation in all its phases within the House. We would have had the unquestionable support of the Hon. Member for Davenport (Mr. Caccia). Perhaps I am making an assumption which I should not make, but I believe that the Hon. Member for New Westminster-Coquitlam (Ms. Jewett) would have supported it, knowing her environmental concerns. The Hon. Member for Parry Sound-Muskoka (Mr.

Darling), to name Members from all sides of the House, would have been totally in support of the Bill and would have encouraged immediate consideration of legislation rather than the adoption of these regulations behind the curtain of the secrecy of Orders in Council.

A regulation is the wrong vehicle for Government. Whether or not there is legal basis for it is in question and obviously the report carries contradictory legal statements as to whether or not the committee should in fact have made the report that it did with the finality of the type of comment it made.

There has been a discussion of secrecy in today's debate. I would like to point out to the Hon. Member for Gander-Twillingate (Mr. Baker) that he sat on the Fisheries Committee with me on many, many occasions since 1972. Among other requests that were made by the Fisheries Committee was a list of licensees in certain areas of the fishing community of eastern Canada. My motion was seconded by a Liberal Member, the then Hon. Member for South West Nova, I believe, but that information was never forthcoming and has not to this day been received. I am again making efforts to get it. I find that the bureaucratic rigmarole which exists is denying me that information to this day. So there are items in this structure which should not be confidential which, in fact, remain as confidential, to the detriment of the better Government of this nation.

• (1520)

To a degree, secrecy is imperative in Government. For instance, when we talked about the expropriation or creation of Crown corporations, such as de Havilland, there was no information available to the House of Commons about the terms and conditions under which that was taking place. There was no notice given to the Government of Canada, or to the people of Canada, that this would take place. It was not given the consideration which the sale seems to require by members of the Opposition. We have a total situation of inconsistency. There is a time and a place for items to be placed before the public. To request some of the information which the Government is declaring as excessively secret is just not in the best interests of Canada. It is pretty nearly time that the people of Canada recognized the false pretenses which are being put forward by the Opposition when they were the artists of secrecy and those who denied us information, even under the Access to Information Act, and under other sources through which Members of Parliament should have been privy to information.

I wish to discuss the regulations with which we are presently dealing. During the debate there were two former cabinet Ministers sitting in the House who also participated in the debate and whose names should appear as having attended cabinet meetings when these regulations were created. They were created for environmental purposes of national and international consequence. I am just not sure what the long-term effect of a greedy Opposition using this as a subject matter for discussion in this House at this point or at any point in time will be. This is a subject matter which could have been discreetly and properly discussed by conscientious Members of Parliament with the Prime Minister of Canada (Mr. Mulroney), the Attorney General (Mr. Crosbie) and Solicitor General (Mr. Beatty), or with whatever source this should have been discussed. However, under any circumstances, this should not be the discussion of a debate, as it is presently taking place.

I say to you, Mr. Speaker, that this is not serving Canada well. I hope the consequences which might flow from this do not, in fact, result. I hope that it may be so far back in the past that it is no longer consequential. However, this is an abuse of the education which they received when they were in Government as they are trying to stall. This is a weak excuse for the absorption of time at this or any other moment in the House of Commons. It serves Canada very poorly, as poorly as they are now held in the opinion of the 450 people who are out of work at Christmas for no valid reason.

For instance, the regulations were presented to the House and should have been enacted. As I said before, they were presented to Cabinet and passed by Cabinet in the best interests of 5,000 fishermen, fishplant workers and families who depend upon the fishing industry in that area for their livelihood, which was threatened if these regulations were not effected. They were made to protect a unique ecology of an area which favours more marine biological research. It is one of the areas in the Atlantic Ocean which is a source of information unlike any other within another 1,500 miles of that location—the Bay of Fundy. It has a proliferation of marine species which is just unheard of along most of the Atlantic Coast of North America. The Deer Island archipelago was designated as a natural area of Canadian significance. That is why those regulations were passed. It is one of the most important tourist areas in eastern Canada. Campobello on Campobello Island and the Roosevelt-Campobello International Park represent a bi-national memorial to the late U.S. President. The regulations dealt with the degree of navigation risks associated with the continuous year-round supply of crude oil and product distribution from the proposed refinery which was seen to pose a serious threat to the ecology of the region, not to mention anything about the livelihood of it.

This is what we are putting before Canada as an example of a regulation which was approved by a Cabinet in which two former cabinet Ministers were members and who are still present in the House, one of whom was the Solicitor General and who should know better. He is the proponent of this debate. I have no objection to bringing important matters of Canadian Government before the House and debating them publicly. However, I do object to bringing any subject matter before the House which may be of major detriment to Canada in the long run. That is precisely what those graduates of delay are using as a subject matter for further delay in the House and for which they should be condemned publicly and privately.

There are Hon. Members who have spoken in this debate, such as the Hon. Member for Glengarry-Prescott-Russell (Mr.

Boudria), who has a right to speak of secrecy, but I think he should consider the consequence of a discussion of this particular subject matter as an example to put before Canada and the international press. It does a disservice to Canada. I say to the Hon. Member for York Centre that he should know better. We should not be engaged in this debate today.

I do not believe there is much more than can be added. I support the concept that secrecy is too prevalent in too many of our dealings with Government. I support the concept which I wish had been pushed a little harder by the Hon. Member for Cochrane-Superior, namely, that there should be more Government by legislation and less Government by regulation. Until that takes place, debates of this type will be prevalent in the House for a long while. It is simply government by secrecy; it is not government in public.

I regret the fact that some of the legislation which is being discussed here today was considered by committee and recommendations were made for amendment and those recommendations were not accepted. I agree with the Hon. Member for Cochrane-Superior who said that we need to have more capability in terms of drafting legislation and that draftsmen may need more time to draft it and they may need more staff.

If this regulation is *ultra vires,* as the committee contends, and as the legal advice from the proper Canadian Department denies, then it is certainly an example of why we should have better draftsmen, and better planning and less regulation—much less reglation. I wish to say personally to members of the Opposition, and to the Hon. Member for Davenport in particular, that nobody would have supported these regulations, or would have more quickly supported an amendment to the proper Act to make it legislation, than the Hon. Member for Davenport or others whom I have earlier mentioned. It is an example of an unnecessary regulation. With a little bit of negotiation in the House it would have passed as law in 15 minutes in all three stages. However, here we chose to regulate. We have now chosen to place an unfortunate example of the frailty of regulations in a legal sense and of the unnecessary nature of regulations in the broad sense as an instrument of Government before the House.

I sincerely hope that the motion will now be dropped and that the report of the committee will be treated as any other committee report would be treated. I ask this of a former cabinet Minister through you, Mr. Speaker, who should be a responsible man looking after the best interests of Canada. Drop the cheap political advantage. Let's get on with the business of this House. Use another subject matter but do not belabour this one any longer.

• (1530)

Mr. Caccia: I rise on a point of order, Mr. Speaker. In his last intervention, the Hon. Member made reference to the Hon. Member from Davenport. I want to make sure he was really referring to the Hon. Member for Davenport and not to another Hon. Member.

Mr. Speaker: Order, please. The Chair will take that as a question or a comment with respect to the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly).

Mr. McCain: Mr. Speaker, I would like to say in response to the question, Mr. Speaker, that I have respect for his interest in the environment. This is an environment-related subject matter. I said we had something in common.

Mr. Speaker: I will interrupt questions and comments for a point of order by the Hon. President of the Privy Council (Mr. Hnatyshyn).

* * *

BUSINESS OF THE HOUSE

Hon. Ray Hnatyshyn (President of the Privy Council): Mr. Speaker, there have been the usual consultations between House Leaders and I think you will find a disposition at this time for unanimous consent to have the following Order presented and accepted without debate or a vote. The Order is as follows:

That, notwithstanding any Standing or Special Order of this House, the House shall immediately proceed to the consideration of Government Orders provided that the motion presently before the House shall be transferred to Government Orders;

That the first item of business shall be the consideration of the report stage of Bill C-79, An Act respecting the provision of compensation to depositors of Canadian Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect of uninsured deposits and the second item of business shall be the consideration of report stage of Bill C-83, An Act to amend the Tax Rebate Discounting Act.

Provided that;

1. During the consideration of the said bills not more than two Members from each Party shall speak for more than 15 minutes.

2. At not later than 4:45 o'clock p.m. this day, the Speaker shall interrupt any proceedings then before the House and shall put forthwith and successively every question necessary to dispose of the Report Stage and the third reading stage of Bill C-79, An Act respecting the provision of compensation to depositors of Canadian Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect of uninsured deposits, and of the Report Stage and the third Reading Stage of Bill C-83, An Act to amend the Tax Rebate Discounting Act.

3. If a recorded division is demanded on any of the above-mentioned questions, the bells to call in the Members shall be sounded once for not more than fifteen minutes.

4. When the House has concluded its consideration of the above-mentioned Bills, the Speaker shall suspend the sitting to the call of the Chair.

5. The provisions of the Standing Order 70(1) shall be deemed suspended with respect to the membership of the Standing Committee on External Affairs and National Defence and the Standing Committee on Regional Development.

6. When the House takes up consideration of the Report Stage of Bill C-84, An Act to amend the Income Tax Act and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act, not more than four sitting days shall be allotted to the consideration of the report and Third Reading stages of the said Bill provided that, at not later than fifteen minutes before the end of the time provided for government business on the fourth such day the Speaker shall interrupt any proceedings then before the House and shall put forthwith and successively every question necessary to dispose of the said stages of said Bill.

7. When the sitting is resumed for purpose of witnessing the Royal Assent once that proceeding has been concluded, the Speaker shall adjourn the House until 11:00 o'clock a.m., Monday, January 13, 1986.

Mr. Speaker: May the Chair have clarification of point No. 1?

Mr. Hnatyshyn: The intention, Sir, is that with respect to each of the Bills there will be two speakers per Bill on all stages, that is to say, notwithstanding our normal rules with respect to 10-minute speeches. It is understood, I believe, that the remarks can be general with respect to the legislation and not specifically on the—

Mr. Speaker: It is just a straight mathematical question. Is it intended that there would be two speakers from each Party on each Bill or two speakers from each Party in total?

Mr. Hnatyshyn: Each Bill.

Mr. Speaker: Thank you. That is something the Chair needed to be clear on.

Is there unanimous consent for the introduction of the Order?

Some Hon. Members: Agreed.

Mr. Speaker: There being such consent, shall the Order carry?

Some Hon. Members: Agreed.

Mr. Speaker: So ordered.

GOVERNMENT ORDERS

[*English*]

FINANCIAL INSTITUTIONS DEPOSITORS COMPENSATION ACT

MEASURE TO ENACT

The House resumed from Wednesday, December 18, 1985 consideration of Bill C-79, an Act respecting the provision of compensation to depositors of Canadian Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect of uninsured deposits, as reported (without amendment) from a legislative committee; and Motion No. 2 (Miss Nicholson (Trinity)) (p. 8737) and Motion No. 3 (Mr. Riis) (p. 8738).

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I must tell Hon. Members that in my nearly 18 years as a Member of Parliament, Bill C-79 strikes me as being the most objectionable and unacceptable piece of legislation I have ever seen. It will not take me a full 15 minutes to summarize once again my objection to this Bill. I will be much briefer than that.

I do want Members of Parliament to know why I feel so negative about this Bill, and I want to assure my constituents that, as they have instructed me to do, I will fight with all the vigour I can muster as a private Member of Parliament against this piece of legislation.

I will begin by saying, first, that we were misinformed about the circumstances surrounding the Canadian Commercial Bank. In fact, I would go so far as to say we were fooled when the Minister of State for Finance (Mrs. McDougall) assured us that if the Government of Canada participated in a bail-out package, it would put the Canadian Commercial Bank back on its feet and that the taxpayers of Canada would receive back the amount of money they had contributed to that bail-out package. We were assured of that.

The Minister made the prediction that if we in this Party supported her in that bail-out package that all would be well. I believe that will go down in the history of Canada as one of the world's worst predictions. In fact there is a little volume which has been published called "*The World's Worst Predictions*". I think the Minister of State for Finance will find that her statement about the importance and success of that bail-out package will be listed in that little volume.

Hon. Members might be interested in knowing another prediction which comes out of that little volume. In 1868, Congressman Ferris was talking in the U.S. Congress on the subject of the purchase of Alaska: He said: "The possession of this Russian territory can give us neither honour, wealth or power but will always be a source of weakness and expense without any adequate return". The Minister of State for Finance has made herself famous in the assurance she gave to the House that the bail-out package would work and it will go into this volume of the world's worst predictions.

This bank fiasco, in my view, reveals two things, and I will not dwell on either because the point has been made repeatedly. However, the bank fiasco does reveal that there is continuing incompetence within this Government. The Government has not yet got its act together. It does not know where it is going and when it started messing around in the money markets, it got its fingers badly burned and it took all of us with it, including a lot of dollars from the Canadian taxpayers. So I must say that Bill C-79 is a demonstration of Government incompetence.

I would also like to say that Bill C-79 does not have anything at all to do with justice, be it natural justice or otherwise, but has everything to do with face-saving of a Government which is deeply embarrassed because it made a prediction which was wrong and it now wants to save its own face and it is doing that at the expense of the Canadian taxpayers.

• (1540)

My second point is that I object as strongly as I possibly can to the secrecy surrounding Bill C-79. I know this is being done under the very high-sounding principle of confidentiality. However, I ask again, as my leader asked when this debate started: How can we approve unspecified *ex gratia* payments

to persons unkown. That offends everything Parliament stands for. That is why my leader put forward an amendment at the very beginning of this debate which said tell us who these depositors are and then we will consider approval of such a Bill. We never got those names. In fact, before we had even finished debating the amendment, time allocation was imposed and debate was cut off.

We have heard pleas to pass this Bill because credit unions and municipalities are hurting, and that we in the Opposition are being unfair in debating this Bill because those organizations are suffering. Let me say that these organizations could be easily not ashamed to make themselves know. They have said they made a mistake. They put money into badly managed financial institutions. Their ratepayers are unhappy and their credit union members are unhappy. Well, we should pay them because we know who they are. The principle of confidentiality does not apply. Disclosure of the beneficiaries of these payments should be a minimum requirement of this Bill. They are benefiting at the expense of the Canadian taxpayer and we ought to know who they are. Remember, Sir, that nothing in Bill C-79 will help the Surrey Credit Union in British Columbia. Why not? That credit union was not a depositor in either of the two banks. They purchased debentures from the Northland Bank and there is nothing in Bill C-79 which will help them at all.

The Dupré Report was commissioned by the Government of Ontario because that province has had to deal with failed financial institutions which cost people many millions of dollars. That report makes it very clear that there should not be any back-stop legislation for financial institutions. That is to say, above and beyond what we already have, such as deposit insurance up to $60,000. The report says that is adequate. In fact, it argues that it is more than adequate. Why does the report not want back-stop legislation? Because it simply encourages inefficient, sloppy management. That is exactly what we had with the Canadian Commercial Bank. Perhaps what we really ought to be doing at this time is bringing in a law which makes such gross mismanagement an offence under the Criminal Code of Canada.

My final point is that my constituents find this Bill to be outrageous and unwarranted. It is dipping into their pockets for money they can ill afford. The people I represent work very hard for their wages and salaries.

Mr. Oostrom: So did the depositors.

Mr. Penner: People in the pulp and paper plants, in the bush, in the stores, in restaurants on the road all work very hard for their dollar and they get few if any tax breaks. On May 23, for example, the Minister of Finance (Mr. Wilson) brought forward a modest tax relief measure dealing with loans for houses granted to employees by their employers. It is a good tax relief measure. However, as I have told this House before, in my constituency there is a company which grants such loans to its employees and they have a divided house; those who got the loan after May 23 get tax relief. Those who got their loan before do not. They work for the same company and live in the same community. I pleaded with the Minister to incorporate a grandfather clause to correct this injustice but what did he say? He said: "I am sorry but if we did this it would increase the deficit in an unacceptable way". Increase the deficit! It is such a modest expenditure in the name of fairness and to say it would increase the deficit is totally unacceptable. Here we have a Bill which will cost taxpayers of this country $875 million and they give me that kind of argument where there is a genuine case of injustice.

Another example is that of prospectors, some 4,000 of them, who go out under the most adverse conditions to locate new mineral deposits. In many instances these prospectors exchange their claims for property. In due course they sell the property. The Minister of Finance brought in a new tax measure involving an exemption for capital gains in a certain amount over the lifetime of the taxpayer. Whether that is a good measure or not has yet to be debated in the House. However, the curious thing is that a prospector who wants to take advantage of that measure is denied the right to do so. He does not qualify when he sells that property which he exchanged for claims. That is considered to be income and I say that is an injustice for that category of person. Finally, Sir, dealing with unfairness and injustice, when family allowances are distributed next year what will the increase be? A ridiculous 31 cents. That is why my constituents object and object strongly to this Bill.

Although we are going to divide on this Bill today and the Government's majority will certainly carry the Bill, this issue of bank failures, bail-outs and payments to unknown persons in unspecified amounts will not go away. The Estey Commission has yet to be heard from. The names of those depositors will eventually come out. We will know who they are. This bank fiasco will have a serious negative effect on this Government and there will be a fall-out for a long time to come.

Mr. Speaker: Order, please. With great respect.

Mr. Penner: I oppose the Bill. The debate is over. I rest my case.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I want to begin by making quite clear something I am sure is not misunderstood by anyone in the House or the country, and that is that we have opposed this measure from the start. We continue to oppose it. It was wrong when it was first conceived. It was conceived as a result of either misinformation provided to the Ministers, or because they did not understand the information given to them. I want to make it clear that there is absolutely no justification for dipping into the pockets of taxpayers to pay uninsured depositors' losses. Those depositors in this instance put their money in this bank because they felt they could achieve a marginally greater rate of return than they could have got from any of the other financial institutions available to them. In doing that they knew they were taking a risk. They knew full well, right from the very beginning, that the insurance limits established by law on deposits in financial institutions in Canada were $60,000. So I say people who put their money in these banks, whether they be institutions or

individuals, were fully aware of the insurance limit in place and there can be no justification for the Government of Canada now moving in and using taxpayers' dollars to bail those people out.

I want to ask other Members to go back with me to the early part of the 1980s when farmer after farmer was losing his farm because they could not meet their mortgage commitments. It was not possible for them to work out an arrangement with banks not unlike this bank. Where was the Government of Canada when it should have bailed out those farmers? I ask you to consider the small-business people who could not afford the debt load that was imposed upon them by banks that were charging 20, 21, and 22 per cent interest and who lost their businesses as a result of the banks' usury. Where was the Government when it should have bailed out those people?

• (1550)

I ask Members of the House of Commons to think about homeowners in the country in the early 1980s who, when faced with the requirement to renew mortgages, found themselves unable to meet the exorbitant rates that the banks were foisting upon them. They, therefore, lost all the equity they had in their homes. Where was the Government to bail them out at that time? If we could not afford to do for the farmers, the small-business people, and the homeowners of this land what was required to be done by way of support during periods of grave difficulty, how in heaven's name can we justify doing it now for those who had money to put into a bank and took a higher risk which caught up with them?

I want Members to think carefully about that reality. Who are we giving the money to? We are about to decide that we will hand out $875 million to unsecured depositors.We are not to know who they are. No one is going to tell us. We are not entitled to know. How in the name of heaven can we be prepared to hand out almost $1 billion that could have been used for so many other worth-while purposes to people whose names we are not permitted to know? I have an obligation, to the best of my ability, to ensure that the Government spends the taxpayers' dollars wisely. It is a difficult enough job given the rigmarole that we have to go through on a daily basis. However, to ask me to approve an expenditure in the order of $1 billion, and to allow those tax dollars to be handed over to unnamed people, whether corporate or private, is both unfair and wrong.

Mr. Heap: And foreign.

Mr. Deans: My colleague says "and foreign", and I think that is another point which must be made at this time. Almost $112 million of this $1 billion is to be paid out to foreign banks. They are to be given Canadian taxpayers's dollars under circumstances in which, if they were to occur within the jurisdiction where they have a head office, they could not claim, nor would they get, the kind of largess that is being offered by the Government at the expense of the people of Canada. Not a single solitary one of those foreign banks could go to the Government of the United States, where most of them come from, and ask that Government to bail them out because another bank in which they had deposits failed. There is no such law, provision, or intention. The same thing is equally true in every other country. It makes no sense.

To allow this to happen in the face of all the problems that we are confronted with on a daily basis does draw into question the sense of Members of Parliament with regard to their responsibilities to their constituents. Not to cast aspersions, it is understandable that Members on the Government side would want to support their Government, whether it is right or wrong, and would feel the necessity to rise behind the Minister of Finance (Mr. Wilson) and the Minister of State for Finance (Mrs. McDougall) and support them in the endeavour.

Surely, however, deep down in their hearts when they think about it they know that the measure being proposed is inappropriate and wrong and that there can be no justification for providing for those who determined that they would speculate and for providing that that speculation be ensured beyond that which was available to all others operating within the same area across the country. I suggest, therefore, that we could and should be finding alternative uses for the money that is to be sent out by cheque in the new year to a lot of people who are, no doubt, very nice, but who, in fact, have no business expecting that the Government of Canada will bail them out.

What could we have done with the money? We could have built 21,667 new non-profit housing units, or we could have created 100,000 new day care spaces, or we could have provided 300 shelters for battered women, or we could have given each single mother in Canada $2,000, or we could have created over 100,000 jobs for people who are now unemployed, or, if it was ever the desire of the Conservative Government, we could have raised all GIS recipients above the poverty line. That is what we could have done with the nearly $1 billion which we are about to give out, improperly and without justification in my opinion, to people who chose to seek a somewhat higher rate of return than that which they could have received from the larger institutions and other sources of investment.

We are now prepared to deprive the country of those benefits by taking $1 billion out of the pockets of ordinary Canadians to give to those who sought a little more rather than being satisfied with what was available. That is exactly what the Government is doing and that is what makes it so wrong.

We have made the case time and time again, and there is no point in remaking it every day, that the Government has, for one reason or another, failed to provide the kind of leadership necessary to bring about fiscal responsibility. When the Government was in Opposition and sought power it claimed that it would operate in such a way that the deficit would come down through some mystical, magical means. This year we will see the highest deficit in the history of Canada. We will have the highest deficit in history because the Government is prepared to take the inopportune and improper steps which this Bill exemplifies.

I cannot help but feel that the arguments being made to us with regard to necessity are wrong even from the point of view of the people who will get the benefit. I have listened to representatives of the credit unions, many of whom are my friends, as they have argued that they need the money. However, the fact is that through the credit union centrals a protective mechanism was put into place many years ago to guarantee the assets of member credit unions at the local level. There is already an umbrella operation which covers losses of individual credit unions in the extent of bad management or bad luck with investment. To suggest that the credit unions are faced with dire consequences unless this Bill passes is not true. The facts are clear that the credit union movement is solvent because it is prudent and it is prudent because it has been managed well. It has put insurance in place to cover the possibility of losses. It does not need, nor would it have asked, the Government to provide this kind of support. The only reason why we are now being lobbied to pass the Bill quickly is because the Government rushed out like Santa Claus in the middle of the year and said not to worry because it will pay it all off. It did not consider for one minute where it would get the money.

• (1600)

I suggest that it is time that we drew the line and said, no, we will not do it because it is wrong. It is wrong because it does not reflect the kind of attitude that we want Canadians to have toward the Government. If I were a Tory I would be rising and saying that people cannot expect the Government to do everything for them. That is the attitude we hear from the Tory benches whenever I want to raise the issue of giving unemployment insurance for people whose benefits have expired and are still without jobs. The Conservatives say: "The Government cannot do everything for you". When I raise the question of people who are being ripped off by exorbitant rents and cannot find sufficient social housing to accommodate themselves and their families, the Conservatives say: "The Government cannot do everything for you".

Now we see a situation where a few of their good friends, hidden somewhere in the list of names, want to get a few more dollars from the system. The Conservatives, always ready, come forward to make sure that they are bailed out with taxpayers' dollars. I say that this will be done over the most strenuous objections of the New Democratic Party. It will be done in spite of what is right. It will be done only because the Conservative Party enjoys the largest majority in Canada's history. If it were in any other Parliament, it would not and could not be done.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I rise to address this—

Mr. Lewis: Wait. The third—

Mr. Turner (Vancouver Quadra): I am sorry.

Mr. Speaker: The Parliamentary Secretary is recognizing that I was in difficulty as a result of one Conservative Member and the Right Hon. gentleman rising at the same time. In that context I chose to recognize the Right Hon. gentleman, unless he chooses to wait and let the Conservative speak.

Mr. Turner (Vancouver Quadra): I am not depriving the Hon. Member—

Mr. Speaker: Not at all.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I had the opportunity to address this issue at second reading and put an amendment, against which closure was applied. That is becoming a newly contagious habit of the Government. It enjoys the largest majority since Confederation yet it is unable to process its Bills through the House without using the hammer, without abusing the free flow of debate and without applying a guillotine to virtually every measure that comes into the House. I can say quite categorically that we are against this legislation because it is bad legislation which should never have been brought into the House.

I want to congratulate my colleague, the Member for Cochrane-Superior (Mr. Penner) who spoke earlier and set out the arguments very well this afternoon. I also want to pay tribute to my colleagues who have followed this matter through the committee, particularly the Hon. Member for Trinity (Miss Nicholson), who has been the official critic on this issue and has been very penetrating indeed in her analysis and questioning. I believe that her questions to the Minister of State for Finance (Mrs. McDougall) and the Minister of Finance (Mr. Wilson) have been beautifully crafted and an example to every other Member in the House as to how to put a Minister on the spot.

I also want to reinforce my congratulations to her by paying tribute to the Hon. Member for Laval-des-Rapides (Mr. Garneau) and the Member for Saint-Henri-Westmount (Mr. Johnston) who supported her in the committee very effectively.

The bank failure fiasco that led to this Bill is an incredible tale of ministerial incompetence and deception.

Mr. Lewis: That is not what the Senate said.

Mr. Turner (Vancouver Quadra): That is exactly what the Senate said. The other place divided on the issue of ministerial responsibility because they wanted a unanimous report and we could not persuade the Conservative members in the other place to give full vent to their feelings as to the ministerial incompetence that took place.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, you will recall that when the original bail-out came before the House in March we in the Liberal Party supported it on the assurance of the Prime Minister (Mr. Mulroney), on the word of the Minister of Finance and the word of the Minister of State for Finance. Let me quote the Minister of Finance when he said on March 25 that: "We are satisfied that this bank is now a viable bank, that it will be profitable in the future, that we will

be repaid as will other members of the support group out of the future profits of the bank".

What a pathetic prophet the Minister of Finance turned out to be. Just six months later, having induced Parliament to dedicate $255 million of hard earned money from the Canadian taxpayers, not one bank went belly up, the Canadian Commercial Bank, but the Northland Bank as well because of the ineptitude of the Minister of State for Finance when she linked the Northland to the Canadian Commercial Bank in her press release of September 3. These two banks were the first banks to go bankrupt in this country in 60 years.

We agreed to the original bail-out because we were impressed with the Minister's arguments that the bank would remain solvent and because we wanted to endorse confidence of Canadians in our banking system. We felt that it was important to maintain confidence in our banking system because of the indebtedness around the world, the large indebtedness in the farming community, the indebtedness in Latin America and the indebtedness in corporate North America.

We believed in the flexibility and decentralization of our regional banking system which was introduced into western Canada by the previous Government under Mr. Trudeau. It allowed citizens of British Columbia, Alberta and other western provinces to deal with their finances closer to home rather than having to go on bended knee to central Canadian bankers in Montreal or Toronto. For those reasons we agreed with the Bill. We did not know at the time that the two Ministers involved were shamefully incompetent. We did not know that under their direction no audit had been requested of the loan portfolio of the Canadian Commercial Bank and that no one had done their homework.

According to the testimony before the Finance Committee and the evidence coming from the Estey Commission, the Canadian chartered banks suggested that they should look at the loan portfolio before investing their money. They offered to have officials review the situation over the weekend to determine the facts.

Rather than $255 million in loans being sour, it turned out that $600 million to $800 million of loans in the loan portfolio of the Canadian Commercial Bank were rotten. The bail-out did not have a chance of succeeding.

The Minister of Finance and the Minister of State for Finance brought a measure before the House that was absolutely incapable of succeeding. The reason for that legislation was that the Ministers went to the Prime Minister during the weekend of that national economic conference. The Prime Minister said that he did not want to know the facts because he did not want a bank to go belly up under a Conservative administration. He said: "I do not want a Conservative Government to be responsible for the first bank failure in over 60 years. I do not care what the facts are, save the bank".

The Government was flying blind. During second reading of this Bill I said that it was amateur night on the Rideau River. Parliament was conned and we were misled. The Minister did not know what they were talking about. Incidentally, neither the Minister of State for Finance nor the Minister of Finance who are defending this legislation have the courtesy to be in the House to see that this Bill is passed at third reading. At one time Ministers who were responsible for legislation before Your Honour were here for the debate. They were here to listen to the opinions of Members of Parliament. However, that is not the case with these Ministers and the Government. It relies on the blind majority of those silent, anonymous, invisible surfers, to use the eloquent words of some of our junior Members. They do not come and face Parliament on the last day before the House rises to defend this legislation, listen to what Members of Parliament have to say and justify the expenditure of $875 million. They are not here.

Mr. Ouellet: There is not a single Minister in the room.

Mr. Turner (Vancouver Quadra): There is one.

Parliament was conned and the commercial banks were fooled. This is an example of shameful incompetence on the part of the Government. We are being asked to approve a cheque for $875 million without knowing to whom the Canadian taxpayers' money is to be paid. I do not believe there has been a precedent for that.

Members of our caucus had to swallow hard before agreeing to the arrangement we have today to allow this Bill to go through. The Hon. Member for Ottawa-Vanier (Mr. Gauthier) said that we had to hold our noses. The Prime Minister need not do that because he does not have a sense of smell. However, I can tell you that we do. This Bill stinks. Here we have another example of the lust for secrecy which the Government has. We finally got the documents on de Havilland, thanks to the tremendous efforts of the Hon. Member for York Centre (Mr. Kaplan)—a tremendous victory for what an individual Member of Parliament can do in his riding if he persists hard enough. We finally got the documents. We may have got an undertaking from the Prime Minister that a parliamentary committee will be given a chance to review Crown corporations if they are on the block, up for sale, and that all Members of Parliament will be given a chance to look at them. But we have this blank cheque. It is virtually unconscionable to ask Members of Parliament to authorize this amount of money when we do not know the recipients of it.

• (1610)

Of course, the Minister of State for Finance said to know is illegal under the Bank Act. We do have a tradition judicially in force, legally in force, statutorily in force, of the confidentiality of our banking system, but that does not apply. This bank is under the Winding-Up Act. This bank had a curator appointed to it and then a receiver. There is no way under the Winding-Up Act that creditors can be kept secret. They have to declare themselves. This Parliament has been persuaded and bludgeoned to preserve the veil of secrecy over these depositors.

Mr. Gauthier: For good reasons.

Mr. Turner (Vancouver Quadra): There may well be good reasons. The facts will come out. We have the inquiry under Mr. Justice Estey. We have the lists in the hands of certain people. The names will come out. I cannot understand the Government. We will find out the real reason the Government is withholding the names from us.

This was a political decision. It was not an informed economic decision. The incompetence of the Government failed to stem the haemorrhage of the Canadian Commercial Bank. I admit the bank was badly managed. I will admit the bank overconcentrated its loans in real estate, in oil in Alberta, California and Texas. It may be that other consequences will flow from the report of Mr. Justice Estey. The way the Government handled it sapped a good deal of confidence from our banking system. So much so, Mr. Speaker, that when the Mercantile Bank was finally saved, Ottawa was irrelevant. The banking system put the deal together in Montreal and Toronto and told the Minister of Finance after it had been put together that it did not have confidence anymore in how Ottawa was conducting its affairs.

What is the final cost, Mr. Speaker? The traditional historic first right of Parliament is to raise taxation and to spend the people's money. That is why we are here. Nothing is more important. This is why we would not knuckle under to closure on the budget Bill.

What is the final cost? We have tried to estimate it. Sixty million dollars was the Government's share of the original bail-out, $875 million to be authorized today before Your Honour for uninsured depositors, whose names we do not know; $75 million was the Canada Deposit Insurance Corporation's portion of the original bail-out; 250 million for the insured depositors for the Canadian Commercial Bank and $170 million for the insured depositors of Northland.

How much money was the Bank of Canada forced to print in order to add to the liquidity of those two banks? Two billion dollars? We do not know. In any event, the total amount of money contributed by the Central Bank and by the Ministry of Finance is somewhere in the range of $3 billion.

Yet a measure of this importance was subjected to closure at second reading. Why the big rush? Why the anonymity? Why the secrecy? Why this blank cheque from Parliament for almost a billion dollars? A billion dollars is about $20,000 per taxpayer.

[*Translation*]

Mr. Speaker, one billion dollars means $20,000 per taxpayer in Canada. It will buy 100,000 automobiles or 8 million bicycles or 8,000 or 10,000 housing units for the poor and the needy in our country. One billion is a lot of money! We say the words "one billion dollars", and it may not mean much to the Minister, but this is 1,000 times one million! Who are these depositors? We know that two individual depositors are going to receive $3.5 million. We don't know them. They are ghosts. Who are these people? Well—

[*English*]

We accept the inevitable, Mr. Speaker. We put all the issues we could before you. This is a result of Government incompetence. It involves ministerial responsibility of two Ministers who do not have the courtesy to appear in the House on third reading when this measure is being put before Your Honour.

We are talking about a huge amount. We are talking about something, perhaps you in your greater wisdom can, Mr. Speaker, but I can never remember a blank cheque being issued by the Parliament of Canada to men and women in institutions whose names we are not given. We are paying out over $1 billion to anonymous depositors, a delicious Christmas present for people we do not know who they are. I venture to say that we will find out some day. Why? We are doing it at the expense of the poor and the disadvantaged who could use the money at this time. We are arguing about family allowances. The farmers in western Canada wonder why there cannot be a more generous drought program and why there cannot be a more generous program of financing and rescheduling of debt. The farmers of western Canada wonder why their banks are being saved at their expense. People risked depositing in those banks for a high rate of interest. We are not talking about the uninsured depositor of $60,000 or less, but those depositors over $60,000.

Mr. Axworthy: The greedy ones.

Mr. Ouellet: The rich.

Mr. Turner (Vancouver Quadra): We have money for them, Mr. Speaker. The Government endorses that payment by way of a blank cheque, yet we do not have any money for the western farmer, for family allowances, the disadvantaged or the unemployed. We gulp. There it is, Mr. Speaker. I appreciate your giving me the generosity of your attention and your time.

[*Translation*]

Mr. Charles Hamelin (Charlevoix): Mr. Speaker, first of all, I may say that I was very happy, and with me I suppose all the Members of this House, to see a new spirit, a Christmas spirit, a holiday spirit had pervaded the House this afternoon to help us agree on the menu for this last day, so that we can look forward to spending some pleasant holidays at home with our families.

Around Christmas time, we all have a tendency to look back over the years, and that is what I would like to do in connection with Bill C-79. And considering the spririt of openness shown by the party whips, and the atmosphere of generosity that pervades this House, Mr. Speaker, I will of course refrain from saying anything that might spoil the new ambience we sense in Parliament today.

Mr. Speaker, perhaps I may point out that if we go back to 1925, there was a Bill at the time referred to as Bill 182—

[*English*]

—an Act for the relief of the depositor of the Home Bank of Canada.

[*Translation*]

Mr. Speaker, history can teach us a number of things, and first of all, that it tends to repeat itself, but it can also repeat itself in reverse. And after listening to the Hon. Member for Cochrane-Superior (Mr. Penner), followed by the Hon. Member for Hamilton-Wentworth (Mr. Scott) and finally the Right Hon. Member for Vancouver Quadra (Mr. Turner), I would like to quote the Hon. Member for Halifax at the time, a Mr. Black, who said the following about the disastrous circumstances of the failure of the Home Bank:

[*English*]

The Home Bank failure is one of the greatest "black marks" which banking in Canada has ever experienced . . . The principles of good banking were ignored; deception and fraud were practised; so that in the end shareholders, depositors and others suffered severe loss. There was a period when this government could have saved heavy loss to those interested parties, the depositors and shareholders, without costing the country a dollar . . . Now the country is called upon to provide some five and a half millions to reimburse the depositors who unfortunately made bad investments by placing their savings in that bank—

Mr. Black continued as follows:

This is a dangerous policy, forming a precedent and opening the door for further claims, past or future, of similar character.

● (1620)

[*Translation*]

Mr. Speaker, today, history repeats itself with Bill C-79. In 1925, *Le Devoir* printed the following headline: "Nearly five and a half million for Home Bank customers". And who led the federal Government in 1925, Mr. Speaker? It was none other than the Right Hon. Mackenzie King! The motion presented by the Liberal Government at the time was adopted with 100 in favour and 20 opposed. I may add that in 1925, which was 61 years ago, five and a half million dollars was . . . Index that at 8 per cent with compound interest. How much would that be today, in 1985? Since I am not a financial expert, I'd rather not figure it out, but it was an astronomical sum for 1925.

And to continue this digression into history, what were the motives that brought the Members of the House to adopt this measure? There were two. People mentioned patriotism. In fact, it was said that the failure of a Canadian bank would be a disaster for Canada's prestige. That was one of the arguments. Our national credibility was at stake. And it was also said that this fiasco was due to World War I, which, it seems, had ravaged our economy. And, Mr. Speaker, even though I can feel this atmosphere of optimism and warmth, consultation and brotherly love, was it not the Liberal Government that went out to the West with its energy policy, and are not the results of that policy very similar to the economic devastation brought about by war? Those were the motives mentioned at the time for supporting this measure.

As the Hon. Member for Halifax, Mr. Black, said: We have created a precedent. Today, probably for the same reasons, we are faced with a disastrous situation, and this Government has decided to protect the interests of depositors and protect Canada's credibility by introducing a measure that is not necessarily a reason for rejoicing. Nobody likes to mop up the other guy's mess. It is not with overwhelming enthusiasm that we use public funds today to come to grips with a critical situation.

You know, we must put the fire out, and a fire is red, like a Liberal. Unfortunately, Mr. Speaker, we have to do it because we are in office and we are stuck with the same Canadian reality.

History usually repeats itself, Mr. Speaker. The then Government had also appointed a royal commission of inquiry to study the matter. Now we have the Estey Commission, but then Mr. Harrison A. McKeown was the commissioner. And of course, throughout the inquiry, much had been said about the enormous difficulties experienced by the management of the institution which handled a lot of venture capital in certain cases. Some Members at the time had expressed reservations about inquiries made by a few public officials.

It would seem that this institution, the Home Bank, had certain guarantees in British Columbia and that the Government could not very well ignore them. As a result of a thorough investigation, however, they had given rise to some questions, and properly so.

In any event, Mr. Speaker, I think that some of the Members who rose in the House earlier should have refreshed their memory about history. At least two of them forgot something, particularly the Member for Vancouver Quadra (Mr. Turner) when his own party at one time was forced to take similar steps in nearly identical circumstances. The same arguments had been used then, of course. A Member at the time, Mr. Kennedy of Glengarry, had stated that the amount involved was to be used to repay other depositors as well. Other institutions had been mentioned, like Banque Ville-Marie, Banque du Peuple, to mention Quebec banks, of course, and Banque Saint-Jean which had been unable to qualify for the same kind of generous assistance.

Mr. Speaker, I would suggest that the Government had to intervene, however regretfully, and Members should not attempt to indulge in petty politics with this matter which happens to be a reality, the result of a declining economy in Western Canada, the aftermath of incidents over which this Government had no control. The Government did so with generosity, undoubtedly inspired by the principles which had guided this Parliament in its decision in 1925. We are showing that this Parliament can be generous towards destitute people.

And at the time, Mr. Speaker, the Government did not reveal the names of the Home Bank depositors either. At the time, they respected the privacy of these depositors. And of

course the Opposition pointed out all the precedents this would create.

However, I think that with this spirit of generosity, we also have a duty as Members and as Parliament to cope with difficult situations and of course, these are extremely difficult choices to make, but we wanted to protect the broader interests of Canada vis-à-vis the world community, and we also particularly wanted to protect the interests of the neediest in our society, small depositors, municipalities and small- and medium-sized businesses.

And if a few big fish who perhaps should not benefit from our generosity get through the net as well, I think that our democratic system and our system of freedoms is structured in such a way that, to save the greatest number, we unfortunately have to let a few profiteers through as well.

Mr. Speaker, it is with very little enthusiasm that we are supporting this measure, but at least we can rest assured that it will benefit Western Canada and the country as a whole.

• (1630)

[*English*]

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I think there is a lessen of history to be learned for many of us. Perhaps one of the lessons of history that is most important to learn is that when it comes to helping the large corporations, the big companies that go bankrupt and those who are already rich and wealthy but run into trouble, scratch a Conservative and you will find a socialist, Mr. Speaker. Conservatism in this country as indeed Liberalism has often meant, when it comes right down to it, is socialism for the rich and dog eat dog for the poor. That is what has been demonstrated by this Bill.

If Hon. Members of the House, like me, have held community meetings in the small towns and villages of their constituencies and if they have talked with people from the different cities that they represent, they must have heard the one particular question I heard from people who voted Conservative, who believed in Conservative members and who felt that the election of a Conservative Government somehow represented a new step in this country's history. That question was how could this kind of giveaway from the poor and ordinary Canadians to the rich possibly have taken place?

At the community meetings I have held in my constituency in recent weeks, person after person has risen to ask me why this $1 billion is being given to the banks. Frankly, it is a difficult question for me to answer even if I am able to put on my partisan hat.

The questions the people ask are very tough and hard questions. First, they ask why this large giveaway is being handed out at a time when the Government says the country faces near bankruptcy because of the size of the deficit. They also ask why it is that this money is being given in a secretive way to people whose names we do not even know. Having heard some of the details, they ask why we are not prepared to give help only to individuals because it could well be that there are individuals who are hard up and for whom the loss of more than $60,000 would seriously damage plans for retirement or the future. However, that cannot justify the giving in the case of the Canadian Commercial Bank $108 million to foreign banks, over $65 million to other banks, over $56 million to investment dealers and brokers and over $51 million to large corporations. In the case of the Northland Bank, it is a further $4 million to foreign banks, $20 million to the rich existing banks in Canada, $54 million to investment dealers and brokers and $90 million to other corporations.

If we were giving money to those who deeply, desperately needed the resources of the taxpayers, then there might be some justification for this. However, to give this money to those who are already rich and wealthy is something which my people simply cannot understand. My people see around them people hurting badly, farmers in Essex County going bankrupt, small business people going bankrupty, women needing help for retraining to go back into the workforce with equity and fairness, young people such as those we have met recently through the youth task force who are looking for special help and umeployed people of whom there are still far too many in our community. They see for each of these groups a desperate need for help and they hear in response to the demands each of these groups make for help the same answer from the Government: we cannot afford it because the deficit is too high and becasue we do not have the money. Yet when the banks come begging, socialism for the rich becomes an historical reality once again. The banks get what they want and the people are left facing insecurity, difficulty and a sense of unfairness that to them is simply overpowering. The people simply cannot see the justice in powerful individuals, corporations and banks being helped despite the law while poor people do not get the valid assitance to which they feel entitled.

I appreciate the history lesson given by the Hon. Member who spoke earlier. It is a lesson that shows that socialism for the rich has a long, dishonourable tradition in Canada, a tradition that harks back to the Home Bank. It is a tradition which we see today being carried on by the Government for the Northland Bank and the Canadian Commercial Bank. It was always so and that is what makes this country so cynical about our politics and the fairness of our governmental system.

We cannot practise socialism for the rich and dog-eat-dog for the poor and still claim to be a country in which fairness rules. I will be proud to vote against this Bill today along with the remainder of my colleagues in the New Democratic Party. I will do so out of a sense of equity and fairness and out of a sense that the socialism that we need in Canada is socialism for ordinary Canadians and not a socialism for the rich like that we see being perpetuated in this Bill and that we have seen in the past.

• (1640)

Mr. Speaker: Order, please. There being no further speakers on Bill C-79 I take it that it was the intent of the House in this situation, pursuant to the order which was adopted earlier,

that I would now defer all votes with regard to Bill C-79 until five o'clock.

Mr. Deans: Mr. Speaker, I rise on a point of order. You are now about to proceed to Bill C-83.

Mr. Speaker: Yes, I am.

Mr. Deans: I would simply like to ask that all the motions which are on the Order Paper be deemed to have been moved for the purpose of the debate.

Mr. Lewis: We are in agreement with that, Mr. Speaker.

Mr. Speaker: I will have to deal with that in a minute.

* * *

TAX REBATE DISCOUNTING ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-83, an Act to amend the Tax Rebate Discounting Act, as reported (without amendment) from a legislative committee.

Mr. Speaker: I am prepared to deem the motions which are in order to have been moved. However, I must indicate to the House the following. In my view, Motions Nos. 1, 2 and 3, which are in order, will be grouped for debate. Motion No. 1 will be voted on separately. An affirmative vote on Motion No. 2 will obviate the necessity of a vote on Motion No. 3. A negative vote on Motion No. 2 will require the question to be put on Motion No. 3. Motions Nos. 4, 5 and 6 are out of order, since they attempt to introduce in the parent Act a definition which was not contemplated in the Bill at second reading and, therefore, are beyond the scope of the Bill. I refer Hon. Members to Beauchesne's Fifth Edition Citation 773(1).

Motions Nos. 7, 8, 9 and 10 are in order and should be debated and voted on separately. However, for the purpose of this understanding I suggest that we simply deem all the in order Motions, that is Motions Nos. 1, 2, 3, 7, 8, 9 and 10, to have been moved and to be before the House and grouped for debate for this Special Order.

Mr. David Orlikow (Winnipeg North) moved:

Motion No. 1

That Bill C-83, be amended in Clause 1 by striking out line 15 at page 1 and substituting the following therefor:

"ninety-nine per cent of the refund of".

Hon. André Ouellet (Papineau) moved:

Motion No. 2

That Bill C-83, be amended in Clause 1 by striking out lines 16 to 22 at page 1 and substituting the following therefor:

"tax,

(*b*) where the refund of tax is greater than three hundred dollars but less than nine hundred dollars, two hundred and fifty-five dollars plus ninety-five per cent of the amount by which the refund of tax is greater than three hundred dollars, or

(*c*) where the refund of tax is equal to or greater than nine hundred dollars, eight hundred and twenty-five dollars plus one hundred per cent of the amount by which the refund of tax is greater than nine hundred dollars;"

Mr. David Orlikow (Winnipeg North) moved:

Motion No. 3

That Bill C-83, be amended in Clause 1 by striking out line 19 at page 1 and substituting the following therefor:

"dred and eighty-five dollars plus ninety"

Motion No. 7

That Bill C-83, be amended in Clause 1 by adding immediately after line 9 at page 2 the following:

"(4) A person using a discounter for the preparation of income tax under the Income Tax Act shall be entitled to the rights of information, impartiality, courtesy and consideration and presumption of honesty as stated in the Revenue Canada document, Declaration of Taxpayer Rights."

Motion No. 8

That Bill C-83, be amended in clause 2 by striking out line 28 at page 2 and substituting the following therefor:

"client's return of income tax to a standard deemed acceptable by generally accepted standards of professional tax preparers or for any other".

Motion No. 9

That Bill C-83, be amended in Clause 2 by striking out line 28 at page 3 and substituting the following therefor:

"(ii) a".

Motion No. 10

That Bill C-83, be amended in Clause 2 by adding immediately after line 18 at page 4 the following:

"including the discount rate as an annual rate, calculated as a percentage for the following time periods: four weeks, six weeks, eight weeks, twelve weeks;"

Mr. Speaker: Therefore, I propose to recognize the Hon. Member for Papineau (Mr. Ouellet).

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, I want to appeal to the Conservative Government one last time to accept two amendments to the Tax Rebate Discounting Act.

First of all, I want to thank the Hon. Members for Hamilton East (Ms. Copps), Grand Galls-White Bay-Labrador (Mr. Rompkey) and Laurier (Mr. Berger) for their contribution to the work and proceedings of the Legislative Committee on Bill C-83.

I regret the absence of the Hon. Member for Saint-Michel-Ahuntsic (Mrs. Killens), the official critic for Consumer and Corporate Affairs, who I am sure would have liked to take part in the debate on this Bill. I hope she was able to notice that the Members who took over her responsibilities in connection with this Bill fought vigorously on her behalf and on behalf of the needy families in this country. This fact should be of some comfort to her and help her get well soon and come back to the House at the beginning of 1986.

Mr. Speaker, the work done by my colleagues and myself has demonstrated our desire to serve this institution and especially the neediest families in Canada. The important thing, to us, is to make an effort to show that we are on the side of the little man. It is quite obvious that the Bill does not at all meet the expectations of the neediest families in Canada.

And because we were very serious about this issue, we presented two amendments. First of all, I want to express my profound regret that the Government Members on the parliamentary committee refused to accept those amendments. We, in the Opposition, had opened the door to a compromise by presenting an initial amendment prohibiting the discounting of child tax credits. This amendment was to have been complemented by another amendment that would have given the Minister a chance to choose the right time to adopt the Bill.

Mr. Speaker, now we all know the truth about the tax rebate discounting industry. We know that only 11 per cent of their clients earn $20,000 or more. The Minister of Consumer and Corporate Affairs and Canada Post (Mr. Côté) says that he wants to ensure this consumer group has a choice. I think he is referring to the group that earns more than $20,000, because how can anyone claim that people earning $20,000 or less can see the loss of a substantial sum of money as an alternative?

The problem, the real problem is with the time it takes to process income tax returns from those in the low-income bracket.

This Bill does not do anything about that, yet the Hon. Member for Wellington-Dufferin-Simcoe (Mr. Beatty), who was supposed to change everything during his mandate at Revenue Canada, did not do anything at all to improve the situation in that respect. More significant still, the Bill does not deal with Canada's ever worsening poverty problem. In fact, the proposed measures will only take more money out of the pockets of the most needy Canadians. We deeply regret the fact that our country is witnessing the further impoverishment of its most destitute citizens, whereas the Government is trying to help shaky financial institutions with an ardour which, had it been applied to the discounting problem, would have led to a much more constructive and much more equitable solution.

The coincidence of the two measures we are forced to adopt today reveals the true face of the Conservatives: on one hand, generosity towards wealthy bank depositors and, on the other, stinginess towards the poorest families in this country. For instance, the Government did not hesitate to abolish quotas on shoes, thereby eliminating many thousands of jobs in Canada to please a few major import companies, but then it simply will not abolish tax discounting, which indeed would benefit Canada's most destitute families.

There is a second amendment which would enable the clients of discounters to pay no more than $75 for this service. In other words, we are proposing that this $75 ceiling be enforced. I would also like to express my regret about the fact that this amendment was defeated in committee. My only satisfaction, Mr. Speaker, is that a Government Member did support our amendment. I hope that now the Government has a last chance to adopt at least two decent amendments to make the legislation more acceptable, it will take advantage of this opportunity to let the neediest families in Canada have the full amount to which they are entitled, because this money is actually an income tax overpayment. The full sum should go back to them, to pay for clothing or furniture or dental bills for a child or another family member. Since the Government has once again demonstrated it is oblivious to the plight of the neediest in our society, I would invite them, now we are getting ready for Christmas, to show the neediest in our society they have some heart and some generosity and accept these two amendments.

[*English*]

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs and Canada Post): Mr. Speaker, I am sure the Hon. Member for Papineau (Mr. Ouellet) will agree with me that the changes which we have made to the child tax credit have little to do with our national footwear industry.

I would also point out, in contradiction to one of the statements made by the Hon. Member, that what we are trying to do with respect to Bill C-83 is two things. First, we are trying to address the needs of the needy and not remove the service from those who need it most. At the same time, we are realizing that there is a service supplied by the discounters. It is not merely a commission or an interest paid. If that were the case the banks would be performing this service. I suggest to the Hon. Member that the banks are not in the least bit interested in supplying this service.

I would also remind the Hon. Member that it was his Government, the former Liberal Government, which introduced tax discounting. It did this for the purpose of supplying a need to the needy. Unlike that administration, in comparison with this administration, the turn-around time from the time of filing to the time of receipt is much less now than it was under the former administration. The Minister says: *comme ci, comme ça*, but I remind him that the time in some cases is as little as four and one half weeks if filed on time and with the proper information.

• (1650)

I would also like to ask the Hon. Member to think about what would happen if he was in the money lending business, January 15 rolled around, he wanted to get his money in advance and he was offered a rate of 1 per cent or $75, which the Minister suggests is the maximum for discounters, and the amount which was to be received by that client looking for money in advance was $900. Would he lend $900 at 1 per cent or $75 for up to three months? We must be realistic and we must appreciate the fact that when the money is requested from the discounter on January 15, it is physically impossible, since we do not even turn on the computers until February, to refund that money within a four-week period. Therefore, what the discounter is doing is preparing the income tax form for a fee. In addition to that, he is charging what we consider to be a more reasonable rate because of these amendments. We recognize the need for that service, as did the former Government. The only thing we are saying is that it needs to be less because of the shorter turn-around period.

What we have in effect done is said to the people who would like their cash in advance that they can now go, with the passing of Bill C-83, to a discounter, receive their money in advance and have their income tax form filled out for a fee or 15 per cent on the first $300. There is no interest charged. It is just a 15 per cent fee on the first $300, which is $45. That includes the average cost of preparing income tax forms. The discounter then borrows the money in order to pay that person his money in advance and waits until the federal Government makes the refund.

I am sure the Hon. Member will agree, as well as the New Democratic Party, that the odd person in Canada files their income tax and there is a follow-up. There is a change, adjustment or request for further information by the Revenue Canada people. This delays the payment back to the discounter, and we have now reduced the 15 per cent down to 5 per cent on all funds advanced by the discounter in excess of first $300.

To indicate how the consumers feel about this, I would like to read a letter which was sent to the Minister of Consumer and Corporate Affairs (Mr. Côté) by the Consumers Association of Canada. It says in part: "In particular, we note that you have agreed with the Consumers Association of Canada's position on the need to lower discount rates and proposed a maximum allowable charge of 5 per cent on any amount over $300". The letter goes on: "You have also accepted CACs view that tax return processing has been too slow and have acted decisively to remedy this situation". This is the paragraph which should be noted: We applaud proposals to pay child tax credit periodically which is in the same piece of legislation by intent in the new tax year to simplify procedures for getting advance loans from financial institutions and to improve the Tax Rebate Discounting Act making it easier to detect and prosecute violators". I feel that Bill C-83, having gone through a series of hearings from interested groups and individuals and from the Consumers Association and the tax discounters that a compromise has been reached. Yes, the discounters would like to make more money and, yes, the consumers would like to get their tax refunds without any cost. However, I respectfully submit that 5 per cent for an advance payment on an amount in excess of $300 is a reasonable charge for the service rendered. I refuse to accept the arguments of the Official Opposition and of the other Opposition, the New Democratic Party, that 5 per cent is an unreasonable rate to charge with the risk involved and the delays which can occur. The delays are caused, as I have explained before, in some cases because there is extra information required and there is no guarantee to the discounter that that tax refund would be returned within four weeks or five weeks. It is a fact that the return time for income tax returns today is quite a bit shorter than it was in 1978 when the Act was first passed allowing the legalization of discounting for those in need.

I refuse to accept the argument that it is only the poor who require money. I do not suppose there are very many Hon. Members sitting in this House who at some time have not asked for money in advance on a promise to pay from a banking institution in order that they could meet current costs. Discounting is necessary and this legislation is a fair way to approach it.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, we oppose this measure not because we think what is now in place is acceptable but because we believe there ought not to be the option to charge people who are in need for the money they have coming back from the Government of Canada.

We want to put on the record that it is the responsibility of Revenue Canada, and if there is the need to advance additional moneys forthwith to those who are in the greatest need, then that should be done through the auspices of Revenue Canada. I want to say that this Bill fails to deal with the question of ripping off the poor. There is close to unanimous opposition to what the Minister has brought forward by the majority of those who understand its implications. The Bill legitimizes the exploitation of the poor in a way in which the original legislaton had not envisaged. The growth of the business of exploitation has been phenomenal over the last few years, with kiosks springing up in every shopping plaza, and the vast majority of those who undertake the measure are the representatives of a major corporation, in fact two major corporations which operate within the field from the United States, and it is wrong. Those who are doing in Canada what they are doing could not do the same thing in the United States where they come from and they ought not to be allowed to do it here.

[*Translation*]

Mr. Speaker, the present situation is unacceptable. Adopting this Bill will not change it. Parliament must immediately put a stop to this practice.

[*English*]

I ask this Parliament to consider the necessity to stand up and admit that it is not enough to say you can charge a little bit, that it is absolutely essential to say that we are going to make Revenue Canada operate effectively and efficiently, and we are going to make sure that those who need the rebates get them without having to pay exoribitant fees.

Mr. Speaker: There being no further debate, and it being, for the sake of argument, five o'clock, pursuant to the Order made earlier this day, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of Bill C-79 and Bill C-83 respectively. I propose to commence with the deferred votes with respect to Bill C-79.

* * *

• (1700)

FINANCIAL INSTITUTIONS DEPOSITORS COMPENSATION ACT

MEASURE TO ENACT

The House resumed consideration of Bill C-79, an Act respecting the provision of compensation to depositors of Canadian Commercial Bank, CCB Mortgage Investment Cor-

poration and Northland Bank in respect of uninsured deposits, as reported (without amendment) from a legislative committee; and Motion No. 2 (Miss Nicholson (Trinity)) (p. 8737) and Motion No. 3 (Mr. Riis) (p. 8738).

Mr. Speaker: The first vote will be on Motion No. 2. Miss Nicholson (Trinity), seconded by Mr. Riis, moves:

Motion No. 2

That Bill C-79, be amended in Clause 12 by adding immediately after line 35 at page 6 the following:

"(3) Notwithstanding the Bank Act, the Minister shall cause to be published in this year's Public Accounts a list of all depositors to which a payment was made under this Act."

Shall the amendment carry?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Order, please. The House order allows for one bell. Does the House prefer that we deal with the reading of all of the motions and all of the voice votes and defer all the standing votes until the end?

Mr. Hnatyshyn: Mr. Speaker, I would suggest that with respect to all report stage votes, I think the voice vote would apply. If you want to call the third reading vote at this time and then call Bill C-83 and deal with it in the same way, we will then ring the bells, get everyone in, and we will know what we are voting on. Is that reasonable?

Mr. Speaker: It is reasonable. There may be one technical difficulty in that we have to re-read the motions at that time. However, I suspect we can handle that. Therefore, a standing division being required on that amendment, I shall defer that division and proceed to the next amendment. The next vote will be on Motion No. 3. Mr. Riis, seconded by Mr. Keeper, moves:

Motion No. 3

That Bill C-79, be amended in Clause 12 by adding immediately after line 35 at page 6 the following:

"(3) Notwithstanding the Bank Act, the Minister shall cause to be published in this year's Public Accounts a list of all depositors to which a payment was made under this Act."

Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it. Accordingly, that division shall stand deferred for the moment.

The final matter would be the motion to concur standing in the name of the Minister of State for Finance (Mrs. McDougall). Here is the technical difficulty. It is difficult for me to put the concurrence motion until the divisions have been taken on the amendments. Therefore may I suggest we revert to the second amendment where I have seen sufficient Members rising.

Therefore, call in the Members.

The first question is on Motion No. 2. A vote on this motion will dispose of Motion No. 3.

The House divided on the motion (Miss Nicholson) which was negatived on the following division:

(*Division No. 154*)

YEAS

Members

Althouse	Gray	Nicholson
Axworthy	(Windsor West)	(Trinity)
Benjamin	Guilbault	Nystrom
Berger	(Saint-Jacques)	Ouellet
Boudria	Jewett	Parry
Caccia	Johnston	Penner
Cassidy	(Saint-Henri-Westmount)	Pépin
Deans	Kaplan	Prud'homme
Finestone	Keeper	Rodriguez
Foster	Langdon	Turner
Frith	Mitchell	(Vancouver Quadra)—29.
Gauthier		

NAYS

Members

Andre	Greenaway	McDougall
Beatty	Gurbin	(St. Paul's)
Bernier	Hamelin	McGrath
Blais-Grenier	Hamilton	McKinnon
Bourgault	Hawkes	McKnight
Boyer	Hnatyshyn	McLean
Brightwell	Hudon	Moore
Cadieux	Jacques	Murta
Caldwell	James	Nielsen
Cardiff	Johnson	Nowlan
Champagne	(Bonavista-Trinity-Conception)	Oberle
(Saint-Hyacinthe-Bagot)	Joncas	O'Neil
Clark	Jourdenais	Oostrom
(Brandon-Souris)	Kelleher	Peterson
Clifford	Kempling	Ravis
Collins	King	Redway
Côté	Layton	Reid
(Langelier)	Leblanc	Reimer
Crofton	Lewis	Ricard
Crouse	MacDonald	Schellenberg
Daubney	(Kingston and the Islands)	(Nanaimo-Alberni)
Dick	MacKay	Schellenberger
Domm	Mailly	(Wetaskiwin)
Edwards	Mantha	Scowen
Elzinga	Marin	Shields
Fennell	Martin	Speyer
Ferland	Masse	Tardif
Fontaine	Mazankowski	(Charlesbourg)
Friesen		Thacker
Gormley		Towers

Members

Tupper	Valcourt	Wilson
Turner	Vankoughnet	(Etobicoke Centre)
(Ottawa-Carleton)	Wenman	Winegard—86.

Mr. Speaker: Accordingly, I declare the motion lost.

According to my notes, I suspect that we will be trying to apply votes. I take it that the Member for Parkdale-High Park (Mr. Witer) is now here. The Member for Calgary North (Mr. Gagnon) and the Hon. Member for Spadina (Mr. Heap) wish to be included with their Parties in future votes. The Hon. Member for Calgary North says no.

Hon. Barbara McDougall (Minister of State (Finance)) moved that Bill C-79, an Act respecting the provision of compensation to depositors of Canadian Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect of uninsured deposits, be concurred in.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Gray (Windsor West): Mr. Speaker, I rise on a point of order. I would ask that the vote on the motion we just dealt with apply to this one. However, I am sure the Government House Leader will insist that it be in the reverse. I would ask that the individual votes be recorded in the same way, except in reverse.

Mr. Speaker: I take it that is a request to apply the same recorded vote in reverse?

Mr. Gray (Windsor West): If the Government House Leader wants to change his vote and that of his Party, of course we will accept it.

The House divided on the motion (Mrs. McDougall) which was agreed to on the following division:

(*Division No. 155*)

YEAS

Members

Andre	Edwards	King
Beatty	Elzinga	Layton
Bernier	Fennell	Leblanc
Blais-Grenier	Ferland	Lewis
Bourgault	Fontaine	MacDonald
Boyer	Friesen	(Kingston and
Brightwell	Gormley	the Islands)
Cadieux	Greenaway	MacKay
Caldwell	Gurbin	Mailly
Cardiff	Hamelin	Mantha
Champagne	Hamilton	Marin
(Saint-Hyacinthe-Bagot)	Hawkes	Martin
Clark	Hnatyshyn	Masse
(Brandon-Souris)	Hudon	Mazankowski
Clifford	Jacques	McDougall
Collins	James	(St. Paul's)
Côté	Johnson	McGrath
(Langelier)	(Bonavista-Trinity-	McKinnon
Crofton	Conception)	McKnight
Crouse	Joncas	McLean
Daubney	Jourdenais	Moore
Dick	Kelleher	Murta
Domm	Kempling	Nielsen
Nowlan	Ricard	Towers
Oberle	Schellenberg	Tupper
O'Neil	(Nanaimo-Alberni)	Turner
Oostrom	Schellenberger	(Ottawa-Carleton)
Paproski	(Wetaskiwin)	Valcourt
Peterson	Scowen	Vankoughnet
Ravis	Speyer	Wenman
Redway	Tardif	Wilson
Reid	(Charlesbourg)	(Etobicoke Centre)
Reimer	Thacker	Winegard
		Witer—87.

NAYS

Members

Althouse	Gray	Nicholson
Axworthy	(Windsor West)	(Trinity)
Benjamin	Guilbault	Nystrom
Berger	(Saint-Jacques)	Ouellet
Boudria	Heap	Parry
Caccia	Jewett	Penner
Cassidy	Johnston	Pépin
Deans	(Saint-Henri-Westmount)	Prud'homme
Finestone	Kaplan	Rodriguez
Foster	Keeper	Turner
Frith	Langdon	(Vancouver Quadra)—30.
Gauthier	Mitchell	

Mr. Speaker: I declare the Motion adopted on the reversed recorded division, with the addition in the affirmative of the Hon. Member for Parkdale-High Park (Mr. Witer) and the Hon. Member for Edmonton North (Mr. Paproski), and with the Hon. Member for Spadina (Mr. Heap) in the negative. Is that correct?

Some Hon. Members: Agreed.

Mr. Shields: Mr. Speaker, I rise on a point of order. I would like to abstain from this vote on the CCB and Northland Banks.

Mr. Speaker: The Member for Athabasca shall not be recorded with regard to the motion to concur, nor with third reading I take it.

Motion agreed to.

Mr. Speaker: Pursuant to order made earlier this day, Mrs. McDougall (St. Paul's) moves that Bill C-79, an Act respecting the provision of compensation to depositors of Canadian Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect of uninsured deposits, be now read a third time and do pass.

Mrs. McDougall moved that Bill C-79, An Act respecting the provision of compensation to depositors of Canadian Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect of uninsured deposits be read the third time and passed.

Mr. Speaker: Do I take it that it is the pleasure of the House to adopt that motion on a recorded division, reflecting exactly the same vote as occurred on the concurrence motion just taken?

Some Hon. Members: Agreed.

The House divided on the motion (Mrs. McDougall) which was agreed to on the following division:

(*Division No. 156*)

YEAS

Members

Andre	Hawkes	Murta
Beatty	Hnatyshyn	Nielsen
Bernier	Hudon	Nowlan
Blais-Grenier	Jacques	Oberle
Bourgault	James	O'Neil
Boyer	Johnson	Oostrom
Brightwell	(Bonavista-Trinity-Conception)	Paproski
Cadieux	Joncas	Peterson
Caldwell	Jourdenais	Ravis
Cardiff	Kelleher	Redway
Champagne (Saint-Hyacinthe-Bagot)	Kempling	Reid
Clark (Brandon-Souris)	King	Reimer
Clifford	Layton	Ricard
Collins	Leblanc	Schellenberg (Nanaimo-Alberni)
Côté (Langelier)	Lewis	Schellenberger (Wetaskiwin)
Crofton	MacDonald (Kingston and the Islands)	Scowen
Crouse	MacKay	Speyer
Daubney	Mailly	Tardif (Charlesbourg)
Dick	Mantha	Thacker
Domm	Marin	Towers
Edwards	Martin	Tupper
Elzinga	Masse	Turner (Ottawa-Carleton)
Fennell	Mazankowski	Valcourt
Ferland	McDougall (St. Paul's)	Vankoughnet
Fontaine	McGrath	Wenman
Friesen	McKinnon	Wilson (Etobicoke Centre)
Gormley	McKnight	Winegard
Greenaway	McLean	Witer—87.
Gurbin	Moore	
Hamelin		
Hamilton		

NAYS

Members

Althouse	Gray (Windsor West)	Nicholson (Trinity)
Axworthy	Guilbault (Saint-Jacques)	Nystrom
Benjamin	Heap	Ouellet
Berger	Jewett	Parry
Boudria	Johnston (Saint-Henri-Westmount)	Penner
Caccia	Kaplan	Pépin
Cassidy	Keeper	Prud'homme
Deans	Langdon	Rodriguez
Finestone	Mitchell	Turner (Vancouver Quadra)—30.
Foster		
Frith		
Gauthier		

Mr. Speaker: I declare the motion carried.

Bill read the third time and passed.

* * *

● (1730)

TAX REBATE DISCOUNTING ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-83, an Act to amend the Tax Rebate Discounting Act as reported (without amendment) from a legislative committee.

Mr. Speaker: In accordance with the ruling I gave earlier this day, the first vote will be on Motion No. 1. Mr. Orlikow moves:

Motion No. 1

That Bill C-83, be amended in Clause 1 by striking out line 15 at page 1 and substituting the following therefore:

"Ninety-nine per cent of the refund of"—

Shall I dispense with the bells?

Some Hon. Members: Agreed.

The House divided on the motion (Mr. Orlikow) which was negatived on the following division:

(*Division No. 157*)

YEAS

Members

Althouse	Gray (Windsor West)	Nicholson (Trinity)
Axworthy	Guilbault (Saint-Jacques)	Nystrom
Benjamin	Heap	Ouellet
Berger	Jewett	Parry
Boudria	Johnston (Saint-Henri-Westmount)	Penner
Caccia	Kaplan	Pépin
Cassidy	Keeper	Prud'homme
Deans	Langdon	Rodriguez
Finestone	Mitchell	Turner (Vancouver Quadra)—30.
Foster		
Frith		
Gauthier		

NAYS

Members

Andre	Hawkes	Nielsen
Beatty	Hnatyshyn	Nowlan
Bernier	Hudon	Oberle
Blais-Grenier	Jacques	O'Neil
Bourgault	James	Oostrom
Boyer	Johnson (Bonavista-Trinity-Conception)	Paproski
Brightwell	Joncas	Peterson
Cadieux	Jourdenais	Ravis
Caldwell	Kelleher	Redway
Cardiff	Kempling	Reid
Champagne (Saint-Hyacinthe-Bagot)	King	Reimer
Clark (Brandon-Souris)	Layton	Ricard
Clifford	Leblanc	Schellenberg (Nanaimo-Alberni)
Collins	Lewis	Schellenberger (Wetaskiwin)
Côté (Langelier)	MacDonald (Kingston and the Islands)	Scowen
Crofton	MacKay	Shields
Crouse	Mailly	Siddon
Daubney	Mantha	Speyer
Dick	Marin	Tardif (Charlesbourg)
Domm	Martin	Thacker
Edwards	Masse	Towers
Elzinga	Mazankowski	Tupper
Fennell	McDougall (St. Paul's)	Turner (Ottawa-Carleton)
Ferland	McGrath	Valcourt
Fontaine	McKinnon	Vankoughnet
Friesen	McKnight	Wenman
Gagnon	McLean	Wilson (Etobicoke Centre)
Gormley	Moore	Winegard
Greenaway	Murta	Witer—91.
Gurbin	Nickerson	
Hamelin		
Hamilton		

Mr. Speaker: I declare the motion lost. The next vote is on Motion No. 2. Mr. Ouellet moves:

Motion No. 2

That Bill C-83, be amended in Clause 1 by striking out lines 16 to 22 at page 1 and substituting the following therefor:

"tax,

(*b*) where the refund of tax is greater than three hundred dollars but less than nine hundred dollars, two hundred and fifty-five dollars plus ninety-five per cent of the amount by which the refund of taxes is greater than three hundred dollars, or,

(*c*) where the refund of tax is equal to or greater than nine hundred dollars, eight hundred and twenty-five dollars plus one hundred per cent of the amount by which the refund of tax is greater than nine hundred dollars;"

Do I sense that there is consent to apply exactly the same recorded vote to that motion?

Some Hon. Members: Agreed.

The House divided on the motion (Mr. Ouellet) which was negatived on the following division:

(*Division No. 158*)

YEAS

Members

Althouse	Gray (Windsor West)	Nicholson (Trinity)
Axworthy	Guilbault (Saint-Jacques)	Nystrom
Benjamin	Heap	Ouellet
Berger	Jewett	Parry
Boudria	Johnston (Saint-Henri-Westmount)	Penner
Caccia	Kaplan	Pépin
Cassidy	Keeper	Prud'homme
Deans	Langdon	Rodriguez
Finestone	Mitchell	Turner (Vancouver Quadra)—30.
Foster		
Frith		
Gauthier		

NAYS

Members

Andre	Hawkes	Nielsen
Beatty	Hnatyshyn	Nowlan
Bernier	Hudon	Oberle
Blais-Grenier	Jacques	O'Neil
Bourgault	James	Oostrom
Boyer	Johnson (Bonavista-Trinity-Conception)	Paproski
Brightwell	Joncas	Peterson
Cadieux	Jourdenais	Ravis
Caldwell	Kelleher	Redway
Cardiff	Kempling	Reid
Champagne (Saint-Hyacinthe-Bagot)	King	Reimer
Clark (Brandon-Souris)	Layton	Ricard
Clifford	Leblanc	Schellenberg (Nanaimo-Alberni)
Collins	Lewis	Schellenberger (Wetaskiwin)
Côté (Langelier)	MacDonald (Kingston and the Islands)	Scowen
Crofton	MacKay	Shields
Crouse	Mailly	Siddon
Daubney	Mantha	Speyer
Dick	Marin	Tardif (Charlesbourg)
Domm	Martin	Thacker
Edwards	Masse	Towers
Elzinga	Mazankowski	Tupper
Fennell	McDougall (St. Paul's)	Turner (Ottawa-Carleton)
Ferland	McGrath	Valcourt
Fontaine	McKinnon	Vankoughnet
Friesen	McKnight	Wenman
Gagnon	McLean	Wilson (Etobicoke Centre)
Gormley	Moore	Winegard
Greenaway	Murta	Witer—91.
Gurbin	Nickerson	
Hamelin		
Hamilton		

Mr. Speaker: I declare the motion lost. The next vote is on Motion No. 3. Mr. Orlikow moves:

Motion No. 3

That Bill C-83, be amended in Clause 1 by striking out line 19 at page 1 and substituting the following therefor:

"dred and eighty-five dollars plus ninety—"

Do I sense that there is consent to apply the same recorded vote to that motion?

Some Hon. Members: Agreed.

The House divided on the motion (Mr. Orlikow) which was negatived on the following division:

(*Division No. 159*)

YEAS

Members

Althouse	Gray (Windsor West)	Nicholson (Trinity)
Axworthy	Guilbault (Saint-Jacques)	Nystrom
Benjamin	Heap	Ouellet
Berger	Jewett	Parry
Boudria	Johnston (Saint-Henri-Westmount)	Penner
Caccia	Kaplan	Pépin
Cassidy	Keeper	Prud'homme
Deans	Langdon	Rodriguez
Finestone	Mitchell	Turner (Vancouver Quadra)—30.
Foster		
Frith		
Gauthier		

NAYS

Members

Andre	Hawkes	Nielsen
Beatty	Hnatyshyn	Nowlan
Bernier	Hudon	Oberle
Blais-Grenier	Jacques	O'Neil
Bourgault	James	Oostrom
Boyer	Johnson (Bonavista-Trinity-Conception)	Paproski
Brightwell	Joncas	Peterson
Cadieux	Jourdenais	Ravis
Caldwell	Kelleher	Redway
Cardiff	Kempling	Reid
Champagne (Saint-Hyacinthe-Bagot)	King	Reimer
Clark (Brandon-Souris)	Layton	Ricard
Clifford	Leblanc	Schellenberg (Nanaimo-Alberni)
Collins	Lewis	Schellenberger (Wetaskiwin)
Côté (Langelier)	MacDonald (Kingston and the Islands)	Scowen
Crofton	MacKay	Shields
Crouse	Mailly	Siddon
Daubney	Mantha	Speyer
Dick	Marin	Tardif (Charlesbourg)
Domm	Martin	Thacker
Edwards	Masse	Towers
Elzinga	Mazankowski	Tupper
Fennell	McDougall (St. Paul's)	Turner (Ottawa-Carleton)
Ferland	McGrath	Valcourt
Fontaine	McKinnon	Vankoughnet
Friesen	McKnight	Wenman
Gagnon	McLean	Wilson (Etobicoke Centre)
Gormley	Moore	Winegard
Greenaway	Murta	Witer—91.
Gurbin	Nickerson	
Hamelin		
Hamilton		

Mr. Speaker: I declare the motion lost. The next vote is Motion No. 7. Mr. Orlikow moves:

Motion No. 7

That Bill C-83 be amended in Clause 1 by adding immediately after line 9 at page 2 the following:

"(4) A person using a discounter for the preparation of income tax under the Income Tax Act shall be entitled to the rights of information, impartiality, courtesy and consideration and presumption of honesty as stated in the Revenue Canada document, Declaration of Taxpayer Rights".

Do I sense there is consent to apply the same recorded vote to that motion?

Some Hon. Members: Agreed.

The House divided on the motion (Mr. Orlikow) which was negatived on the following division.

(*Division No. 160*)

YEAS

Members

Althouse	Gray (Windsor West)	Nicholson (Trinity)
Axworthy	Guilbault (Saint-Jacques)	Nystrom
Benjamin	Heap	Ouellet
Berger	Jewett	Parry
Boudria	Johnston (Saint-Henri-Westmount)	Penner
Caccia	Kaplan	Pépin
Cassidy	Keeper	Prud'homme
Deans	Langdon	Rodriguez
Finestone	Mitchell	Turner (Vancouver Quadra)—30.
Foster		
Frith		
Gauthier		

NAYS

Members

Andre	Hawkes	Nielsen
Beatty	Hnatyshyn	Nowlan
Bernier	Hudon	Oberle
Blais-Grenier	Jacques	O'Neil
Bourgault	James	Oostrom
Boyer	Johnson (Bonavista-Trinity-Conception)	Paproski
Brightwell	Joncas	Peterson
Cadieux	Jourdenais	Ravis
Caldwell	Kelleher	Redway
Cardiff	Kempling	Reid
Champagne (Saint-Hyacinthe-Bagot)	King	Reimer
Clark (Brandon-Souris)	Layton	Ricard
Clifford	Leblanc	Schellenberg (Nanaimo-Alberni)
Collins	Lewis	Schellenberger (Wetaskiwin)
Côté (Langelier)	MacDonald (Kingston and the Islands)	Scowen
Crofton	MacKay	Shields
Crouse	Mailly	Siddon
Daubney	Mantha	Speyer
Dick	Marin	Tardif (Charlesbourg)
Domm	Martin	Thacker
Edwards	Masse	Towers
Elzinga	Mazankowski	Tupper
Fennell	McDougall (St. Paul's)	Turner (Ottawa-Carleton)
Ferland	McGrath	Valcourt
Fontaine	McKinnon	Vankoughnet
Friesen	McKnight	Wenman
Gagnon	McLean	Wilson (Etobicoke Centre)
Gormley	Moore	Winegard
Greenaway	Murta	Witer—91.
Gurbin	Nickerson	
Hamelin		
Hamilton		

Mr. Speaker: I declare the motion lost. The next vote is on Motion No. 8. Mr. Orlikow moves:

Motion No. 8

That Bill C-83 be amended in Clause 2 by striking out line 28 at page 2 and substituting the following therefor:

"client's return of income tax to a standard deemed acceptable by generally accepted standards of professional tax preparers or for any other"

Do I sense there is consent to apply the same recorded vote to that motion?

Some Hon. Members: Agreed.

The House divided on the motion (Mr. Orlikow) which was negatived on the following division:

(*Division No. 161*)

YEAS

Members

Althouse	Berger	Cassidy
Axworthy	Boudria	Deans
Benjamin	Caccia	Finestone
Foster	Johnston (Saint-Henri-Westmount)	Nystrom
Frith	Kaplan	Ouellet
Gauthier	Keeper	Parry
Gray (Windsor West)	Langdon	Penner
Guilbault (Saint-Jacques)	Mitchell	Pépin
Heap	Nicholson (Trinity)	Prud'homme
Jewett		Rodriguez
		Turner (Vancouver Quadra)—30.

NAYS

Members

Andre	Hawkes	Nielsen
Beatty	Hnatyshyn	Nowlan
Bernier	Hudon	Oberle
Blais-Grenier	Jacques	O'Neil
Bourgault	James	Oostrom
Boyer	Johnson (Bonavista-Trinity-Conception)	Paproski
Brightwell	Joncas	Peterson
Cadieux	Jourdenais	Ravis
Caldwell	Kelleher	Redway
Cardiff	Kempling	Reid
Champagne (Saint-Hyacinthe-Bagot)	King	Reimer
Clark (Brandon-Souris)	Layton	Ricard
Clifford	Leblanc	Schellenberg (Nanaimo-Alberni)
Collins	Lewis	Schellenberger (Wetaskiwin)
Côté (Langelier)	MacDonald (Kingston and the Islands)	Scowen
Crofton	MacKay	Shields
Crouse	Mailly	Siddon
Daubney	Mantha	Speyer
Dick	Marin	Tardif (Charlesbourg)
Domm	Martin	Thacker
Edwards	Masse	Towers
Elzinga	Mazankowski	Tupper
Fennell	McDougall (St. Paul's)	Turner (Ottawa-Carleton)
Ferland	McGrath	Valcourt
Fontaine	McKinnon	Vankoughnet
Friesen	McKnight	Wenman
Gagnon	McLean	Wilson (Etobicoke Centre)
Gormley	Moore	Winegard
Greenaway	Murta	Witer—91.
Gurbin	Nickerson	
Hamelin		
Hamilton		

Mr. Speaker: I declare the motion lost. The next vote is on Motion No. 9. Mr. Orlikow moves:

Motion No. 9.

That Bill C-83, be amended in Clause 2 by striking out line 28 at page 3 and substituting the following therefor:

"(ii) a".

Do I sense there is consent to apply the same recorded vote to that motion?

Some Hon. Members: Agreed.

The House divided on the motion (Mr. Orlikow) which was negatived on the following division:

(*Division No. 162*)

YEAS

Members

Althouse	Gray (Windsor West)	Nicholson (Trinity)
Axworthy	Guilbault (Saint-Jacques)	Nystrom
Benjamin	Heap	Ouellet
Berger	Jewett	Parry
Boudria	Johnston (Saint-Henri-Westmount)	Penner
Caccia	Kaplan	Pépin
Cassidy	Keeper	Prud'homme
Deans	Langdon	Rodriguez
Finestone	Mitchell	Turner (Vancouver Quadra)—30.
Foster		
Frith		
Gauthier		

NAYS

Members

Andre
Beatty
Bernier
Blais-Grenier
Bourgault
Boyer
Brightwell
Cadieux
Caldwell
Cardiff
Champagne
(Saint-Hyacinthe-Bagot)
Clark
(Brandon-Souris)
Clifford
Collins
Côté
(Langelier)
Crofton
Crouse
Daubney
Dick
Domm
Edwards
Elzinga
Fennell
Ferland
Fontaine
Friesen
Gagnon
Gormley
Greenaway
Gurbin
Hamelin
Hamilton
Hawkes
Hnatyshyn
Hudon
Jacques
James
Johnson
(Bonavista-Trinity-
Conception)
Joncas
Jourdenais
Kelleher
Kempling
King
Layton
Leblanc
Lewis
MacDonald
(Kingston and
the Islands)
MacKay
Mailly
Mantha
Marin
Martin
Masse
Mazankowski
McDougall
(St. Paul's)
McGrath
McKinnon
McKnight
McLean
Moore
Murta
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Paproski
Peterson
Ravis
Redway
Reid
Reimer
Ricard
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scowen
Shields
Siddon
Speyer
Tardif
(Charlesbourg)
Thacker
Towers
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vankoughnet
Wenman
Wilson
(Etobicoke Centre)
Winegard
Witer—91.

Mr. Speaker: I declare the motion lost. The next vote is on Motion No. 10. Mr. Orlikow moves:

Motion No. 10

That Bill C-83, be amended in Clause 2 by adding immediately after line 18 at page 4 the following:

"including the discount rate as an annual rate, calculated as a percentage for the following time periods: four weeks, six weeks, eight weeks, twelve weeks;

Do I sense there is consent to apply the same recorded vote to that motion?

Some Hon. Members: Agreed.

The House divided on the motion (Mr. Orlikow) which was negatived on the following division:

(*Division No. 163*)

YEAS

Members

Althouse
Axworthy
Benjamin
Berger
Boudria
Caccia
Cassidy
Deans
Finestone
Foster
Frith
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Heap
Jewett
Johnston
(Saint-Henri-Westmount)
Kaplan
Keeper
Langdon
Mitchell
Nicholson
(Trinity)
Nystrom
Ouellet
Parry
Penner
Pépin
Prud'homme
Rodriguez
Turner
(Vancouver Quadra)—30.

NAYS

Members

Andre
Beatty
Bernier
Blais-Grenier
Bourgault
Boyer
Brightwell
Cadieux
Caldwell
Cardiff
Champagne
(Saint-Hyacinthe-Bagot)
Clark
(Brandon-Souris)
Clifford
Collins
Côté
(Langelier)
Crofton
Crouse
Daubney
Dick
Domm
Edwards
Elzinga
Fennell
Ferland
Fontaine
Friesen
Gagnon
Gormley
Greenaway
Gurbin
Hamelin
Hamilton
Hawkes
Hnatyshyn
Hudon
Jacques
James
Johnson
(Bonavista-Trinity-
Conception)
Joncas
Jourdenais
Kelleher
Kempling
King
Layton
Leblanc
Lewis
MacDonald
(Kingston and
the Islands)
MacKay
Mailly
Mantha
Marin
Martin
Masse
Mazankowski
McDougall
(St. Paul's)
McGrath
McKinnon
McKnight
McLean
Moore
Murta
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Paproski
Peterson
Ravis
Redway
Reid
Reimer
Ricard
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scowen
Shields
Siddon
Speyer
Tardif
(Charlesbourg)
Thacker
Towers
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vankoughnet
Wenman
Wilson
(Etobicoke Centre)
Winegard
Witer—91.

Mr. Speaker: I declare the motion lost.

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs and Canada Post), seconded by Mr. Hnatyshyn (President of the Privy Council), moved that Bill C-83, an Act to amend the Tax Rebate Discounting Act, be concurred in.

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

[*English*]

Shall I take the vote as recorded in reverse on that matter?

Some Hon. Members: Agreed.

Mr. Speaker: Therefore, dispensing with normal procedures that vote shall be applied in reserve and is agreed.

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

(*Division No. 164*)

YEAS

Members

Andre
Beatty
Bernier
Blais-Grenier
Bourgault
Boyer
Brightwell
Cadieux
Caldwell
Cardiff
Champagne
(Saint-Hyacinthe-Bagot)
Clark
(Brandon-Souris)
Clifford
Collins
Côté
(Langelier)
Crofton
Crouse
Daubney
Dick
Domm
Edwards
Elzinga
Fennell
Ferland
Fontaine
Friesen
Gagnon
Gormley
Greenaway
Gurbin
Hamelin
Hamilton
Hawkes
Hnatyshyn
Hudon
Jacques
James
Johnson
(Bonavista-Trinity-
Conception)
Joncas
Jourdenais

Members

Kelleher
Kempling
King
Layton
Leblanc
Lewis
MacDonald
(Kingston and the Islands)
MacKay
Mailly
Mantha
Marin
Martin
Masse
Mazankowski
McDougall
(St. Paul's)
McGrath
McKinnon
McKnight
McLean
Moore
Murta
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Paproski
Peterson
Ravis
Redway
Reid
Reimer
Ricard
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scowen
Shields
Siddon
Speyer
Tardif
(Charlesbourg)
Thacker
Towers
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vankoughnet
Wenman
Wilson
(Etobicoke Centre)
Winegard
Witer—91.

NAYS

Members

Althouse
Axworthy
Benjamin
Berger
Boudria
Caccia
Cassidy
Deans
Finestone
Foster
Frith
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Heap
Jewett
Johnston
(Saint-Henri-Westmount)
Kaplan
Keeper
Langdon
Mitchell
Nicholson
(Trinity)
Nystrom
Ouellet
Parry
Penner
Pépin
Prud'homme
Rodriguez
Turner
(Vancouver Quadra)—30.

Mr. Speaker: I declare the motion carried.

[*Translation*]

Mr. Côté (Langelier) moved that the Bill be read the third time and do pass.

[*English*]

Mr. Speaker: Shall we by consent apply the vote we applied on concurrence?

Some Hon. Members: Agreed.

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

(*Division No. 165*)

YEAS

Members

Andre
Beatty
Bernier
Blais-Grenier
Bourgault
Boyer
Brightwell
Cadieux
Caldwell
Cardiff
Champagne
(Saint-Hyacinthe-Bagot)
Clark
(Brandon-Souris)
Clifford
Collins
Côté
(Langelier)
Crofton
Crouse
Daubney
Dick
Domm
Edwards
Elzinga
Fennell
Ferland
Fontaine
Friesen
Gormley
Greenaway
Gurbin
Hamelin
Hamilton
Hawkes
Hnatyshyn
Hudon
Jacques
James
Johnson
(Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kelleher
Kempling
King
Layton
Leblanc
Lewis
MacDonald
(Kingston and the Islands)
MacKay
Mailly
Mantha
Marin
Martin
Masse
Mazankowski
McDougall
(St. Paul's)
McGrath
McKinnon
McKnight
McLean
Moore
Murta
Nickerson
Nielsen
Nowlan
Oberle
O'Neil
Oostrom
Paproski
Peterson
Ravis
Redway
Reid
Reimer
Ricard
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scowen
Shields
Siddon
Speyer
Tardif
(Charlesbourg)
Thacker
Towers
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vankoughnet
Wenman
Wilson
(Etobicoke Centre)
Winegard
Witer—90.

NAYS

Members

Althouse
Axworthy
Benjamin
Berger
Boudria
Caccia
Cassidy
Deans
Finestone
Foster
Frith
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Heap
Jewett
Johnston
(Saint-Henri-Westmount)
Kaplan
Keeper
Langdon
Mitchell
Nicholson
(Trinity)
Nystrom
Ouellet
Parry
Penner
Pépin
Prud'homme
Rodriguez
Turner
(Vancouver Quadra)—30

Mr. Speaker: Therefore I declare the motion adopted.

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

Mr. Gagnon: Mr. Speaker, I rise on a point of order. May I record my vote on the main motion as a vote of abstention?

Mr. Speaker: That will be so arranged.

May I wish all Members, all pages and all staff a very Merry Christmas.

May I also thank the House Leaders for their co-operation on all matters. May I remind all Hon. Members that there is a certain tradition that will now occur behind the Chamber.

Mr. Hnatyshyn: Mr. Speaker, I want to rise very briefly to join with you in extending our sincere appreciation to all employees of the House of Commons, particularly to Max Guitard who is spending his last day in the Chamber and was recognized earlier today. To the pages who have served us so well and to the many hundreds of employees who work for all of us in the House of Commons, to all Members of the House of Commons the best of the holiday season. We look forward to coming back and all of us sharing the common desire to serve Canada's best interests.

Some Hon. Members: Hear, hear!

• (1740)

Mr. Gray (Windsor West): Mr. Speaker, on behalf of the Official Opposition, I should like to extend the very best wishes of the season to the staff of the House of Commons who serve us so well, as well as to the entire staff of the various Departments who work on the Hill and help us to do our work in an effective fashion. Also, to you, Mr. Speaker, to my fellow House Leaders and to all Members of the House of Commons, I should like to extend the very warmest wishes of the season.

I look forward to us being back here on January 13, to carry on further constructive work in the interest of the people of Canada, despite the efforts of the Government from time to time to have things turn out the other way.

Mr. Deans: Mr. Speaker, on behalf of all my colleagues, I want to join with the Government House Leader and the House Leader of the Official Opposition in extending the compliments of the season to Hon. Members and of course to all staff, and to say to Burger King: I know where Herb is.

SITTING SUSPENDED

Mr. Speaker: The sitting is suspended to the call of the Chair.

At 6.41 p.m. the sitting of the House was suspended.

SITTING RESUMED

At 8.40 p.m. the House resumed.

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed the following Bills without amendment: Bill C-79, an Act respecting the provision of compensation to depositors of the Canadian Commercial Bank, CCB Mortgage Investment Corporation and the Northland Bank in respect of uninsured deposits; Bill C-81, an Act to amend the Criminal Code, lotteries; and Bill C-83, an Act to amend the Tax Rebate Discounting Act.

* * *

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the House that a communication has been received as follows:

Government House,
Ottawa, December 20, 1985

Sir,

I have the honour to inform you that the Honourable Antonio Lamer, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber to-day, the 20th day of December, 1985, at 8.45 p.m., for the purpose of giving Royal Assent to certain Bills.

I have the honour to be,
Sir,
Your obedient servant,
Leopold H. Amyot
Secretary
to the Governor General

• (2050)

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate chamber.

• (2100)

And being returned:

Mr. Speaker: I have the honour to inform the House that when the House went up to the Senate Chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following Bills:

Bill C-66, an Act respecting the reorganization of the Canada Development Corporation—Chapter No. 49.

Bill C-49, an Act to amend the Criminal Code (prostitution)—Chapter No. 50.

Bill C-79, an Act respecting the provision of compensation to depositors of Canadian Commercial Bank, CCB Mortgage Investment Corporation and Northland Bank in respect of uninsured deposits—Chapter No. 51.

Bill C-81, an Act to amend the Criminal Code (lotteries)—Chapter No. 52.

Bill C-83, an Act to amend the Tax Rebate Discounting Act—Chapter No. 53.

Bill C-89, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1986—Chapter No. 54.

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I was delegated by all Members present to wish you a very merry Christmas and to give your charming wife our best regards. Together we will sing:

[*Editor's Note: Whereupon Members of the House sang.*]

We wish you a merry Christmas,
we wish you a merry Christmas,
we wish you a merry Christmas
and a happy new year.

Mr. Speaker: I thank the Hon. Member and all Members present and I wish all of you and all of yours a very merry Christmas and a happy, safe, and wonderful Christmas season.

The House stands adjourned until Monday, January 13, 1986 at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 9.04 p.m.